Summary

- The latest labour market data from official sources and business surveys shows that the strong growth in business activity in the UK and the South East observed over the summer is translating into a better than anticipated improvement in the labour market.

- The latest data once again points to strengthening job numbers and employment rising across all categories (full-time, part-time, employees in employment and self-employment). Unemployment decreased on the survey-based measure and the claimant count unemployment fell at fastest rate since mid-1997. Long-term unemployment improved over the quarter.

- Employment among young people was disappointing again but excluding young people in education employment increased in the three months to August. Youth unemployment among young people was broadly stable but excluding young people in education unemployment fell on the quarter.

- The number of vacancies in the UK reached 541,000, the highest level since late-2008. Average weekly pay increased by just 0.7 per cent in the three months to August, the slowest increase since the beginning of this year. Rising demand for staff not feeding through to higher wages is a sign that the labour market is not yet enjoying a full recovery.

- The labour market in the South East continues to gain momentum. Employment growth in the South East was again stronger than in other UK regions according to the latest official data. The region registered the sharpest fall in economic inactivity in the country and a faster fall in unemployment than in most other UK regions.

- The number of people in employment in the South East increased by 69,000 in the second quarter, more than double the increase registered in London. Employment in the UK increased by 155,000.

- The South East used to lag other regions, but its recent labour market performance has been significantly better than elsewhere in the country. The monthly and annual increases in employment in the South East were the fastest in the country.

- Unemployment on the broader survey-based measure in the South East decreased by 12,000. In the UK unemployment fell by 18,000 on the quarter.

- The timelier claimant count data shows that the number of JSA claimant in the South East decreased by 3,300 in September. In the UK the number of unemployed claimants decreased by 41,700 which was the sharpest fall in unemployment since mid-1997.

- The good news from official sources corroborates upbeat data from business surveys, which suggests that the improvement in the South East and the UK is likely to continue in the coming months.
The latest official data shows that the number of people in employment in the Hampshire County Council area increased by 4,200 and the employment rate increased by 0.7 percentage points to 76.6 per cent in the year to June 2013. Growth in the number of people in employment in Hampshire was similar to the national average and significantly faster than the South East average. Employment increased in Solent but fell slightly in Enterprise M3.

The timelier data from business surveys shows that subdued growth in employment in Hampshire and other counties and LEPs in the South East in the first quarter was followed by a strong growth in employment in the second quarter. Employment growth in Enterprise M3, Solent and Hampshire was strong and similar to the national average in Q2.

The outlook for employment growth for all counties and LEPs in the South East has strengthened and remains broadly consistent with timelier data from regional surveys. Employment growth in Hampshire & the Isle of Wight, Enterprise M3 and Solent in the third quarter is expected to be faster than in the second quarter and marginally faster than the national average.

On the broader measure the number of unemployed people in the Hampshire County Council area decreased by 1,700 in the year to June 2013. The fall in unemployment in Hampshire was faster than the regional and national average. Unemployment edged higher in Enterprise M3 but fell in Solent.

The number of unemployed people on the timelier claimant count measure in the Hampshire County Council area decreased by 712 to 12,479 in September. The claimant count unemployment rate fell from 1.6 per cent in August to 1.5 per cent in September, the lowest rate since October 2008. On this measure the performance of Hampshire was better than Oxfordshire and comparable to Surrey and West Sussex.

The claimant count unemployment rate remained unchanged at 2.1 per cent in Solent (one of the two LEPs in the South East not to register a small decrease last month) and fell from 1.4 per cent to 1.3 per cent in Enterprise M3. Enterprise M3 alongside Oxfordshire had the lowest unemployment rate in the South East in September.

The numbers of unemployed claimants decreased in all local authorities in the Hampshire Economic Area in September and the unemployment rate decreased in all but three local authorities (Rushmoor, Hart and New Forest). The unemployment rates fell in Portsmouth and Southampton and remained unchanged in the Isle of Wight.

On the broader measure the number of young unemployed people in the Hampshire County Council area decreased by 3,400 in the year to June 2013. The fall in youth unemployment in Hampshire was significantly faster than in the UK or the South East. Youth unemployment edged higher in Enterprise M3 but fell sharply in Solent.

The number of young unemployed claimants in the Hampshire County Council area decreased by 250 to 3,425 and the youth unemployment rate fell from 2.7 per cent in August to 2.6 per cent in September. On this measure Hampshire performed better than Oxfordshire and Surrey last month.