

Get Britain Working Outcomes

Background

The Government has a clear ambition to raise the UK's employment rate to 80% but recognises that there are many components of a sustained improvement to the labour market. The metrics in this document show some of the key indicators that the government will continue to monitor closely as we carry out our work. These will build on aims set out in the Prime Minister's Plan for Change¹ and published in the Get Britain Working White Paper².

About the outcome metrics

Key outcome metrics

Following advice from the Department for Work and Pensions Secretary of State Labour Market Advisory Board³, chaired by Professor Paul Gregg, all outcome metrics apply to people aged 18 to 66, unless where otherwise stated. The rationale for this is that education or training should continue until age 18 in England⁴ and State Pension age will be 67 by March 2028⁵. This age range, therefore, best reflects the 'working age population'.

We will aim to increase:

- 1) **Employment rate** the number of people aged 18 to 66 in employment divided by the population aged 18 to 66.
- 2) Real earnings amongst non-retired households (all ages) a component of real household disposable income (RHDI). We look at wages and salaries, imputed income from benefits-in-kind and self-employment income in households of non-retired individuals. Additional focus will be on households in the bottom half/lower 50% of the income distribution.

¹ Plan for Change - GOV.UK

² Get Britain Working White Paper - GOV.UK

³ Labour Market Advisory Board - GOV.UK

⁴ In devolved nations, school leaving age is 16, but participation in education or training remains high. See for example: Annual Participation Measure

⁵ State Pension Age timetable – GOV.UK

Intermediate outcome metrics

We will aim to reduce:

- 1) Local variation in employment rates employment rates (i.e. the number of people aged 18 to 66 in employment divided by the population aged 18 to 66) in local authorities, defined as unitary local authorities / local authorities counties in the UK, their distribution and gap between the bottom 10% and median.
- 2) Health related economic inactivity rate number of people aged 18 to 66 who are economically inactive due to being long-term sick divided by the 18 to 66 population.
- 3) **Disability employment rate gap** the difference in the employment rate of people, aged 18 to 66, who report they are disabled, as defined by the Government Statistical Service (GSS) Harmonised Standard⁶, and those who do not.
- 4) Proportion of 18 to 24 year olds not in education, employment or training⁷, supported by an increase in the proportion of 16-21 year olds in education or a job with training⁸.
- 5) Employment gaps among parents aged 18 to 66. These metrics are important as the risk of poverty is lower for children in working families:
 - a) the employment rate gap between lone parents and parents in a couple - the difference in the employment rate of lone parents and parents in a couple. The employment rate of lone parents is calculated as the number of lone parents in employment divided by the number of all lone parents. The employment rate for parents in a couple is calculated as the sum of fathers employed in couple and mothers employed in a couple divided by all parents in a couple. Both are relevant for families with people aged 18 to 66.
- b) the percentage of coupled families where at least one parent is out of work – the number of families with parents in a couple, where one or more of the parents are out of work divided by the number of families with coupled parents. Relevant for people aged 18 to 66. And aim to increase:

6) Female employment rate⁹ - the number of women aged 18 to 66 in employment divided by the number of women in the population, aged 18 to 66.

⁶ (current) physical or mental health condition(s) or illnesses lasting or expected to last 12 months or more; and the condition(s) or illness(es) reduce their ability to carry out day-to-day activities. ⁷ UK-wide metric.

⁸ England only metric.

⁹ 3.A 'Women in the economy', pg. 72 Autumn Budget 2024 - HC 295

Key outcome metrics

Increase employment rate for people aged 18 to 66 (towards long-term ambition of 80%).

The employment rate of people aged 18 to 66 is 75.8%. This is 0.3%pts up on the year and 1.1%pts down on pre covid-19 pandemic.

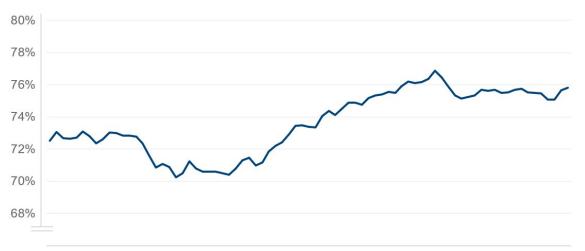


Figure 1: Employment rate of people aged 18-66

Apr-Jun 2005 Jul-Sep 2008 Oct-Dec 2011 Jan-Mar 2015 Apr-Jun 2018 Jul-Sep 2021 Oct-Dec 2024 Source: DWP analysis of the ONS Labour Force Survey¹⁰

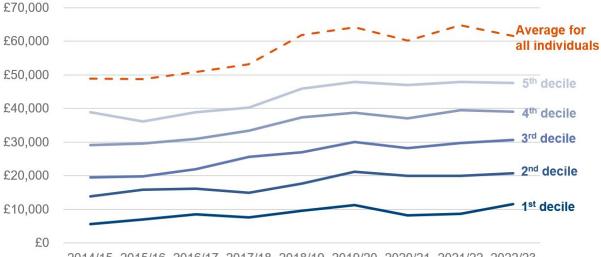
Increase real earnings¹¹ amongst non-retired households, especially in the bottom half of the income distribution.

Real earnings at the bottom half of the income distribution (5th decile and below), has generally been increasing since 2014/15.

Figure 2: Real earnings at the bottom half of income distribution (5th decile and below) (2022/23 prices)

¹⁰ Labour Force Survey (LFS) QMI - Office for National Statistics.

¹¹ This measure is adjusted into real terms using: <u>GDP deflators at market prices, and money GDP</u> <u>October 2024 (Autumn Budget 2024) - GOV.UK</u>



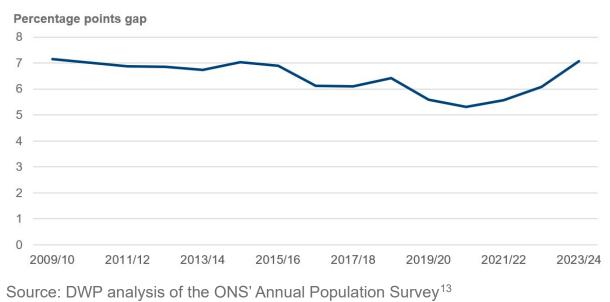
2014/15 2015/16 2016/17 2017/18 2018/19 2019/20 2020/21 2021/22 2022/23 Source: DWP analysis of the ONS' 'The effects of taxes and benefits on household income, disposable income estimate'. Available here

Intermediate outcome metrics

Reduce local variations in employment rates (people aged 18-66)

Data from the ONS Annual Population Survey (APS) shows considerable variation in local authority¹² employment rates . The gap between the bottom decile and the median is currently 7.1%pts. After a noticeable narrowing of the gap in 2019/20 and 2020/21, it started to trend upwards and is back to where it was in 2009/10.

Figure 3: Local authorities employment rate gap between bottom decile and median for people aged 18-66.



 ¹² Local authorities are defined as unitary local authorities / local authorities counties in the UK.
¹³ Annual population survey (APS) QMI - Office for National Statistics

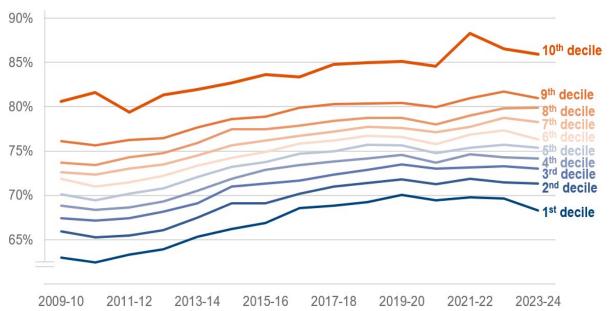


Figure 4: Variation in local authority employment rate - people aged 18 to 66 (by decile)

Source: DWP analysis of the ONS' Annual Population Survey

Reduce health-related economic inactivity (people aged 18-66).

Economic inactivity due to long-term sickness has been trending upwards among people aged 18-66 since 2019¹⁴. It is currently at 6.8%, 1.6%pts above pre-covid (5.2%).



Figure 5: Economic inactivity due to long-term sickness, people aged 18-66.

Apr-Jun 2005 Jul-Sep 2008 Oct-Dec 2011 Jan-Mar 2015 Apr-Jun 2018 Jul-Sep 2021 Oct-Dec 2024 Source: DWP analysis of the ONS Labour Force Survey.

Reduce disability employment gap for people aged 18-66

The gap between the employment rates of disabled and non-disabled people, aged 18-66, has generally been reducing over time¹⁵. It is currently at 30.1%pts, near historic low of 30.0%pts.

 ¹⁴ Data from January to March 2019 onward has been 'reweighted' by the ONS to reflect newer population estimates, causing a step change discontinuity in estimates before and after this period.
¹⁵ Data from January to March 2019 onward has been 'reweighted' by the ONS to reflect newer population estimates, causing a step change discontinuity in estimates before and after this period.

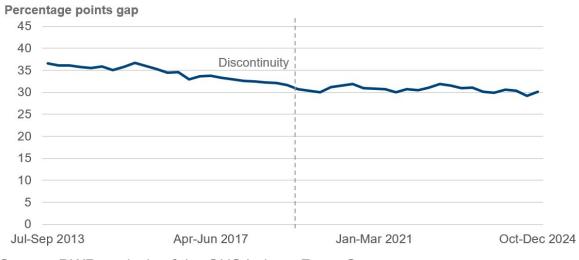


Figure 6: Disability employment rate gap, people aged 18-66.



Reduce the proportion of young people (18-24) not in education, employment or training (NEET).

The NEET rate¹⁶ for 18–24-year-olds has been trending upwards over the last two years. It is currently at 15.8%. This comes from publicly available ONS data.

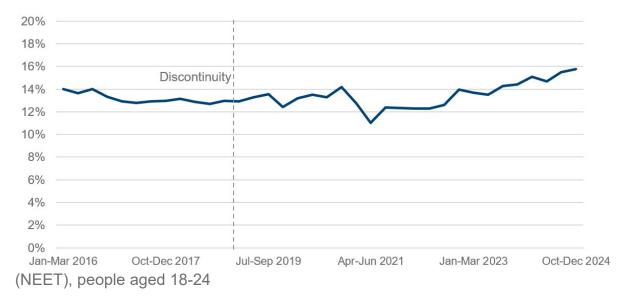


Figure 7: proportion of young people not in education, employment or training

Source: Young people not in education, employment or training (NEET) - Office for National Statistics

This outcome metric will be supported by the following metric being monitored as part of the Government's Opportunity Mission: to increase the percentage of 16 to 21 year olds either in classroom-based education and training, or in a job which provides skills training in England.

The proportion of 16 to 21 year olds participating in education or training has gone up since 2000¹⁷. There was noticeable increase post covid-19 pandemic which subsequently reduced. It was at 70.8% at the end of 2024.

 ¹⁶ Data from January to March 2019 onward has been 'reweighted' by the ONS to reflect newer population estimates, causing a step change discontinuity in estimates before and after this period.
¹⁷ Data from January to March 2019 onward has been 'reweighted' by the ONS to reflect newer population estimates, causing a step change discontinuity in estimates before and after this period.

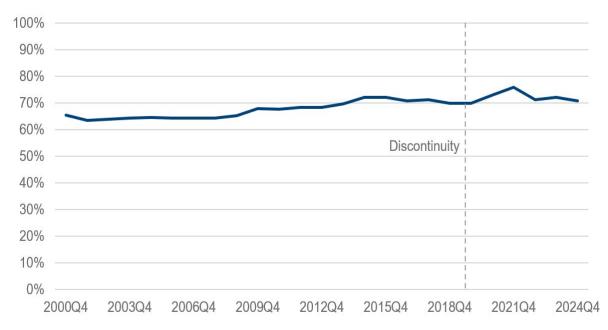


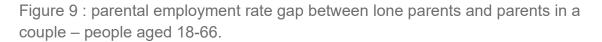
Figure 8: proportion of 16 to 21 year olds in education or training (England only).

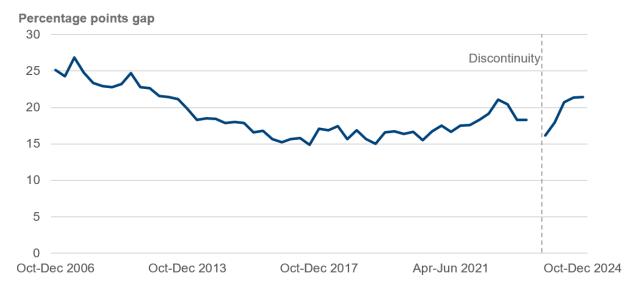
Source: DfE analysis of the ONS Labour Force Survey. Available on <u>Explore</u> education statistics - <u>GOV.UK</u>

Reduce the employment rate gap between lone parents and parents who are part of a couple for people aged 18 to 66

The employment rate gap between lone parents and parents in a couple is 21.4%pts. Lone parents' employment rate has been consistently lower than coupled parents. This had been on a downward trend since 2006¹⁸. Recent data appear to show the gap rising again.

¹⁸ Data from October to December 2023 onward has been 'reweighted' by the ONS to reflect newer population estimates, causing a step change discontinuity in estimates before and after this period. Estimates for July to September 2023 are unavailable due to quality concerns.





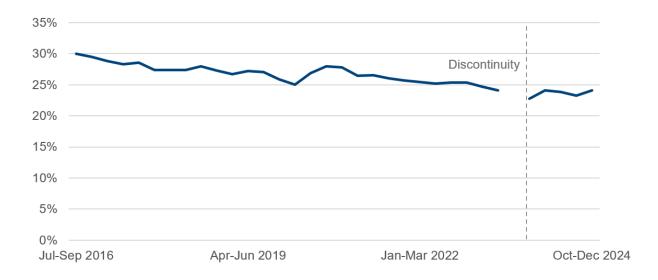
Source: DWP analysis of the ONS Labour Force Survey

Reduce percentage of coupled households where at least one parent is out of work - people aged 18 to 66.

In July to September 2024, 24.1% of all coupled families had at least one parent out of work. There has been a gradual decline in this figure since 2016¹⁹.

Figure 10 : Percentage of coupled households where at least one parent is out of work - people aged 18 to 66.

¹⁹ Data from October to December 2023 onward has been 'reweighted' by the ONS to reflect newer population estimates, causing a step change discontinuity in estimates before and after this period. Estimates for July to September 2023 are unavailable due to quality concerns.



Source: DWP analysis of the ONS Labour Force Survey

Increase employment rate of women aged 18 to 66

The employment rate of women aged 18 to 66 is 72.3%. This is slightly lower than pre-covid (72.5%) and 7.1% pts lower than the employment rate of men at 79.4%.



Figure 11 : Employment rate of women aged 18-66

Source: DWP analysis of the ONS Labour Force Survey

Future publications

DWP will provide an annual update outlining recent trends in these metrics.

Data sources

Some of the metrics in this publication are estimated from the Labour Force Survey (LFS) or its counterpart the Annual Population Survey (APS), which are large, representative surveys of UK households collected by the independent Office for National Statistics (ONS). The LFS and APS provide detailed, rich information on the characteristics of people in the labour market and are valuable data source to monitor our Get Britain Working reforms on different groups and areas. However, the ONS note that there is 'increased volatility in LFS estimates, resulting from smaller achieved sample sizes, which means that estimates of change should be treated with additional caution.' ²⁰

The ONS at the end of 2023 introduced a LFS recovery plan²¹ to mitigate these issues, which has seen sample sizes begin to increase throughout 2024²², though the data needs careful interpretation as recovery measures continue to take full effect.

²¹ Labour Force Survey: planned improvements and its reintroduction - Office for National Statistics

²⁰ Labour market overview, UK - Office for National Statistics

²² Labour Force Survey performance and quality monitoring reports - Office for National Statistics