

South Tyneside Labour Market Update

April 2026
Policy & Insight Team



South Tyneside Council

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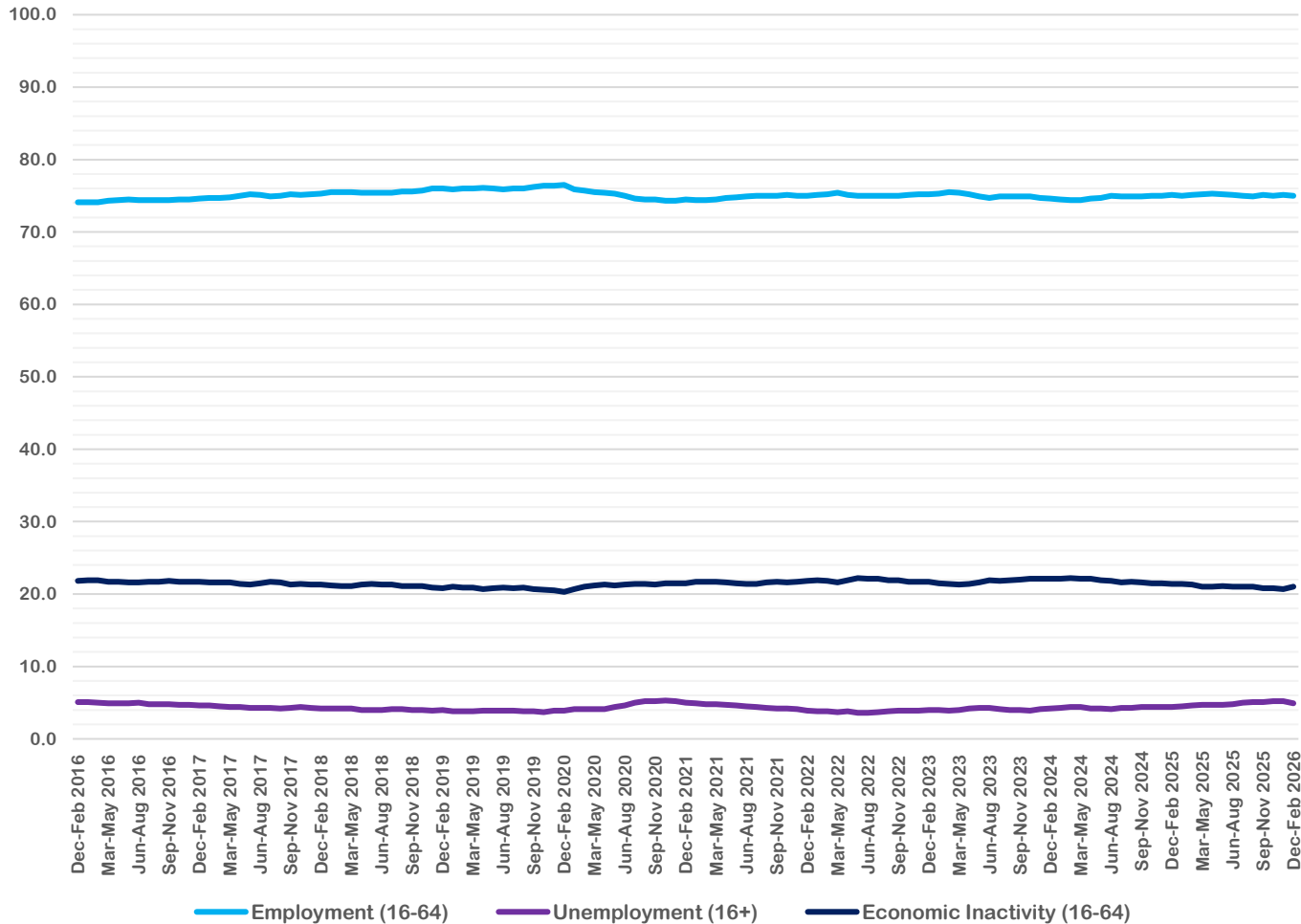
**THIS IS
SOUTH
TYNESIDE**

Summary

- **The UK labour market remains stagnant: employment is still below pre-pandemic levels, having fallen marginally on the quarter and unmoved on the year. Unemployment remains high – down on the quarter yet up on last year – having previously risen continuously since June – August 2024. Inversely, economic inactivity rose marginally on the quarter despite falling on the year.**¹
- Challenges with the Office for National Statistics' (ONS) employment, economic inactivity and unemployment estimates remain. Experimental administrative estimates suggest a less positive picture of UK-wide employment (approximately 74.8%).⁸
- **UK vacancies fell more drastically compared to the previous quarter, now below pre-pandemic levels for over a year with few signs of slowing.** There are 2.5 unemployed people per vacancy and 2.2 vacancies per 100 employee jobs (December 2025 – February 2026). Reported redundancies increased by an annual total of 0.6 to 4.6 per 1,000 people aged 16+, despite falling by 0.3 on the quarter.^{2, 3, 6}
- **HMRC PAYE payrolls fell marginally this month, with 11,000 (>0.1%) less payrolled employees than during February 2026.** Compared to March 2025, however, there are currently 65,000 fewer payrolled employees (0.2%) with the North East, along with Scotland, experiencing lower growth than the UK overall.¹
- **The North East employment rate rose both on the quarter and the year. Economic inactivity fell on the quarter but rose on the year, whilst unemployment rose on the year despite quarterly falls.** The North East appears to be an outlier in this regard, having grossly outperformed all other English regions and countries in the UK (both on the year and the quarter) in improvements to employment and economic inactivity rates. However, the North East still holds both the lowest employment and highest economic inactivity rates in England, demonstrating the extent of labour market challenges in the region.⁵
- **South Tyneside's labour market data mirrors the regional trend**, with newly released APS data demonstrating (non-significant) increases to the employment rate, wholly reflected by falling unemployment and economic inactivity; mostly the latter. The borough retains the highest inactivity estimate regionwide, however. **South Tyneside's unemployment claimant rate remains broadly unchanged, despite being historically low.** Claimant data remains experimental statistics.⁶
- **Care workers and home carers remain the most common job postings locally** despite a noticeable climbdown since January. More broadly, jobs in health and social care have fell, whilst unique job postings in both sales and customer services and education and training saw an uplift with a higher share of top 10 postings seen in March. **Unique job postings in South Tyneside increased by roughly a fifth between February and March.**⁷
- **The Government's growth agenda hinges on national labour market trends improving, mirroring those seen in the North East this month – yet global impacts such as the war on Iran have further complicated the economic landscape, with the IMF recently cutting its estimate for the UK's growth this year to 0.8%, down from the 1.3% prediction made prior in January.** Internal intelligence shows a rise in businesses raising concerns over fuel and heating oil prices – British Chamber of Commerce reported in February (prior to the conflict) that energy costs were already of concern to over a quarter (27%) of businesses. This figure is no doubt higher today.^{7, 9, 10, 11, 12}
- **The Government's Right to Try legislation will enable recipients to undertake work or volunteering without directly leading to a benefit award reassessment.** Ministers hope that this will help claimants move back into employment without negatively impacting their income or wellbeing.¹³

National (UK) Picture on Employment, Unemployment & Economic Inactivity¹

UK Employment (16-64), Economic Inactivity (16-64) and Unemployment Rate (16+)



* The 95% Confidence Interval (CI) shows the range in which the value would be expected to fall 95% of the time. In the first example, the Confidence Interval of 0.4 means that if this survey was repeated 100 times, the value would fall between 74.6% and 75.4% 95 of those times.

In the three-month period ending February 2026:

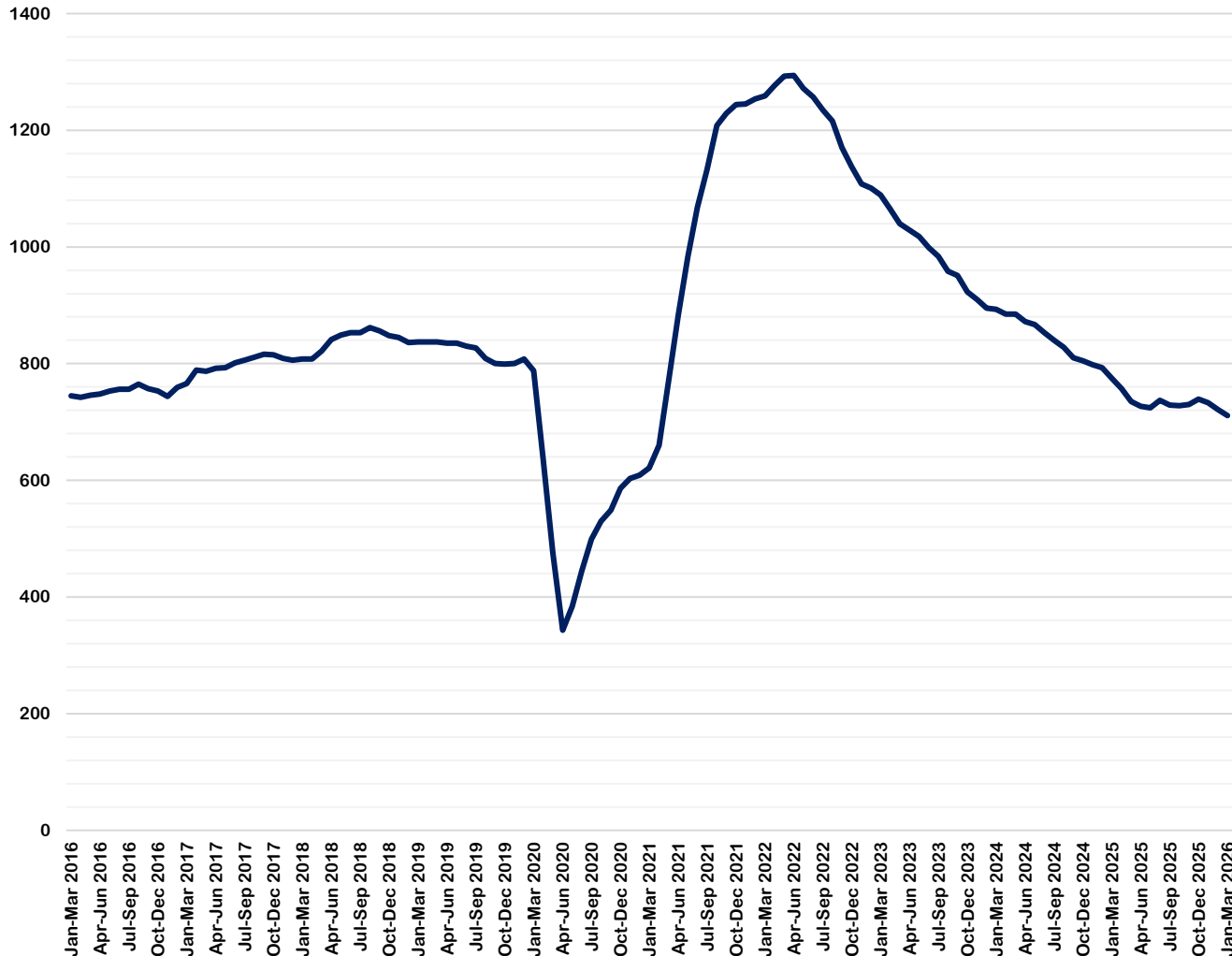
- **The employment rate (16-64) was estimated at 75.0%** (CI \pm 0.4)* – falling 0.1pp on the previous quarter and unchanged on the previous year
- **The unemployment rate (16+) was estimated at 4.9%** (CI \pm 0.3) – fallen 0.2pp on the previous quarter despite an annual increase of 0.5pp
- **The economic inactivity rate (16-64) was estimated at 21.0%** (CI \pm 0.4) – rising 0.2pp on the quarter despite falling 0.4pp when compared to the same period last year
- The ONS states that the quarterly increase in inactivity is attributable to those aged 16-24, specifically students not looking for work. The annual decrease is broadly afforded to those aged 16-34 and 50-64

Data Reliability...

- Since the pandemic, the Labour Force Survey (LFS) has experienced a decline in response rate, and [operational changes to the LFS](#), which transitioned to a by-telephone approach, introduced an increased non-response bias to the survey. An increased volatility will remain in the LFS estimates for mid-2023 and throughout 2024, so we would advise additional caution when interpreting survey change measures
- Estimates from January to March 2025 onwards include full effects of the improvements to LFS data collection and sampling methods. However, since January 2024, the ONS has increased the number of interviewers for the LFS, which has continued to increase the number of responses to the survey. Consequently, estimates may be subject to the effect of these further improvements, which may have an ongoing impact on the survey
- Alternative data sources such as Workforce Jobs (WFJ), Claimant Count data, and Pay As You Earn Real Time Information (PAYE RTI) indicate a less optimistic outlook than the LFS suggests. **Experimental estimates published by Learning and Work Institute – which utilise administrative HMRC payroll and self assessment data – suggest that the employment rate (16-64) during this period stood at approximately 74.8%, 0.2pp lower than the LFS estimate**⁸

National Picture on Vacancies²

UK Vacancies (thousands)



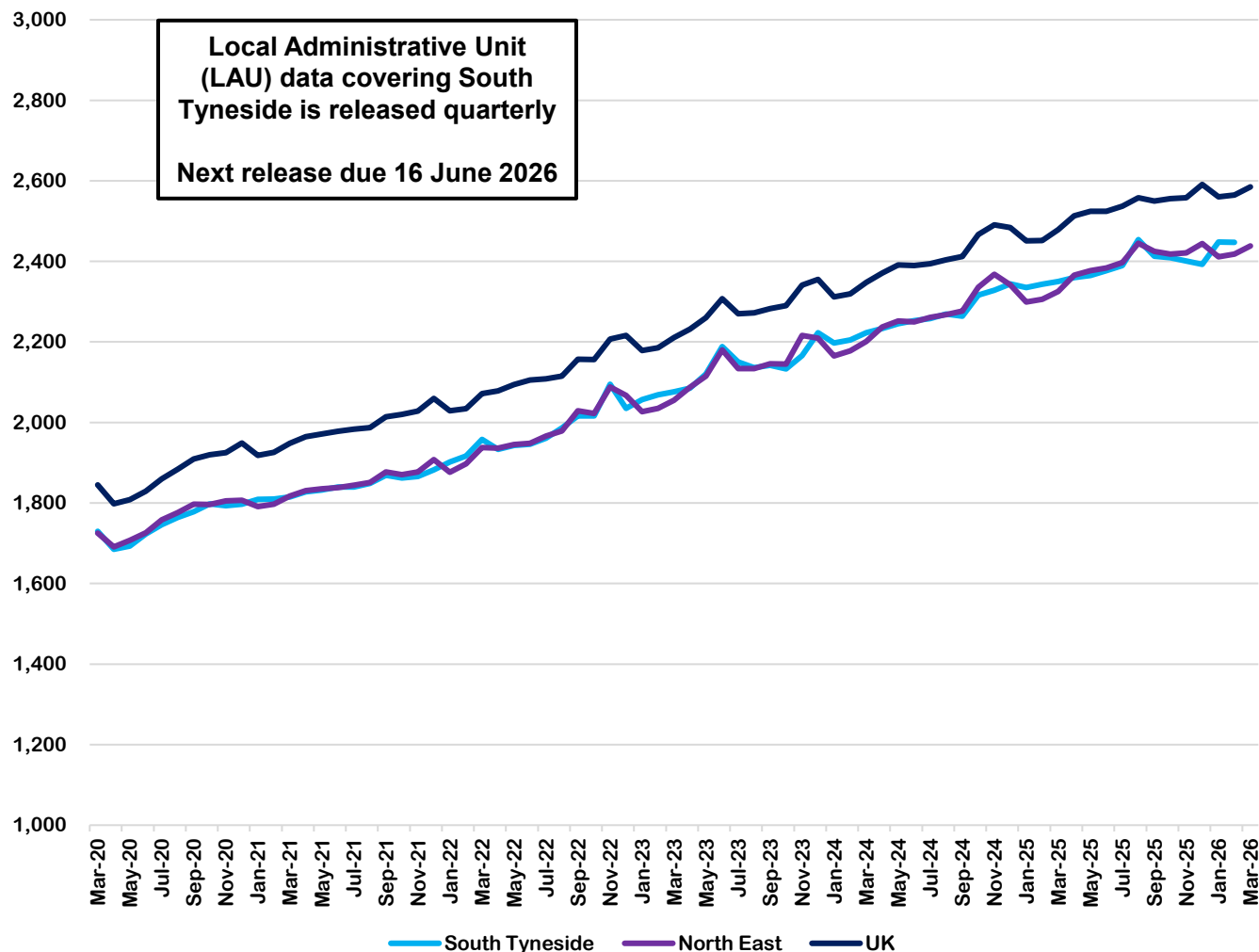
Vacancy estimates are calculated from questionnaires sent to roughly 6,100 businesses across all sectors and industries (excluding employment agencies, to avoid duplication). They gather information from a [sample](#) rather than from the whole population

In the three-month period ending March 2026:

- **Provisional estimates suggest there were 711,000 vacancies** – falling again, this quarter by 29,000 (3.9%) and 65,000 (8.3%) over the same period last year. This is the lowest level since Feb - April 2021
- **Vacancies decreased in 13 of 18 industry sectors (and 4 of the 5 employment size bands) on the previous quarter:**
 - ‘Arts, entertainment and recreation’ – 21.8%; 4,000 vacancies
 - ‘Construction’ – 13.0%; 4,000 vacancies
 - ‘Education’ – 9.2%; 5,000 vacancies
- **Over the course of the last year, total vacancies declined in 14 of 18 industry sectors** - industry sectors that saw the largest annual proportional decreases were:
 - ‘Construction’ – 38.7%; 17,000 vacancies
 - ‘Arts, entertainment and recreation’ – 25.7%; 5,000 vacancies
 - ‘Electricity, gas, steam & air conditioning supply’ – 17.9%; 1,000 vacancies
- **‘Real estate activities’ experienced the sharpest proportional increase on the quarter**, rising precisely by a fifth (2,000 vacancies, whilst ‘Construction’ experienced the largest annual decline both proportionally and in volume
- **By broad size band, only businesses with 2500+ employees saw an increase in vacancies (0.3%) over the previous quarter.** All other size bands decreased over that same period:
 - 1 – 9 employees – 16.8%
 - 10-49 employees – 6.0%
 - 50-249 employees – 0.8%
 - 250-2499 employees – 1.0%
- **There were 2.5 unemployed people per vacancy in the three months to February 2026** – unchanged since July – Sep 2025, after previously increasing quarter on quarter since July – Sep 2024

National Picture on Pay³

Median Monthly Pay (£; PAYE, Residence-based)



Monthly earnings estimates are produced from Pay As You Earn (PAYE) Real Time Information (RTI) data – which covers the whole employee population including individuals paid through PAYE.

They do not cover other sources of income (pensions, self-employment, investments, etc.)

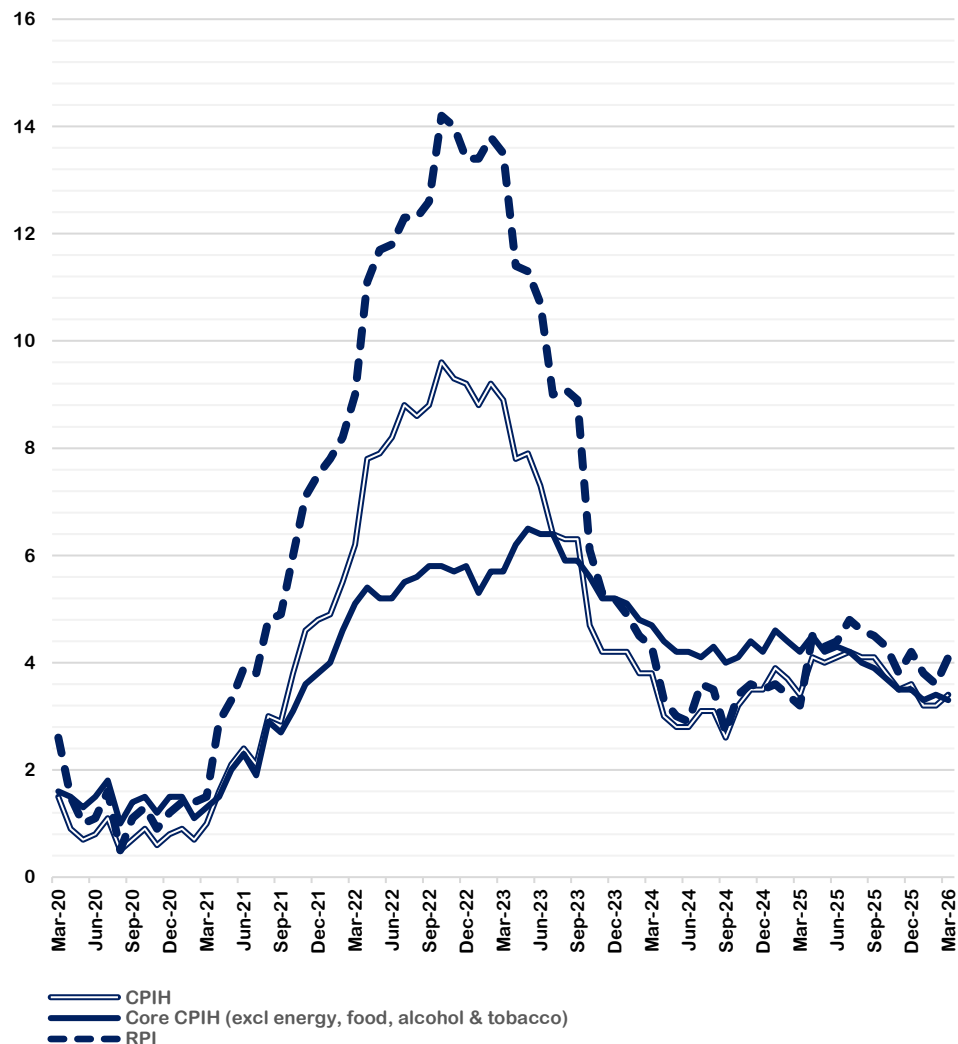
In the three-month period ending February 2026:

- In Great Britain, annual growth (£) in employees' average regular earnings (excl. bonuses) was 3.6% and annual growth in employees' average total earnings (incl. bonuses) was 3.8%; a real terms annual growth of 0.2% for regular pay and 0.4% for total pay, adjusted for inflation using the Consumer Prices Index including owner occupiers' housing costs (CPIH)
- The public sector's annual average regular earnings growth rate was 5.2% – down 2.7pp on the previous quarter
- The private sector's annual average regular earnings growth rate was 3.2% during the same period – down 0.3pp on the previous quarter and last lower during the mid-pandemic period of August – October 2020, when it was 2.4%
- Public sector annual growth rate remains affected by some public sector pay rises being paid earlier in 2025 than in 2024, inflating the figure in contrast; the ONS states that this effect is now minimal, having peaked during September – November 2025
- Key sectors saw lower annual regular growth than last year:
 - Finance and business services – 2.4% (↓ 2.4pp)
 - Manufacturing – 3.5% (↓ 2.3pp)
 - Construction – 0.5% (↓ 5.9pp)
 - Wholesaling, retailing, hotels & restaurants – 4.2% (↓ 2.8pp)
- Only 'Finance and business services' saw higher annual regular growth during December to February 2026 than during the quarter prior (0.3pp)
- Median monthly pay estimates were broadly unchanged between February and March 2026, though the North East and England estimates both rose by £20

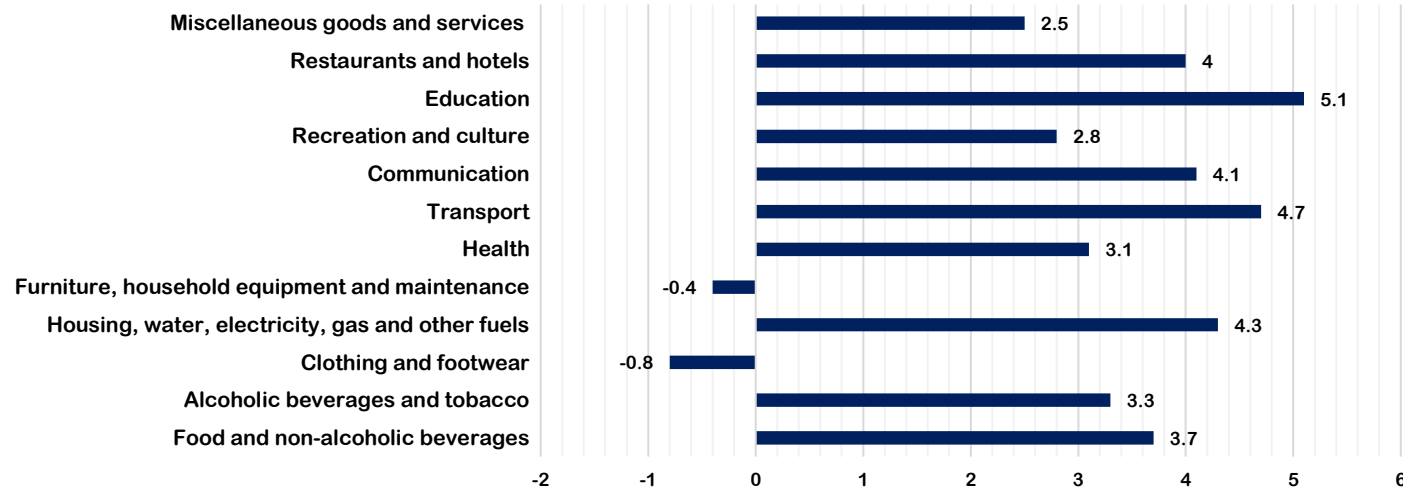
Consumer Price Inflation⁴

Next release: 20th May

CPIH & RPI % change over previous 12 months



CPIH goods & services % change over previous 12 months (March 2026)

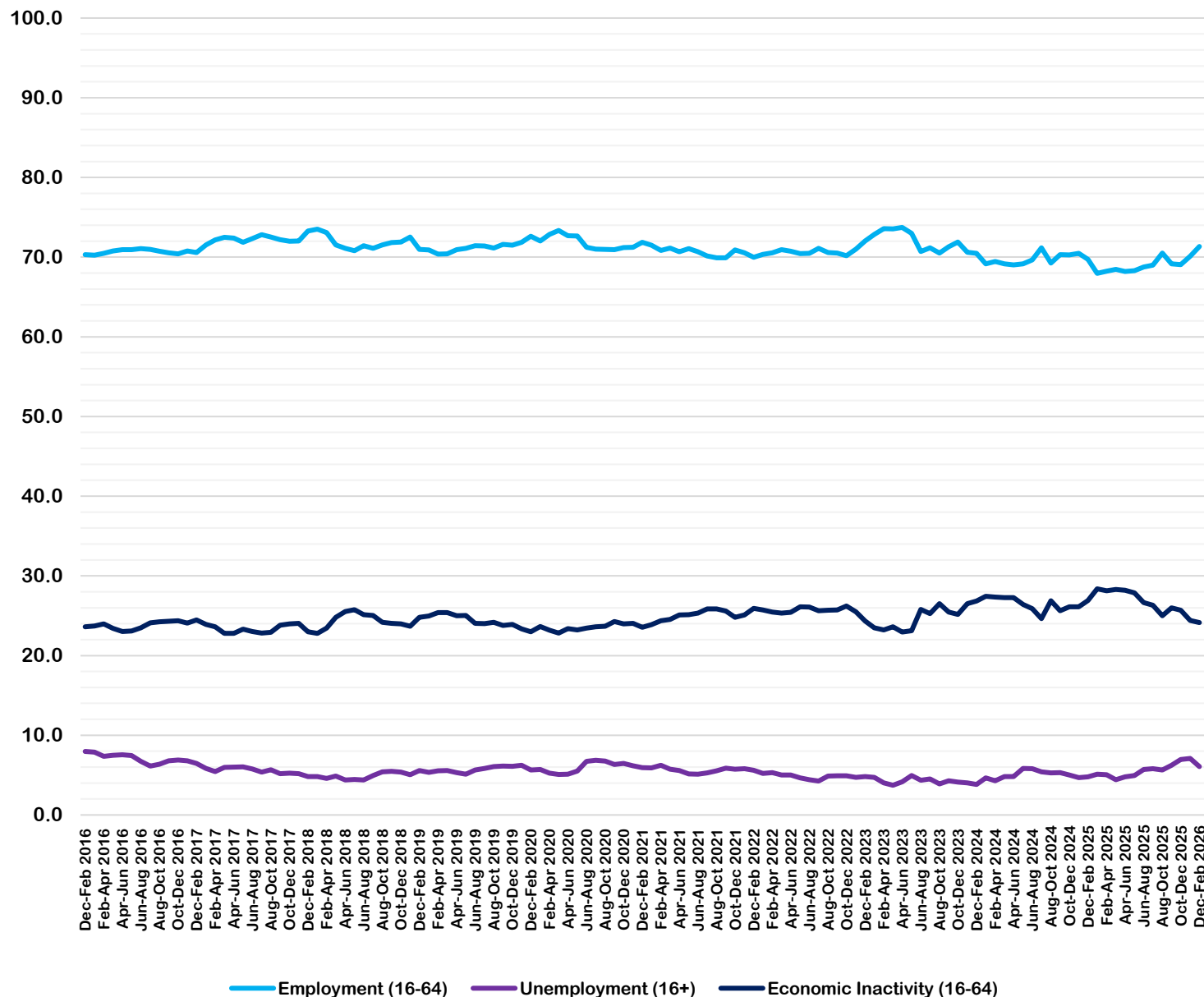


In the 12 months to March 2026:

- **Inflation including owner occupiers' housing costs (CPIH) remains above the BoE's 2% target, rising to 3.4%** - a 0.2pp increase on the month prior and unchanged on the year
- **CPIH excluding energy, food, alcohol, and tobacco (Core CPIH) rose by 3.3%** - 0.1pp lower than the month prior and 0.9pp lower than March 2025
- **Retail prices (RPI) rose by 4.1%** - 0.5pp higher than the month prior and 0.9pp higher than March 2025
- **Motor fuels made the largest upward contribution to the monthly change in both CPIH and CPI annual rates (all prices were collected before the outbreak of war in the Middle East on 28 February 2026); clothing made the largest, partially offsetting, downward contribution.**
- The contribution of each of these categories to the annual rate depends on price movement as well as the category's weighting, which is updated annually. These contributions are distinct from the graph shown above, which shows price changes within each individual category

It should be noted that RPI data does not meet the required standards for designation as accredited official statistics and is therefore included for completeness - for more info see the [UKSA website](#)

North East Picture on Employment, Unemployment & Economic Inactivity⁵



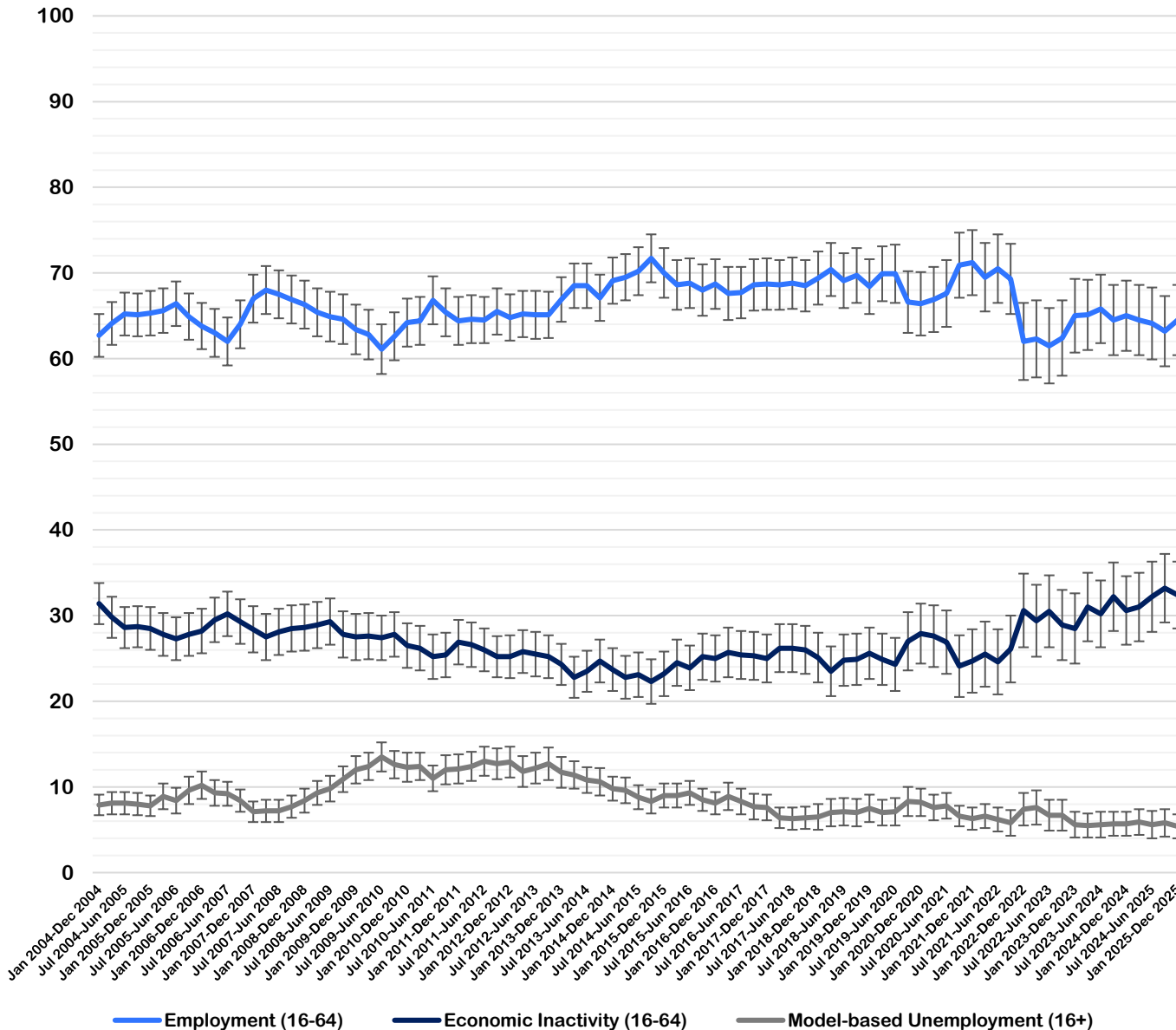
Across the North East, in the three-month period ending February 2026:

- **The employment rate (16-64) was estimated at 71.3% (England, 75.4%)** – a 2.2pp hike on the quarter and 1.6pp over the same period last year
- **The unemployment rate (16+) was estimated at 6.1% (England, 5.1%)** – falling 0.2pp on the previous quarter though 1.3pp higher than the same period last year
- **The regional economic inactivity rate (16-64) was estimated at 24.1% (England, 20.2%)** – falling 1.8pp on the quarter and 2.8pp over the same period last year. In both instances, these were the sharpest declines nationwide, twice as sharp as any other region in the UK
- All regions and countries in the UK (barring the North West, East, South West and Scotland) experienced a decline in economic inactivity on the year, however;
- **The North East still holds the highest economic inactivity rate and lowest employment rate of all English regions and has since November 2024**
- **Regional differences have again narrowed but remain divergent;** North East inactivity estimates are at least 1.1pp higher than anywhere else in England (exceeding Scotland), despite recent trends showing signs of optimism

As noted, the ONS has flagged an increased amount of volatility remains in the LFS estimates from mid-2023 and throughout 2024 – we therefore advise caution when interpreting changes involving these periods which are discussed within this analysis

Additionally, alternate experimental data sources suggest a less optimistic picture than LFS estimates

Employment, Unemployment & Economic Inactivity in South Tyneside⁶



Local authority labour market (APS) data is released quarterly and concerns yearly periods. The most recent data release at this level was on 21 April 2026 and covers the period January – December 2025

In the 12 months to December 2025:

- **64.5% of residents (16-64) were in employment** (CI +/- 4.1) – 62,100 people (remains second lowest rate in the North East)
- **32.4% of residents (16-64) were economically inactive** (CI +/- 3.9) – 30,300 people (still the highest rate in the North East)
- **5.4% of residents (16+) were unemployed** (model-based; CI +/- 1.4) – 3,500 people (now third highest in the North East)

When compared to the previous period (October 2024 – September 2025), South Tyneside’s employment rate rose 1.3pp, whilst unemployment fell 0.4pp and economic inactivity fell by 0.8pp. These are non-statistically significant changes.

South Tyneside’s employment rate is no longer significantly lower than Gateshead and Stockton, but remains statistically worse than County Durham, Darlington, North Tyneside, the North East and England

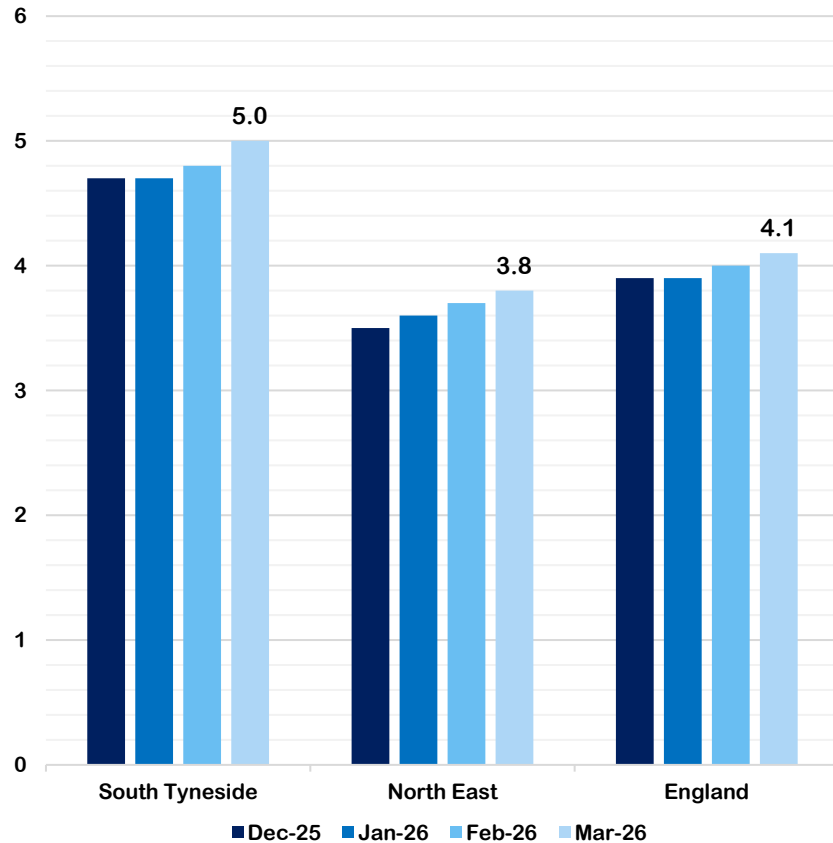
South Tyneside’s economic inactivity rate is no longer significantly higher than Hartlepool, Redcar and Cleveland nor Stockton, but remains significantly worse than County Durham, Darlington, Gateshead (new) North Tyneside, the North East and England

As with all APS data at the local authority level, the comparatively small sample sizes mean that the range in which the ‘true’ figure falls within is much larger than regionally and nationally. This large range causes uncertainty over whether the figures shown represent a change in levels (when compared to previous periods or other geographies)

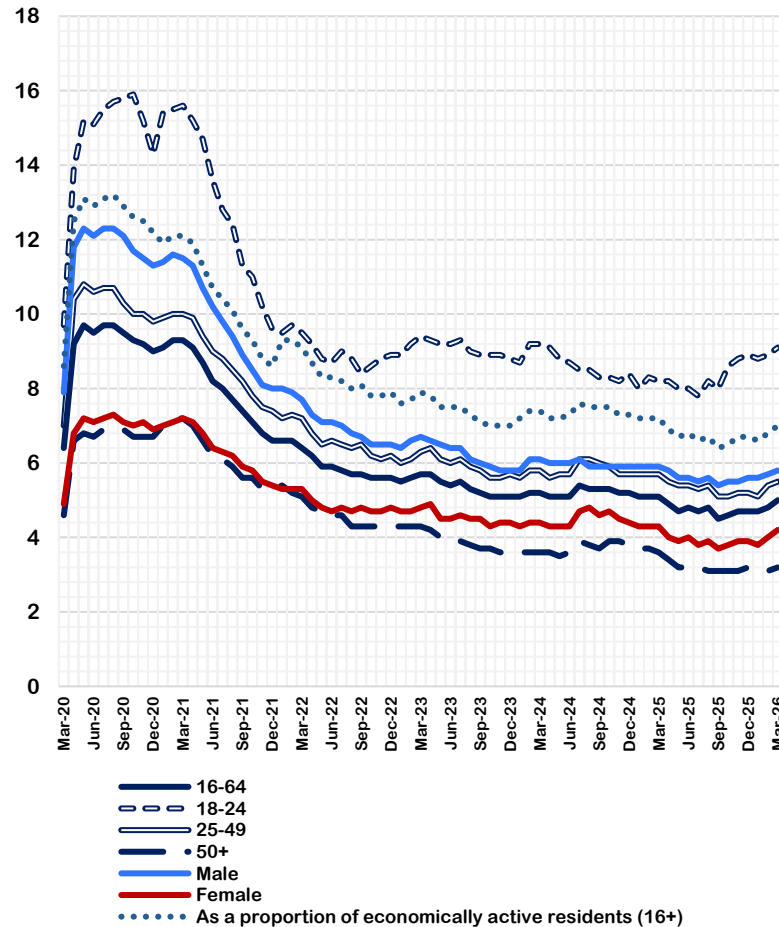
Where the confidence intervals of data points overlap, we cannot say definitively that there is a significant difference between the two values

South Tyneside Picture on Claimant Levels⁶

**Unemployment Claimant Rate
(% 16-64 population; December 2025 – March 2026)**



**Unemployment Claimant Rate by Age & Sex
(% population; March 2020 – March 2026)**



In March 2026, compared to the month prior:

- South Tyneside’s unemployment claimant rate rose 0.2pp to 5.0% (4,550 people aged 16-64)
- Regional and national rates both rose by 0.1pp to 3.8% and 4.1%, respectively
- South Tyneside retains the highest claimant rate in the North East Combined Authority (NECA) area, followed by Gateshead (4.1%), Newcastle (4.0%) and Sunderland (3.8%) – barring Newcastle which remained unchanged, these local authorities’ rates also rose by 0.1pp
- Middlesbrough (5.2%) retains the highest rate among the twelve North East authorities, while Northumberland retains the lowest (3.0%)
- The claimant rate for those aged 25-49 and 50+, as well as male claimants, rose by 0.1pp
- Claimants aged 18-24 and female claimants rose by 0.2pp
- Proportionally, unemployed claimants represent 7% of economically active residents (aged 16+) – a rise of 0.2pp, in line with other increases outlined above

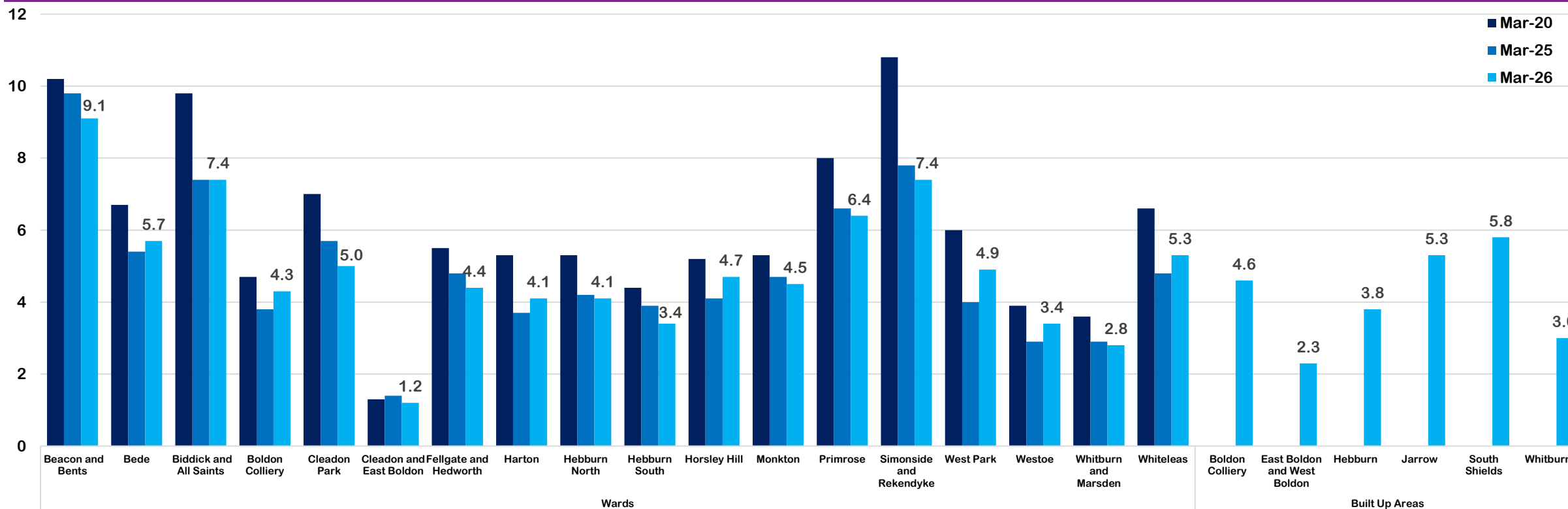
Currently, claimant rates remain designated as experimental statistics. Caution should be exercised in interpreting changes.

Claimant data from previous months is subject to revision as new data is released. These are often proportionally larger (though still relatively small) than amendments to regional or national rates.

Claimant counts and rates are calculated by combining the number of people claiming Job Seekers Allowance and National Insurance credits with the number of people claiming Universal Credit principally for the reason of being unemployed. This element is still in development by DWP, meaning the total claimant count does not yet correctly reflect the target population of unemployed claimants and is subject to revisions. Under Universal Credit, a broader span of claimants are required to look for work. As Universal Credit is rolled out and migration from legacy benefits completes, the number of people being recorded as being on the Claimant Count is likely to rise.

South Tyneside Claimant Levels by Area⁶

Ward Level Unemployment Claimant Rate (% 16-64 population)



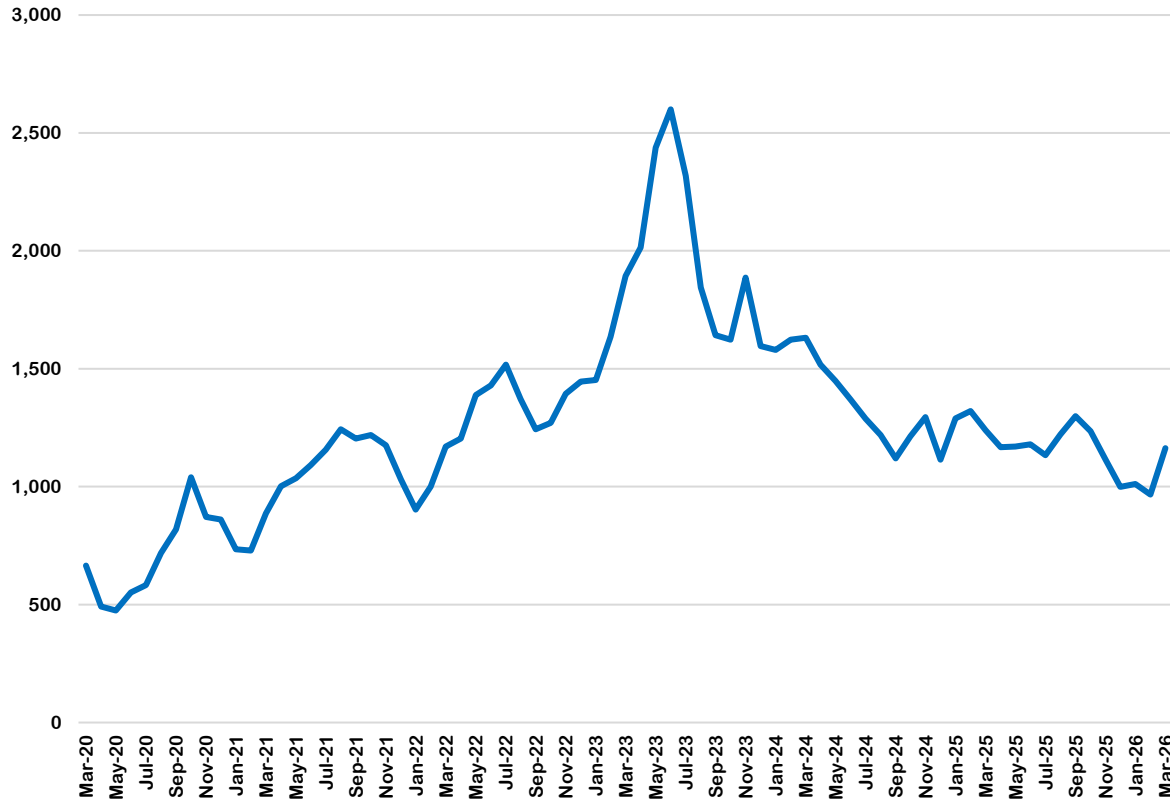
In March 2026:

- All electoral wards in South Tyneside had claimant rates lower than that of March 2020 (pre-pandemic), whilst just under half of all wards (Bede, Biddick and All Saints, Boldon Colliery, Harton, Horsley Hill, West Park, Westoe, and Whiteleas) had unemployment claimant rates higher than or equal to that of March 2025
- Simonside and Rekendyke (3.4pp), Biddick and All Saints (2.4pp), and Cleadon Park (2.0pp) experienced the largest proportional fall in claimants when compared to March 2020 (pre-pandemic)
- Newly released Built Up Area claimant data is now shown – data available from January 2026 onwards

Currently, claimant rates are designated as experimental statistics so caution should be exercised in interpreting changes. Additionally, from January 2026, Claimant Count and JSA datasets will report figures using 2021/2022-based geographies. Further caution is advised when interpreting data covering this transitional period

South Tyneside Picture on Vacancies⁷

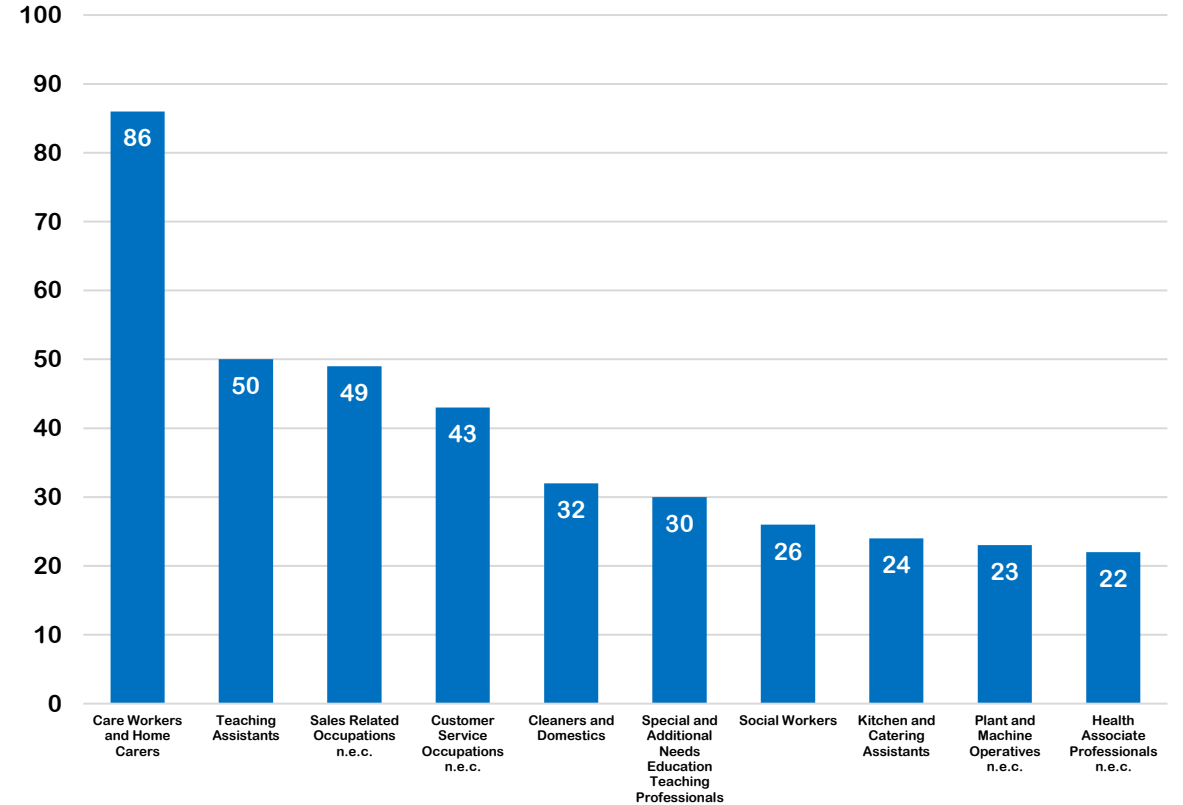
Number of Unique Job Postings in South Tyneside



In March 2026:

- There were 1,163 unique job listings in South Tyneside from 366 employers – February had 967 unique listings (↑ 20.3%) from 326 employers, whereas March 2025 had 1,240 unique listings (↓ 6.2%) from 378 employers
- The median advertised annual salary was £28,200, equating to an hourly salary of £13.57 p/h – representing a 4.2% increase in the 12 months to February 2026

Top 10 Vacancies in South Tyneside (Unique postings; March 2026)



- Sales & Customer Services had the highest share of unique postings by top 10 occupations (32.5%; ↑ 5.6pp); the first time Health & Social Care was knocked off top spot since July 2025, and the first time ever where it did not place second nor first
- Elsewhere in the top 10:
 - Education & Training – 31.7% (↑ 3.6pp)
 - Health & Social Care – 28.1% (↓ 8.0pp)
 - Elementary Occupations – 7.8% (↓ 1.1pp)

References

1. [Employment in the UK - Office for National Statistics](#)
2. [Vacancies and jobs in the UK - Office for National Statistics; X06: Single month vacancies estimates - Office for National Statistics](#)
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9. [Business Confidence Fragile Going into Global Turmoil - British Chambers of Commerce](#)
10. [UK faces biggest hit to growth from Iran war of major economies, IMF says - BBC News](#)
11. [CBI/Per Temps Labour Market Update: April 2026 – CBI](#)
12. [Energy Costs Continue to Spark Business Concern - British Chambers of Commerce](#)
13. [Right to Try: summary - GOV.UK](#)