

# Hampshire Monthly Labour Market Update April 2026

- National Headlines (survey-based):
  - Employment
  - Unemployment
  - Economic Inactivity
- South-East (survey-based) Labour Market
- Local Monthly (claimant-count) Unemployment
- Local quarterly (survey-based)

UK economy grew faster than expected but any recovery dampened by the Middle East war. Labour market remains soft, hiring demand weak, and pay growth slowing against a backdrop of rising inflation driven by energy prices.

## Economy

- According to ONS, the UK economy grew by 0.5% in the 3-mths to Feb 2026, following 0.3% (revised up) growth in the 3-mths to Jan but no growth in 3-mths to Dec (revised down). Growth was driven by services and by production, but construction output remains depressed. On the more volatile monthly measure, GDP grew by 0.5% in Feb 2026 following 0.1% growth in Jan (revised up).
- Services output grew by 0.5% in the 3-mths to Feb 2026, following 0.3% growth in the previous 3-mths (revised up). Consumer-facing services grew by 0.4% in the 3-mths to Feb, led by food and beverage service activities. On the monthly measure services grew by 0.5% in Feb 2026.
- Production output grew by 1.2% in the 3-mths to Feb 2026, following 1.7% in the 3-mths to Jan (revised up from 1.3%). Production was up 0.5% on the monthly measure. Manufacturing, led by car production, grew by 1.2% over the 3-mths to Feb but fell by 0.1% on the monthly measure.
- Construction output remains weak and fell 2.0% in the 3-mths to Feb 2026, following a 2.8% fall in the 3-mth to Jan (revised down), with fewer new-builds. However, construction output saw marginal growth of 0.1% on the monthly measure.

## UK Labour Markets

- Headline survey-based estimates saw employment rate ease while PAYE employment effectively unchanged. Headline unemployment unexpectedly decreased but offset by an increase in inactivity (largely driven by students not looking for work).

## Employment, Earnings and Inflation

- Timelier data saw February's early estimate of payrolled employment effectively unchanged. The Rate was 0,0% on previous month, with 6,000 fewer employees. However, the rate is down by 0.2% on the year with 74,000 fewer people in payrolled employment.

- The headline (ILO) working age (16-64-years) employment rate was estimated at 75.0% for the 3-months to February 2026; down in the latest quarter but above estimates of a year ago.
- Headline employment levels (aged 16+) are estimated at 34.32 million for the 3-months to February 2026. This is up by an estimated 24,000 on the quarter and higher by 332,000 on the year. The increase in full-time workers was caused by an increase in self-employed people.
- Average actual weekly hours worked decreased in the latest quarter but increased over the year.
- Pay growth slowed more sharply and at slowest rate in five years. Annual pay growth stands at 3.8% for total pay (including bonuses) and 3.6% for regular pay - last time lower than 3.6% was in 3-months to Nov 2020, when it was 3.5%. Adjusted for inflation (including housing costs), real total pay grew by 0.4% and real regular pay by 0.2%.
- Annual CPI growth rose 3.3% in March, as widely expected due to rising fuel prices from war in the Middle East war. Higher pump prices (motor fuel prices rose by 4.9%), food, and airfare all contributed to higher inflation in March. However, Core inflation eased to 3.1%, although services inflation increased to 4.5%. There are expectations for further increases in inflation in 2026.
- Bank of England (BoE) is expected to hold the base rate at 3.75% in next month's May MPC meeting. Cuts had been widely expected as inflation cooled before the late-February US-Israeli attacks on Iran, but the war's disruption makes a base rate cut unlikely in the short-term with some economists forecasting tightening and a rise in rates to stave off second-round inflationary effects ( e.g. higher wages).

## Vacancies (current demand for labour)

- Vacancies saw marginal decrease but broadly flat since May 2025 to stand at 711,000 for the 3-months to March 2026, and their lowest levels since April 2021. The number of unemployed people per vacancy was 2.5 in the 3-months to February 2026 and unchanged on the previous quarter.
- Arts, recreation and entertainment sector saw the largest relative fall (- 21.8%), while largest absolute fall was in education, (-5,000).

## Unemployment

- Estimated ONS headline measure of unemployment (aged 16+) is 4.9% for the 3-months to February 2026; unexpectedly down in the latest quarter but above estimates of a year ago. The unemployment rate close to the five-year high from the previous two quarters. Unemployment among those aged 18-24 (14.3%) slipped to second highest rate since 2015. The number of long-term unemployed (12+ months) increased.
- Headline unemployment levels (aged 16+) stood at an estimated at 1.78 million, down by 60,000 on the quarter but up by 206,000 on the year. Survey data needs to be viewed with degree of caution.

## Economic Inactivity

- The headline measure of economic inactivity (16-64 years) rate is 21.0% for the 3-months to February 2026; up in the latest quarter but below estimates of a year ago.
- Latest quarter estimates show 9.11 million people aged between 16 and 64 years were not in the labour force (economically inactive). Overall, the number of those aged 16 to 64 who are economically inactive is up by 95,000 on the quarter but down by 109,000 on the year. The quarterly increase in inactivity rate was largely because of young people (aged between 16 to 24 years), and by reason, students not looking for work.

## South-East Region Labour Market

- The South East headline working age employment rate for the 3-months to February 2026 was 78.6%, the unemployment rate 3.9%, and the economic inactivity rate 18.1%. The South East employment rate down 0.2ppts on the previous quarter, the unemployment rate down 0.2ppts, and the inactivity rate up by 0.3ppts.
- On the timelier (but seasonally unadjusted) unemployment Claimant Count, the South-East rate was 3.2% for March 2026 up by 0.1ppts on the month and on the year. The claimant count (190,585) is up by 3,700 on the previous month and up on the year by 3,495.

## Local Employment

**Hiring intentions** (the number of online job postings) in Hampshire and the Solent saw **demand improve in March**. However, hiring remains subdued from higher labour costs and economic uncertainty. Demand picked up for higher skilled occupations but down for lower skills. Overall, **online postings were up by just 1.2% for the 3-months to March 2026** following a fall in February close to 20%.

**Provisional March 2026 payrolled employee numbers for Hampshire and the Solent flatlined in March**. Payrolled employment was flat on the month and on the quarter, but down on the year. **The latest provisional payrolled employment estimate is 913,270 for Hampshire and the Solent**. There were 1,250 fewer employees compared to the same period one year ago.

Nearest headline (survey-based from p4 ) updated this month.

## Unemployment

Nearest headline (survey-based from p4) updated this month.

## Economic Exclusion

Nearest headline (survey-based from p4) updated this month.

The rate for residents aged 16-17 who are **Not in Education, Employment or Training (NEETS) in the Hampshire County Council area was 3.9% in February 2026**, higher on the month and on the year. **The rate for the combined NEET & Not knowns was 5.2%**, lower on month but higher on the year.

## Local ONS Monthly unemployment Claimant Count

On the timelier but seasonally unadjusted provisional ONS monthly claimant measure, **unemployed benefit claimants continue to increase in the Hampshire and the Solent area in March 2026**, although at slower pace than in the previous month.

The level of increase was insufficient to **lift the working age rate that was unchanged at 3.1% for March 2026**. All three broad age groups saw an increase on the previous month but youth unemployment (18-24 years) and over the 50s saw disproportionate increases.

**The Hampshire and the Solent claimant count increased by 530 to 39,575 (Mar 26)**. The working age rate **unchanged at 3.1%**. The 18-24 age group increased by 225 to stand at 8,010 with the rate rising to 4.7%.

**The Hampshire and the Two Cities claimant count increased by 480 to 36,200 (Mar 26)**. The working age rate **unchanged at 3.0%**. The 18-24 age group increased by 210 claimants to stand at 7,255 and with the rate increasing to 4.5%.

**The County area claimant count increased by 285 claimants to 21,945 (Mar 26)**. The working age rate **was unchanged at 2.5%**. Youth unemployment increased by 145 to 4,410, with the rate rising to 4.7%.

The comparable UK working age rate is 4.0% and South-East region 3.2% - **all three Hampshire functional economic areas have rates lower than both the UK and South East averages**.

Only the **two cities and Isle of Wight** have working age rates **above the UK average**, with most districts below the South East average. **Eight of the 14 authorities saw no change** in rates on the previous month.

The comparable UK young people (18-24 age group) rate is 5.8% and the South-East region 4.9% - **all three Hampshire functional economic areas have rates lower than UK and South East averages**.

## Hampshire Business News

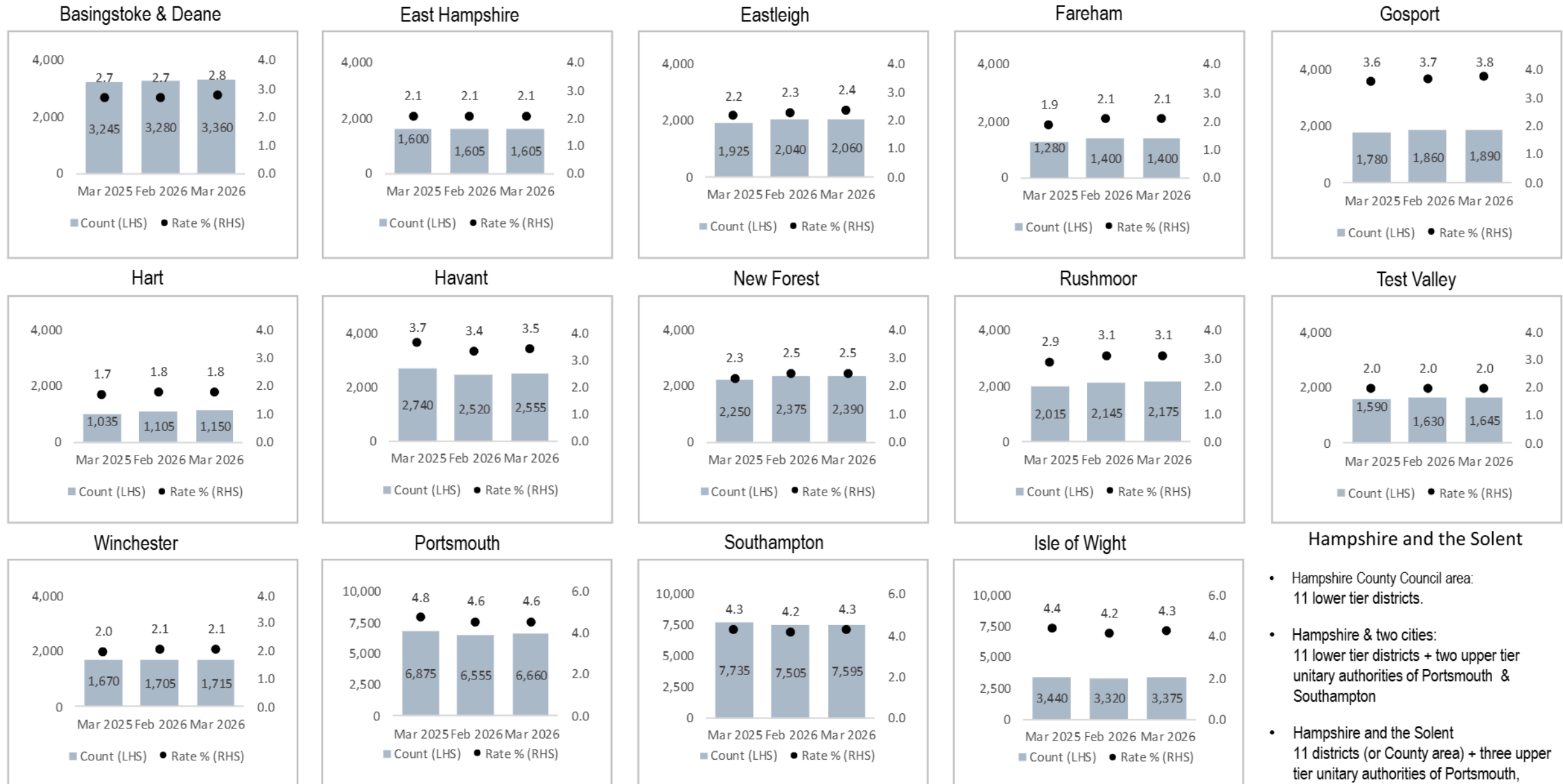
- Infinity Labs £16 million centre in Southampton Science Park in Chilworth is close to completion and offering laboratory and office facilities.
- Fareham-based Lumico Digital, purchases £500,000 unit at Daedalus Park in Lee-on-the-Solent, with £250,000 additional money invested to create laboratory space.
- Farnborough-based Davies Blunden & Evans (DBE) has acquired Basingstoke-based law firm Phillips Law.
- Southampton Airport is set for transformation programme by AGS Airports to upgrade terminal facilities.
- Basingstoke-based AA opens a new training facility to support new patrol staff. The academy will train around 50 patrols each month.

Working Age (16-64 years) Claimant Rate (Mar 2026) and Change on Previous Month (Feb 2026)

Local Authority	Rate (%)	RAG	Change (ppts)	RAG
Basingstoke and Deane	2.8	Green	0.1	Red
East Hampshire	2.1	Green	0.0	Yellow
Eastleigh	2.4	Green	0.1	Red
Fareham	2.1	Green	0.0	Yellow
Gosport	3.8	Yellow	0.1	Red
Hart	1.8	Green	0.0	Yellow
Havant	3.5	Yellow	0.1	Red
Isle of Wight	4.3	Red	0.1	Red
New Forest	2.5	Green	0.0	Yellow
Portsmouth	4.6	Red	0.0	Yellow
Rushmoor	3.1	Green	0.0	Yellow
Southampton	4.3	Red	0.1	Red
Test Valley	2.0	Green	0.0	Yellow
Winchester	2.1	Green	0.0	Yellow

>= UK rate (4.0%) ■      > 0.0 ppts ■  
 >= SE rate < UK ■      No change ■  
 < SE rate (3.2%) ■      < 0.0 ppts ■

Source: ONS 2026



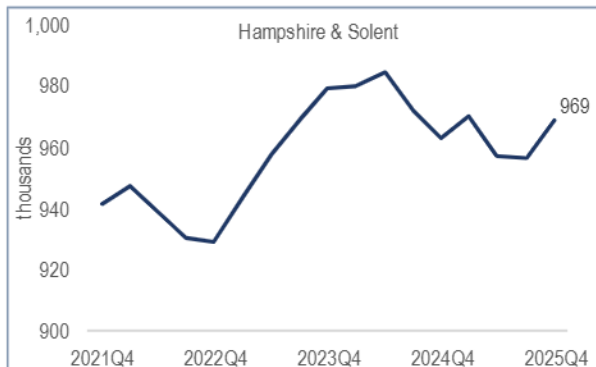
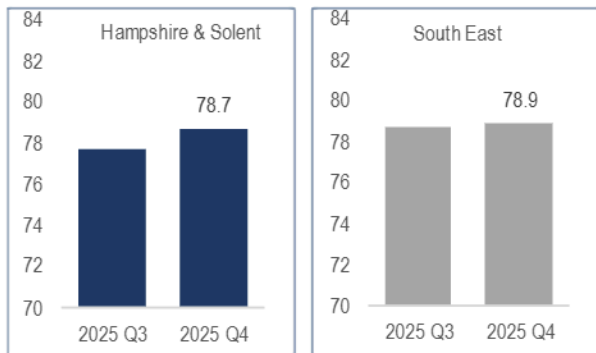
Source: ONS Monthly Claimant Count. Please note the latest month is always a provisional claimant count subject to revision in the next update.

- Hampshire County Council area: 11 lower tier districts.
- Hampshire & two cities: 11 lower tier districts + two upper tier unitary authorities of Portsmouth & Southampton
- Hampshire and the Solent: 11 districts (or County area) + three upper tier unitary authorities of Portsmouth, Southampton & Isle of Wight.

# Hampshire & Isle of Wight Quarterly Labour Market Indicators (updated this month)

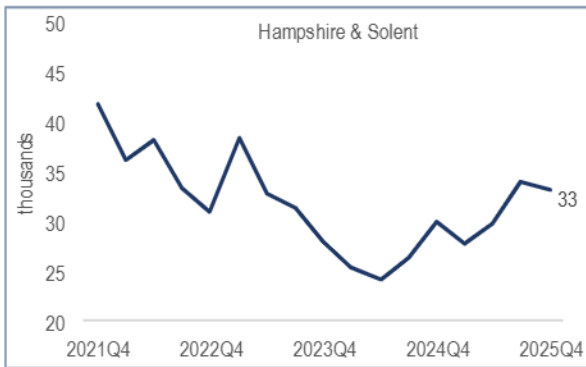
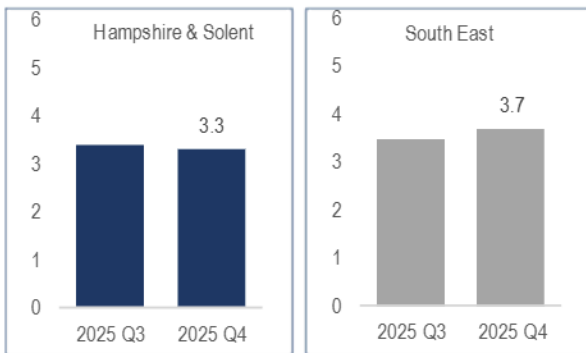
ONS considers APS robust for national and headline regional estimates but concerns with the quality of estimates for local authority geographies. As such, use with caution.

## Employment



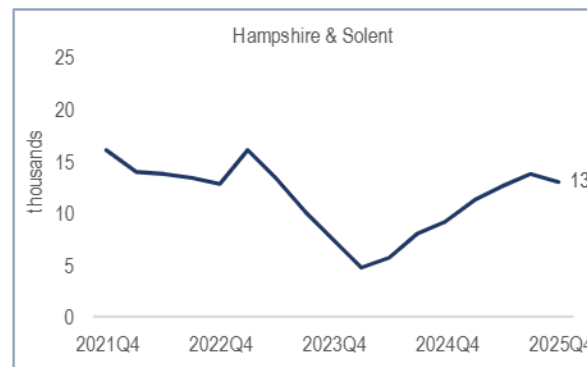
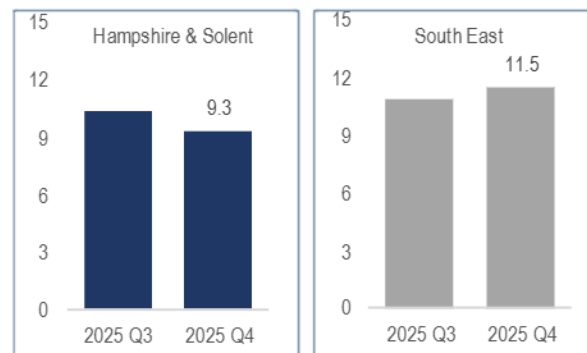
- Long lag in the data for the 12 months to Dec 2025 data (Q4 2025). Sub-regional data is less reliable with changes based on rates.
- An **estimated 969,000 Hampshire and the Solent residents in employment in Q4**.
- The **resident employment rate in Hampshire and the Solent increased to 78.7% in Q4 2025**, up by 1.0ppts on the quarter and 0.2ppts on the year.
- South East rate is marginally higher (78.7%).

## Unemployment



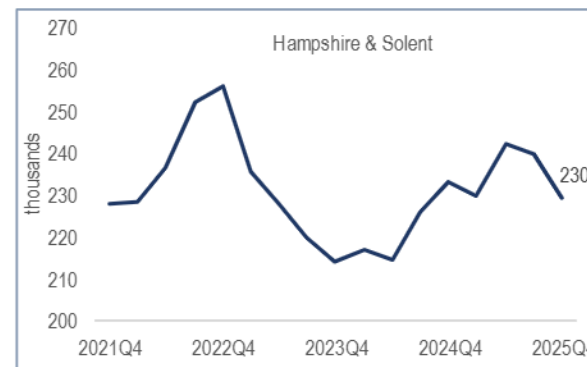
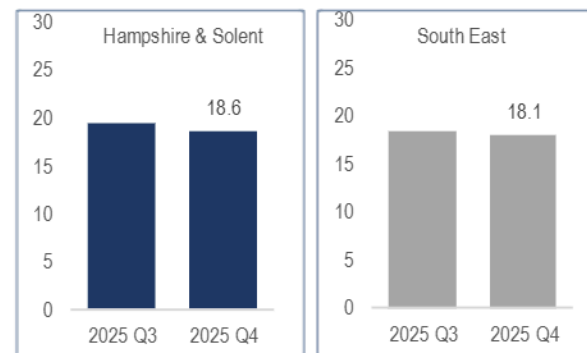
- An **estimated 33,000 working age (16-64 years) Hampshire and the Solent residents were unemployed in the year to Q4 2025**.
- **Unemployment** on the headline (survey-based) measure **decreased by 0.1ppts on the quarter to 3.3% in the year to Dec 2025** and is 0.3ppts higher on the year.
- The Hampshire and the Solent rate is 0.4ppts below the South East average (3.7%).

## Youth Unemployment (16-24)



- Estimates less reliable but **suggest around 13,000 Hampshire and the Solent residents aged 16-24 were unemployed in Q4 2025**.
- The **youth unemployment rate** on the headline (survey) measure **decreased by 1.1ppts on the quarter to 9.3%**.
- The local rate is now closer against the South East rate, although still lower.
- Young people are more likely to be unemployed than working age.

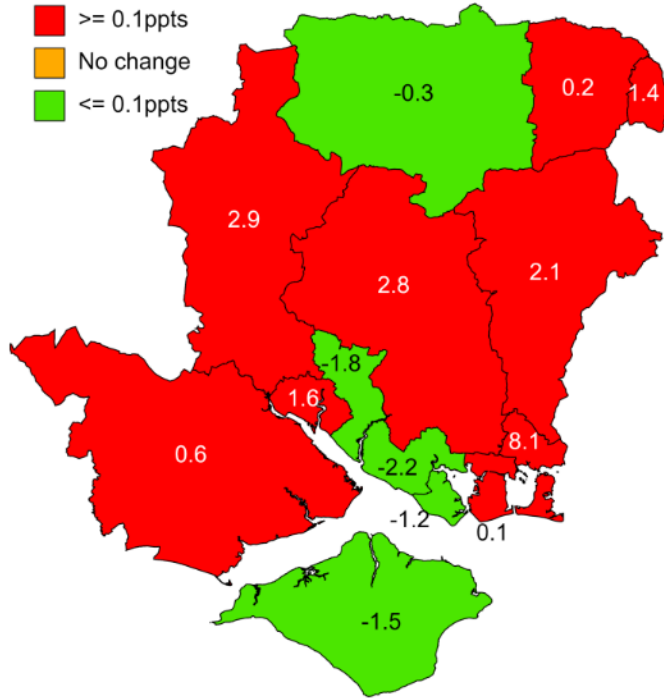
## Economic Inactivity



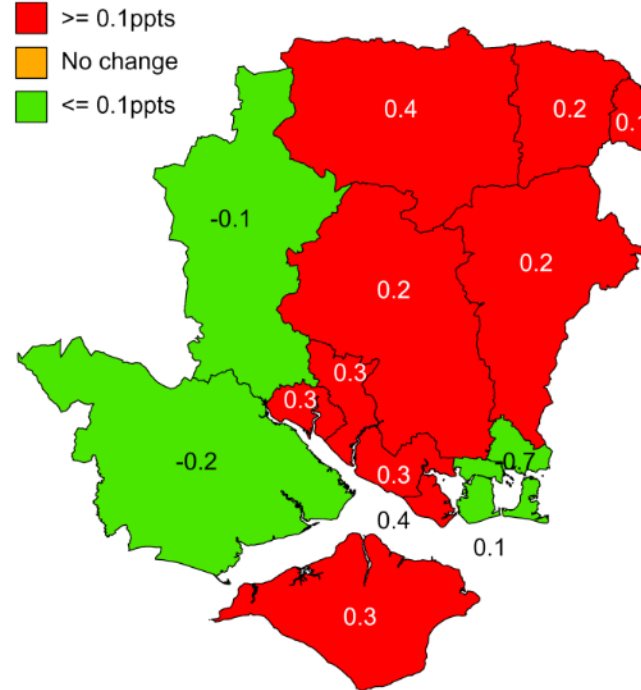
- There are an **estimated 230,000 Hampshire and the Solent residents economically inactive** in the year to Q4 2025.
- At **18.6%**, close to one in five Hampshire and the Solent residents was economically inactive in the year Dec 2025 (Q4), with the rate down on the previous quarter by 0.9ppts and down 0.4ppts on year
- The local rate is half of a percentage point above the South East rate (18.1%).

ONS considers APS robust for national and headline regional estimates but concerns with the quality of estimates for local authority geographies. As such, use with caution.

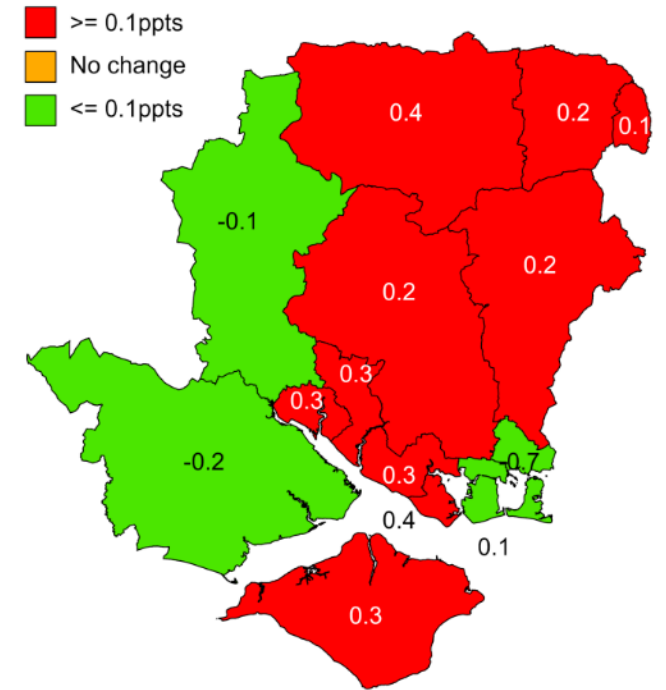
Q3-Q4 Employment Rate Change (ppts)



Q3-Q4 Unemployment Rate Change (ppts)



Q3-Q4 Economic Inactivity Rate Change (ppts)



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How to read 'traffic light' on page 4.

For the Labour market indicators, the change refers to the rate not the level. For example, a rise in the employment rate (on quarter and on the year) would see an upward green arrow, while a decrease in unemployment would see a downward green arrow.



Little or no change on previous period or where annual and quarter changes effectively cancel each other out

Sources:

The primary data source are the Office for National Statistics (ONS) and HMRC while additional data comes from several commercial sources such as, Lightcast.

For further information on Hampshire's labour market see Monthly Labour Market Updates and Monthly Ward Claimant Count Reports available at: <https://www.hants.gov.uk/business/economic-intelligence/reports>

# Local Hampshire Quarterly (survey-based) Labour Market (Use with sub-regional data with caution)

12 months to December 2025 (Q4) Updated this month	Employment (16-64yrs)		Unemployment (16-64yrs)		Economic Inactivity (16-64yrs)	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Hampshire (CC area)	669,200	80.4	18,800	2.7	144,500	17.4
Basingstoke & Deane	90,900	80.5	3,500	3.5	18,000	16.0
East Hampshire	53,500	75.9	2,200	3.5	13,300	18.9
Eastleigh	69,100	85.8	2,100	2.8	10,300	12.7
Fareham	62,900	87.1	1,600	2.4	9,300	12.9
Gosport	38,200	71.3	1,700	4.2	13,500	25.3
Hart	46,000	80.5	1,600	3.0	9,400	16.4
Havant	58,700	81.9	2,400	3.8	11,100	15.5
Isle of Wight	56,300	72.8	2,500	3.9	18,800	24.3
New Forest	80,200	80.7	2,600	2.9	17,300	17.4
Portsmouth	112,300	77.1	5,600	4.6	27,900	19.2
Rushmoor	53,600	85.6	1,900	3.3	7,600	12.2
Southampton	130,700	74.4	6,800	4.8	38,300	21.8
Test Valley	55,900	74.3	1,900	2.9	18,700	24.9
Winchester	60,400	78.4	2,100	3.1	15,900	20.7
Hampshire and the Two Cities	912,200	79.1	31,000	3.3	210,700	18.3
Hampshire and the Solent	968,500	78.7	33,200	3.3	229,500	18.6
South East	4,480,900	78.9	170,500	3.7	1,025,700	18.1
United Kingdom	31,731,100	75.5	1,496,100	4.5	8,801,300	20.9

This publication is produced by the Economy and Intelligence Team, Hampshire County Council. For further information on the bulletin or to subscribe please contact:

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Hampshire  
County Council

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