

Hampshire Monthly Labour Market Update February 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 saw subdued growth in latest rolling quarter as the economy loses momentum. Headline Employment rate is down, hiring intentions subdued and unemployment at five year high.

Economy

- According to ONS, the UK economy grew by 0.1% in the 3-mths to Dec 2025 (Q4), following falls in both the 3-mths to Oct and Nov (both revised down). Growth led by production, but services stagnated and construction output decreased. On the more volatile monthly measure, GDP increased by 0.1% in Dec 2025, following growth of 0.2% in Nov (revised down).
- Services output saw no growth in the 3-mths to Dec 2025, following no growth in the 3-mths to Nov (also revised down). However, monthly services output was up 0.3% in Dec 2025. Consumer-facing services output increased by 0.2% in both the 3-mths to Dec 2025 and in the month of Dec 2025.
- Production output grew by 1.2% in the 3-mths to Dec 2025, following unrevised negative growth (-0.1%) in 3-mths to Nov. Production is down 0.9% on the monthly measure. Manufacturing grew by 0.9% over the 3-mths to Dec but down by 0.5% on the monthly measure.
- Construction output remains weak and fell 2.1% in the 3-mths to Dec 2025, following a 0.9% fall in the 3-mth to Nov, and was down 0.5% on the monthly measure.

UK Labour Markets

- Headline survey-based estimates points to further weakening in the jobs market as unemployment increased. PAYE employee numbers down while redundancies showing an upward trend.

Employment, Earnings and Inflation

- Timelier data saw January's early estimate of payrolled employment fall. The Rate was unchanged month although with 11,000 fewer employees. The Rate is down by 0.4% on the year with 134,000 fewer people in payrolled employment. The largest decrease was in the wholesale and retail sector.

- The headline (ILO) working age (16-64-years) employment rate was estimated at 75.0% for the 3-months to December 2025; down in the latest quarter, but unchanged on estimates of a year ago.
- Headline employment levels (aged 16+) are estimated at 32.24 million for the 3-months to December 2025. This is up by an estimated 52,000 on the quarter and higher by 381,000 on the year. The number of full-time workers decreased, while the number of part-time workers increased.
- Average actual weekly hours worked increased in the latest quarter and over the year.
- The redundancy rate increased in the latest quarter to 4.9 per 1,000 adults (16+) and is 0.4 percentage points higher on the quarter and 1.0 ppts higher in the same period a year ago.
- Pay growth continues to slow. Lower Christmas bonuses also helped to depress pay growth in the last quarter. Annual pay growth stands at 4.2% for total pay (including bonuses) and for regular pay. Adjusted for inflation (including housing costs), real total and regular pay both grew by 0.5%.
- Annual CPI dropped to 3.0% in January, the lowest rate since March 2025, helped by lower motor fuel and food prices. Food inflation is at lowest since April 2025. Core inflation growth eased to 3.1%, while services inflation proving stickier at 4.4%.
- The Bank of England (BoE) held the base rate at 3.75%. Lower inflation and growing slack in the labour market will see growing expectations for a cut to interest rates in March.

Vacancies (current demand for labour)

- Vacancies remains broadly flat over the last seven periods but saw a marginal increase on the quarter to stand at 726,000 for the 3-months to January 2026. The number of unemployed people per vacancy was 2.6 in the 3-months to December 2025, up from 2.5 in the previous quarter. Last time the number of unemployed people per vacancy was 2.6 or more (excluding the pandemic period) was in November 2014 to January 2015.

Unemployment

- Estimated ONS headline measure of unemployment (aged 16+) is 5.2% for the 3-months to December 2025; up in the latest quarter and above estimates of a year ago. The Latest rate is the highest in five years (early 2021 during the height of the pandemic). Youth unemployment remains at over a 10-year-high at 16.1% for the 3-months to December 2025.
- Headline unemployment levels (aged 16+) stood at an estimated at 1.88 million, up by 94,000 on the quarter and by 331,000 on the year. Data needs to be viewed with caution.

Economic Inactivity

- The headline measure of economic inactivity (16-64 years) rate is 20.8% for the 3-months to December 2025; down in the latest quarter and below estimates of a year ago
- Latest quarter estimates show 9.04 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 down by 38,000 on the quarter and down by 241,000 on the year. Those economically inactive aged 35 to 49 years increased over the year, and by reason mostly for those under 'other reasons' (discouraged workers, stopped searching because believe no jobs available).

South-East Region Labour Market

- The South East headline working age employment rate for the 3-months to December 2025 was 78.1%, the unemployment rate 4.0%, and the economic inactivity rate 17.9%. The South East employment rate is up on the previous quarter by 0.1ppts, the unemployment rate down 0.1ppts, and the inactivity rate down by 0.1ppts.
- On the timelier (but seasonally unadjusted) unemployment Claimant Count, the South-East rate was 3.1% for January 2026 up by 0.1ppts on the month and on the year. The claimant count (183,885) is up by 4,965 on the previous month and up on the year by 2,975.

Local Employment

Hiring intentions (the number of online job postings) in Hampshire and the Solent sees **demand continue to fall**. Local data points to demand falling sharply. This will be partly seasonal but also businesses more cautious on hiring. Demand down across all four skill groups. Overall, **online postings were down by a quarter (24%) for the 3-months to January 2026** following a fall in December (-12%).

Provisional January 2026 payrolled employee numbers for Hampshire and the Solent flatlined as the labour market continues to soften (based on revised data). Payrolled employment was unchanged on the month and on the quarter, but down by 0.5% on the year. **Latest provisional payrolled employment estimate is 911,800 for Hampshire and the Solent**, effectively unchanged and the lowest PAYE employment level since May 2023. There are 4,360 fewer employees compared to the same period one year ago.

Nearest headline (survey-based from p4) not updated this month.

Unemployment

Nearest headline (survey-based from p4) not updated this month.

Economic Exclusion

Nearest headline (survey-based from p4) not 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 3.2% in December 2025**, higher on the month but lower on the year. **The rate for the combined NEET & Not knowns was 5.8%**, lower on month and 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 January 2026**.

The level of increase was sufficient to **lift the working age rate to 3.0% for January 2026**. All three broad age groups saw an increase on the previous month but with the core age group (25-49-years-old) seeing a slightly higher proportion.

The Hampshire and the Solent claimant count increased by 1,125 to 38,370 (Jan 26). The working age rate **increased to 3.0%**. The 18-24 age group increased by 170 to stand at 7,665 and the rate rising to 4.5%.

The Hampshire and the Two Cities claimant count increased by 895 to 35,115 (Jan 26). The working age rate **increased to 3.0%**. The 18-24 age group increased by 125 claimants to stand at 6,965 and with the rate increasing to 4.3%.

The County area claimant count increased by 560 claimants to 21,165 (Jan 26). The working age rate **was unchanged at 2.4%**. Youth unemployment increased by 75 to 4,225, with the rate rising to 4.5%.

The comparable UK working age rate is 3.8% and South-East region 3.1% - **all three Hampshire functional economic areas have rates lower than both the UK and South East averages**.

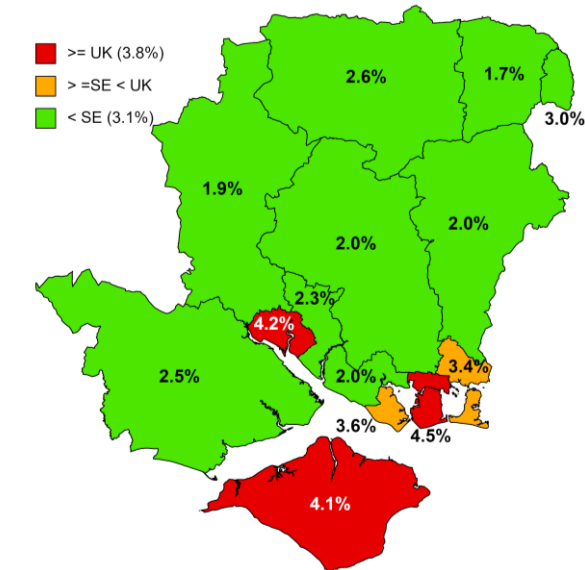
Only the **two cities and Isle of Wight** have working age rates **above the UK average**, with most districts below the South East average. **Eight of the 14 authorities saw no change** in rates on the previous month, **six saw an increase**.

The comparable UK young people (18-24 age group) rate is 5.6% and the South-East region 4.7% - **all three Hampshire functional economic areas have rates lower than UK and South East averages**.

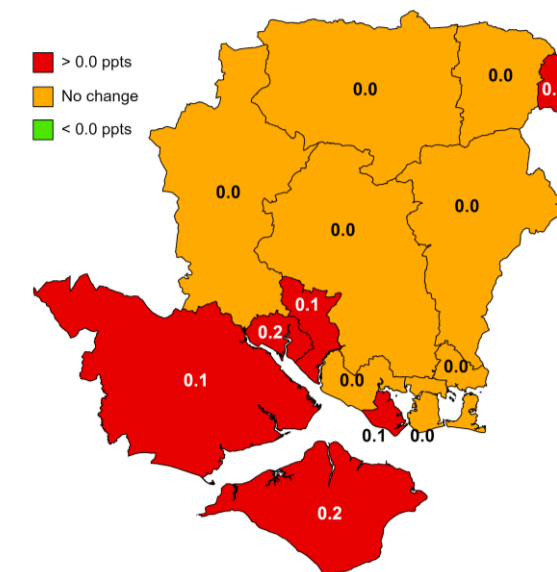
Hampshire Business News

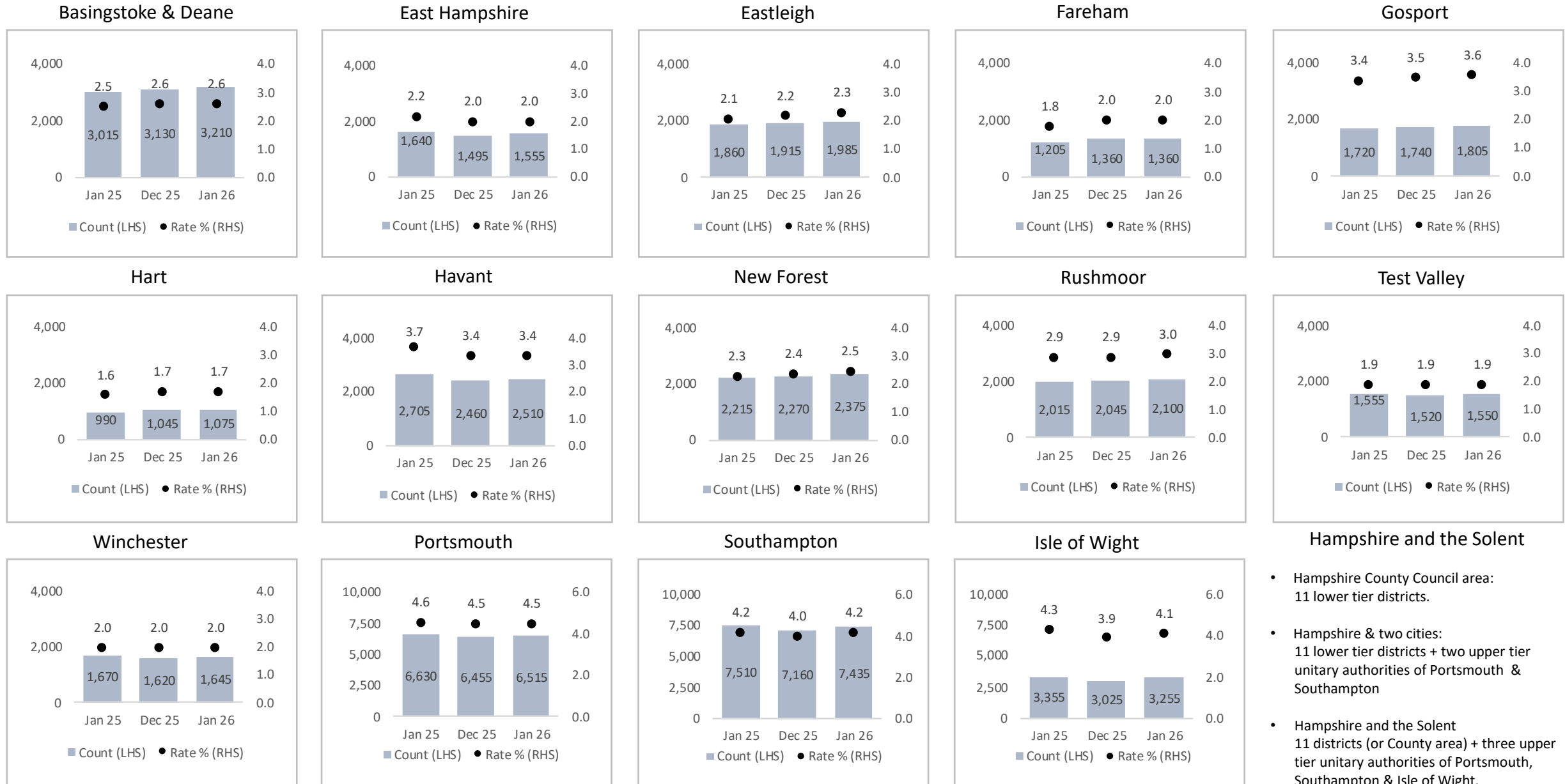
- Mövenpick, the luxury hotel chain is due to open a new resort in 2027 on the existing Old Thorns Estate in Liphook, Hampshire.
- Southern Water plans to recruit more than 90 graduates and apprentices before the end of 2026, focusing on AI and Intelligence, Procurement and Asset Maintenance.
- Go-Ahead Group owned Bluestar are calling for applications for its engineering apprenticeship scheme, with the first intake in July 2026 (applications open until March 22, 2026.)
- Søstrene Grene to open a new store at the Whiteley Shopping Centre in March 2026, the brand's third store in Hampshire.
- The Potter's Heron pub in Ampfield is set to create around 60 jobs.

January 2026 Monthly claimant count Rate (%)



Monthly Rate Change (ppts): Dec 25 – Jan 26





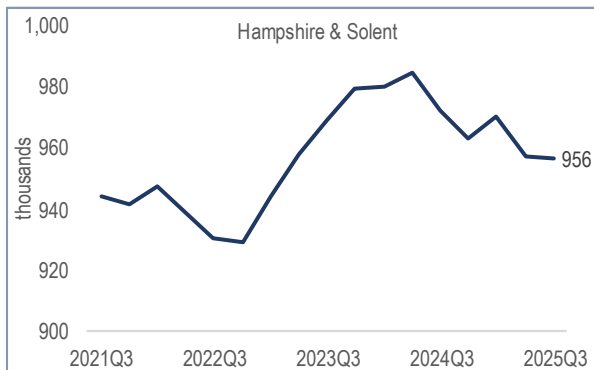
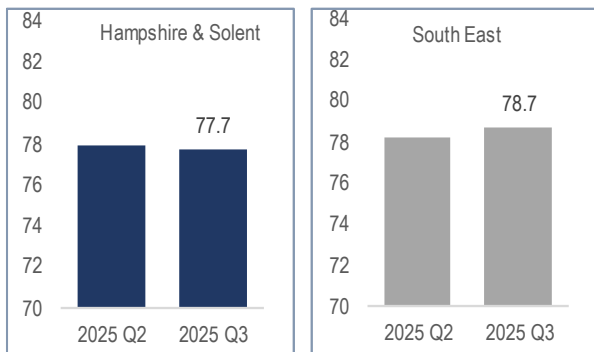
- Hampshire County Council area: 11 lower tier districts.
- Hampshire & two cities: 11 lower tier districts + two upper tier unitary authorities of Portsmouth & Southampton
- Hampshire and the Solent 11 districts (or County area) + three upper tier unitary authorities of Portsmouth, Southampton & Isle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

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

Hampshire & Isle of Wight Quarterly Labour Market Indicators (not updated this month)

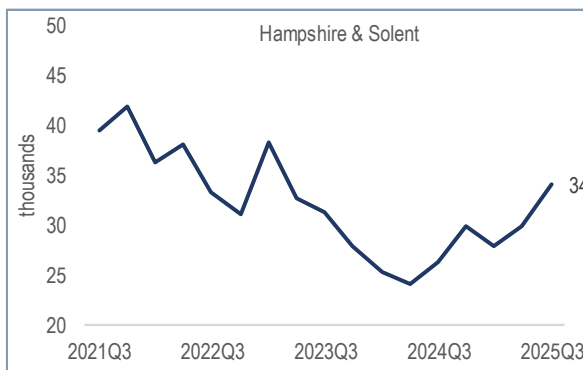
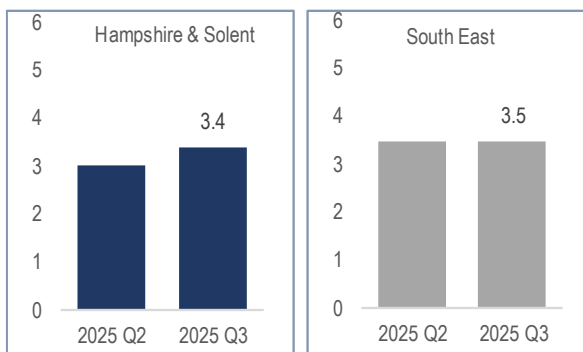
ONS considers APS robust for national and headline regional estimates but concerns with the quality of estimates for local authority geographies. As such, use with caution.

Employment ↓



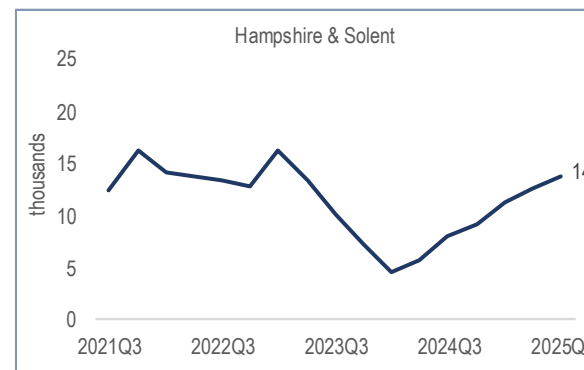
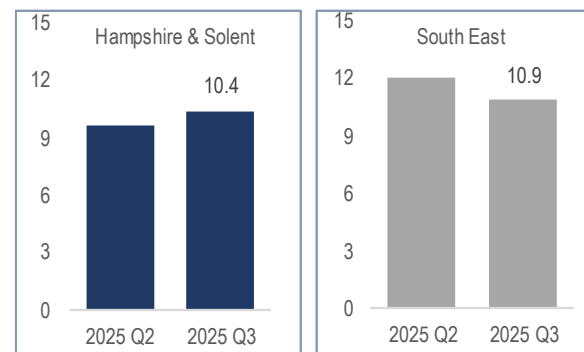
- Long lag in the data for the 12 months to Sep 2025 data (Q3 2025). Sub-regional data is less reliable with changes based on rates.
- An **estimated 956,000 Hampshire and the Solent residents in employment in Q3**.
- The **resident employment rate in Hampshire and the Solent dipped to 77.7% in Q3 2025**, down by 0.2ppts on the quarter partly from inflation and fiscal policy pressures. South East rate higher (78.7%).

Unemployment ↑



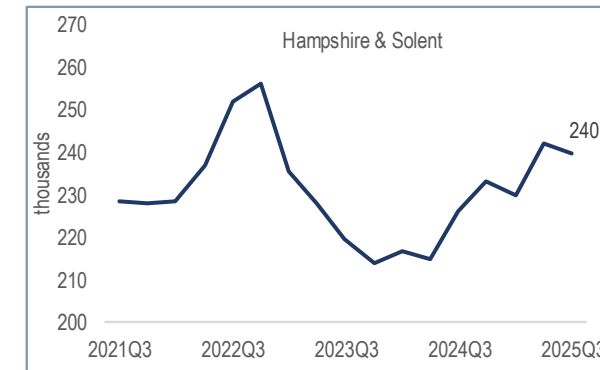
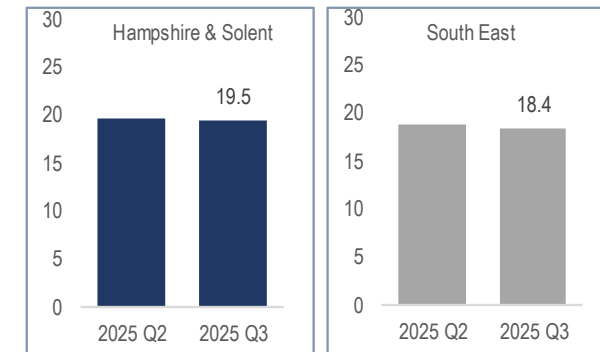
- An **estimated 34,000 working age (16-64 years) Hampshire and the Solent residents were unemployed in the year to Q3 2025**.
- **Unemployment** on the headline (survey-based) measure increased by 0.4ppts on the quarter to **3.4% in the year to Sep 2025** and is 0.8ppts higher on the year.
- The Hampshire and the Solent rate is 0.1ppts below the unchanged South East average (3.5%).

Youth Unemployment (16-24) ↑



- Estimates less reliable but **suggest around 13,800 Hampshire and the Solent residents aged 16-24 were unemployed in Q3 2025**.
- The **youth unemployment rate** on the headline (survey) measure **increased by 0.8ppts on the previous quarter to 10.4%**.
- 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.

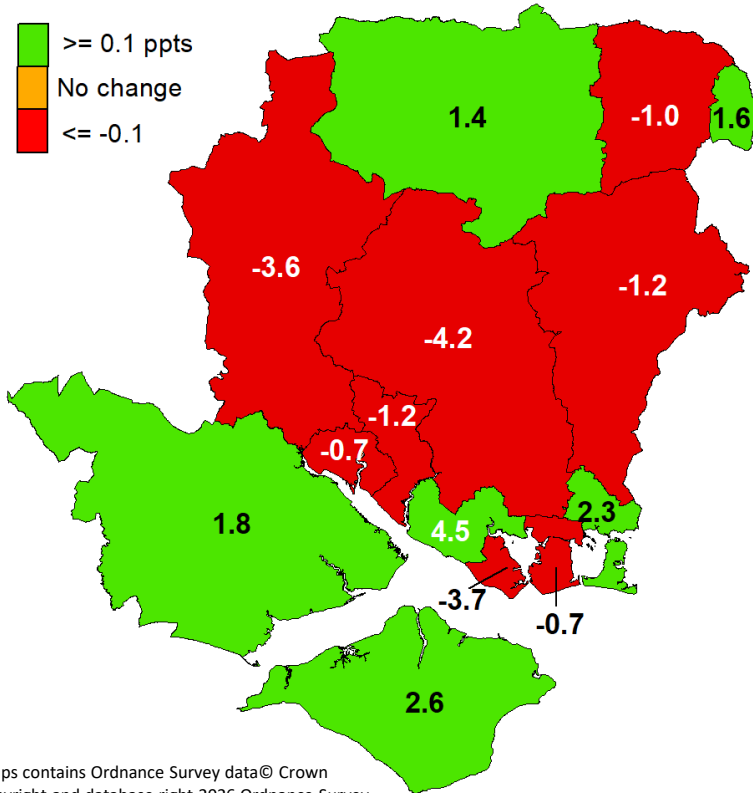
Economic Inactivity ↓



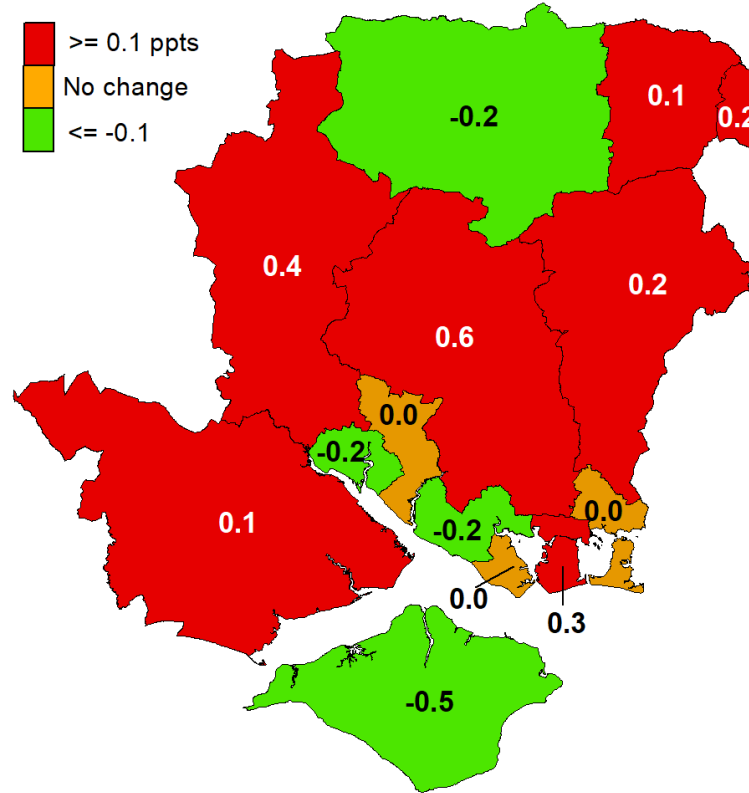
- There are an **estimated 239,000 Hampshire and the Solent residents economically inactive** in the year to Q3 2025.
- At **19.5%**, close to one in five Hampshire and the Solent residents was economically inactive in the year Sep 2025 (Q3), with the rate down on the previous quarter by 0.2ppts.
- The local rate is just over one percentage point above the South East rate (18.4%).

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.

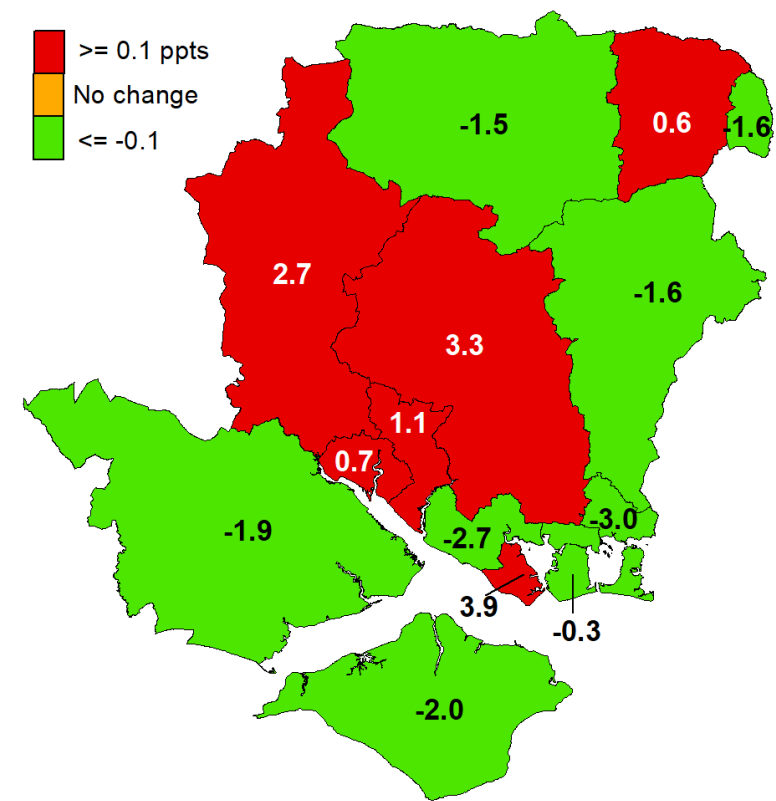
Q2-Q3 Employment Rate Change (ppts)



Q2-Q3 Unemployment Rate Change (ppts)



Q2-Q3 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>

12 months to September 2025 (Q3) Not updated this month	Employment (16-64yrs)		Unemployment (16-64yrs)		Economic Inactivity (16-64yrs)	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Hampshire (CC)	659,500	79.2	20,800	3.1	152,100	18.3
Basingstoke & Deane	91,100	80.8	3,100	3.1	17,900	15.9
East Hampshire	52,300	73.8	1,900	3.3	13,300	18.7
Eastleigh	69,900	87.6	1,900	2.5	8,700	11.0
Fareham	63,300	89.3	1,400	2.1	7,600	10.7
Gosport	38,900	72.5	1,600	3.8	12,800	23.9
Hart	45,400	80.3	1,500	2.8	9,200	16.2
Havant	53,700	73.8	2,600	4.5	16,300	22.4
Isle of Wight	57,700	74.3	2,300	3.6	17,800	22.9
New Forest	79,700	80.1	2,800	3.1	18,200	18.2
Portsmouth	111,700	77.0	5,700	4.8	26,200	18.1
Rushmoor	52,600	84.2	1,800	3.2	9,400	15.0
Southampton	127,300	72.8	6,200	4.5	43,600	24.9
Test Valley	54,200	71.4	1,800	3.0	20,500	27.0
Winchester	58,500	75.6	1,900	2.9	18,200	23.5
Hampshire and the Two Cities	898,400	78.0	32,000	3.4	221,900	19.3
Hampshire and the Solent	956,100	77.7	34,100	3.4	239,700	19.5
South East	4,465,600	78.7	163,800	3.5	1,041,200	18.4
United Kingdom	31,701,900	75.5	1,421,800	4.3	8,861,100	21.1

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

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