

February 2021

## Welcome

This is a summary (updated monthly) of some of the most important information about labour market and employment trends for young people in Central London.

Trevor Bottomley  
Employment & Labour Market Consultant

## News & Publications

[COVID-19 and the London Economy](#) from GLA Economics shows that London is suffering severe economic impacts from COVID-19 and in many respects (business closures, labour market, expenditure, footfall) is doing worse than other places in the UK. This crisis does not resemble any other recent recession, with a number of features of London (its density, economic geography, role as a magnet for tourism and visitors, exposure to the global economic climate and the importance of retail, cultural and recreational industries) creating unique vulnerabilities. The report concludes that it cannot be taken for granted that just because London has bounced back quickly from previous recessions it will necessarily do so this time around in the absence of well targeted recovery policies and support.

[Skills for Jobs White Paper](#) from the DfE sets out a series of reforms that “*will transform post16 education and training, boost skills and get more people into work*”. The paper sets out a blueprint for a post-16 education in order to deliver the Lifetime Skills Guarantee. Measures include:

- Adults without a full level 3 qualification to gain one from April 2021 for free in a range of sectors
- Skills Bootcamps offering free, flexible courses for give adults. Also fast-track to an interview with a local employer
- A Lifelong Loan Entitlement
- A £65m Strategic Development Fund to help business groups develop tailored skills plans
- Employers will be given a central role in designing almost all technical courses by 2030
- Change the law so that from 2025, people can access flexible student finance

FE Week has a [guide to some of the key reforms](#).

## London Economy

The latest London forecast from [GLA Economics](#) (issued December 2020) suggested that:

- London’s real Gross Value Added (GVA) growth rate is forecast to be -9.5% this year due to the present COVID-19 crisis. This growth rate is expected to rebound to 6.2% in 2021 and 6.9% in 2022.
- London is forecast to see a more modest fall in the number of workforce jobs in 2020 (-1.1% in annual terms) although this will accelerate in 2021 (-4.6%) before there is some recovery in 2022 (3.0%).
- Similarly, London’s household income and expenditure are both forecast to decrease notably in 2020 before starting to grow again in 2021 and 2022.

## Employment

The Office for National Statistics [www.nomisweb.co.uk](http://www.nomisweb.co.uk) website has data on employment, unemployment, wages and qualifications at national, regional, local authority and ward level. The latest figures for employment by industry sector (based on September 2020 data):

Sector	London %	UK %
Agriculture, Forestry & Fishing	0.2	1.2
Manufacturing	2.4	7.4
Construction	4.8	6.4
Wholesale, Retail & Vehicle Repair	10.6	14.1
Transport & Storage	5.4	5.1
Hospitality & Catering	7.1	6.9
IT & Communications	8.3	4.2
Finance	6.9	3.3
Real Estate	3.0	1.9
Professional, Scientific & Technical	13.2	9.1
Administration	10.2	8.1
Public Administration & Defence	4.5	4.5
Education	7.2	8.5
Health & Social Work	10.1	12.6
Arts, Entertainment & Recreation	3.1	2.7
Other Services	2.5	2.7

## Future Employment

The report from GLA Economics shows that jobs in London (pre COVID-19 crisis) were projected to grow by an annual average rate of 0.78%, equivalent to 49,000 jobs per annum, to reach 6.907 million in 2041. The report also provides future projections for both the occupations and qualifications of those employed in London:

- Jobs in the professional, real estate, scientific and technical sector were expected to grow strongly, accounting for over a third of the total increase expected in London to 2041.
- Strong employment growth was also expected in the administrative and support services, accommodation and food services, information and communications sectors, education and health sectors - the six sectors accounting for nearly three fifths of the expected total London increase in jobs to 2041.
- Declines were projected in manufacturing and some other sectors, including wholesale, transportation & storage and public administration.

The full report can be found in the [GLA London Datastore](#).

[COVID-19 and the London Economy](#) from GLA Economics forecasts that the economic outlook for the short and medium-term remains negative, with a subdued output recovery in 2021 and beyond and a further fall in employment this year before jobs start growing again. The impact for hard-hit sectors was estimated to be much higher than the economy-wide reduction. Accommodation and food service activities were estimated to lose almost half of their Gross Value Added in 2020, with transportation and storage, arts, entertainment and recreation, and education, all expected to lose between one quarter and one-fifth of their output.

## Unemployment

The unemployment rate in London remains higher than the UK as a whole and much higher than the South East. The [January 2021 ONS Regional Labour Market Statistics](#) (covering the period September to November 2020) show that:

- Unemployment in London was 6.9% compared to 5.0% for the UK as a whole and 3.7% in the South East.

Figures for December 2020 from [www.nomisweb.co.uk](http://www.nomisweb.co.uk) show that:

- The all-age claimant rate was 8.2% in London, above the 6.3% for the UK as a whole.
- The 18-24 claimant rate was 10.9% in London, above the 8.8% for the UK as a whole.
- The 18-21 claimant rate was 10.4% in London, above the 8.7% for the UK as a whole.

The monthly [COVID-19 Labour Market Analysis](#) from GLA Economics (issued 26 January 2021) found that unemployment in London increasing faster than across the UK, while the fall in the employment rate has been similar to national trends. The unemployment rate in the capital saw a rise this quarter and the employment rate continued to fall, although the economic inactivity rate also fell to its lowest level since March 2020. For London, comparing the three months to November 2020 with the previous quarter:

- The employment rate fell by 1% to 75.1%.
- The unemployment rate rose 1.7% to 6.9%.
- The economic inactivity rate rose 0.5% to 19.3%.
- The number of claims in London has increased by 164% (307,000) since March - higher than the UK increase (106%).

## Graduate Employment

What do graduates do? 2020/21 reveals a graduate labour market in relatively good health at the time of survey (those graduating in the 2017-18 academic year). According to the data, published by Prospects Luminate:

- The majority of graduates were in employment 15 months after graduating.
- Only 5.5% were unemployed and looking for work.
- 71.8% of employed graduates were in a professional-level job.
- 66% went to work in their home region of the UK.
- 12% of graduates were in further study.
- The average salary for graduates who went straight into full-time employment in the UK was £24,217.

The full report can be found on the [Prospects Luminate](#) website.

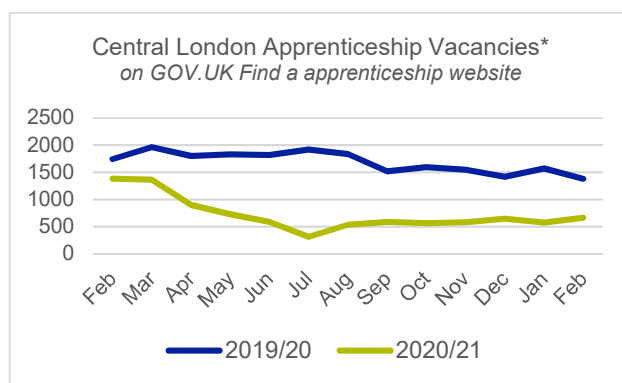
[ISE Student Recruitment Survey 2020](#), from Institute of Student Employers, found that the number of graduate jobs dropped by 12% in 2020 with the majority of employers anticipating further decline next year. Some sectors have reduced hiring considerably while others such as the charitable and public sector has increased hiring. Graduate jobs in retail have seen the largest cut at 45%. However, IT and engineering continue to struggle to find the staff they need. 42% of employers found it difficult to fill IT jobs in programming and development and 35% struggled to recruit engineers. Heavy competition and a lack of graduates with the necessary skills were the most common reasons. The data also shows the significant increased competition for jobs - this year employers received 14% more applications for graduate roles and 9% more for internships and placements. Many have been forced to significantly reduce internships and placement opportunities this year (29% and 25% respectively).

## Apprenticeships

In London the number of people of all ages starting an apprenticeship increased by over 400% between 2005-06 and 2016-17, before falling following the introduction of the levy. The proportion of under 25-year-old starters fell from 100% to 54% nationally over the same period, with London below the national average for under 19 starters.

[Provisional figures](#) from the DfE show that apprenticeship starts for the whole of 2019/20 fell 18% on the previous academic year. Apprenticeships for young people aged 16 to 18 were the hardest hit overall, dropping by 22%. Starts for 16 to 18s in July were down a huge 64%. Apprenticeship starts now appear to be recovering after new data showed a less dramatic percentage drop amid the pandemic.

[Recent figures](#) published by the DfE show there were 91,100 starts recorded from August to October 2020, compared to 125,800 reported for the same period pre-Covid-19 in 2019/20 – a 28% fall. For the data recorded in the first quarter of 2020/21, those aged under 19 accounted for the biggest fall, with starts for this age group dropping 42%. Starts for level 2 apprenticeships similarly dropped by 43%.



Vacancies in Central London (\*within 10 miles of Victoria station) saw a drop from 1,380 in January 2020, to 665 on 16 February 2021.

The GOV.UK [Find an apprenticeship service](#) advertises vacancies across the country. Looking at a sample of advertised vacancies in Central London (within 10 miles of Victoria station) on 16 February 2021:

Sector	I n t e r n e t e	A d v e r t i s e	H e a l t h c a r e	D e v e l o p m e n t	T e c h n o l o g y
Agriculture, Horticulture & Animal Care	9	2	-	1	12
Arts, Media & Publishing	-	6	-	-	6
Business, Administration & Law	21	95	18	6	140
Construction	17	4	3	11	35
Education & Training	-	-	-	-	-
Engineering & Manufacturing*	13	28	3	6	50
Health, Public Service & Care	88	183	5	1	277
Information Technology	-	30	18	12	60
Leisure, Travel & Tourism	-	-	-	-	-
Retail & Commercial Activity	117	19	6	2	144

\* Engineering & Manufacturing includes some Chef vacancies

## Minimum & Living Wage

The National Minimum Wage is set by the government, based on recommendations from the Low Pay Commission. It is the minimum hourly rate that employers must pay their workers. In April 2016 the government introduced a new National Living Wage, that must be paid to workers who are 25. This new National Living Wage is not be confused with the London Living Wage, which is not binding on employers, is based on the cost of living in London and is set by the Living Wage Foundation.

	London Living Wage	National Minimum/Living Wage				
		25+	21-24	18-20	Under 18	Apprentice**
from April 2020 (current rate)	£10.85*	£8.72	£8.20	£6.45	£4.55	£4.15

\* The London Living Wage rate changes every November, while the National Living wage and National Minimum Wage rates change every April.

\*\* This rate is for apprentices under 19 or those in their first year. All other apprentices are entitled to the National Minimum Wage for their age.

This bulletin is produced for the Central London local authorities of Camden, Hackney, Islington, Kensington and Chelsea, Lambeth, Southwark, Wandsworth and Westminster.

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[trevor@londonlmi.co.uk](mailto:trevor@londonlmi.co.uk)