

Welcome

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

Trevor Bottomley
Employment & Labour Market Consultant

News & Publications

[Average weekly earnings in Great Britain: June 2022](#), from the ONS, shows regular pay falling at the fastest rate in more than a decade, when rising prices are taken into account. Between February and April, pay excluding bonuses was down 2.2% from a year earlier when adjusted for inflation.

[Social Mobility: Past, Present and Future](#), from the Sutton Trust, examines the latest developments in social mobility research. The UK has low levels of mobility among those on both low and high incomes. Generally, worldwide education has not succeeded in improving social mobility. Children's home environments have a significant impact on future outcomes, with the workplace at least as important as education in determining mobility prospects. Income persistence (the association between incomes across generations) is set to rise by between 5% and 12% due to the steep socioeconomic gradient in lost learning hours during the pandemic. This suggests a step change downwards in the UK's relative income mobility levels.

[Not Working](#), from the Resolution Foundation, provides a long-term view of youth worklessness. Youth worklessness has fallen since the 1990s, almost entirely been driven by young women. In 1995 22% of young people aged 18-24 were workless, but by 2021, this had fallen to 15%. However, there has been an increase in the number of young men and women who are economically inactive due to sickness or disability, including mental health problems. On current trends, overall youth worklessness rates are likely to rise again from 2024, as rising economic inactivity due to health problems overtakes the fall in the number of young women who are economically inactive for family care reasons.

[Apprenticeships Evaluation 2021 - Learners](#), from the DfE, includes a report on the experiences of learners who did not complete their apprenticeship. Personal or domestic factors such as a better job offer, mental health issues or caring responsibilities were among the key reasons for apprentices dropping out. Figures for 2020/21 show 47% of apprentices on standards dropped out. The number of apprentice employers with Level 2 completer apprentices on the fell from 62% to 49%, while Level 3 completer apprentices increased from 49% to 53% and Level 4 rose from 2% to 5%. There was an overall fall in recruitment of apprentices in 2019/20 and 2020/21, mainly due to the impact of Covid-19.

London Economy

The latest London forecast from [GLA Economics](#) (issued December 2021) suggested that:

- London's real Gross Value Added (GVA) growth rate is forecast to be 6.4% this year due to the recovery from the COVID-19 crisis. This growth rate is expected to fall slightly to 5.0% in 2022 before moderating to 3.1% in 2023.
- London is forecast to see a modest rise in the number of workforce jobs in 2021 (0.2% in annual terms) although this will recover in 2022 (2.1%) before easing off in 2023 (1.2%).
- London's household income and expenditure are both forecast to grow in all years of the forecast period.

Employment

The Office for National Statistics 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 March 2022 data):

Sector	London %	UK %
Agriculture, Forestry & Fishing	0.0	0.9
Manufacturing	2.2	7.3
Construction	4.8	6.3
Wholesale, Retail & Vehicle Repair	11.2	13.5
Transport & Storage	5.0	5.1
Hospitality & Catering	6.8	7.0
IT & Communications	8.2	4.4
Finance	6.7	3.0
Real Estate	2.4	1.7
Professional, Scientific & Technical	14.4	9.3
Administration	9.1	8.9
Public Administration & Defence	4.5	4.6
Education	7.3	8.5
Health & Social Work	10.6	12.9
Arts, Entertainment & Recreation	3.1	2.7
Other Services	2.5	2.4

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](#).

Unemployment

The unemployment rate in London remains higher than the UK as a whole and the rest of the South East. The [June 2022 ONS Regional Labour Force Survey Summary](#) (covering the period February to April 2022) show that:

- Unemployment in London was 4.8% compared to 3.8% for the UK as a whole and 3.1% in the South East.

Figures for May 2022 from nomisweb.co.uk show that:

- The all-age claimant rate was 5.0% in London, above the 3.8% for the UK as a whole.
- The 18-24 claimant rate was 5.2% in London, above the 4.4% for the UK as a whole.
- The 18-21 claimant rate was 5.0% in London, above the 4.5% for the UK as a whole.

The monthly [London Labour Market Update](#) from GLA Economics (issued in June 2022):

- Pay rolled employees rose by around 14,700 or 0.3% between April and May 2022 and is 1.2% above pre-pandemic (February 2020) levels.
- Employment rate estimated at 75.1% for the three months ending April 2022, down 0.6% on the previous quarter and up 0.7% from a year earlier.
- The unemployment rate continued to fall from its pandemic peak but is still higher than the UK average. London's unemployment rate was estimated at 4.8%, down 0.1% on the quarter and down 1.8% from a year earlier. The UK average was 3.8%.

Graduate Employment

What do graduates do? 2021/22 reveals a graduate labour market in relatively good health at the time of survey (those graduating in the 2018-19 academic year). According to the data, published by Prospects Luminate:

- The majority of graduates were in employment 15 months after graduating.
- 7.7% were unemployed and looking for work.
- 72.4% of employed graduates were in a professional-level job.
- 8.8% of graduates were in further study.
- The average salary for graduates who went straight into full-time employment in the UK was £24,492.

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

[ISE Student Recruitment Survey 2021](#), from Institute of Student Employers, found that competition for graduate jobs reached a record high last year as recruitment failed to bounce back from the lockdown slump of 2020. Employers received an average of 91 applications per graduate vacancy, a 17% increase on last year and the highest number since the ISE began collecting data in 1991. The survey also highlighted the importance of work experience in getting a graduate job with 60% of former interns and placement students hired into graduate roles. Roles for school leavers such as apprenticeships have been less competitive than graduate positions with companies receiving an average of 67 applications per vacancy. School leaver hiring didn't drop during the pandemic and has continued to grow, increasing by 14% in 2021. Employers are predicting that growth across all areas will continue, with graduate jobs and internships expected to exceed pre-pandemic levels over the next year.

[Higher Education Graduate Outcomes Statistics](#), from HESA, show 80% of respondents in employment or unpaid work, including 11% who were engaged in both employment and further study. There was a 3% decrease in the proportion of 2018/19 graduates in full-time employment compared with 2017/18 graduates, which coincided with the onset of the pandemic. Unemployment among 2018/19 graduates accounted for 7% of responses, up 2% on the 2017/18 dataset.

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.

[Academic Year 2020/21](#) figures, from the DfE, show that overall apprenticeship starts were down by 0.3% to 321,400, compared to 322,500 reported for the same period in 2019/20. The proportion of starts for young people under 19 dropped from 23.6% to 20.3%, while starts for over 25s grew from 46.8% to 50.3%. The proportion of starts on level 2 apprenticeships shrunk from 30.8% to 26.2%, while starts at level 4 and above shot up from 25.6% to 30.7%.

Apprenticeship starts now appear to be recovering to pre-Covid levels, according to DfE data. [Provisional figures](#) show there were 204,000 starts recorded from August to January 2022, up 26% on the same period in 2020/21.

Vacancies in Central London (within 10 miles of Victoria station) saw a marked increase from 1,120 in May 2021, to 1,587 on 18 May 2022 and above the pre-COVID 19 figure of 1,365 in March 2020.

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 17 June 2022:

Sector	Intermediate	Advanced	Higher	Degree	Total Adverts
Agriculture, Horticulture & Animal Care	20	-	-	2	22
Arts, Media & Publishing	-	7	-	-	7
Business, Administration & Law	21	250	17	12	300
Construction	18	2	4	11	35
Education & Training	-	-	-	-	-
Engineering & Manufacturing*	138	49	5	5	197
Health, Public Service & Care	131	411	12	2	556
Information Technology	-	88	23	9	120
Leisure, Travel & Tourism	-	-	-	-	-
Retail & Commercial Activity	386	91	13	-	361

* Engineering & Manufacturing includes many Production 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 aged 25 (now 23 and over). 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				
		23+	21-22	18-20	Under 18	Apprentice**
April 2022	£11.05*	£9.50	£9.18	£6.83	£4.81	£4.81

* 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. From April 2022 the apprentice rate will be the same as the under 18 rate.

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