

## 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.

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## News & Publications

[Youth Voice Census 2022](#), from Youth Employment UK, surveyed over 4,000 11 to 30-year-olds and found that anxiety and poor mental health are holding back many young people. Careers education, experience of assessment and access to work experience were covered, with fewer young people than ever before saying they feel prepared for the world of work. Mental health issues accounted for 2 of the top 5 barriers to finding a job. Lack of work experience was the top barrier at 55%, but anxiety and mental health challenges were reported by 51% and 32%. Working while studying is likely to become even more prevalent as household bills rise. The survey found 39% of college and sixth form students were working alongside studying and a further 30% were looking for jobs. Students from low-income backgrounds were much more likely to be looking for work, with those eligible for free school meals being twice as likely.

[Cabinet Analysis 2022](#), from the Sutton Trust, looks at the education backgrounds of Liz Truss' first cabinet. The Prime Minister herself was comprehensively educated, but the majority attending cabinet were privately educated. The proportion from independent schools (68%) is higher than Boris Johnson's first cabinet (64%) and more than twice that of Theresa May's 2016 cabinet (30%). Of the 31 ministers attending the new cabinet, 35% went to Oxford or Cambridge universities. This compares with 27% of all Conservative MPs, 18% of Labour MPs and 21% of all MPs. 29% of the new Prime Minister's cabinet were educated at other Russell Group universities and 26% went through a 'pipeline' from fee-paying schools to Oxbridge. The proportion of independently educated ministers is less than some earlier cabinets under Conservative Prime Ministers, John Major (71% in 1992) and Margaret Thatcher (91% in 1979).

## Development Projects

A key part of most development projects is to bring new job opportunities. Details of projects being brought forward are listed by borough at [Opportunity London](#).

Current large projects in the boroughs covered by this bulletin include:

- [King's Cross](#): Google's European headquarters will soon sit alongside academic and cultural institutions.
- [Elephant & Castle](#): Regeneration of Elephant Park and the new town centre which will replace the old shopping centre.
- [Nine Elms](#): Apple will make the newly restored Battersea Power Station its London home joining Covent Garden Market and other major employers.

Outside the boroughs covered by this bulletin, but London's only Enterprise Zone is the [Royal Docks](#) - reviving the area into a business and visitor destination, including new workspaces and jobs.

## London Economy

The latest London forecast from [GLA Economics](#) (issued June 2022) suggested that:

- London's real Gross Value Added (GVA) growth rate is forecast to be 4.5% this year due to the impact of the quarterly recovery from the COVID-19 crisis at the end of last year and beginning of this year. This growth rate is expected to fall to 1.6% in 2023 due to the cost-of-living crisis before improving to 2.3% in 2024.
- London is forecast to see a rise in the number of workforce jobs in 2022 (2.2% in annual terms) although this will moderate in 2023 (1.1%) and 2024 (1.2%).
- London's household expenditure is forecast to grow in all years of the forecast period, although household income is expected to fall this year due to rising inflation.

## Employment

The Office for National Statistics [nomisweb.co.uk](https://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 June 2022 data):

Sector	London %	UK %
Agriculture, Forestry & Fishing	0.0	0.9
Manufacturing	2.1	7.3
Construction	5.0	6.3
Wholesale, Retail & Vehicle Repair	11.1	13.3
Transport & Storage	4.7	5.1
Hospitality & Catering	6.5	6.9
IT & Communications	8.7	4.5
Finance	6.5	3.0
Real Estate	2.4	1.8
Professional, Scientific & Technical	14.9	9.3
Administration	9.2	9.0
Public Administration & Defence	4.4	4.6
Education	7.4	8.6
Health & Social Work	10.2	12.9
Arts, Entertainment & Recreation	3.2	2.8
Other Services	2.6	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 [September 2022 ONS Regional Labour Force Survey Summary](#) (covering the period May to July 2022) show that:

- Unemployment in London was 4.2% compared to 3.6% for the UK as a whole and 3.5% in the South East.

Figures for August 2022 from [nomisweb.co.uk](https://nomisweb.co.uk) show that:

- The all-age claimant rate was 4.7% in London, above the 3.7% for the UK as a whole.
- The 18-24 claimant rate was 5.3% in London, above the 4.5% for the UK as a whole.
- The 18-21 claimant rate was 5.1% in London, above the 4.6% for the UK as a whole.

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

- Pay rolled employees rose by around 9,460 or 0.2% between July and August 2022 and is 1.8% above pre-pandemic (February 2020) levels.
- Employment rate estimated at 74.8% for the three months ending July 2022, down 0.3% on the previous quarter and up 0.1% from a year earlier. London's employment rate was lower than the UK average (75.4%).
- 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 4.2%, down 0.6% on the quarter and down 1.8% from a year earlier. The UK average was 3.6%.

## 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.

[Graduate Outcomes 2019/20](#), from HESA, show 80% of respondents in employment or unpaid work, including 10% who were engaged in both employment and further study. There was a 1% increase in the proportion of 2019/20 graduates in full-time employment compared with 2018/19 graduates. Unemployment among 2019/20 graduates accounted for 6% of responses, down 1% on the 2018/19 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 288,800 starts recorded from August to April 2022, up 14.1% on the same period in 2020/21.

Vacancies in Central London (within 10 miles of Victoria station) saw a decline from the post lockdown increase of 1,754 in September 2021, to 1,002 on 19 September 2022 and just below 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 19 September 2022:

Sector	Intermediate	Advanced	Higher	Degree	Total Adverts
Agriculture, Horticulture & Animal Care	3	1	-	-	4
Arts, Media & Publishing	-	3	-	-	3
Business, Administration & Law	19	176	6	2	203
Construction	12	3	1	1	17
Education & Training	-	-	-	-	-
Engineering & Manufacturing*	37	27	-	1	65
Health, Public Service & Care	98	279	8	1	386
Information Technology	-	60	17	1	78
Leisure, Travel & Tourism	-	-	-	-	-
Retail & Commercial Activity	217	24	5	-	246

\* 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	National Minimum/Living Wage				
	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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