

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

[COSMO Study: Future Plans and Aspirations](#), from the Sutton Trust, found that experiences of the COVID-19 pandemic had a strong bearing on young people's future plans. Almost two-thirds reported that their educational plans had changed and three in five who had made career plans had changed them as a result of the pandemic. Females, young people from disadvantaged family backgrounds, and those attending state comprehensive schools were more likely to report that they had changed their education and career plans due to the pandemic. Disadvantaged students were less likely to be planning to apply for university, had less confidence about getting into university, and were more likely to plan to do a vocational qualification.

[Labour Market Outlook Q3 2022](#), from the Resolution Foundation, focuses on the relationship between work and ill health. Despite fast rising employment, the employment rate for disabled workers (54%) remains low - 28 percentage points lower than the non-disabled population.

[Apprenticeships and Traineeships: Academic Year 2021/22](#), from the DfE, shows apprenticeship starts for the whole of the 2021/22 up 9% on the previous academic year, with young people seeing the biggest increase. Provisional data reveals a total of 347,900 starts last year compared to 319,400 in 2020/21. Starts for 2021/22 were still 11% down on the 389,200 recorded in 2018/19 (the year before COVID-19 struck). Against the trend of recent years, it was those aged 16 to 18 who saw the biggest rise in apprenticeship starts – up 20% from 64,400 in 2020/21 to 77,200 in 2021/22. Those aged 19 to 24 saw a 13% increase (from 94,000 to 105,900), while starts for those aged 25+ grew by 2% (from 160,900 to 164,800).

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 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

[London Long Term Labour Market Projections](#), from GLA Economics, shows that London's economy has generated employment at an unprecedented rate over the past 30 years, adding nearly 2 million jobs since 1991. Based on historic trends, the projection is that employment in London to rise from 6 million jobs in 2021 to 6.6 million in 2031, 6.8m in 2041 and 6.9m in 2051.

- Fast growth in professional services jobs over the past 30 years has made it by far the largest sector in London's economy. This sector is expected to grow at a faster rate than total jobs in London, but it will not be quite as fast as in the past decade.
- The City of London, and the boroughs to its south and east (Hackney, Tower Hamlets, Newham, Greenwich and Southwark), together account for over half of the 842,000 increase in jobs projected up to 2041.

Unemployment

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

- Unemployment in London was 4.0% compared to 3.5% for the UK as a whole.

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

- The all-age claimant rate was 4.8% in London, above the 3.7% for the UK as a whole.
- The 18-24 claimant rate was 5.4% in London, above the 4.6% for the UK as a whole.
- The 18-21 claimant rate was 5.2% in London, above the 4.6% for the UK as a whole.

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

- Pay rolled employees rose by around 8,160 or 0.2% between August and September 2022 and is 1.9% above pre-pandemic (February 2020) levels.
- Employment rate estimated at 75.1% for the three months ending August 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 (75.5%).
- 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 4.0%, down 0.6% on the quarter and down 1.7% from a year earlier. The UK average was 3.5%.

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 2021/22 figures](#), from the DfE, show apprenticeship starts up 9% on the previous academic year. Provisional data reveals a total of 347,900 starts last year compared to 319,400 in 2020/21. Starts for 2021/22 were still 11% down on the 389,200 recorded in 2018/19 (the year before COVID-19 struck). Against the trend of recent years, it was those aged 16 to 18 who saw the biggest rise in apprenticeship starts – up 20% from 64,400 in 2020/21 to 77,200 in 2021/22. Those aged 19 to 24 saw a 13% increase (from 94,000 to 105,900), while starts for those aged 25+ grew by 2% (from 160,900 to 164,800).

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 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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