

London Youth Labour Market Summary

December 2022

A monthly summary of some of the most important information about labour market and employment trends for those advising young people in Central London.



News & Publications

The recent evolution of Apprenticeships, from Sutton trust, found young people from low-income backgrounds under-represented in higher and degree level apprenticeships compared to university.

Train in Vain, from Resolution Foundation, found the need for social and abstract skills has increased but workplace training is in decline and the UK has falling rates of job mobility.

Social Mobility Employer Index 2022, from the Social Mobility Foundation, includes the top 75 employers ranked for their contribution to improving socioeconomic diversity.



Development Projects

A key part of most development projects is to bring new job opportunities. **Projects are listed by borough at Opportunity London.**

Google's European headquarters will soon sit alongside academic and cultural institutions in **King's Cross**.

Regeneration of Elephant Park and the new town centre which will replace the old shopping centre at **Elephant & Castle**.

At **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 forecast is for more London jobs in 2022 (3.6% in annual terms) but this will fall in 2023 (-0.2%) before resuming growth in 2024 (0.7%).

Household income is expected to fall this year due to rising inflation, but London's household spending is forecast to grow in 2022, 2023 and 2024.



Employment

There are some major **differences in employment between London and the rest of the UK.**

Sector	London %	UK %
Manufacturing	2.2	7.3
Construction	4.6	6.2
Wholesale, Retail & Vehicle Repair	10.6	13.3
Transport & Storage	4.6	5.3
Hospitality & Catering	6.6	7.2
IT & Communications	9.3	4.6
Finance	7.1	3.2
Professional, Scientific & Technical	14.6	9.2
Administration	9.5	8.5
Public Administration & Defence	4.2	4.5
Education	6.9	8.4
Health & Social Work	9.8	12.9
Arts, Entertainment & Recreation	3.8	2.8

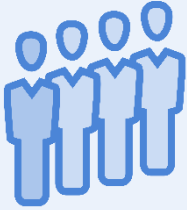


Future Employment

Employment is projected to rise in London, from 6 million jobs in 2021 to 6.6 million in 2031, 6.8m in 2041 and 6.9m in 2051.

Growth in professional services jobs over the past 30 years has made it by far the largest sector in London's economy and the sector is expected to continue growing at a faster rate than for total jobs.

The **City of London and the boroughs to its south and east** (Hackney, Tower Hamlets, Newham, Greenwich and Southwark) account for over half of the 842,000 increase in jobs projected up to 2041.



Unemployment

London's unemployment rate continues to fall from its pandemic peak, but **unemployment in London is higher than the UK average**.

The unemployment rate in London was estimated at 4.5%, compared to 3.7% for the UK as a whole, in the 3 months ending in October 2022.

The **JSA claimant rate is also higher in London for all age groups** - the all-age rate was 4.7% in London, above the 3.6% for the UK, as were the 18 to 24 (5.5% compared to 4.6%) and 18 to 21 year-olds (5.3% compared to 4.8%) in November 2022.



Graduate Employment

The **graduate labour market was resilient through COVID-19**, with the majority of those graduating in the 2019-20 academic year in employment 15 months after graduation.

Of those graduates in work, 74% were in professional-level employment (a higher proportion than the year before) and just 5.9% were unemployed.

Competition for graduate jobs reached a record high last year, as recruitment failed to bounce back from the lockdown slump of 2020, with an average of 91 applications per graduate vacancy.

Employers predicted growth across all areas for 2022, with graduate jobs and internships expected to exceed pre-pandemic levels.



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.

Apprenticeship starts were up 9% for the academic year 2021/22, compared to 2020/21 on the previous academic year, **but were still 11% down on the pre COVID-19 figure** (2018/19).

Fewer young people were starting apprenticeships - in 2005/06 no starters were over 25, but by 2016/17 46% were.

Against the trend of recent years, it was **those aged 16 to 18 who saw the biggest rise** in apprenticeship stats (up 20%). Those aged 19 to 24 saw a 13% increase, while starts for those aged 25+ grew by 2%.

The **government has scrapped its traineeship pre-employment skills programme** following years of low starts. From next August provision for young people will be 'integrated' in to 16-19 study programme.



Minimum Wage & Living Wage

The **National Minimum Wage and National Living Wage** are set by the government and are the minimum hourly rate that employers must pay their workers.

The National Minimum/Living Wage should 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.

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

London	National Minimum/Living Wage				
	Living Wage	23+	21-22	18-20	Under 18
£11.95	£9.50	£9.18	£6.83	£4.81	£4.81

* For apprentices under 19 or those in their first year, other apprentices are entitled to the rate 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 Bottomley • Employment & Labour Market Consultant • trevor@londonlmi.co.uk