

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

[Which University Degrees are Best for Intergenerational Mobility](#) has been produced by the Institute for Fiscal Studies, in partnership with the Sutton Trust and the DfE. Key findings include:

- Higher education is a key driver of social mobility in this country. Young people from less well-off backgrounds who attend university are more likely to become socially mobile into higher income brackets, and income gaps are lower between graduates from disadvantaged backgrounds and their peers compared to non-graduates.
- Many of the top-ranking institutions for social mobility are less selective universities located in London.
- More selective institutions offer the best chance of becoming a higher earner, even taking into account prior characteristics of their students, as well as having a lower 'class pay gap' among their graduates.

Rankings can be examined in more detail using the [interactive data explorer](#), including universities, subjects and individual degree courses.

[Vacancies and jobs in the UK: November 2021](#), from the ONS shows that UK job vacancies from August to October 2021 continued to rise to a new record of 1,172,000. This was an increase of 388,000 from the pre-coronavirus pandemic January to March 2020 level, with 15 of the 18 industry sectors showing record highs. On the quarter, the rate of growth in vacancies continued to slow down - in August to October 2021 vacancies rose by 23.4%, down from 43.4% last quarter. The largest quarterly increase was seen in *wholesale and retail trade; repair of motor vehicles and motorcycles* up 24.8%. All industry sectors were above their January to March 2020 pre-coronavirus pandemic levels, with *accommodation and food service activities* increasing the most by 79%.

[HGV Driver Skills Bootcamps](#) have been selected by the DfE. Anyone aged 19 or over who is employed, self-employed, has become unemployed in the past year, or is returning to work after a break can apply for a bootcamp. Learners need a full UK driving licence and some providers will have additional eligibility criteria. These Skills Bootcamps will learners qualify to drive either a rigid HGV (Category C) or an articulated lorry (Category C+E).

[Employment Support: The Kickstart Scheme](#), from National Audit Office and DWP, found that the scheme has an estimated 168,000 starts compared to the target of 250,000. At a cost of around £7,000 per participant, Kickstart has become the DWP's most expensive support scheme. Kickstart was launched in September 2020 in a bid to prevent a significant rise in youth unemployment in the face of Covid-19. It offers six-month paid work placements to those aged 16 to 24 who are on Universal Credit and deemed to be at risk of long-term unemployment (with the government picking up their wage bill). Employers were only supposed to benefit from the wage-subsidy if they could prove the jobs were *additional* and would not have existed without the funding provided. The department has now calculated that the figure could be as low as 30%, but that the scheme would still have a positive social return if it *has the intended employment impact*.

[Apprenticeships and traineeships: Academic Year 2020/21](#), from the DfE, shows 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%. Final year-end data for traineeships shows 17,400 starts were achieved in 2020/21 – 47% of the target.

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 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 2021 data):

Sector	London %	UK %
Agriculture, Forestry & Fishing	0.0	1.0
Manufacturing	2.1	7.2
Construction	4.4	6.3
Wholesale, Retail & Vehicle Repair	11.4	13.7
Transport & Storage	5.2	5.1
Hospitality & Catering	7.0	6.8
IT & Communications	8.1	4.3
Finance	6.7	3.1
Real Estate	2.3	1.8
Professional, Scientific & Technical	14.1	9.2
Administration	9.2	8.7
Public Administration & Defence	4.6	4.6
Education	6.9	8.4
Health & Social Work	11.2	13.0
Arts, Entertainment & Recreation	3.0	2.7
Other Services	2.7	2.5

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. 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 [December 2021 ONS Regional Labour Force Survey Summary](#) (covering the period August to October 2021) show that:

- Unemployment in London was 5.4% compared to 4.2% for the UK as a whole and 4.0% in the South East.

Figures for October 2021 from www.nomisweb.co.uk show that:

- The all-age claimant rate was 6.0% in London, above the 4.6% for the UK as a whole.
- The 18-24 claimant rate was 6.8% in London, above the 5.7% for the UK as a whole.
- The 18-21 claimant rate was 6.7% in London, above the 5.7% for the UK as a whole.

The monthly [COVID-19 Labour Market Analysis](#) from GLA Economics (issued in December 2021):

- Payrolled employees rose by around 55,000 or 1.4% between October and November 2021 and is 0.1% above pre-pandemic (February 2020) levels. This was both the largest monthly percentage increase and the highest level of employees on record (since July 2014).
- Unemployment rate estimated at 5.4% for the three months ending October 2021, down 0.6% on the quarter and down 1.2% on the same period in the previous year (while the UK average was 4.2%).
- Employment rate estimated at 75.4% for the three months ending October 2021, up 0.5% on the previous quarter and up 0.6% from a year earlier.

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 Luminare:

- 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 Luminare](#) website.

[ISE Student Recruitment Survey 2021](#), from Institute of Student Employers, found that competition for graduate jobs reached a record high this 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.

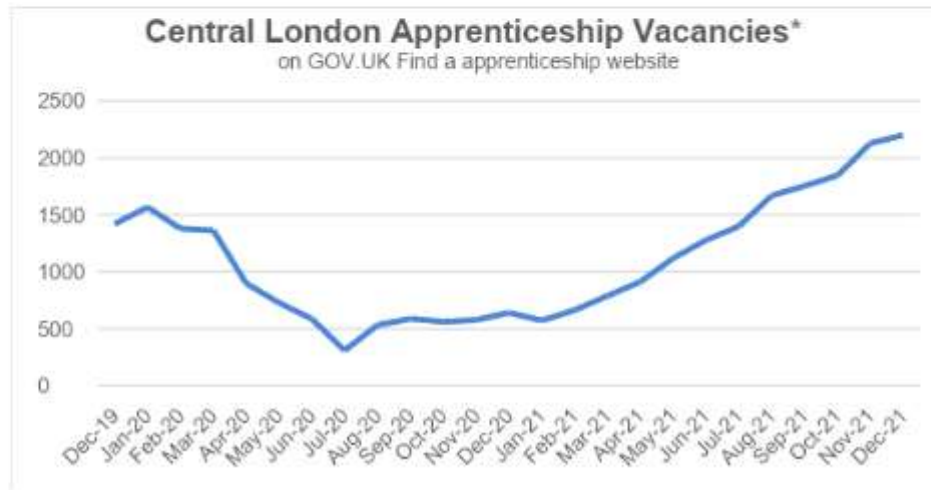
[Higher Education Graduate Outcomes Statistics](#), from HESA, show 80% of respondents in employment or unpaid work, including 11% who were engaged in both employment and further study. There was a 3% decrease in the proportion of 2018/19 graduates in full-time employment compared with 2017/18

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%.



Vacancies in Central London (*within 10 miles of Victoria station) saw a marked increase from 643 in December 2020, to 2,190 on 17 December 2021 and above the pre-COVID 19 figure of 1,420 in December 2019.

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 December 2021:

Sector	I	A	H	D	T
	n	d	i	e	t
	t	v	g	g	t
	e	a	h	r	a
	r	n	e	e	/
	m	c	r	e	A
	e	e			d
	d	d			v
	i				e
	a				r
	t				t
	e				s
Agriculture, Horticulture & Animal Care	9	1	-	2	12
Arts, Media & Publishing	-	6	-	2	8
Business, Administration & Law	42	283	26	14	365
Construction	35	9	3	7	54
Education & Training	-	-	-	-	-
Engineering & Manufacturing*	161	32	2	7	202
Health, Public Service & Care	169	437	6	-	612
Information Technology	-	111	37	8	156
Leisure, Travel & Tourism	-	-	-	-	-
Retail & Commercial Activity	618	144	27	1	790

* 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**
current rate	£11.05*	£8.9 1	£8.36	£6.56	£4.62	£4.30
from April 2022	£11.05*	£9.5 0	£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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