

## 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

[An evaluation of the impact of the Social Mobility Foundation programmes](#), from the Institute for Fiscal Studies, shows that students from disadvantaged backgrounds see the largest financial benefits from going to university, but are less likely to attend than their more affluent peers with the same grades. According to the report no single intervention will be able to address these barriers, it suggests a combined programme of mentorship, networking and practical support. The research draws upon examples of evidence in Germany and the US which shows that mentorship for disadvantaged students can support academic performance and help students into work.

['Middle-class grab' on apprenticeships](#) according to FE Week. The website reports that apprenticeship reforms are increasingly disadvantaging people from low-income areas. Since the new employer-led standards were first introduced in 2015, government figures show there has not only been a decline in starts, but also a far smaller percentage of them are from those living in the most deprived areas. In 2015, 26% of all apprenticeship starts lived in the most deprived areas, a figure that has fallen each year to just 18% by the end of 2020. For higher level apprenticeships this has fallen each year from 22% to 14% by the end of 2020. On the other hand, 14% of all apprenticeship starts lived in the least deprived areas, a figure that had risen to 19% by the end of 2020 – 23% when only higher-level apprenticeships are taken into account. FE Week records that these findings come in the same week that apprenticeships minister Gillian Keegan expressed concern at an education select committee hearing that university-goers could "squeeze out" those from disadvantaged backgrounds.

[Cash boost for T-Levels](#) announced by the Department for Education. Employers will receive a £1,000 for every T-Level student they host on a 'high-quality industry placement' as part of a new incentive scheme to promote the profile of T-Levels. Industry placements are a key component of a T-Level course with students required to spend at least 45 days or 315 hours with an employer. The cash incentive was designed to offer support to employers who may have found it difficult to take on placements due to the impacts of the pandemic. The DfE also published a new Employer Guide which provides guidance for businesses on how to best host industry placements.

## London Economy

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

- London's real Gross Value Added (GVA) growth rate is forecast to be 5.4% this year due to the recovery from the COVID-19 crisis. This growth rate is expected to increase slightly to 6.9% in 2022 before moderating to 3.1% in 2023.
- London is forecast to see a fall in the number of workforce jobs in 2021 (-3.6% in annual terms) although this will recover in 2022 (2.9%) before accelerating in 2023 (4.2%).
- 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](http://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 March 2021 data):

Sector	London %	UK %
Agriculture, Forestry & Fishing	0.1	1.1
Manufacturing	2.5	7.4
Construction	4.6	6.4
Wholesale, Retail & Vehicle Repair	10.9	14.1
Transport & Storage	5.4	5.2
Hospitality & Catering	6.6	6.3
IT & Communications	7.9	4.2
Finance	7.2	3.3
Real Estate	2.7	1.9
Professional, Scientific & Technical	13.5	9.4
Administration	10.0	8.3
Public Administration & Defence	4.5	4.7
Education	7.1	8.4
Health & Social Work	10.6	12.9
Arts, Entertainment & Recreation	3.1	2.6
Other Services	2.9	2.6

## 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 and beyond and a further fall in employment this year before jobs start growing again. 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 [June 2021 ONS Regional Labour Market Statistics](#) (covering the period February to April 2021) show that:

- Unemployment in London was 6.5% compared to 4.7% for the UK as a whole and 3.8% in the South East.

Figures for May 2021 from [www.nomisweb.co.uk](http://www.nomisweb.co.uk) show that:

- The all-age claimant rate was 8.0% in London, above the 6.0% for the UK as a whole.
- The 18-24 claimant rate was 10.2% in London, above the 8.2% for the UK as a whole.
- The 18-21 claimant rate was 9.8% in London, above the 8.2% for the UK as a whole.

The monthly [COVID-19 Labour Market Analysis](#) from GLA Economics (issued in June 2021) covers the three months to April 2021:

- Payrolled employees up by almost 34,500 or 0.9% on the previous month (a third consecutive month of growth) but still down on the previous year (-1.7%).
- Unemployment rate estimated at 6.5%, down 0.7% on the previous quarter but up 1.5% on the year (and above the UK average of 4.7%).
- Employment rate estimated at 74.7%, broadly stable on the previous quarter (up 0.2%) but down 1.5% from a year earlier.
- Workforce jobs in London estimated at 5.8 million in March 2021, up by 58,900 from December 2020 but still down by 245,300 jobs from March 2020.

## 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.

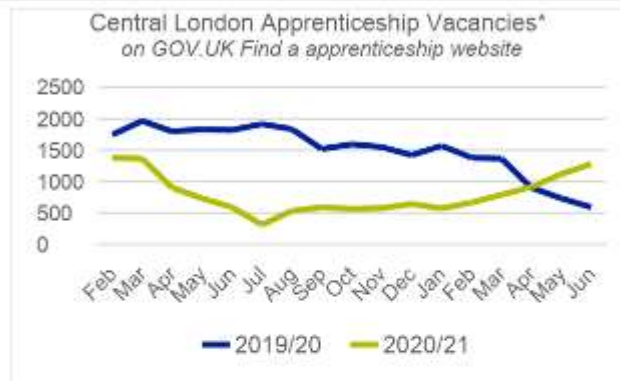
[ISE Student Recruitment Survey 2020](#), from Institute of Student Employers, found that the number of graduate jobs dropped by 12% in 2020 with the majority of employers anticipating further decline next year. Some sectors have reduced hiring considerably while others such as the charitable and public sector has increased hiring. Graduate jobs in retail have seen the largest cut at 45%. However, IT and engineering continue to struggle to find the staff they need. 42% of employers found it difficult to fill IT jobs in programming and development and 35% struggled to recruit engineers. Heavy competition and a lack of graduates with the necessary skills were the most common reasons. The data also shows the significant increased competition for jobs - this year employers received 14% more applications for graduate roles and 9% more for internships and placements. Many have been forced to significantly reduce internships and placement opportunities this year (29% and 25% respectively).

## 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.

[Provisional figures](#) from the DfE show that apprenticeship starts for the whole of 2019/20 fell 18% on the previous academic year. Apprenticeships for young people aged 16 to 18 were the hardest hit overall, dropping by 22%. Apprenticeship starts now appear to be recovering after recent data showed a less dramatic percentage drop amid the pandemic.

[Recent figures](#) published by the DfE show there were 161,900 starts recorded from August 2020 to January 2021, compared to 198,600 reported for the same period pre-Covid-19 in 2019/20 – a 23% fall. Those aged under 19 accounted for the biggest fall, with starts for this age group dropping 33%. Starts for level 2 apprenticeships similarly dropped by 36%.



Vacancies in Central London (\*within 10 miles of Victoria station) saw a marked increase from 589 in June 2020, to 1,279 on 16 June 2021, but still well below the pre-COVID 19 figure of 1,821 in June 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 16 June 2021:

Sector	I n t e r m e d i a t e	A d v a n c e d	H i g h e r	D e g r e e	T o t a l A d v e r t i s e d
Agriculture, Horticulture & Animal Care	6	1	-	1	8
Arts, Media & Publishing	-	7	-	-	7
Business, Administration & Law	40	203	24	8	275
Construction	29	4	3	10	46
Education & Training	-	-	-	-	-
Engineering & Manufacturing*	58	33	1	3	95
Health, Public Service & Care	141	246	2	2	391
Information Technology	-	73	23	8	104
Leisure, Travel & Tourism	-	-	-	-	-
Retail & Commercial Activity	289	52	12	-	353

\* Engineering & Manufacturing includes some 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 who are 25. 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				
		25+***	21-24***	18-20	Under 18	Apprentice**
current rate	£10.85*	£8.9	£8.36	£6.56	£4.62	£4.30
		1				

\* 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 1 April 2021 the National Living Wage will apply to those aged 23 and over (currently applies to those 25 and over).

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](mailto:trevor@londonlmi.co.uk)