

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

[Labour Market Outlook: Autumn 2021](#), from the CIPD, confirms that employment confidence remains high, with net employment balance increased to +38, up from +32 last quarter. However, recruitment difficulties are increasing, with almost half of employers reporting hard-to-fill vacancies. For low-skilled vacancies the median number of applicants has dropped from 20 to 16. In order to attract more candidates organisations are taking positive action, such as raising pay, upskilling and hiring more apprentices. Fears that the end of the furlough scheme would result in large-scale job losses have been allayed with a modest 10% of employers expecting to make redundancies, down from 13% last quarter. Pay in the private sector also looks positive, as median basic pay expectations rise from 2.2% to 2.5%.

[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.

[Minimum wage rates from April 2022](#) have been announced. The National Living Wage (NLW) will rise to £9.50 from 1 April 2022 - an increase of 59p or 6.6%. The 21-22 year-old rate will increase to £9.18, with this age group on course to receive the full NLW by 2024. The rates for 18-20 (4.1% increase to £6.83) and 16-17 year-olds (4.1% increase to £4.81) will *"increase in line with underlying wage growth, protecting earnings for young workers while recognising their higher risk of unemployment"*. The minimum wage for apprentices will increase by 51p, to match the standard 16-17 year-old rate. The increases come against a backdrop of strong GDP forecasts, employment returning to pre-pandemic levels and businesses advertising record numbers of vacancies. 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.

[London Living Wage increases to £11.05](#). 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. Over 300,000 people working for almost 9,000 real Living Wage Employers throughout the country are set for a pay boost as the new Living Wage rates rise to £9.90 across the UK (40p increase), and £11.05 in London (20p increase). The Living Wage rates are independently calculated based on what people need to live on. Accredited Living Wage Employers can be found at www.livingwage.org.uk/accredited-living-wage-employers.

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 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 2021 data):

Sector	London %	UK %
Agriculture, Forestry & Fishing	0.0	1.0
Manufacturing	2.3	7.3
Construction	5.2	6.6
Wholesale, Retail & Vehicle Repair	10.6	13.9
Transport & Storage	5.1	5.1
Hospitality & Catering	7.0	6.8
IT & Communications	7.8	4.0
Finance	7.2	3.2
Real Estate	2.6	1.9
Professional, Scientific & Technical	13.4	9.2
Administration	10.0	8.4
Public Administration & Defence	4.6	4.6
Education	6.9	8.4
Health & Social Work	10.6	12.9
Arts, Entertainment & Recreation	3.3	2.7
Other Services	2.6	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. 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 [November 2021 ONS Regional Labour Force Survey Summary](#) (covering the period July to September 2021) show that:

- Unemployment in London was 5.6% compared to 4.3% for the UK as a whole and 3.8% in the South East.

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

- The all-age claimant rate was 6.3% in London, above the 4.8% for the UK as a whole.
- The 18-24 claimant rate was 7.2% in London, above the 6.0% for the UK as a whole.
- The 18-21 claimant rate was 7.1% in London, above the 6.1% for the UK as a whole.

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

- Payrolled employees rose by around 42,000 or 1.0% between August and September 2021 but remain 1.2% below pre-pandemic (February 2020) levels.
- Unemployment rate estimated at 5.8% for the 3 months ending August 2021, down 0.8% on the quarter but up 0.5% on the same period in the previous year (and above the UK average of 4.5%).
- Employment rate estimated at 74.9%, up by 0.3% on the previous quarter but down 0.9% 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 Luminate:

- 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 Luminate](#) 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.

[Provisional figures](#) from the DfE show that apprenticeship starts for the whole of 2020/21 increased by 0.1% on the previous year. However, 2020/21 starts were still 18% down on the pre Covid-19 2018/19 figure. Starts for young people aged 16 to 18 and level 2 apprenticeships both dropped by 15% on the previous year. Meanwhile starts for people aged 25+ and level 4 or above increased by 8% and 21% respectively.

[Recent figures](#) published by the DfE show there were 253,100 starts recorded from August 2020 to April 2021, down 6.9% from Q3 2019/20 pre-Covid-19. Those aged under 19 accounted for just 21% and level 2 apprenticeships accounted for only a quarter of starts of starts.



Vacancies in Central London (*within 10 miles of Victoria station) saw a marked increase from 578 in November 2020, to 2,127 on 16 November 2021 and above the pre-COVID 19 figure of 1,550 in November 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 November 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	D e g r e	T o t a l A d v e r t i s e s
Agriculture, Horticulture & Animal Care	7	-	-	2	9
Arts, Media & Publishing	-	12	-	2	14
Business, Administration & Law	44	268	25	15	352
Construction	33	7	9	12	61
Education & Training	-	-	-	-	-
Engineering & Manufacturing*	146	35	1	7	189

Health, Public Service & Care	159	413	3	3	578
Information Technology	-	126	42	12	180
Leisure, Travel & Tourism	-	-	-	-	-
Retail & Commercial Activity	573	144	26	1	744

* 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**
current rate	£11.05*	£8.91	£8.36	£6.56	£4.62	£4.30
from 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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