

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

[Conservative Party Conference Keynote Speech](#), by chancellor Rishi Sunak, confirmed that apprentice incentives will run until the end of January and Kickstart will go until the end of March 2022. The bonus of £3,000 for every apprentice a business hires ended in September, but has now been extended until the end of January. Kickstart, which subsidises job placements for young people on universal credit, was due to end in December but will now be extended to March 2022.

[Over a million more health and care staff needed in the next decade](#), according to the Health Foundation's REAL Centre. The report finds that, by 2030/31, up to an extra 488,000 health care staff would be needed to meet demand pressures and recover from the pandemic - the equivalent of a 40% increase in the workforce, double the growth seen in the last decade. Alongside this, up to 627,000 extra social care staff would be needed to improve services and meet need - a 55% growth over the next decade and 4 times greater than the increases of the last ten years.

[Skills Bootcamps in HGV Driving](#): A tender (closing 22 October) has been launched by the DfE to recruit suppliers for new heavy goods vehicle driver bootcamps. The government is looking to train an extra 5,000 new drivers through the scheme, instead of the original aim of 3,000. Suppliers will need to ensure each bootcamp is completed in 16 weeks by the end of March 2022. However, bootcamps for new drivers with no prior experience can continue beyond this deadline, but they must be 'road ready' by 30 November 2022.

[Apprenticeships and traineeships statistics](#), from the DfE, show apprenticeship starts for the whole of 2020/21 grew marginally on the previous year. Provisional data revealed there were a total of 319,400 starts last year compared to 319,000 at the same point for 2019/20 (an increase of 0.1%). However, 2020/21 starts were 18% down on the 389,000 recorded in 2018/19 (before Covid-19). Starts for 16 to 18-year-olds and level 2 both dropped by 15% on the previous year, while starts for people aged 25+ level 4 or above increased by 8% and 21% respectively.

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

- Unemployment in London was 5.8% compared to 4.5% for the UK as a whole and 4.2% in the South East.

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

- The all-age claimant rate was 6.6% in London, above the 5.0% for the UK as a whole.
- The 18-24 claimant rate was 7.9% in London, above the 6.5% for the UK as a whole.
- The 18-21 claimant rate was 7.7% in London, above the 6.5% 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 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).

[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 564 in October 2020, to 1,845 on 15 October 2021 and above the pre-COVID 19 figure of 1,595 in October 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 15 October 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 d
Agriculture, Horticulture & Animal Care	4	-	-	1	5
Arts, Media & Publishing	-	8	-	1	9
Business, Administration & Law	46	236	15	5	302
Construction	20	4	5	3	32
Education & Training	-	-	-	-	-
Engineering & Manufacturing*	138	36	1	1	176
Health, Public Service & Care	150	368	2	1	521
Information Technology	-	97	23	6	126
Leisure, Travel & Tourism	-	-	-	-	-
Retail & Commercial Activity	552	102	20	-	674

* 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				
		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 applies to those aged 23 and over (previously applied 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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