London Youth Labour Market Summary

October 2023

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

Employer Skills Survey 2022, from the DfE, found fewer employers providing training (but larger employers more likely to train) and skill shortage vacancies growing.

25 Years of University Access, from the Sutton trust, confirms persistent access gaps for disadvantaged students, particularly at the most selective universities.

Unit for Future Skills - responding to a parliamentary question the DfE revealed it has spent £2.5 million on the unit whose main priority is to deliver careers pathway and skills demand dashboards.

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 2023 (3.4% in annual terms) but this will fall in 2024 (0.4%) before moving to a longer-term average in 2025 (1.2%).

Household income is expected to fall in 2023 year by 0.5%, due to rising inflation, followed by recovery in 2024 (2.5%) and 2025 (2.9%).

Employment

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

Sector	London %	UK %
Manufacturing	1.9	7.1
Construction	4.5	6.2
Wholesale, Retail & Vehicle Repair	10.3	13.0
Transport & Storage	4.5	5.2
Hospitality & Catering	7.2	7.4
IT & Communications	9.3	4.6
Finance	7.3	3.4
Professional, Scientific & Technical	14.9	9.2
Administration	9.5	8.5
Public Administration & Defence	4.4	4.6
Education	6.5	8.3
Health & Social Work	10.3	13.0
Arts, Entertainment & Recreation	3.2	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.

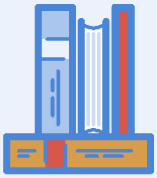
The **City of London and the boroughs to its south and east** (Hackney, Tower Hamlets, Newham, Greenwich and Southwark) account for over half of the 842,000 increase in jobs projected up to 2041.

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 4.8%, compared to 4.3% for the UK as a whole, in the 3 months ending in July 2023.

The **claimant rate is also higher in London for all age groups** - the all-age rate was 4.9% in London, above the 3.7% for the UK, as were those aged 18 to 24 (5.4% compared to 4.9%) and 18 to 21 (5.3% compared to 5.0%) in August 2023.



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.

Graduate salaries rose by a record rate in 2022, as employers compete in a tight labour market, but the **graduate labour market was slowing down** late last year, as inflation led to a drop in real wages and employers worry about the effects of a recession.

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.

Provisional in-year DfE data shows **Apprenticeship starts in England dropped by 4.6%** between August and April 2022/23 compared to the same period in 2021/22.

Advanced apprenticeships accounted for 43.2% of starts while higher apprenticeships accounted for a 34.0%.

Higher apprenticeship starts increased by 6.1% and those at Level 6 and 7 increased by 9.3%.

Under 19s accounted for 24.8% of all starts.

Apprenticeship vacancies in Central London (within 10 miles of Victoria station) saw a decline from the figure of 1,002 in September 2022, to 731 on 15 October 2023, below the pre-COVID 19 figure of 1,365 in March 2020.

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	Apprentice*
£11.95	£10.42	£10.18	£7.49	£5.28	£5.28

** 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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