

# London Youth Labour Market Summary

March 2024

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

**We've only just begun**, from the Resolution Foundation, found that more than a third of 18-24-year-olds reported symptoms of a common mental health disorder (CMD). Non-graduates with a CMD are particularly disadvantaged in the labour market.

**Labour would reform the apprenticeship levy**, according to a report in FE Week, so that it can also be spent on other types of training if the party comes into power. Full details of the policy are set to be published in a report produced by Labour's Council of Skills Advisers in the coming weeks.



## 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 was for more London jobs in 2023** (3.5% in annual terms) but this will fall in 2024 (0.1%) before moving to a longer-term average in 2025 (1.1%).

**Household income was expected to fall** in 2023 year by 0.5%, due to rising inflation, followed by recovery in 2024 (1.2%) and 2025 (2.6%).



## Employment

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

Sector	London %	UK %
Manufacturing	1.8	7.1
Construction	4.2	6.1
Wholesale, Retail & Vehicle Repair	10.3	12.8
Transport & Storage	4.6	5.1
Hospitality & Catering	8.7	7.6
IT & Communications	8.8	4.5
Finance	6.3	3.1
Professional, Scientific & Technical	14.7	9.3
Administration	10.3	8.7
Public Administration & Defence	4.3	4.6
Education	6.4	8.3
Health & Social Work	10.6	13.1
Arts, Entertainment & Recreation	2.8	2.8

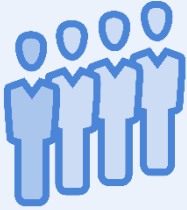
## Future Employment

**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 usually higher than the UK average**.

The unemployment rate in London was estimated at 3.8%, the same as the UK as a whole, in the 3 months ending in December 2023.

The **claimant rate is higher in London for all age groups** - the all-age rate was 5.2% in London, above the 3.8% for the UK, as were those aged 18 to 24 (5.7% compared to 5.1%) and 18 to 21 (5.7% compared to 5.3%) in February 2024.



## Graduate Employment

The UK graduate labour market was remarkably resilient in the aftermath of the pandemic, as outcomes ranked among the best in the brief history of the **Graduate Outcomes** survey.

The majority of graduates were in full-time work 15 months after graduating. Of those graduates in work, 76% were in professional-level employment (a higher proportion than the year before) and just 5% were unemployed.



## 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.

**Apprenticeship starts fell by 3.5%** for the whole of 2022/23 on the previous academic year - driven by falling numbers in small and medium-sized employers. However, provisional data shows a 7% in-year increase in the August to October 2023 quarter.

**DfE data** shows that under 19s accounted for just 23.1% of 2022/23 starts, compared to 29.3% for 19 to 24-year olds and 47.6% for those aged 25+, but under 19 starts were up 11% in the August to October 2023 quarter.

Continuing the trend since the launch of the apprenticeship levy in 2017, higher level apprenticeships continue to grow, a third of all 2022/23 starts were at Level 4 and above, compared to 4.0% in 2014/15.

**Apprenticeship vacancies in Central London** (within 10 miles of Victoria station) saw a decline from 1,152 in March 2023, to 814 on 18 March 2024 - well below the post lockdown high of 2,297 in March 2022.



## 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 October, while the National Living wage and National Minimum Wage rates change every April.

London Living Wage	National Minimum/Living Wage				
	23+	21-22	18-20	Under 18	Apprentice*
£13.15	£10.42	£10.18	£7.49	£5.28	£5.28
<b>From 1 April 2024</b>	£11.44 (21+)	£8.60	£6.40	£6.40	£6.40

\* 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.

Whilst all reasonable steps are taken to ensure all information is accurate and inoffensive, we cannot take responsibility for any inaccuracies or for loss or damage arising from its use. Views expressed within the content of this bulletin are of those supplying the information and are not necessarily those of the author unless explicitly stated.

Trevor Bottomley • Employment & Labour Market Consultant • [trevor@londonlmi.co.uk](mailto:trevor@londonlmi.co.uk)