



SLP Economic Insights

December 2021

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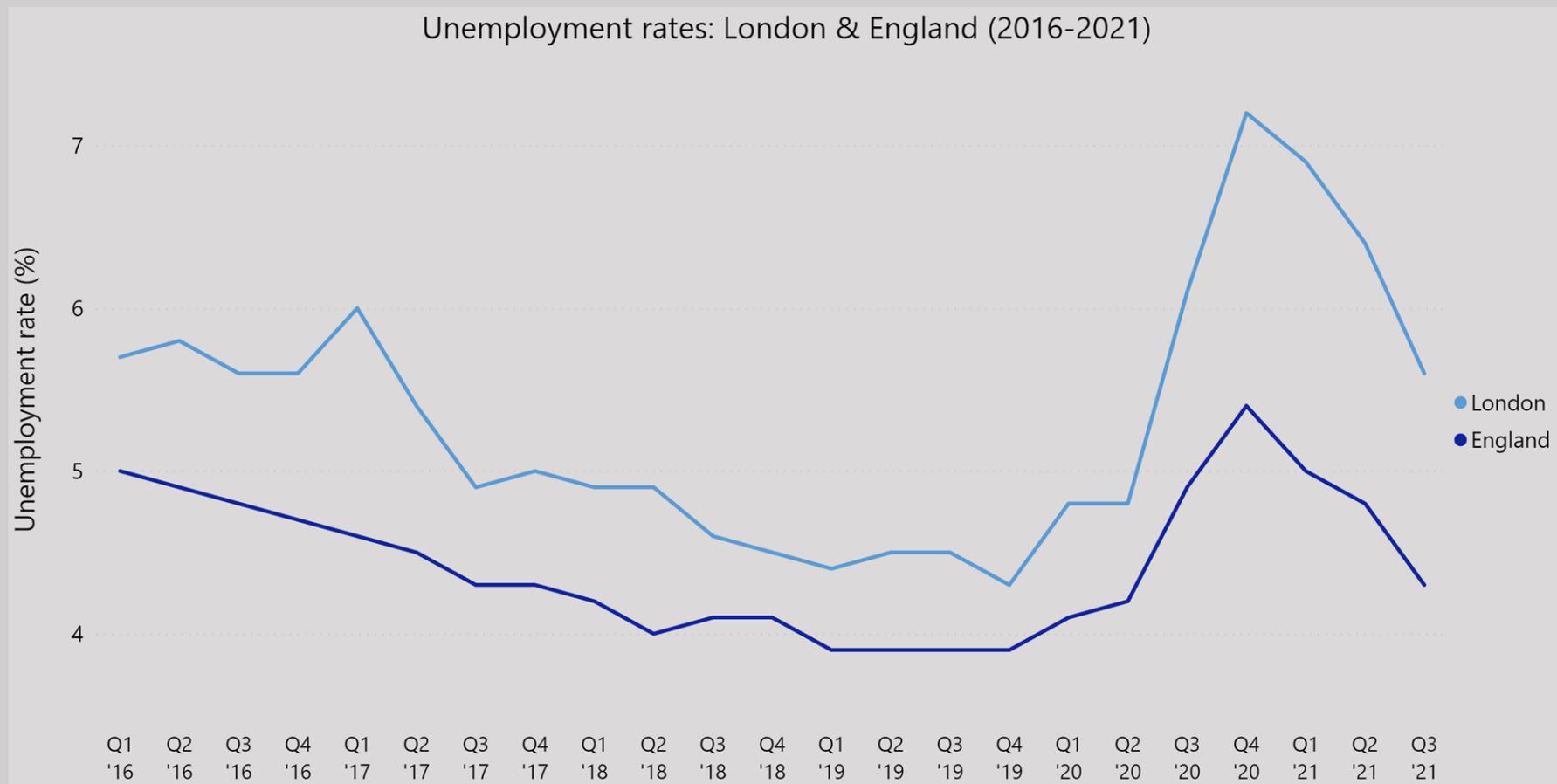
The data in the following slides refers to a range of dates dependent on when the latest data is available which ranges between August 2021 and October 2021.

Headlines

- Unemployment levels have declined sharply across both England and London since the start of 2021 but remain (at Q3 2021) higher than pre Covid levels, with the London rate (5.6%) consistently higher than the England rate (4.3%).
- Unemployment benefit claimants across SLP boroughs dipped slightly from April to October 2021 but levels remain almost double those of March 2020 highlighting the continued impact of the pandemic on unemployment.
- There was considerable variation between SLP boroughs in the proportion of working age population claiming unemployment benefit at October 2021 – from 7.4% in Croydon to 3.3% in Richmond with only Croydon of the SLP boroughs having a rate higher than the London average (6.3%), though this largely reflects the pre pandemic pattern.
- Whilst all age groups have seen a decline in the number of people claiming unemployment benefits since April 2021 the decline has been greatest in the younger age groups with the decline in the older age groups flattening between June and August.
- Likewise, the number of people in SLP boroughs claiming Universal Credit has remained high during 2021, decreasing only slightly since the March 2021 peak with a small increase from September to October which may reflect the end of the furlough and SEISS schemes at the end of September.
- Job postings continue to increase quite rapidly throughout the second half of 2021 and were much higher than 2020 and pre-pandemic years.

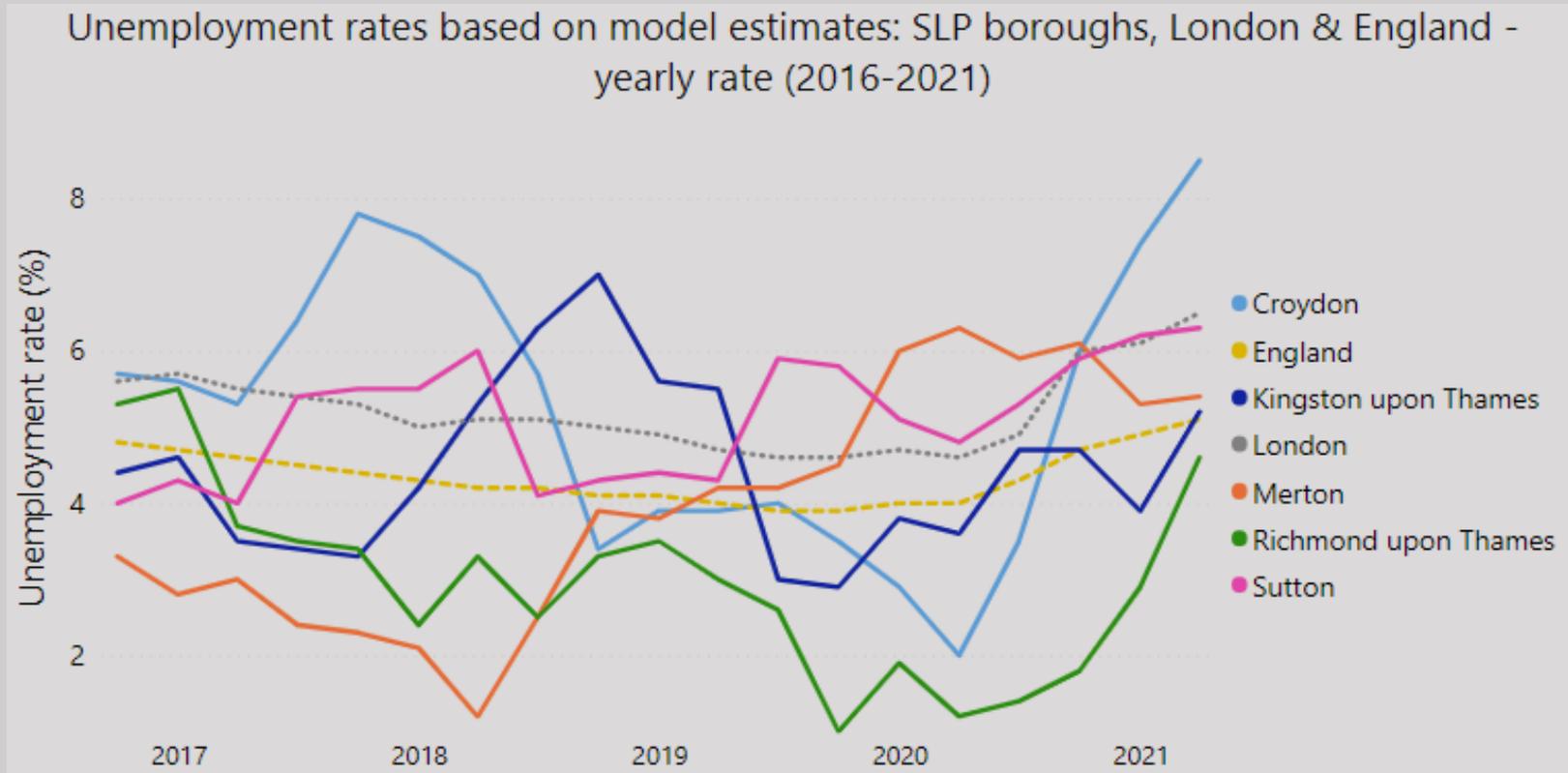
Unemployment in London has continued to decline through 2021 to 5.6% though still remains higher than pre Covid levels (4.8%)

Following a steep rise between Q2 and Q4 2020 unemployment rates in London declined steeply in 2021 though are not yet at pre Covid levels. At Q3 2021 the London unemployment rate was 5.6%, considerably higher than the England rate of 4.3%



Croydon and Richmond saw the steepest rise in unemployment during the pandemic but only Croydon was above the overall London rate in the period of July 2020 – June 2021

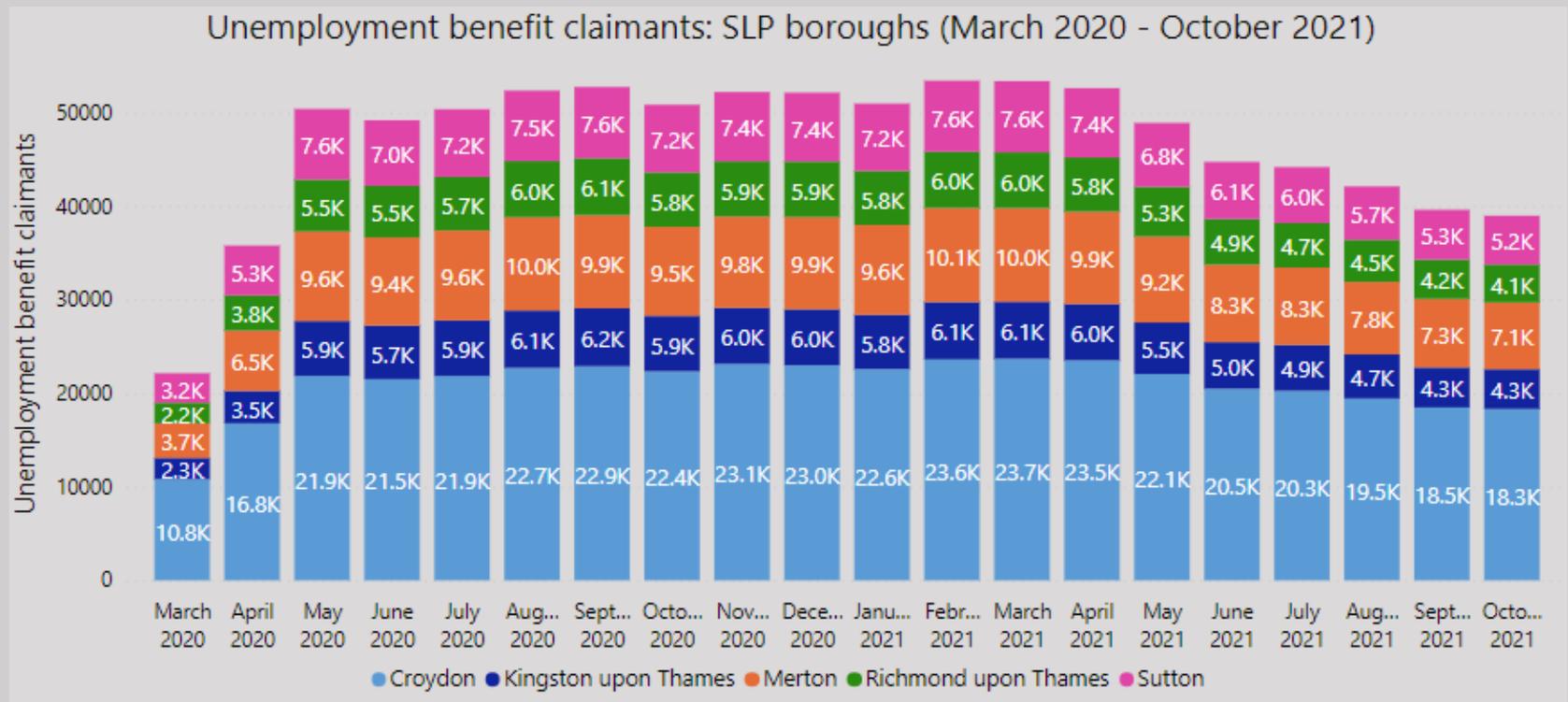
The overall London and England rate have remained relatively stable over the past few years but the SLP boroughs have fluctuated. For the year July 2020-June 2021, only Croydon had a higher rate (8.5%) than London, with Richmond Upon Thames the only SLP borough below the overall England rate.



*each datapoint is the unemployment rate for the previous year. The last available data is for July 2020-June 2021.

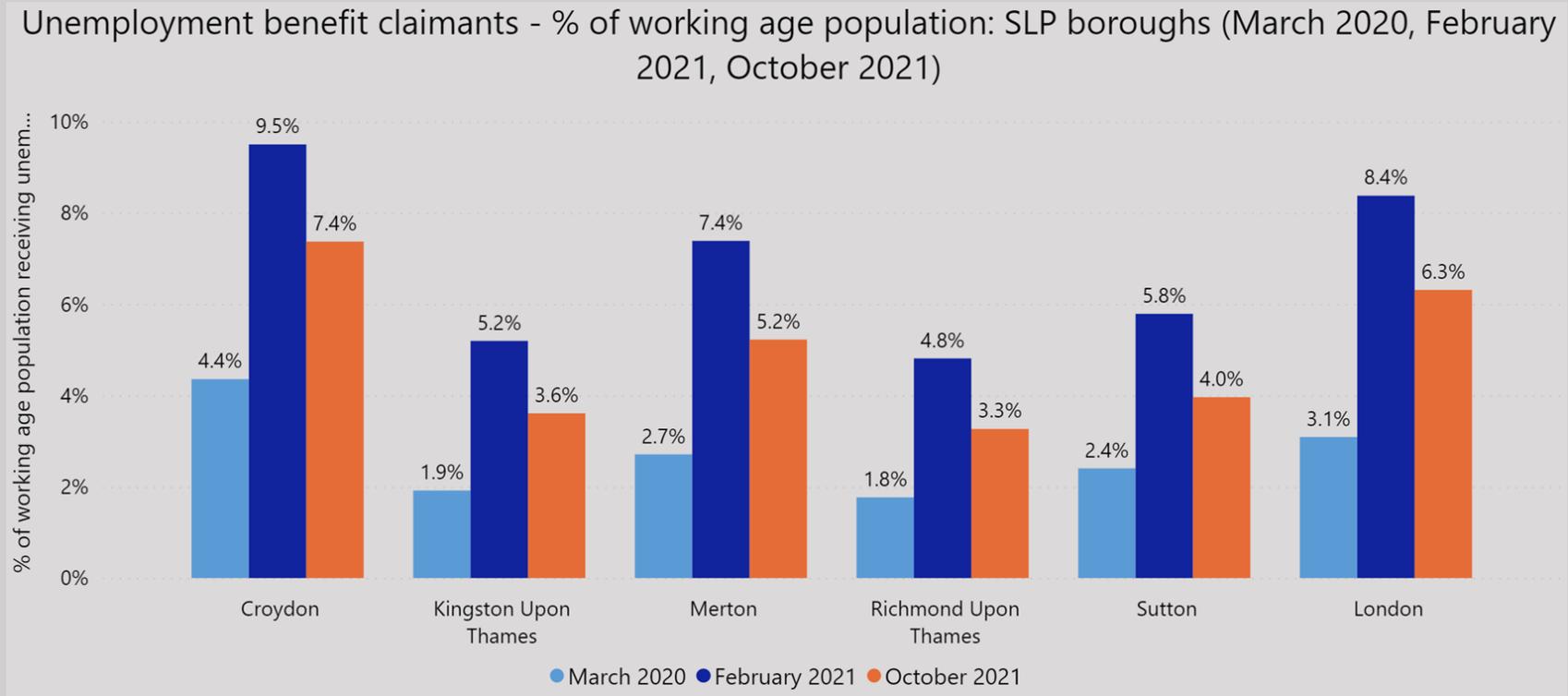
Unemployment Benefit claimants across SLP boroughs have declined slowly since February 2021 but at October 2021 were still double the pre Covid levels

The total number of unemployment benefit claimants peaked at 53,366 across SLP boroughs in February 2021. The number of claimants declined by 14,440 between February 2021 and October 2021, representing a decline of 27%. This represents the first consistent decline in the total number of claimants since the start of the pandemic.



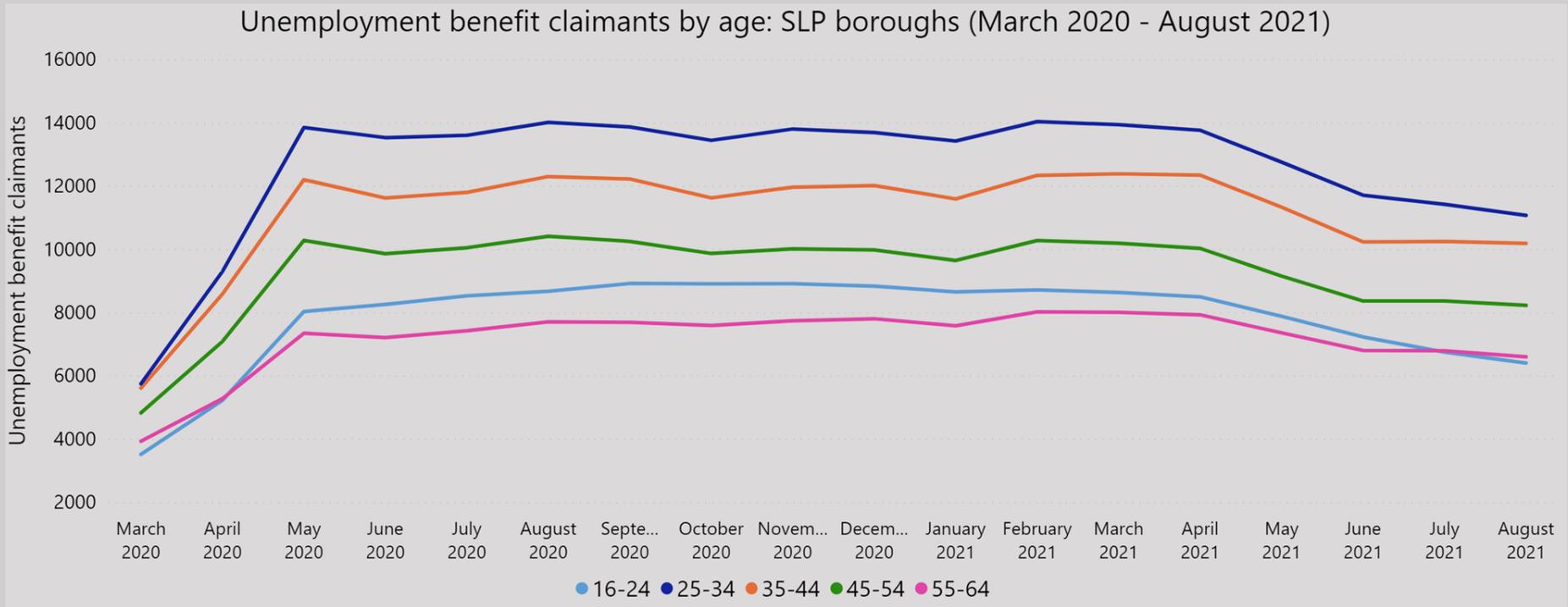
Unemployment Benefit claimants as proportion of working age population have declined from peak levels in February 2021 but remain high compared to March 2020

5.1% of the working age population across SLP boroughs was claiming Unemployment Benefits at October 2021, a considerably higher rate than before the first lockdown. However with the exception of Croydon this was a smaller proportion than London on average.



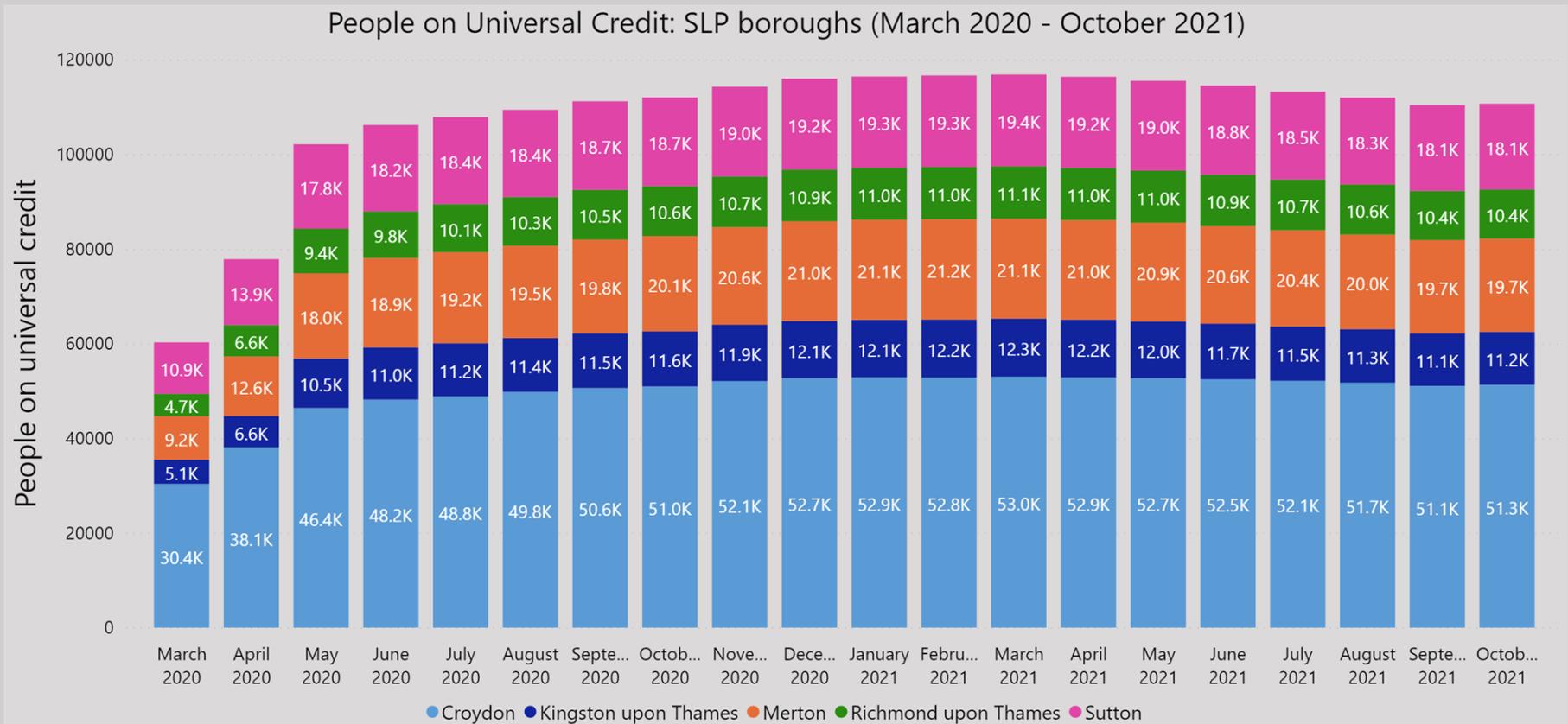
All age groups have seen a decline in the number of people claiming unemployment benefits since April 2021 with the decline greatest in the younger age groups

Unemployment Benefit claimants across SLP boroughs have declined across all age groups since April 2021. Younger claimants aged between 18 and 39 have seen a faster decline relative to their share of the population compared with those aged between 40 and 64.



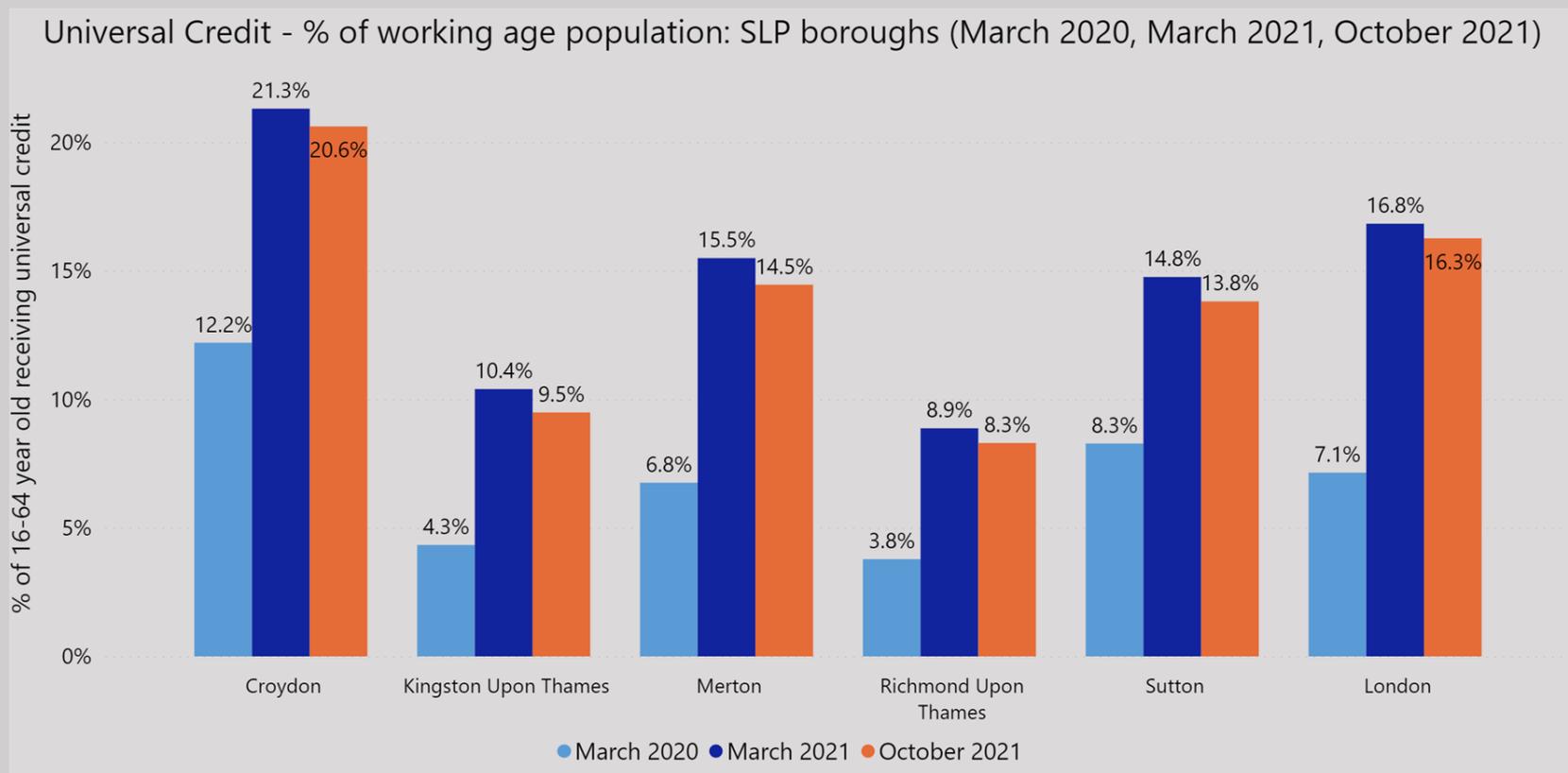
The number of Universal Credit claimants across SLP boroughs increased rapidly at the start of the pandemic and has remained high since with only slight declines in recent months

Universal Credit claimants across SLP boroughs peaked at a total of 116,821 in March 2021, with this figure falling to 114,479 in June 2021 and 110,663 in October 2021. There was a smaller decrease between March and October 2021 in the number of universal credit claimants than was seen for Unemployment Benefit claimants indicating that benefits for those still working or unrelated to unemployment may still be required to a large extent.



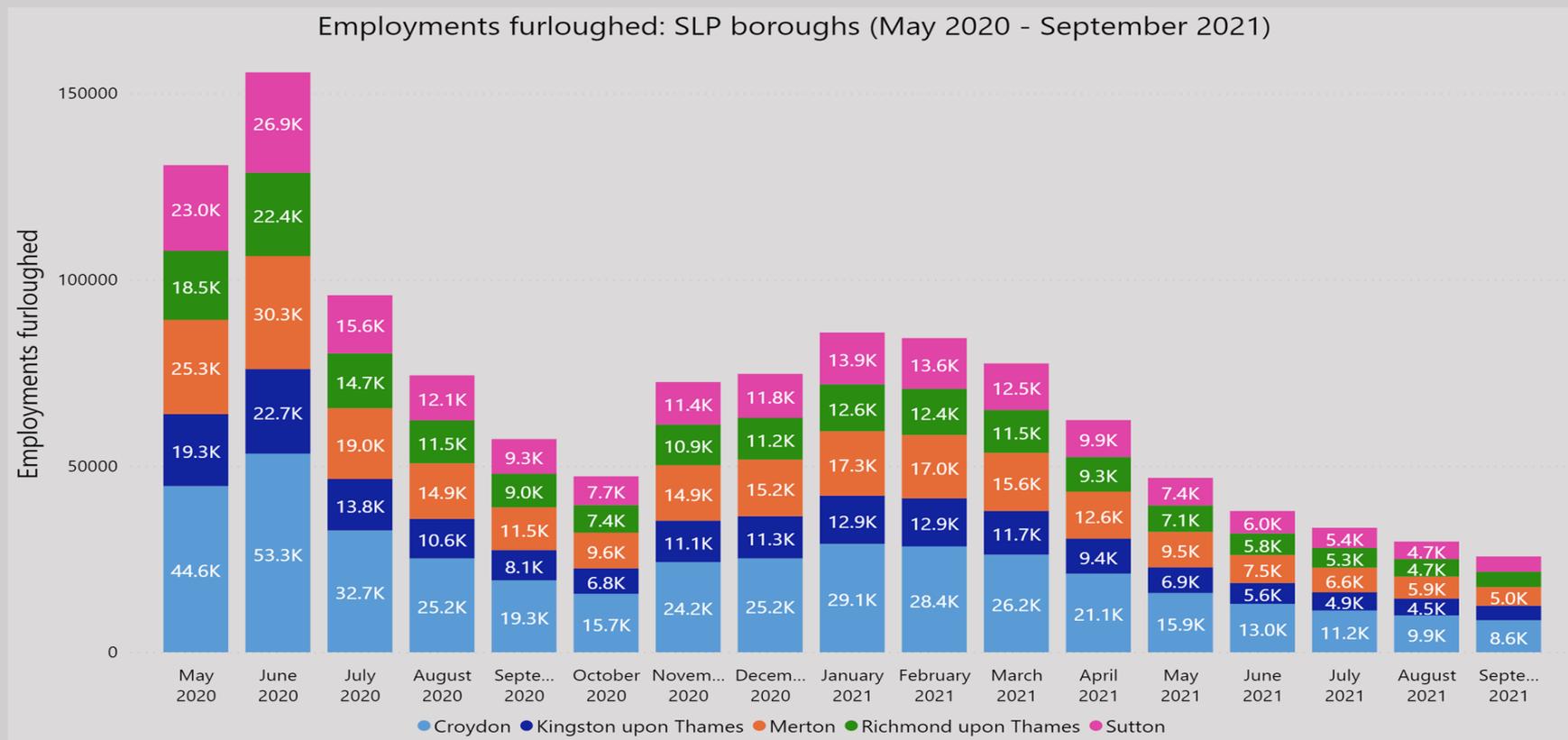
There has not been much change in the proportion of working age population claiming Universal Credit in SLP boroughs between March and October 2021 with levels remaining around double those seen in March 2020

At October 2021 Universal Credit claimants remained close to double the level seen in March 2020 across SLP boroughs. In October 2021, the average rate of claimants across the SLP boroughs was 14.6%, below the London average of 16.3%. Similar to Unemployment Benefits, Croydon has had a higher rate of Universal Credit claimants than other SLP boroughs and London since the start of the pandemic in March 2020.



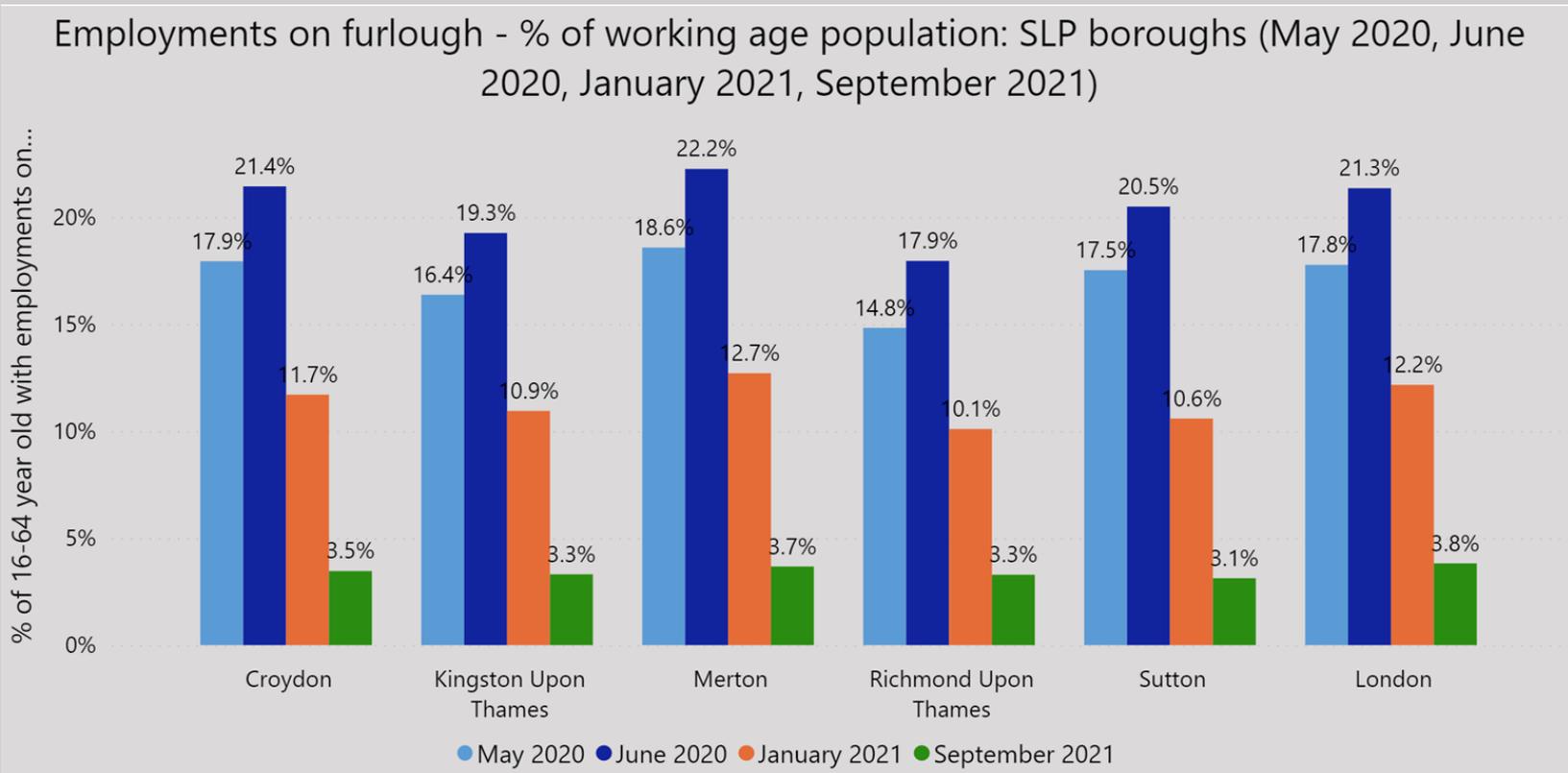
There were 25,700 employments furloughed across SLP boroughs at the end of the scheme at 30 September, the lowest level at any point during the scheme's life. This had declined steadily from the scheme's second peak in January 2021

The number of employments furloughed across SLP boroughs has declined each month since reaching a second peak of 85,800 in January 2021. There were 25,700 employments furloughed in September 2021 across SLP boroughs, a decline of 70% from the January 2021 peak. In September 2021, 33% of employments furloughed were in Croydon, 19.5% in Merton with the remaining SLP boroughs accounting for around 15% each. These shares have remained fairly fixed throughout the pandemic.



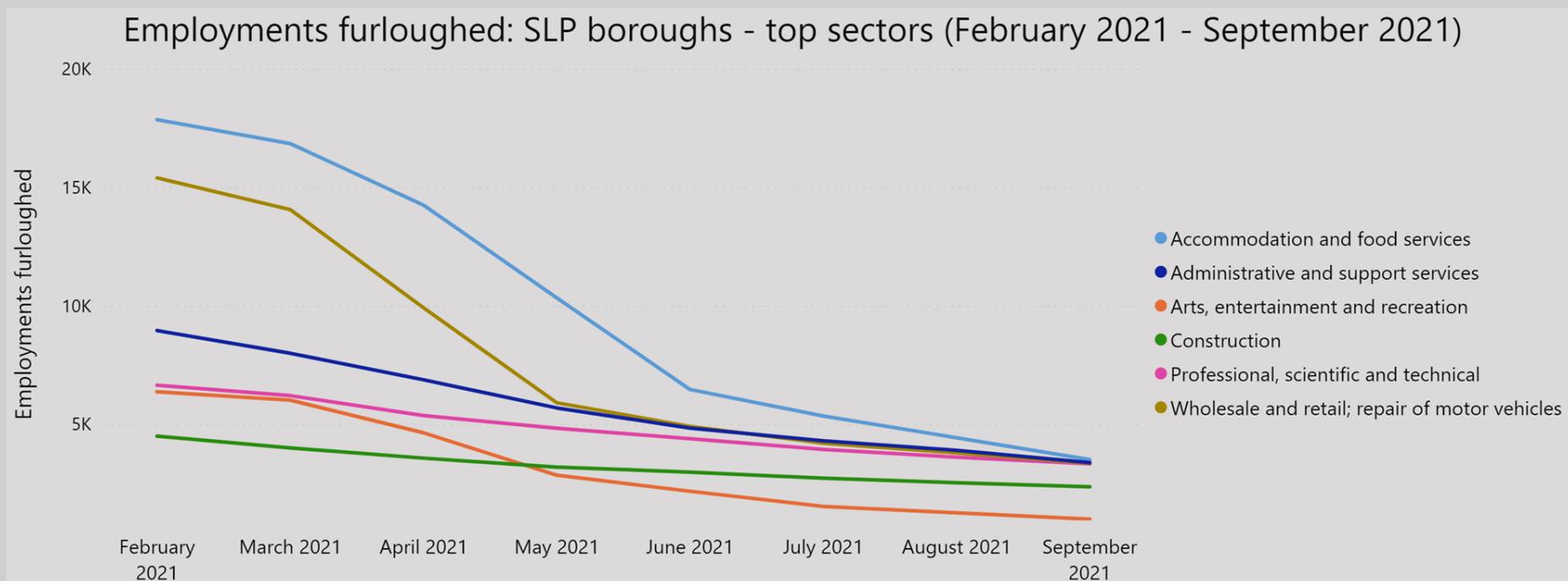
Only a small proportion (3.5%) of the working age population remained on furlough at September 2021 compared to over 20% in most SLP boroughs in June 2020

Employments furloughed in SLP boroughs accounted for a smaller share of the SLP working age population than in London as a whole. Merton has consistently had the highest rate of employments furloughed of all SLP boroughs although there is not a significant difference between boroughs.



Accommodation and food services remained the sector with the highest number of employments furloughed in 2021, although this rapidly decreased from April 2021

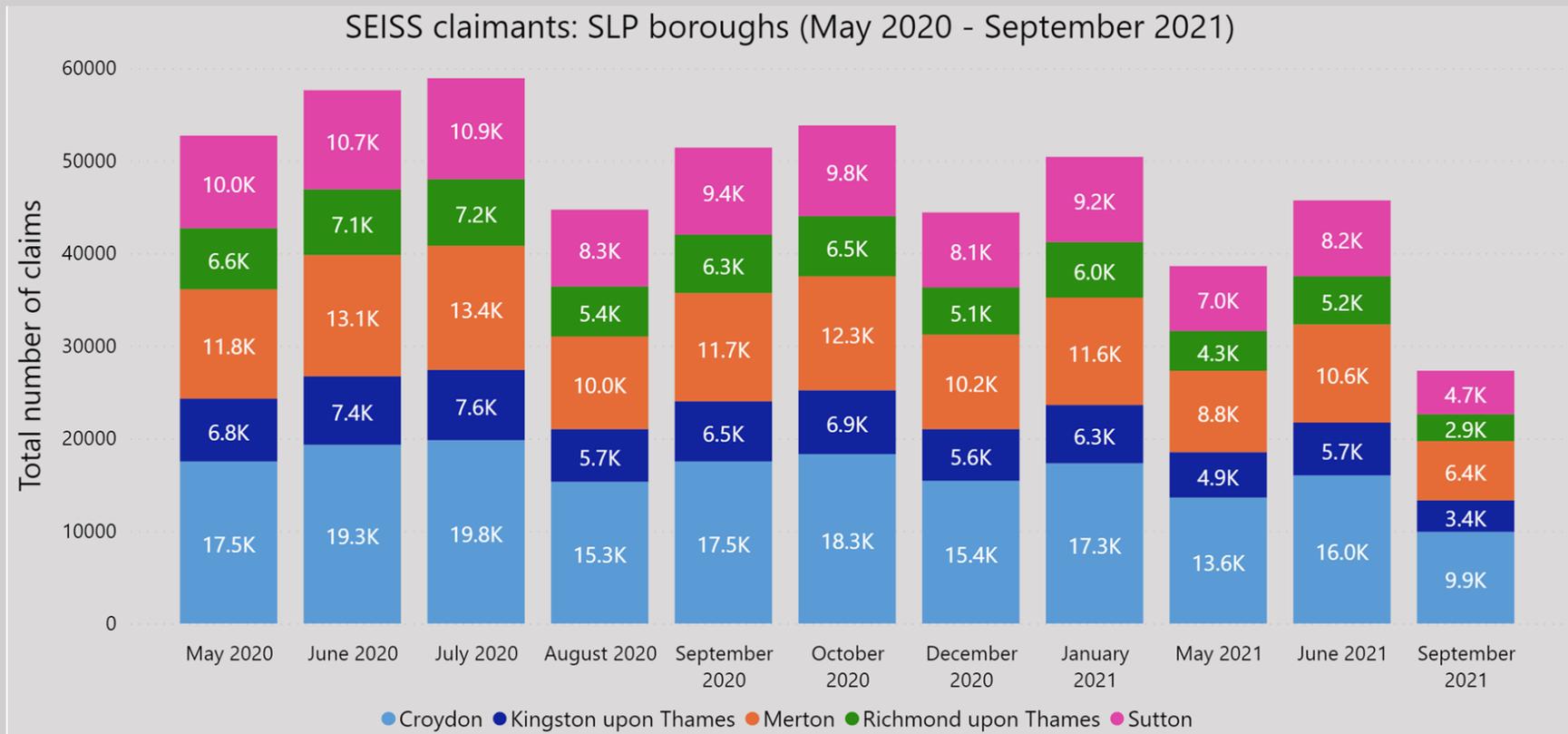
Accommodation & Food Services remained the sector with the most employments furloughed across SLP boroughs in June 2021 (6,460) and September 2021 (3,500). Accommodation & Food Services as well as Wholesale & Retail accounted for the largest proportion of the scheme until Q2 when they declined to the level of other sectors.



Note: Data only available for February-September in 2021.

There were 27,300 SEISS claims in September 2021, the last month of the scheme, the lowest level since the start of the scheme

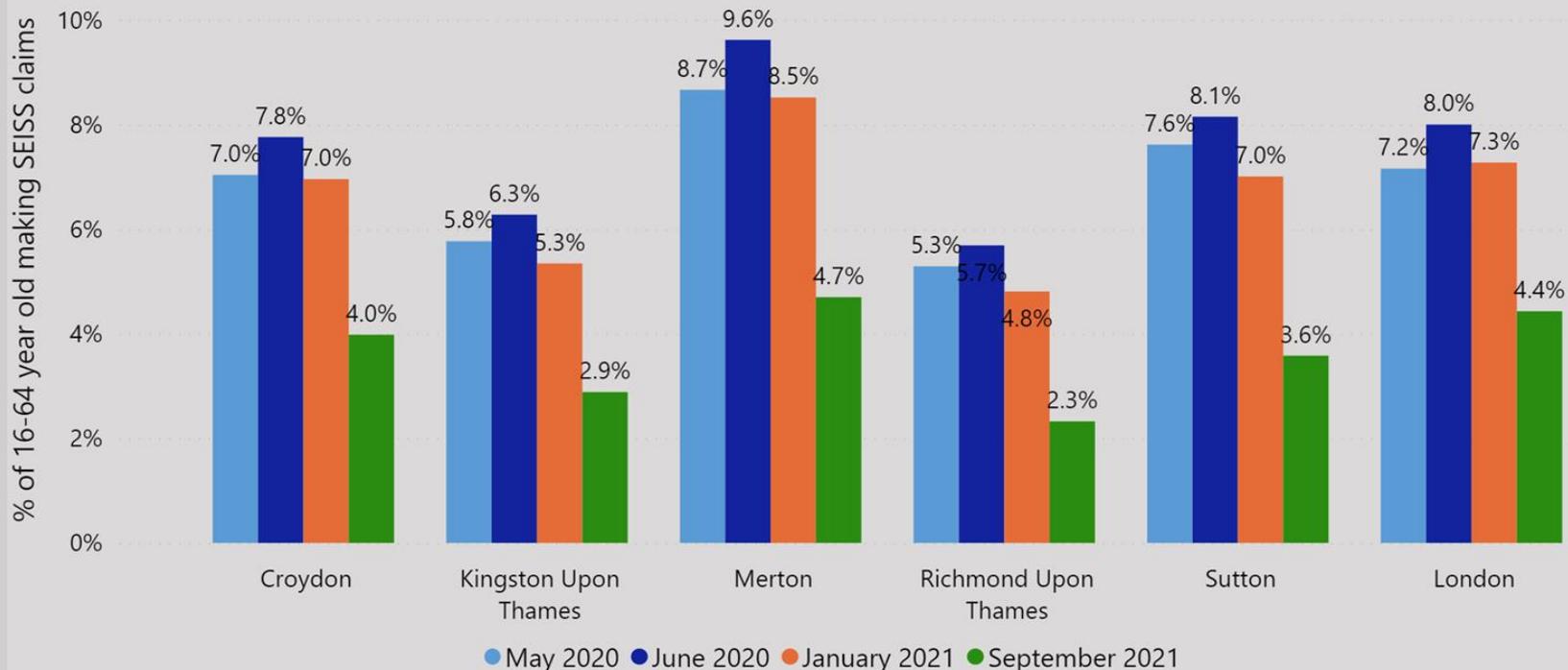
The number SEISS claims across SLP boroughs has fluctuated over the life of the scheme with the 1st peak in July 2020 followed by a 2nd smaller peak in October 2020. There were 27,300 SEISS claims in September 2021 across SLP boroughs, a decline of 54% from July 2020.



SEISS claimants as a proportion of the working age population remained fairly consistent throughout the scheme with peaks at the introduction, October 2020 and January 2021 with a sharp drop off at the end of the scheme in September 2021

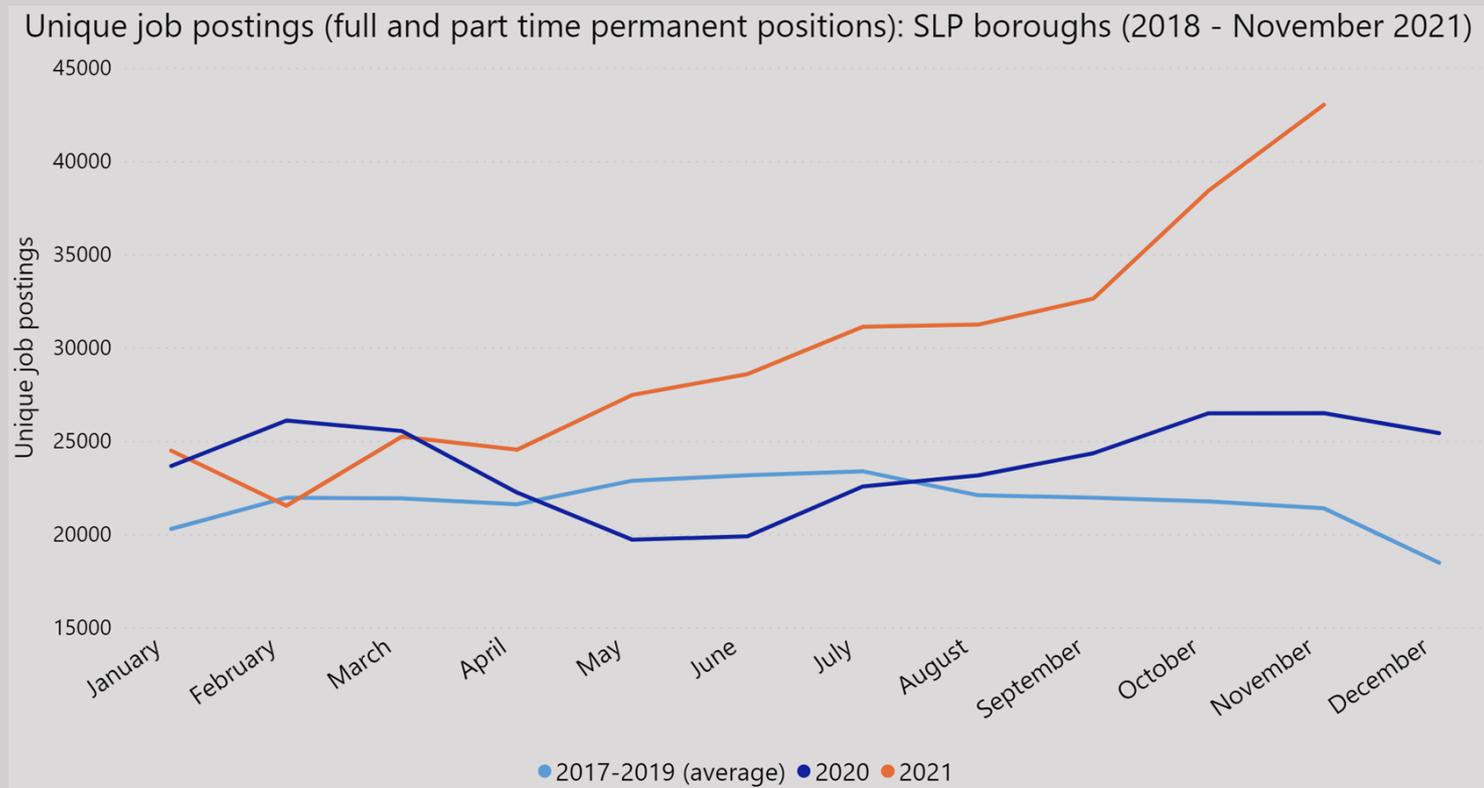
The proportion of the working age population across SLP boroughs claiming SEISS funding was 4.1% in September 2021, slightly lower than the London average of 4.4%. Like for the CJRS, Merton had the highest rate of SEISS claims at 7.8% in June 2020 and 4.7% in September, indicating a slightly higher demand for this type of financial support for workers than other SLP boroughs. It was also the only SLP borough with a rate consistently higher than the London average.

SEISS claimants - % of working age population: SLP boroughs (May 2020, June 2020, January 2021, September 2021)



The number of unique job postings (for permanent positions) in SLP boroughs has increased since April 2021 with a rapid rise since September 2021

Job postings increased month-on-month throughout 2021 with the exception of February where there was a slight dip with the total number of postings across SLP boroughs reaching 43,000 in November 2021, considerably higher than for most of 2020 and the average for 2017-2019.



Note: Job postings data is limited to only those job adverts posted online and does not include offline adverts. Often a job located within an SLP borough only has the location attributed to London, which has not been included in this analysis, therefore counts only for SLP boroughs may undercount the true number of postings for jobs located in SLP boroughs.