



# SLP Economic Insights

March 2022

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This edition of Economic Insights contains the following:

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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 September 2021 and February 2022.

# Headlines

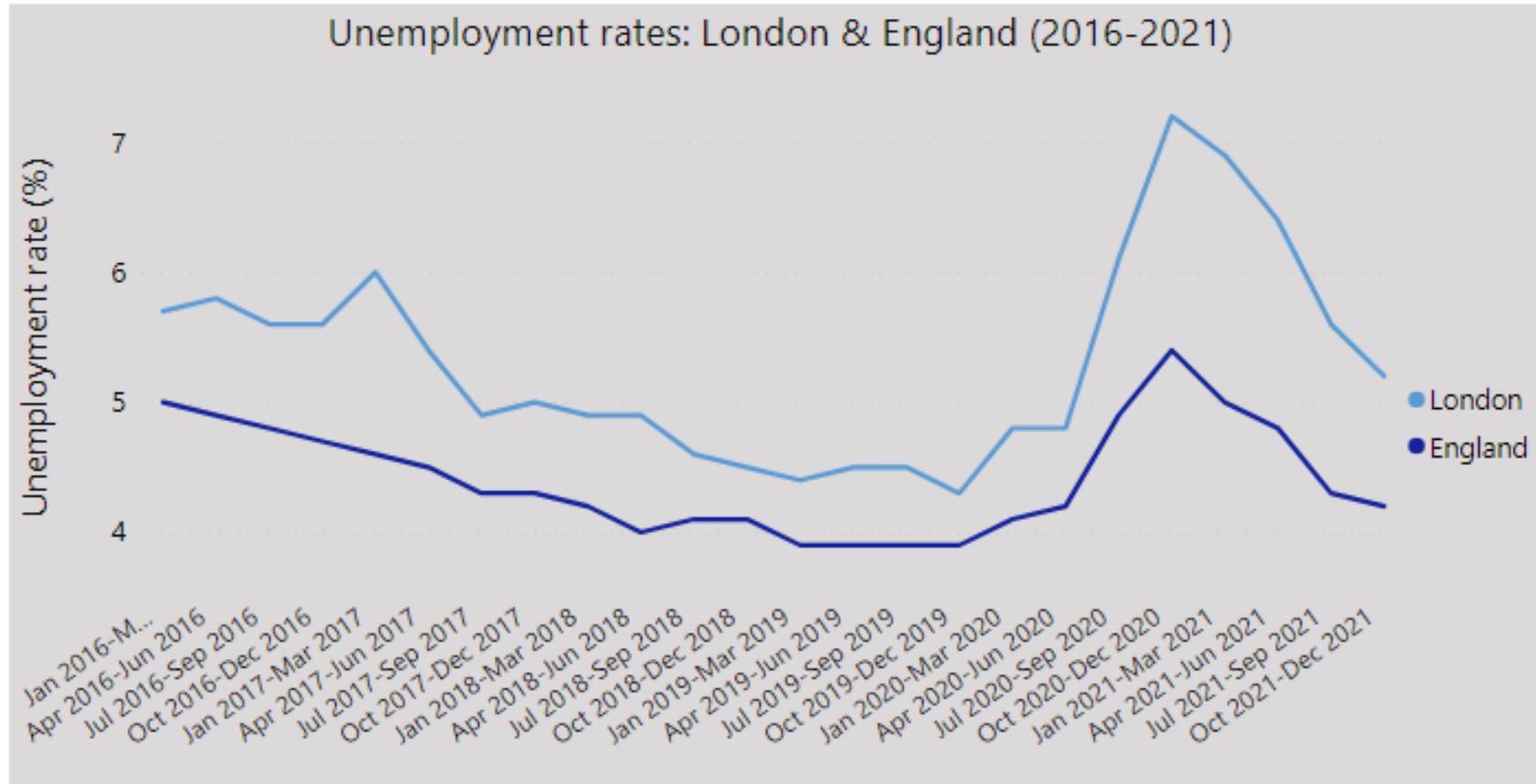
- The annual unemployment rate across SLP boroughs as a whole has continued to rise over the last 12 months and stands at 5.6% for the year to September 2021. This is below the London rate of 6.5% but higher than the England rate of 4.9%. However, the quarterly England and London unemployment rates for December 2021 which are not available at borough level have declined since early 2021 suggesting that unemployment levels are starting to decline but not yet showing in the annual data.
- 4.6% of the working age population in SLP boroughs were receiving unemployment benefits in January 2022 with this declining since the pandemic peak in February 2021. This differs to the proportion of the working age population receiving universal credit which has seen very little decline since the steep rise at the start of the pandemic. This could be explained by 40% of people receiving universal credit while in employment, suggesting high levels of in-work poverty.
- The number of job vacancies continues to increase at the start of 2022 after a dip at the end of the 2021 – this follows the same pattern as in previous years.
- The Levelling Up key indicators includes economy growth and recovery indicators: SLP boroughs have some of the lowest employment rate in London, Richmond and Kingston are above the average median pay in London, and Richmond and Croydon are above the London average in business productivity.



# Unemployment rates and benefits

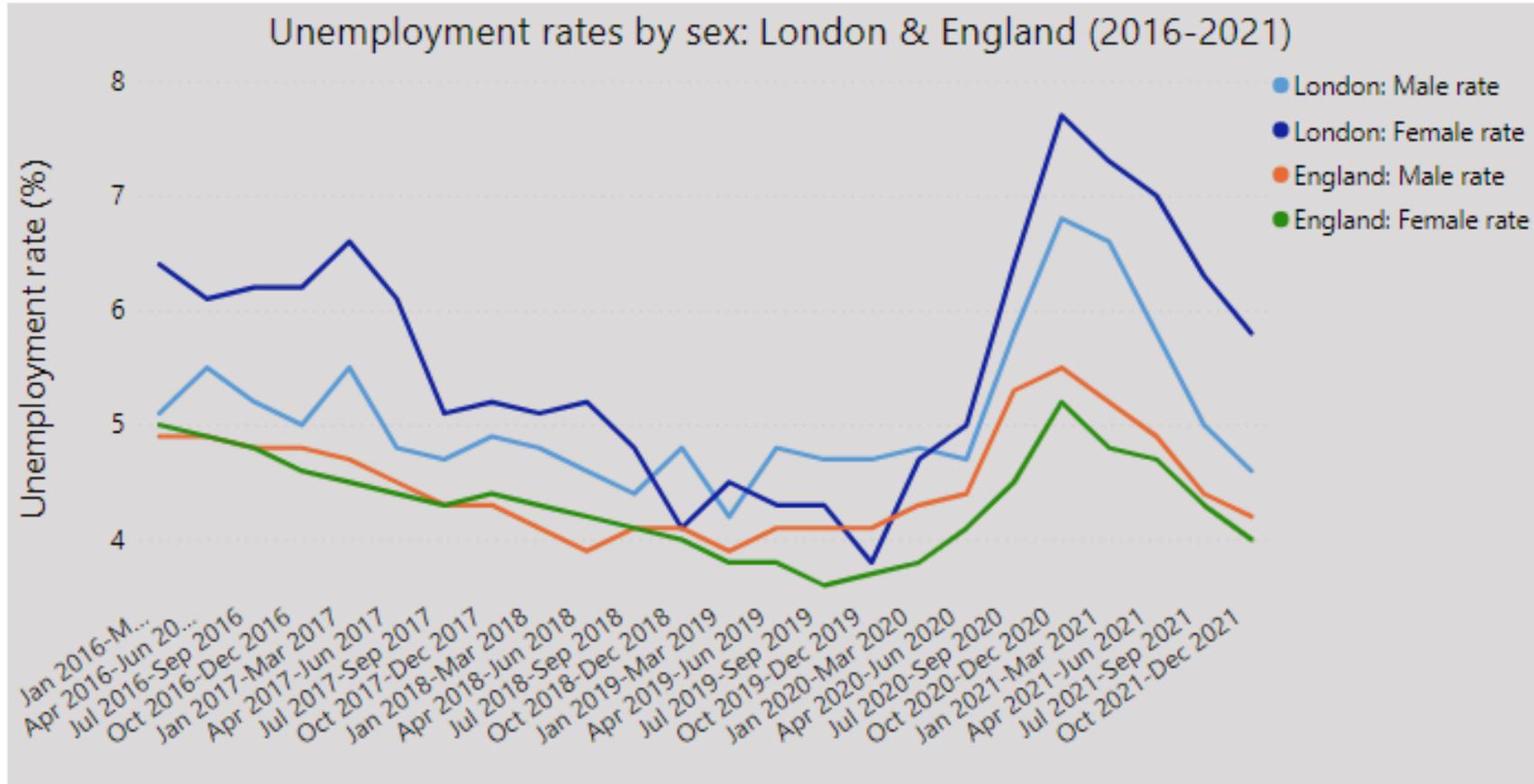
# Unemployment in London declined steeply throughout 2021 to 5.2% at end of December though still remained higher than pre Covid levels (4.8%)

Following a steep rise between Q2 and Q4 2020 unemployment rates in London declined steeply in 2021 though are not yet back to pre Covid levels. At December 2021 the London unemployment rate was 5.2%, considerably higher than the England rate of 4.2% - although the gap is closing slightly.



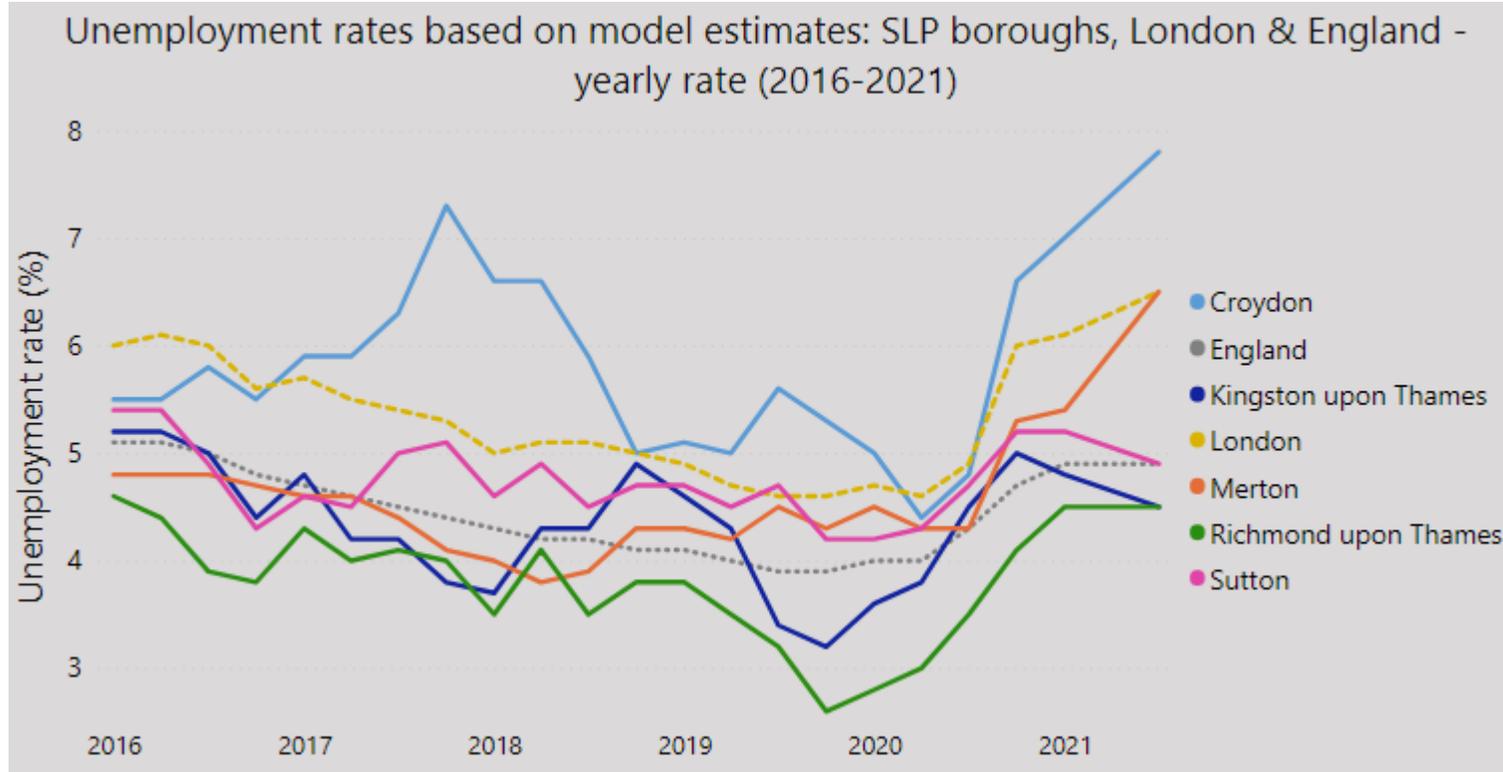
The unemployment rate for males in London at the end of 2021 was below the rate pre-covid (4.6% compared to 4.8%). However the female rate in London is still much higher – 5.8% compared to 4.7%

Unemployment rate is higher for females in London but males currently have a higher unemployment rate across England, although the difference in England is smaller than in London.



# Unemployment rates in Croydon and Merton continued to rise in the 12 months to September 2021 while Kingston and Sutton declined and Richmond stayed constant

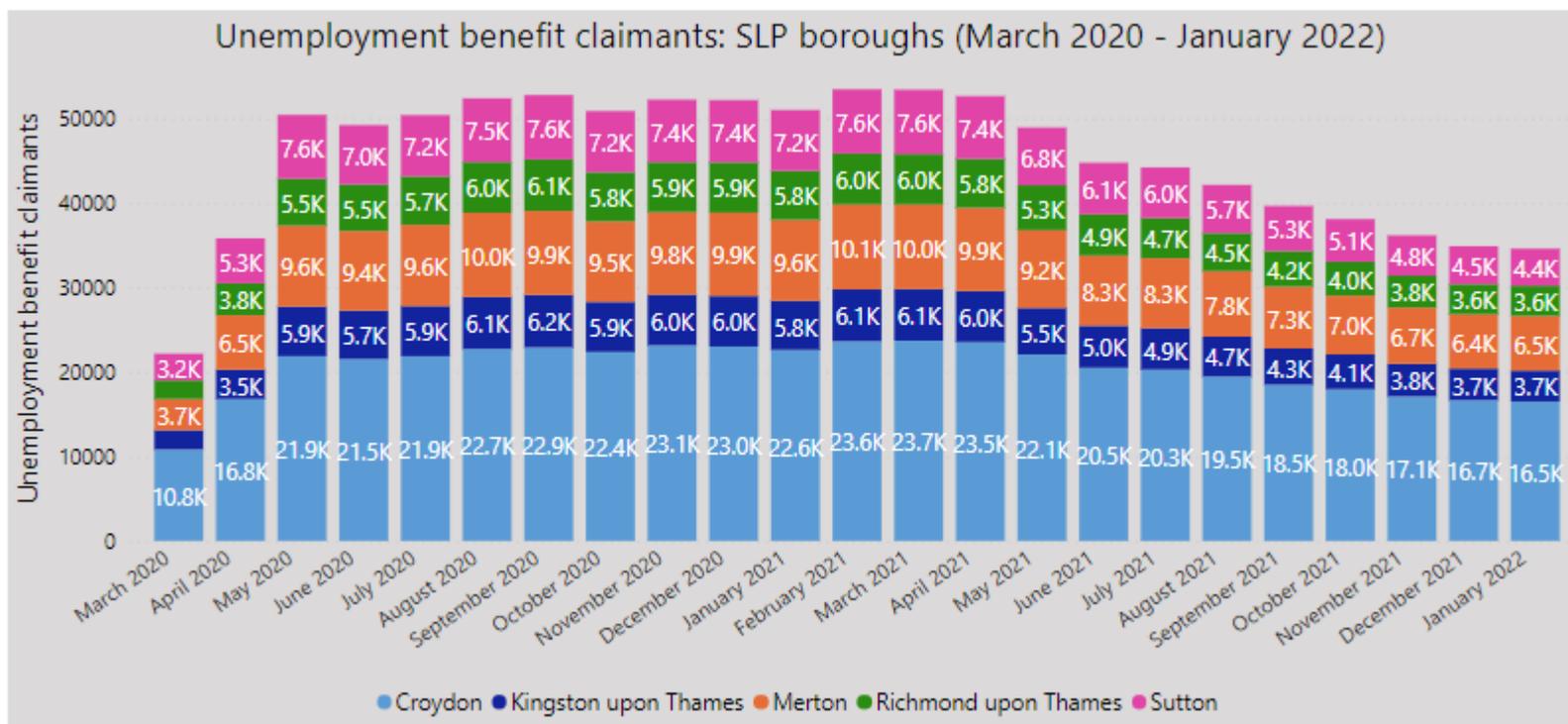
All boroughs saw steep rises in unemployment during the pandemic, particularly in 2020 though patterns were more variable in 2021 with some boroughs continuing to increase, others declining or remaining steady. Only Croydon had a rate of increase above the London average for the period October 2020 - September 2021 and Merton rose to the same rate as London.



\*each datapoint is the unemployment rate for the previous year.  
The last available data is for October 2020 - September 2021.

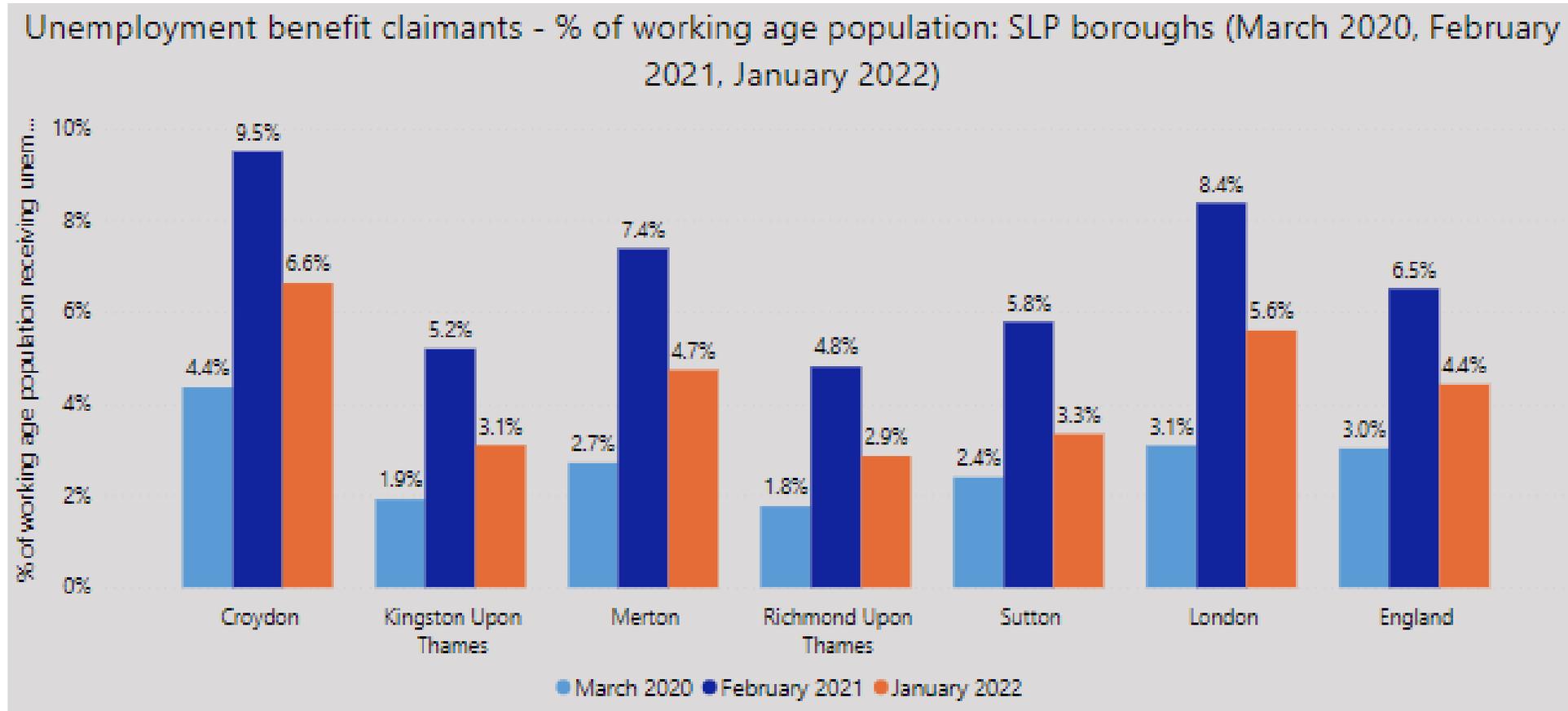
# Unemployment Benefit claimants across SLP boroughs have declined by a third since the Covid peak in February 2021 but at January 2022 were still almost double the pre Covid levels

The total number of unemployment benefit claimants peaked at 53,366 across SLP boroughs in February 2021. At January 2022 there were 34,570 unemployment benefit claimants in SLP boroughs, a 35% decline (18,800 claimants) since February 2021. This represents the first consistent decline in the total number of claimants since the start of the pandemic, although the decline now appears to be slowing.



# Unemployment Benefit claimants as proportion of working age population have declined from the Covid peak levels of February 2021 but remain high at January 2022 compared to March 2020

4.56% of the working age population across SLP boroughs was claiming Unemployment Benefits in January 2022, a considerably higher rate than before the first lockdown. However with the exception of Croydon this was a smaller proportion than London on average.

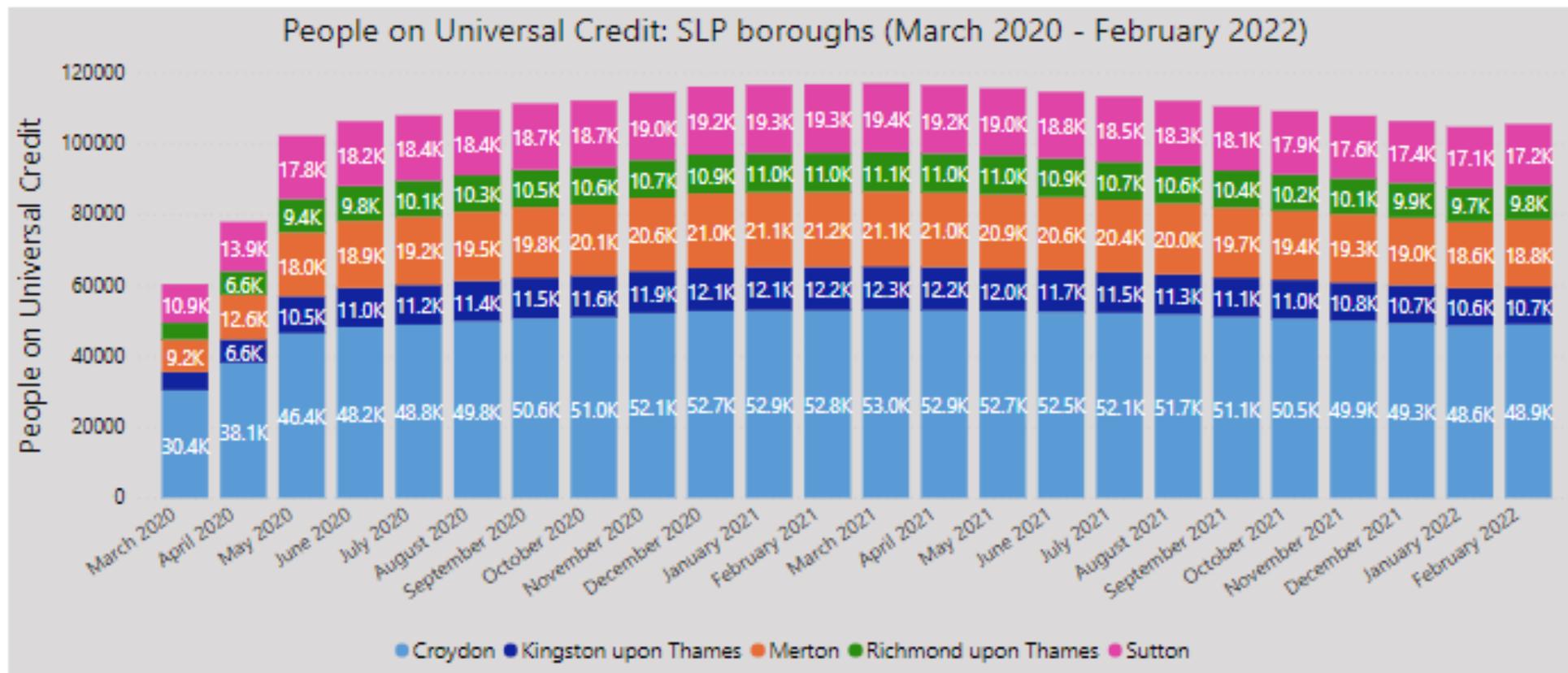




# Universal credit

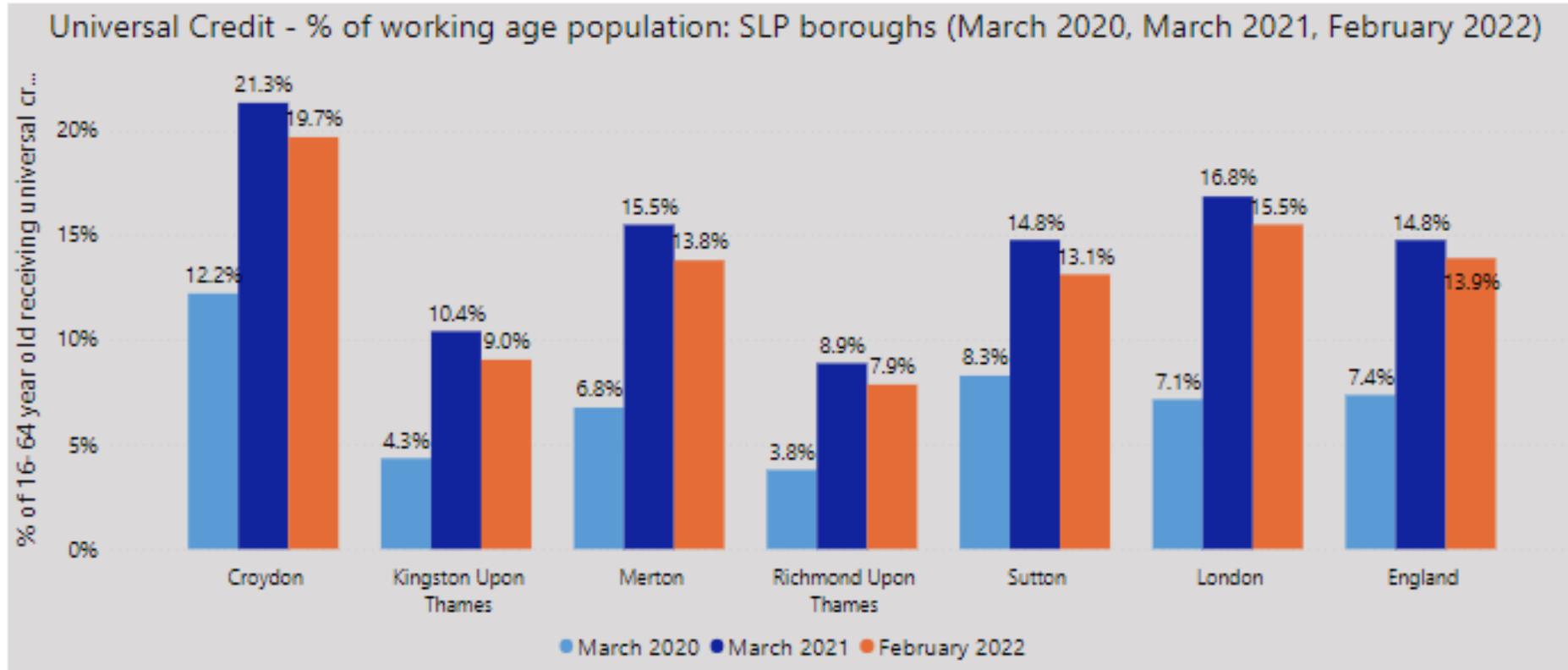
# The number of Universal Credit claimants across SLP boroughs saw a slight increase from January to February 2022 after slowly declining since March 2021

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 104,595 in January 2022. However there was a slight increase to 105,403 in February 2022. The decrease in the number of universal credit claimants throughout 2021 was smaller 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.

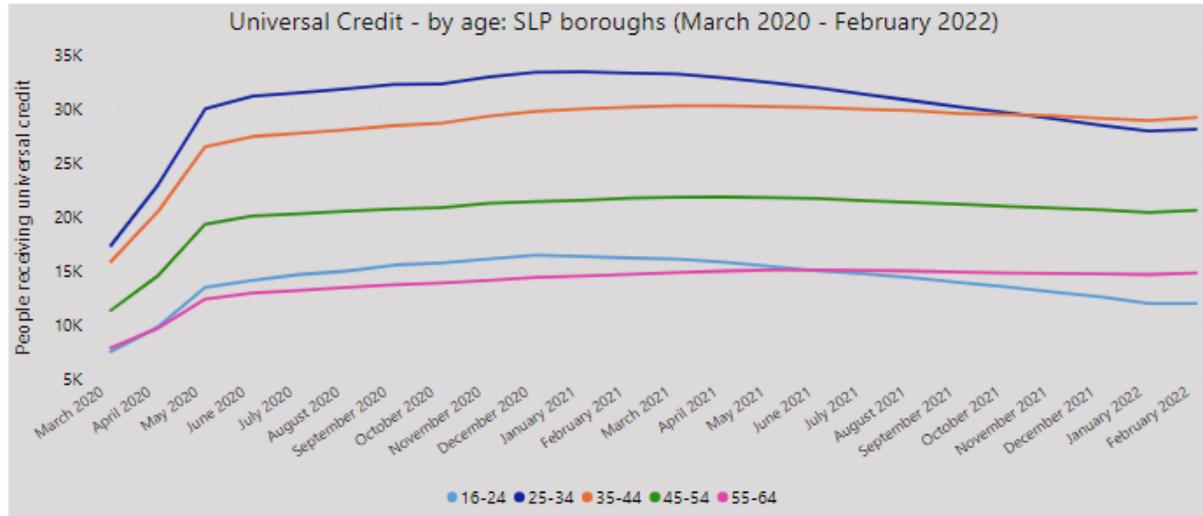


# There has been only a slight decline in the proportion of working age population claiming Universal Credit in SLP boroughs between March 2021 and February 2022 with levels remaining around double those seen in March 2020

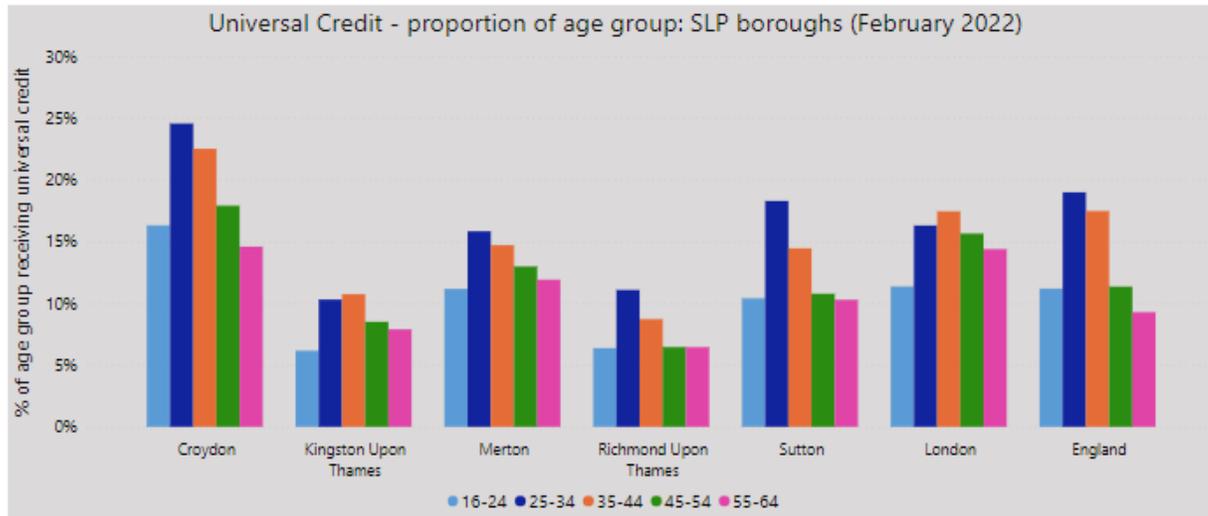
In February 2022 Universal Credit claimants remained close to double the level seen in March 2020 across SLP boroughs. In February 2022, the average rate of claimants across the SLP boroughs was 13.9%, below the London average of 15.5%. Similar to Unemployment Benefits, Croydon has had a higher rate of Universal Credit claimants than other SLP boroughs and London since the start of the pandemic in March 2020.



# Across SLP boroughs 25-44 year olds remain the age groups with the highest number and proportion of the population receiving universal credit, although all age groups have seen a slight increase from January to February 2022



All age groups saw a steep increase at the start of the pandemic. The younger age groups (16-34) continued to rise the quickest before beginning an earlier decline from the start of 2021 compared to those over 35s who have seen more consistent numbers.



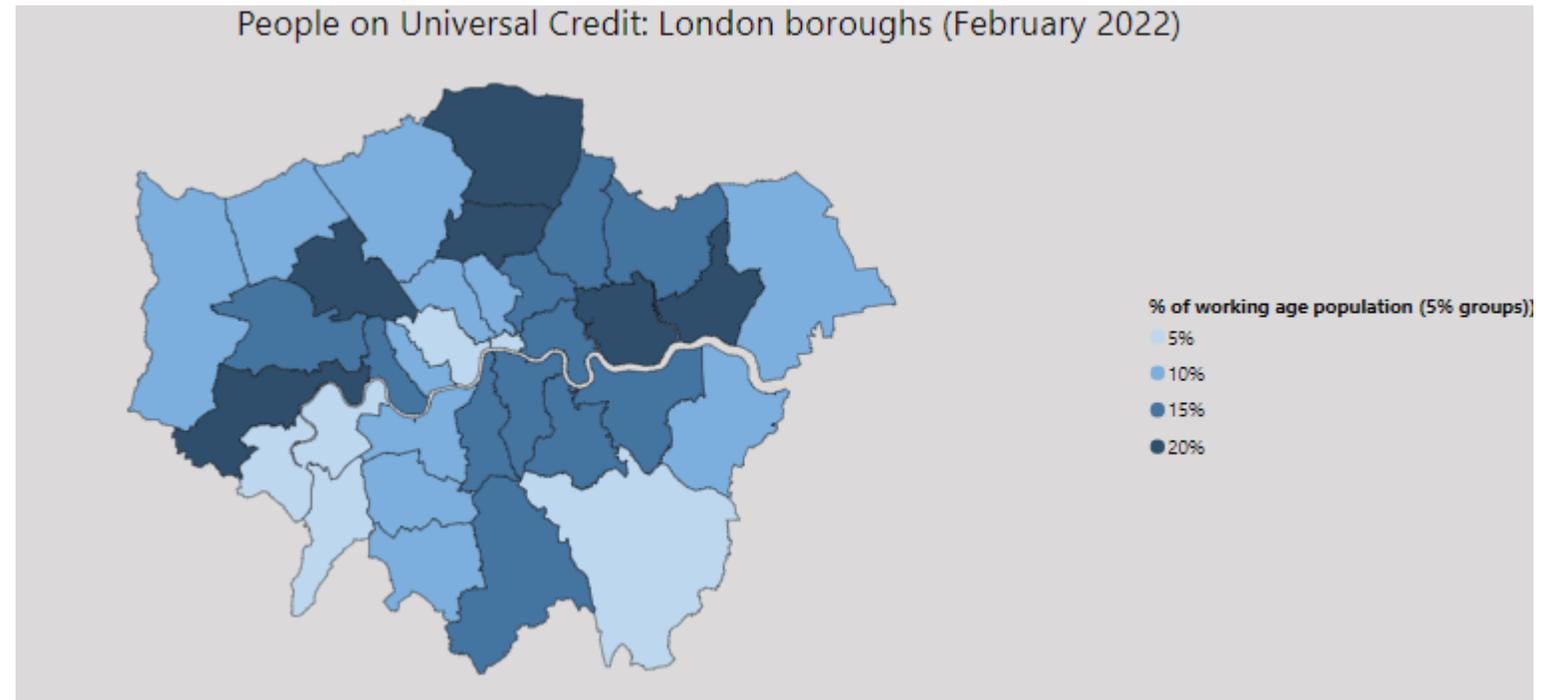
Only Croydon has all age groups at a higher rate than London and England at December 2021. 25-34 years olds in Sutton are the only other age group in the SLP boroughs with a higher proportion of the age group receiving universal credit than the same age group in London

Across London, Croydon is the 7<sup>th</sup> highest borough in terms of its proportion of working age population receiving universal credit in February 2022, with the other SLP boroughs in the lowest half.

Richmond and Kingston are amongst the boroughs with the lowest proportion (5%-10%) of people receiving universal credit. Merton and Sutton are in the middle with between 10%-15% of people receiving universal credit. Croydon is in the highest 10 boroughs with over 20% of people on universal credit.

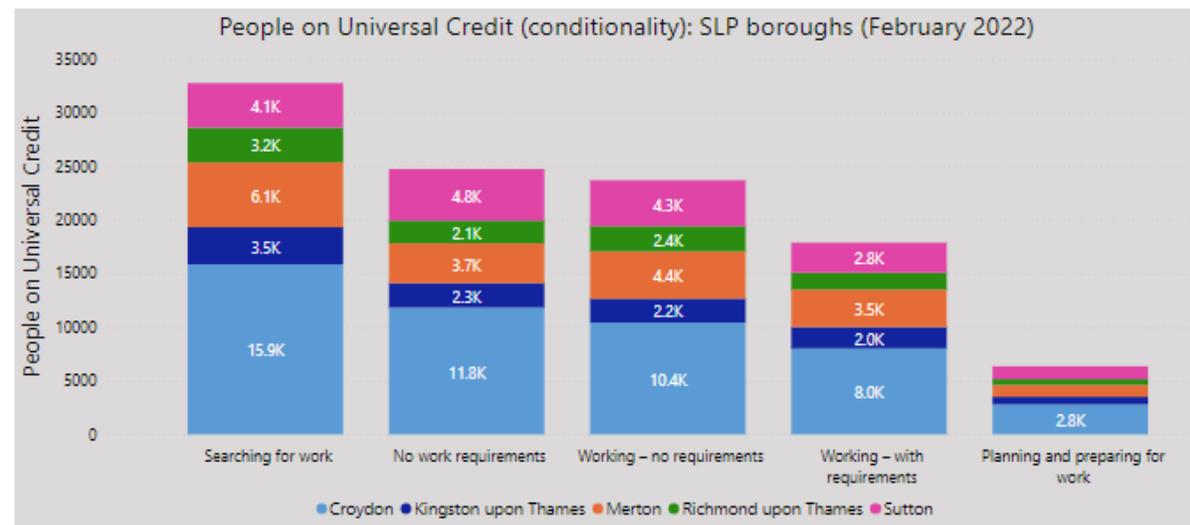
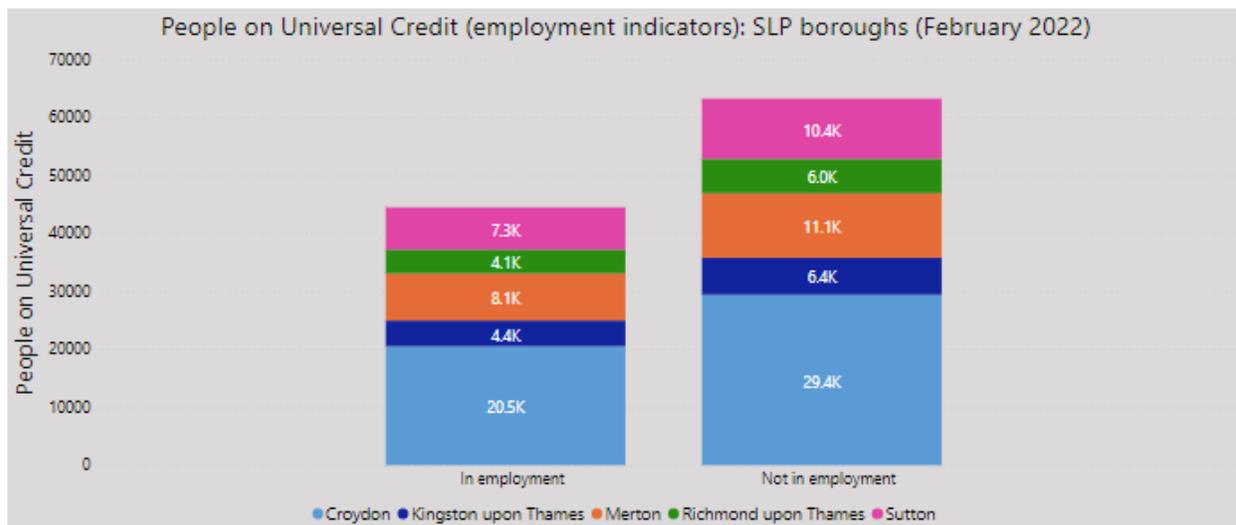
### Ranks of SLP boroughs

- 7. Croydon
- 21. Merton
- 22. Sutton
- 31. Kingston
- 33. Richmond



# As of February 2022, approximately 40% of universal credit claimants in SLP boroughs were in employment. However, the majority of claimants (60%) are searching for work

In SLP boroughs at February 2022, 66,900 people on universal credit are not in employment and 44,400 are in employment. This is consistent with the number of people receiving unemployment benefits. Some people on universal credit have conditions and requirements regarding employment - 32,800 are searching for work, 24,700 have no work requirements, 23,700 people are working and have no further requirements, and 17,800 people are working with additional requirements. Around 40% of people on universal credit in SLP boroughs are in employment and many have requirements to look for better paid work, suggesting in-work poverty.



Searching for work: Not working, or with very low earnings. Claimant is required to take action to secure work - or more / better paid work.

Working - no requirements: Individual or household earnings over the level at which conditionality applies.

No work requirements: Not expected to work at present. Health or caring responsibility prevents claimant from working or preparing for work.

Working - with requirements: In work but could earn more, or not working but has a partner with low earnings

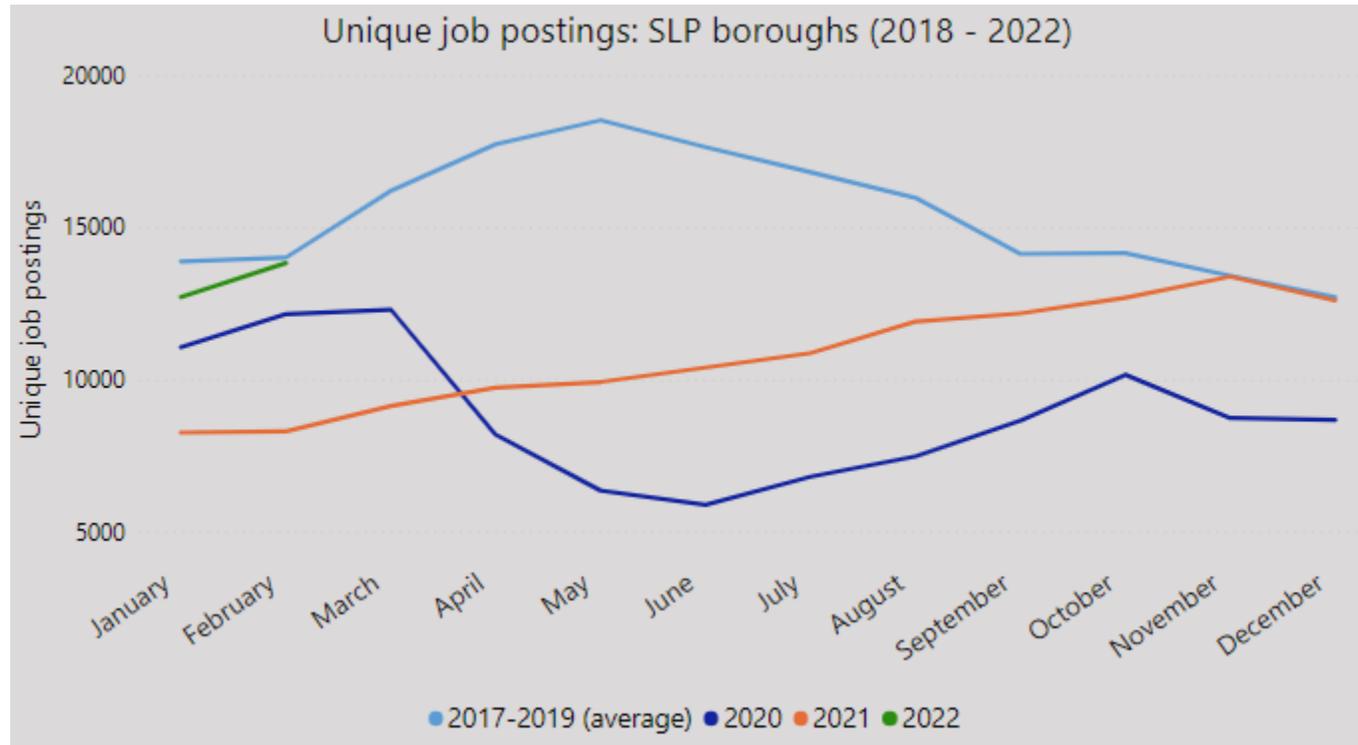
Planning for and preparing for work - expected to work in the future and expected to start preparing for future



# Job postings

# There has been a rise in the number of unique job postings in SLP boroughs throughout 2021 although there was a dip in December

Job postings increased month-on-month throughout 2021 with the exception of December where there was a slight dip with the total number of postings across SLP boroughs reaching 12,600 in December 2021 a slight decline from 13,600 in November 2021. The number of job postings continued to rise in 2022 and was 13,800 in February 2022.



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.

Emsi have recently changed how they calculate unique job postings, removing spam posts and improving de-duplications – this has significantly reduced the number of active job postings reported.



# Levelling up

# Levelling up – economic growth and recovery

On the day the Levelling Up Paper was published the Office for National Statistics (ONS) published a range of datasets that include indicators that have broadly been assigned three categories (boosting living standards, spreading opportunity and improving public services, and restoring local pride) based on levelling up and how it's progress will be measured (where data is available), The statistics help us to see the indicators that the Government is using to measure and baseline Levelling Up . The ONS does recognise that “no single number can capture the complex reality we live in and experience” ([ONS Subnational indicators](#))

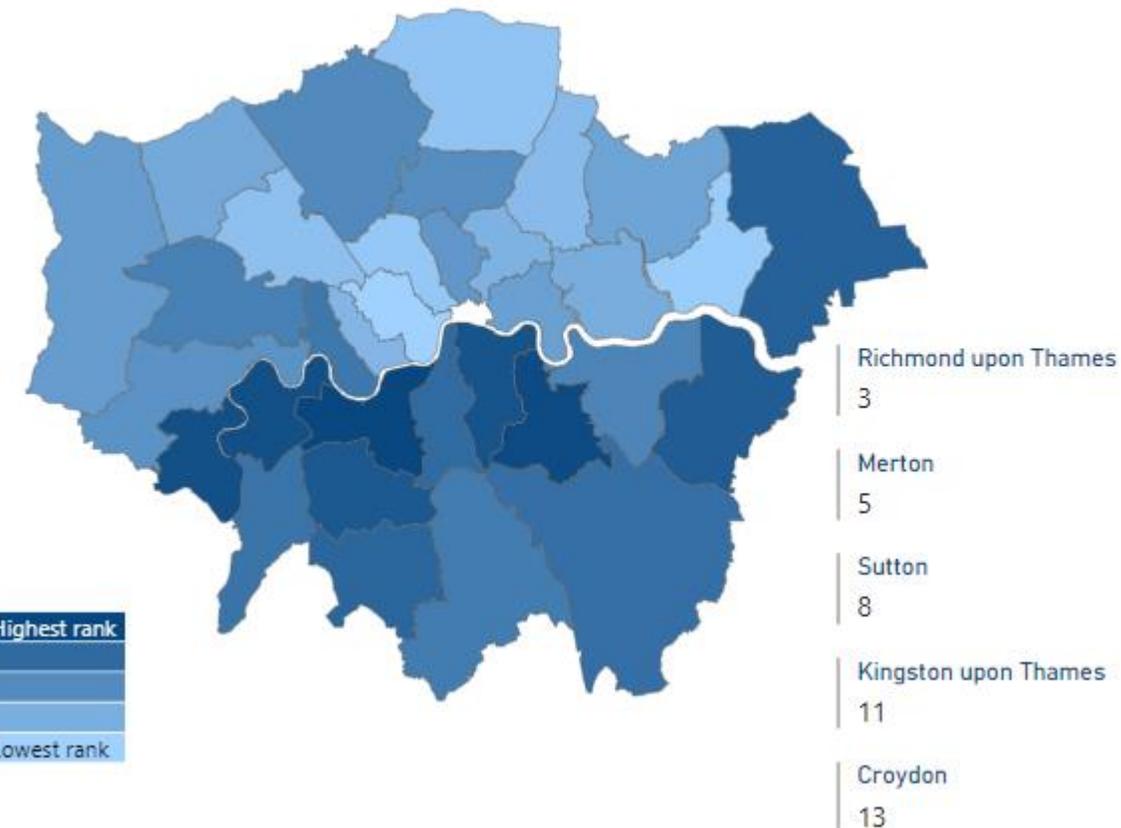
The next few slides focuses on the economic growth and recovery data from ONS for SLP boroughs, highlighting key findings and comparing indicators to the London and England averages. This data should be treated as a baseline and as Levelling Up progresses we should see further releases and will be able to compare changes. It also enables boroughs to see what indicators are being used in order to identify alternatives that can be presented back to Government to ensure a full picture of each area is clear.

There is a [Power BI dashboard](#) with all the key indicators from the ONS dataset.

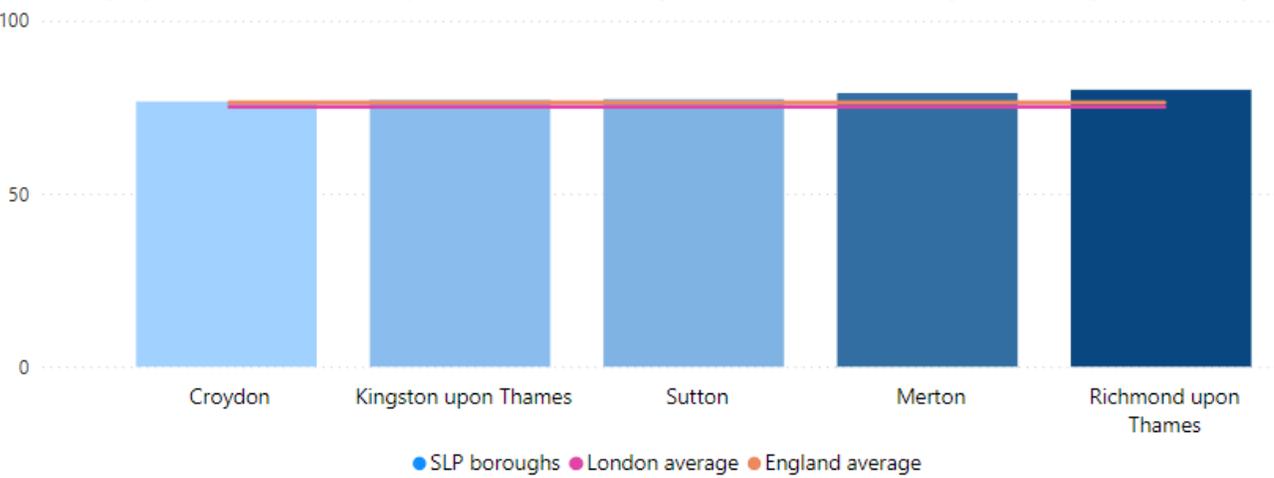
# London has one of the lowest employment rates (75.2%) in England but the employment rate across the SLP boroughs are above the London average varying from 76.7% in Croydon to 80.1% in Richmond

The overall England employment rate is slightly higher than the London average – 76.4% compared to 75.2%. All the SLP boroughs have a greater employment rate than England and London, although Croydon, Kingston and Sutton are less than 1% higher than the England average.

Employment rate for 16-64 year olds



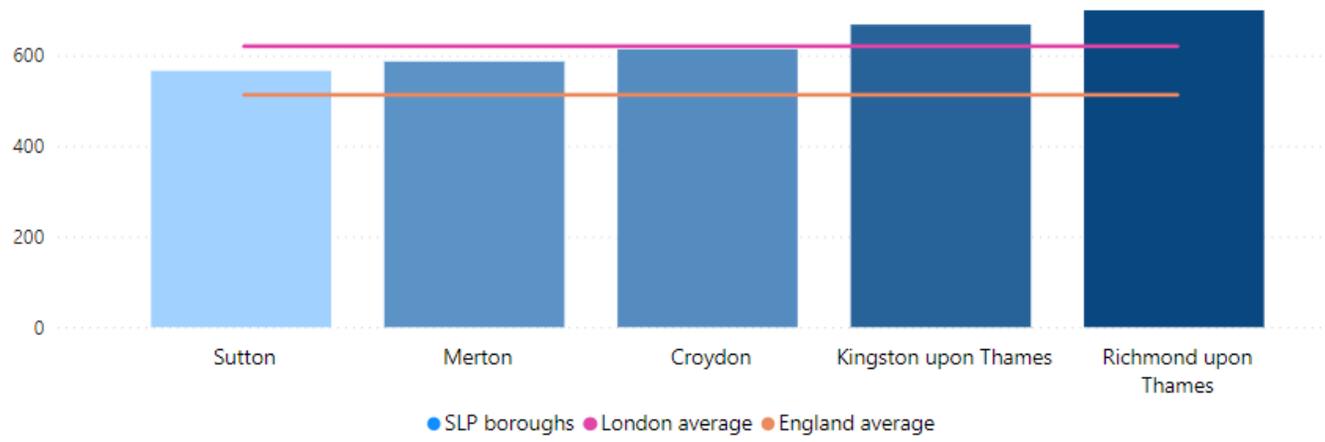
Employment rate for 16-64 year olds: SLP boroughs with London and England average (Percentage)



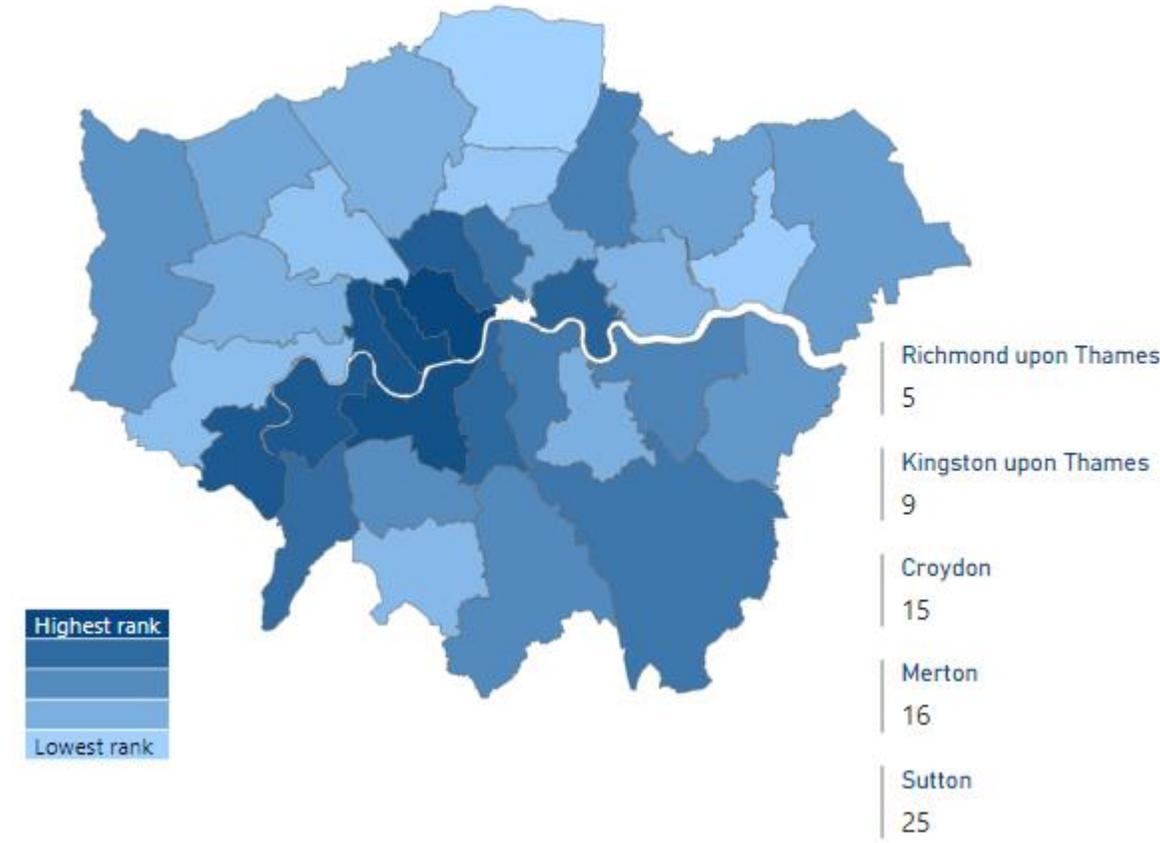
# Average pay in SLP boroughs is higher than the England average and Richmond and Kingston have one of the highest pay in London. Sutton on the other hand has one of the lowest average pay in London

Sutton has one of the lowest average weekly pay (£565.80) in London and is the lowest of the SLP boroughs. Richmond is the one of the highest boroughs in London with an average weekly pay of £700.

Average (median) weekly pay, based on where people live: SLP boroughs with London and England average (Pounds)



Average (median) weekly pay, based on where people live

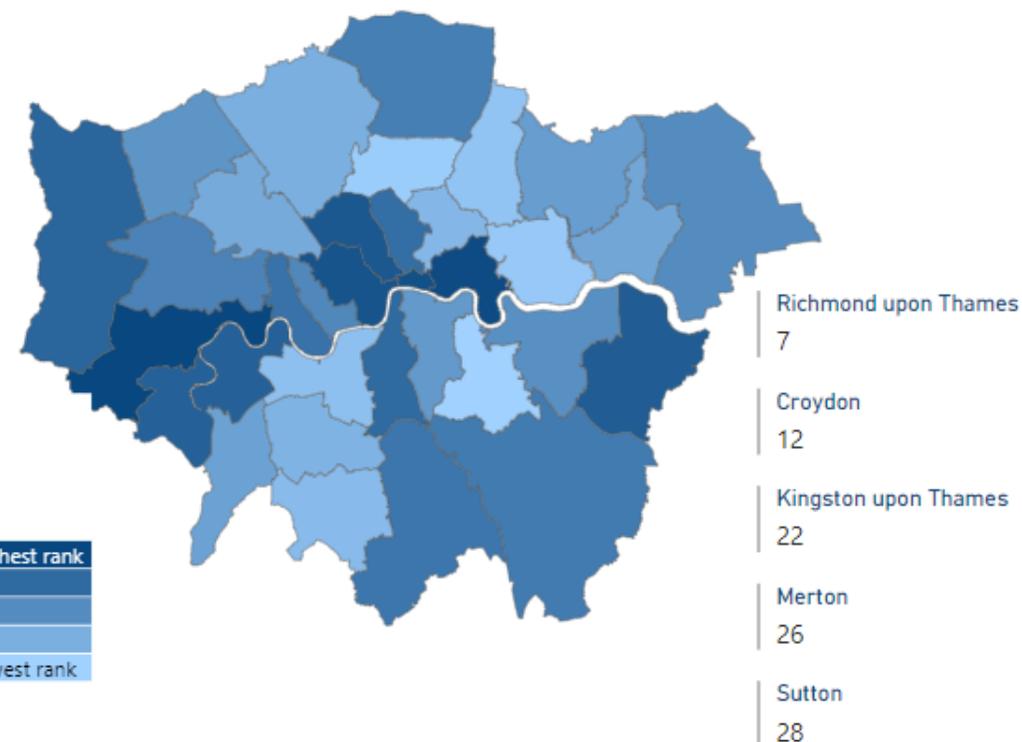
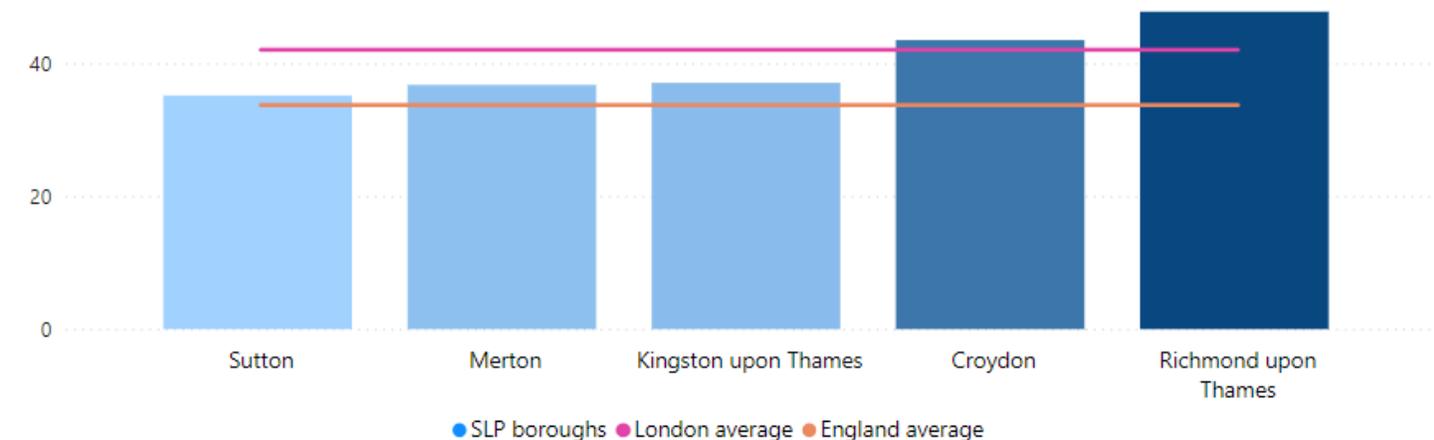


# London has the highest business productivity (£42 per hour worked) in England - Richmond and Croydon have the highest measure of business productivity of the SLP boroughs and are higher than the London average

London as well as South and East England have the highest business productivity in England, suggesting that levelling up will focus on the North, Yorkshire and The Humber and the Midlands. However, Sutton, Merton and Kingston are all below the London average.

Measure of business productivity (estimate of the volume of goods and services produced) in £ per hour worked

Measure of business productivity (estimate of the volume of goods and services produced) in £ per hour worked: SLP boroughs with London and England average (Pounds)



# Further intelligence

## [London Local Skills Report](#) by GLA – London’s Skills Advisory Panel (Skills for Londoners Board)

The report presents an overview of London’s skills landscape in light of the impact of Covid-19, and sets out our progress with our main skills programmes as well as the work now underway as part of London Recovery Board’s *Getting Londoners in to Good Work* mission.

## [London’s Economy Today](#) by Greater London Authority (GLA)

The most up-to-date information on London's economy, published by email every month. Each issue includes an overview of current economic conditions, the latest indicators and a supplement on a significant issue facing London.

## [Population change in London during the pandemic](#) by GLA Demography

This report is primarily intended to present an objective assessment of the available evidence concerning population change in London since the beginning of the COVID-19 pandemic. Though it remains too early to reliably quantify population change since the start of the pandemic, given the balance of evidence and our understanding of the dynamics and drivers of population change in London, it is hard not to conclude that the population of London is likely to have fallen.

## [The rising cost of living and its effects on Londoners](#) by Greater London Authority (GLA)

This work looks at the spiralling cost of living and the challenges facing Londoners including the rising poverty levels in the capital. Inflation is running at a 30-year high of 5.4% year-on-year, driven by supply chain challenges and rising global fuel prices. Price growth in London is likely higher than the rest of the UK, estimating an underlying inflation gap of 1 percentage point

## [Capital Concerns: Poverty in London and the role of business in helping to tackle it](#) by Social Market Foundation

The report calls attention to the scale of in-work poverty in the UK and London today, what drives it, and the impact it has. There were estimated to be 14.4 million people – including 8.5 million working-age adults and 4.5 million children – in poverty in the UK before the COVID-19 pandemic. The events of 2020 and 2021 are expected to have added more than 600,000 working-age adults to the poverty total.