

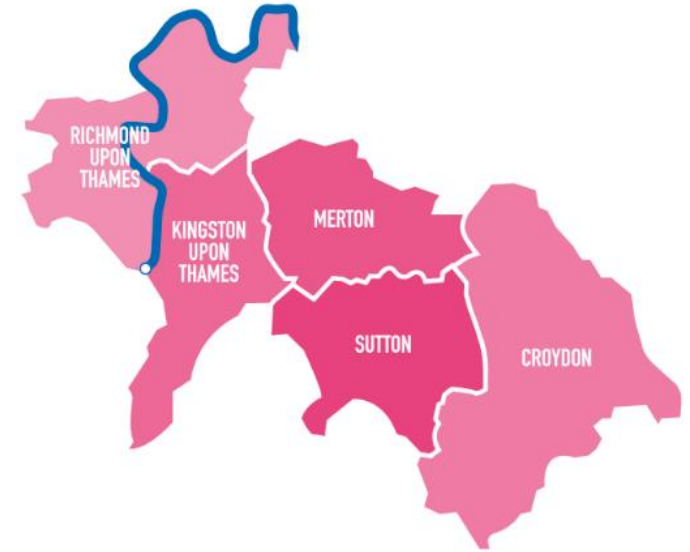


SLP Economic Insights

June 2023

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Behalf of the South London Partnership



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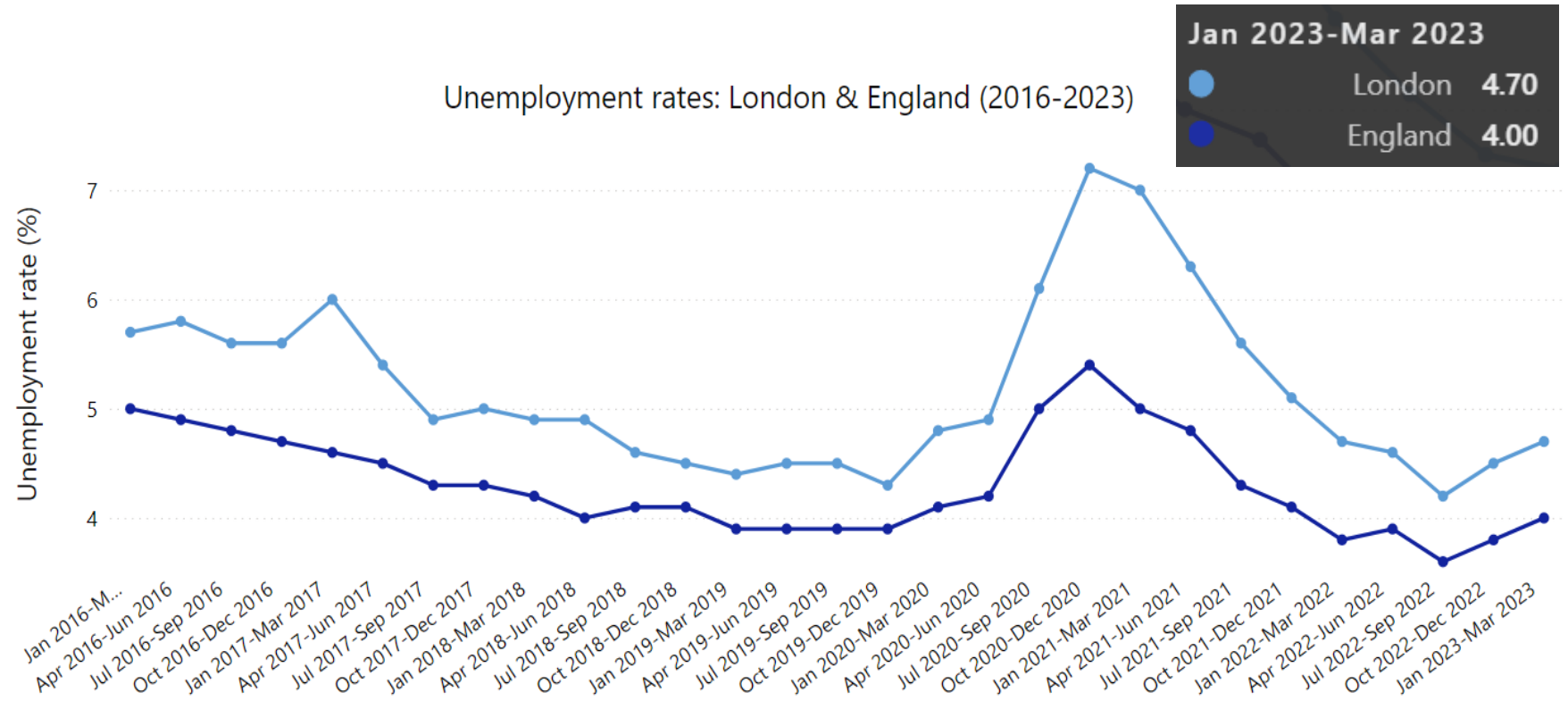
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Headlines

- Following a period of decline unemployment rates for London and England have risen in the two quarters since October 2022.
- Unemployment rates for women in London have increased over the last four quarters whilst those for men have fallen with unemployment rate for women in London over 2% higher than that for men.
- Unemployment continued to fall in all SLP boroughs at December 2022. However, these may be expected to increase to reflect the London and England trend when more recent data becomes available, this supported by the rise in those claiming unemployment benefits in SLP boroughs in the quarter to April.
- The number of Universal Credit claimants in SLP boroughs has been rising since May 2022, and is only slightly below the pandemic peak of March 2021 with just over a third in work (37%).
- Economic activity levels are rising slightly in all boroughs except Richmond and Croydon following decreases during the pandemic. However, economic activity levels amongst 50 – 64 year olds have declined in all boroughs in the last year (to Dec 22) with the exception of Croydon.
- Job postings for 2023 (Jan – Apr) are at a peak level with those for April 23 higher than the same time last year.

Unemployment rates for London & England rose again in the last quarter (Jan – Mar 23) following a steady decline from the high rates of the pandemic with unemployment levels remaining higher in London than England

- The unemployment rate for **London** has risen by 0.2% over the last quarter.
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- The unemployment rate for London has been consistently higher than that of England with the current difference 0.7%.



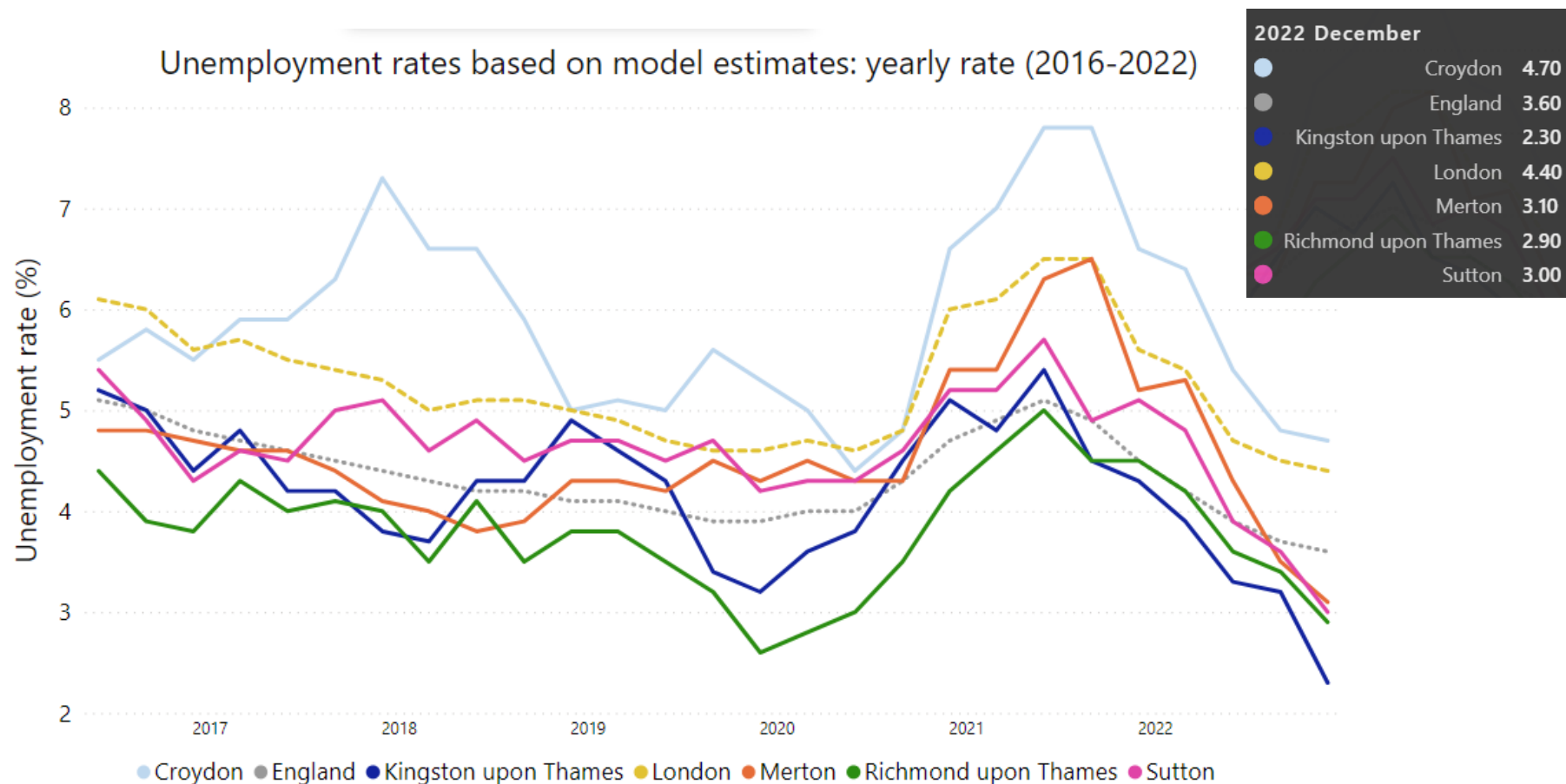
Unemployment rates have risen for females in London over the last two quarters in contrast to a continued decline in unemployment for males in London

- Since the start of the pandemic there has been a higher rate of unemployment amongst females than males in London.
- The unemployment rate for **females in London** has risen by +1.2pp over the last three quarters while the unemployment rate for males in London has decreased by -0.7pp over the same period.
- The unemployment rate for London **males** is currently **45.6% lower** than at its pandemic peak at the end of 2020, while the rate for London **Females** is **23.4% lower** than its peak at the end of 2020.



Unemployment rates for all SLP boroughs fell between the end of 2021 and end of December 2022

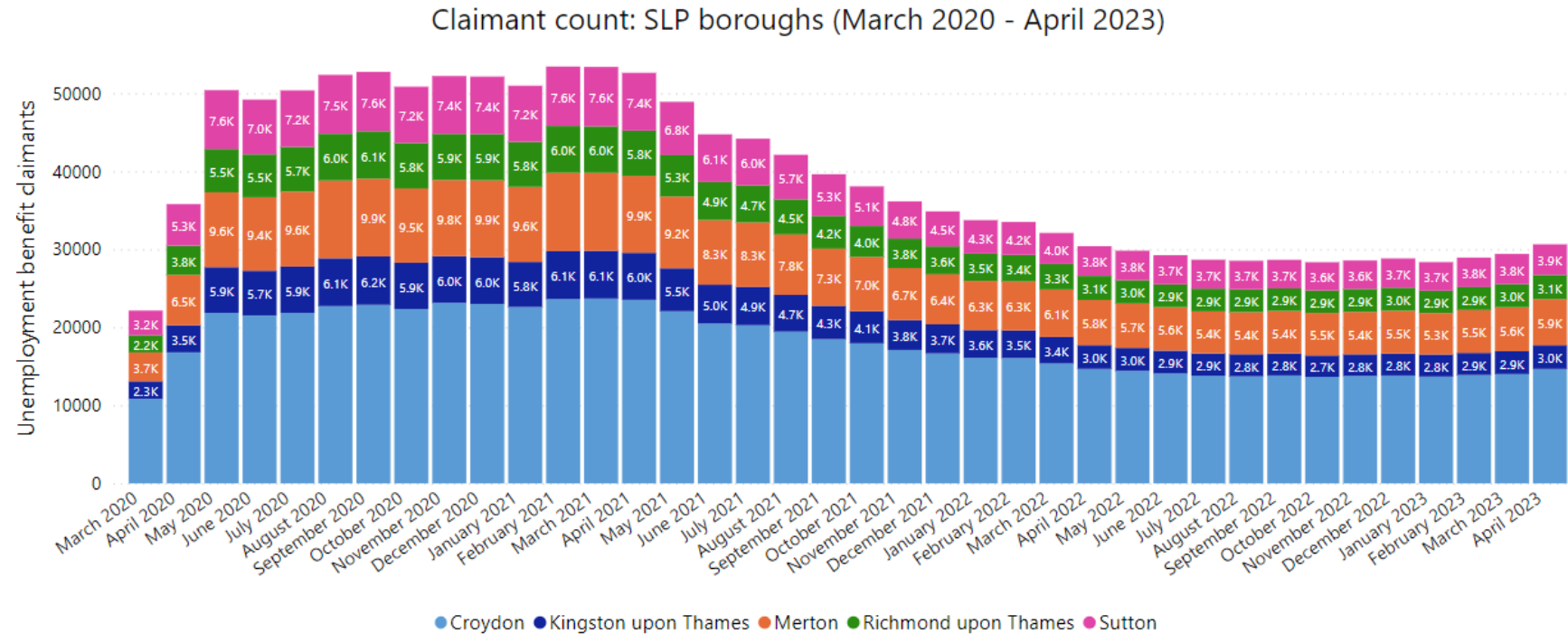
- Croydon is the only SLP borough with a rate of unemployment (4.7%) above that of London (4.4%) although the gap is at its narrowest since 2020.
- All other SLP boroughs are below the rate for both London (4.4%) and England (3.6%).



*Data points are based on the previous 12 months. The last available data is for Jan 2022 – Dec 2022.

The overall number of people claiming unemployment related benefits across SLP boroughs has been rising slightly over the last three months

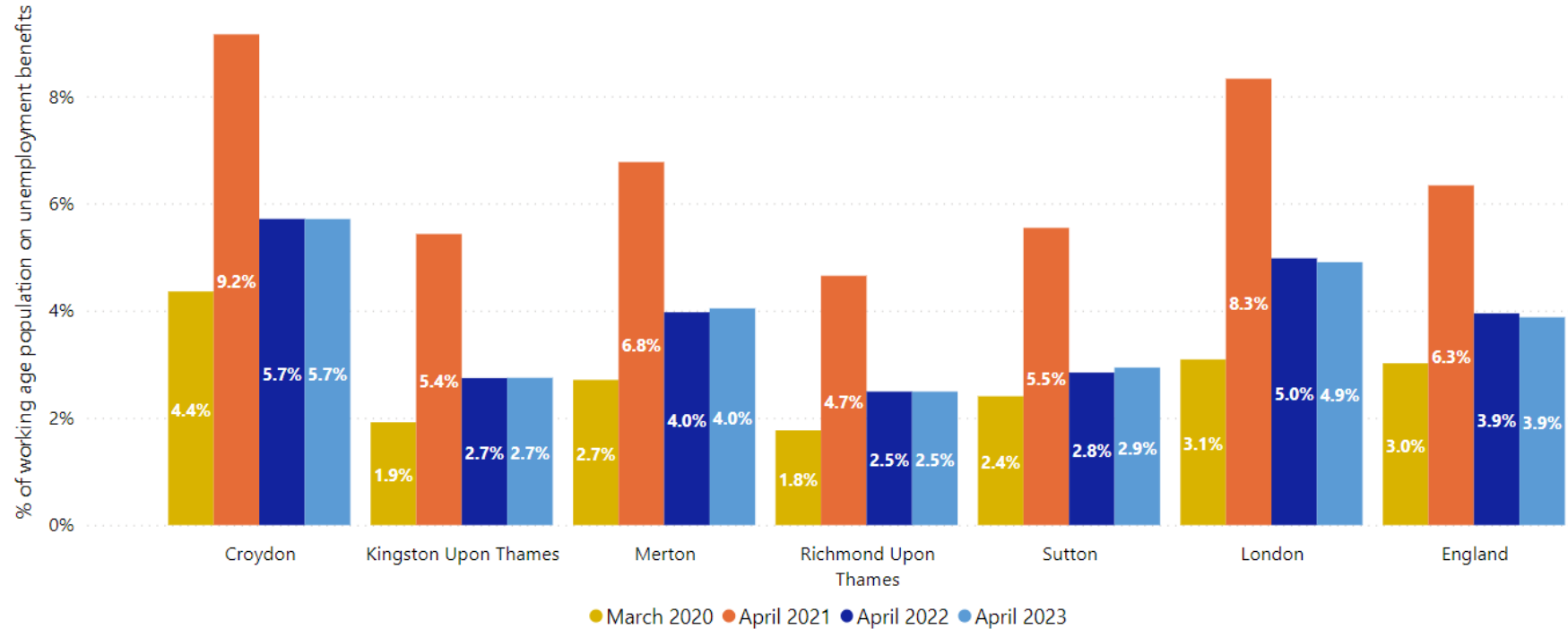
- **30,635** people in SLP boroughs were claiming unemployment related benefits in April 2023.
- The number of claimants has generally been rising since October 2022 when it was at its lowest level since March 2020.
- Claimant count levels at April 2023 are still higher than at the start of the pandemic in March 2020, but lower than April 2020.
- *These slides have been updated to use the ONS Claimant Count instead of the alternative claimant count. The ONS Claimant Count covers the number of people claiming Jobseeker's Allowance, plus those who claim Universal Credit and are required to seek work and be available for work.*



The **ONS Claimant Count** as a proportion of the working age population has generally remained stable for all SLP boroughs over the last year, in-line with the London and England trend but is still above the (pre-pandemic) levels of March 2020

- The proportion of the working age population receiving unemployment benefits is higher in Croydon (5.7%) than London (4.9%).
- The proportion of the working age population receiving unemployment benefits in Merton (4%) is just above England (3.9%) but still lower than London.
- The proportion of the working age population receiving unemployment benefits in Kingston (2.7%), Richmond (2.5%) and Sutton (2.9%) are lower than that of London (4.9%) and England (3.9%).

Claimant count - % of working age population: SLP boroughs (March 2020 & April 2021/22/23)

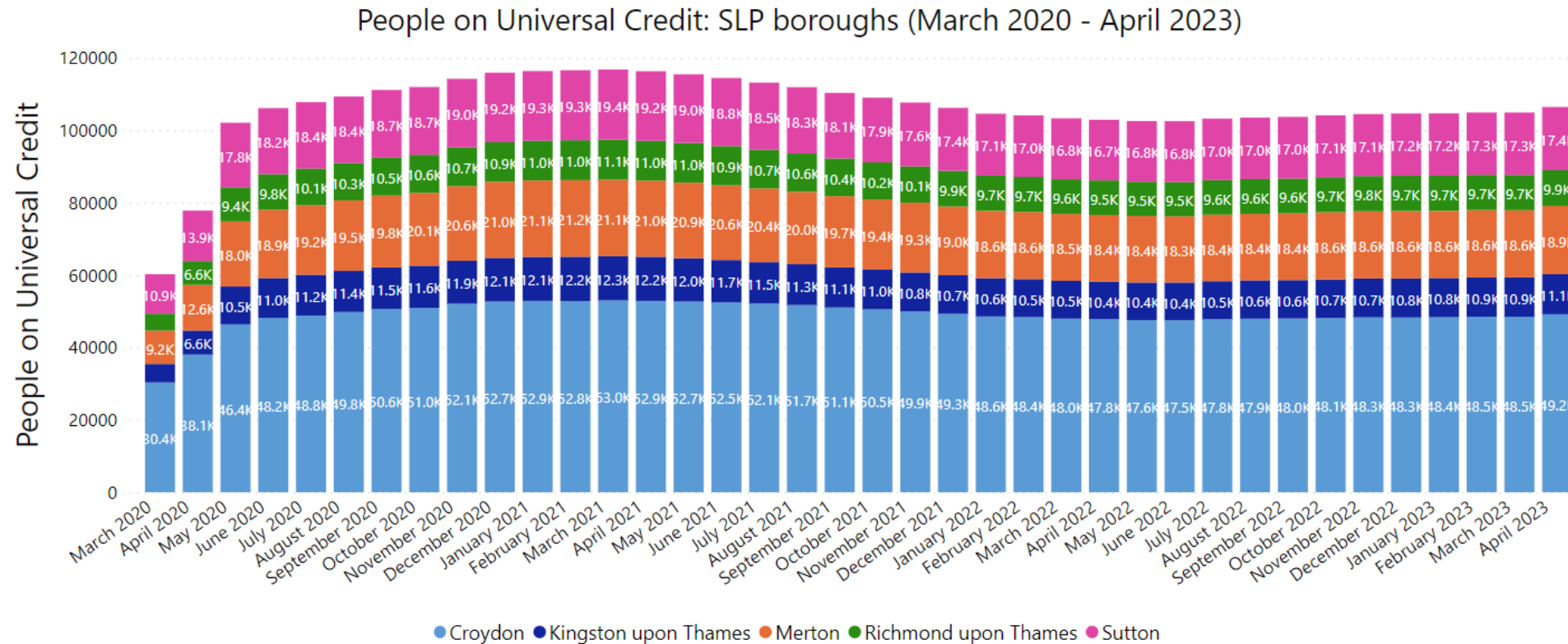


**Mid-year estimates for 2021 were published in December 2022 so these updated population figures have been used when calculating the proportion of working age residents from 2021 onwards.*

Source: Office for National Statistics
Updated: 16 May 2023

The overall number of **Universal Credit** claimants for SLP boroughs has continued to rise slowly each month since May 2022 and is only slightly below peak pandemic levels

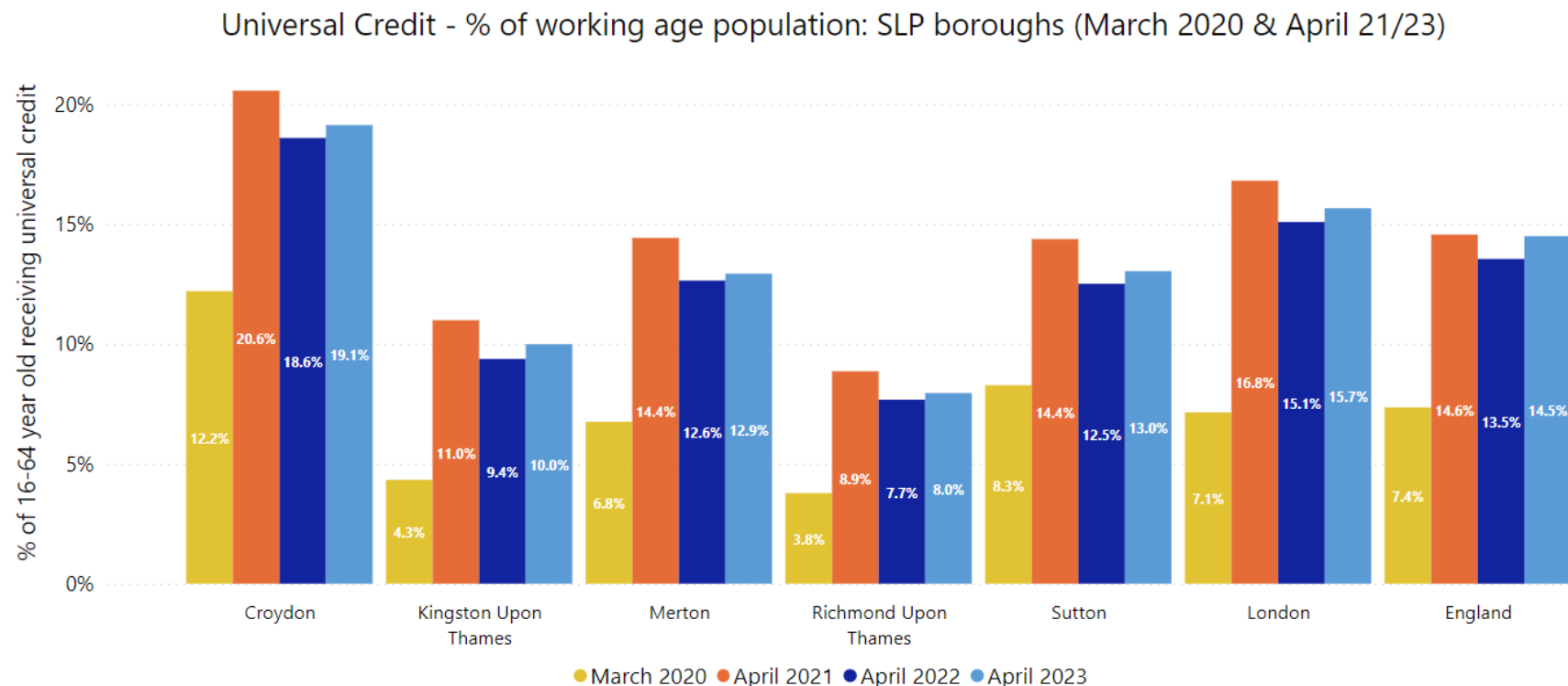
- There are **106,452** people claiming Universal Credit in April 2023.
- The number of people on universal credit is currently 76.6% above that of March 2020.
- The number of claimants in April 2023 is only 8.9% below the highest number of claimants during the pandemic (seen in March 2021).



Universal Credit claimants as a proportion of the working age population has increased slightly in all SLP boroughs over the last year reflecting London and England trends

- The change in the proportion of Universal Credit claimants from Apr 2022 to Apr 2023 is:

- Croydon up by +0.5pp
- Kingston up by +0.6pp
- Merton up by +0.3pp
- Richmond up by +0.3pp
- Sutton up by +0.5pp
- London up by +0.6pp
- England up by +1pp



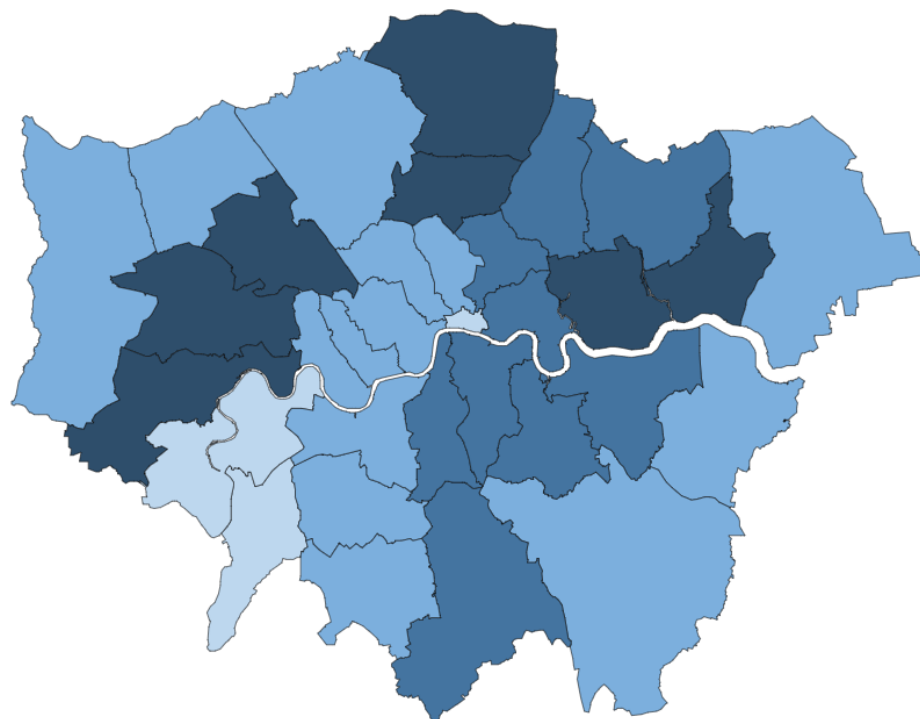
**Mid-year estimates for 2021 were published in December 2022 so these updated population figures have been used when calculating the proportion of working age residents from 2021 onwards.*

Croydon is in the top third of London boroughs for the proportion of working age population on **Universal Credit** with Sutton and Merton in the mid third and Kingston and Richmond in the bottom third

****Change is in comparison to the previous edition of Economic Insight in Feb 2023.**

- Croydon has the **6th highest** proportion of working age people on universal credit of the 33 boroughs, improvement from 5th.
- Merton **10th lowest** out of the 33 boroughs, improving from 12th.
- Sutton **12th lowest** out of the 33 boroughs, improving from 13th.
- Kingston **3rd lowest** out of the 33 boroughs, improving from 4th.
- Richmond **2nd lowest** out of the 33 boroughs, **lowest** if City of London excluded.

People on Universal Credit: London boroughs (April 2023)



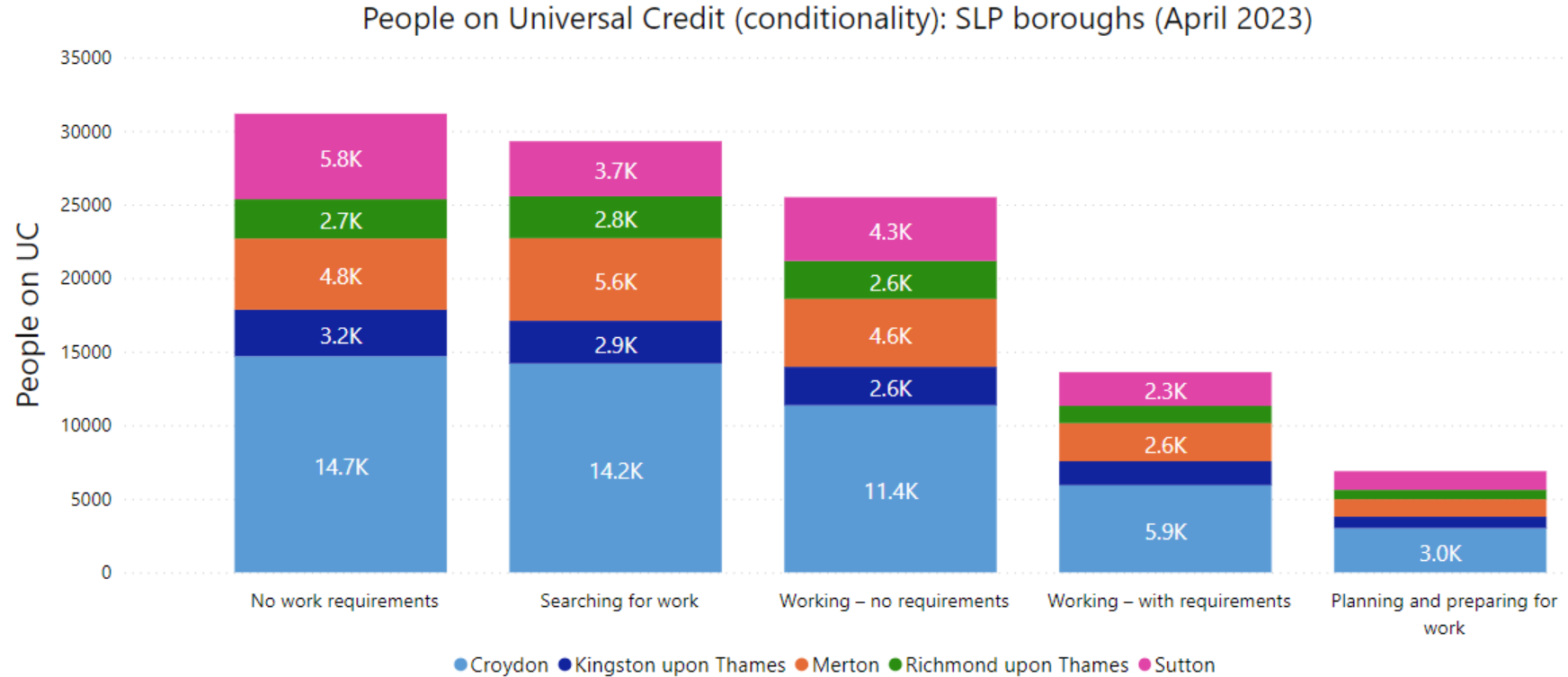
Area	% of working age population	% of working age pop cal. (bins)	Month
Croydon	19.14%	15.00%	April 2023
Sutton	13.04%	10.00%	April 2023
Merton	12.93%	10.00%	April 2023
Kingston upon Thames	9.99%	5.00%	April 2023
Richmond upon Thames	7.96%	5.00%	April 2023



Source: Stat-Xplore/Department for Work and Pensions. Population estimates 2021 – Office for National Statistics
Updated: 16 May 2023/ 30 June 2022

37% of Universal Credit claimants in SLP boroughs were 'in work' at April 2023, a slight fall from 39% in January

- No work requirements – 31,173 makes up **29.3%** of claimants
- Those Searching for work – 29,303 makes up **27.5%** of all claimants
- Working with no requirements – 25,496 makes up **23.9%** of claimants
- Working with requirements – 13,605 makes up **12.8%** of claimants
- Planning and preparing for work – 6,882 makes up **6.5%** of claimants.

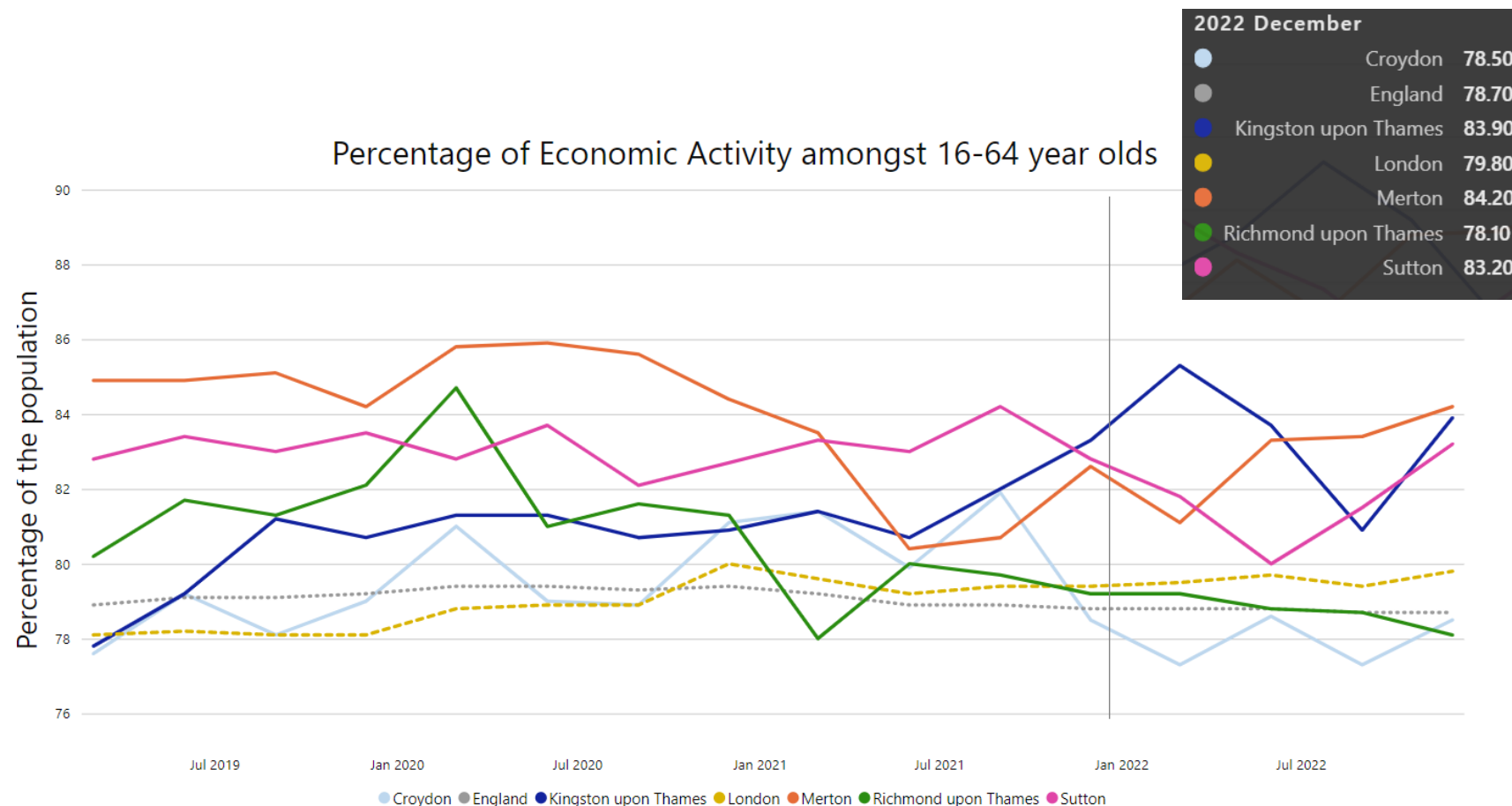


- **Searching for work:** Not working, or with very low earnings. Claimant is required to take action to secure work - or more / better paid work.
- **Working - no requirements:** Individual or household earnings over the level at which conditionality applies.
- **No work requirements:** Not expected 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

All SLP boroughs, with the exception of Richmond, have seen either an increase or no change in their **Economically Active** population (16 to 64) in the 12 month period to December 2022

When comparing the data point for Dec 21 (grey line) with the data point for Dec 22:

- Croydon's Economically Active population has remained the same.
- Kingston's Economically Active population has **increased** by +0.6pp.
- Merton's Economically Active population has **increased** by +1.6pp.
- Richmond's Economically Active population has **reduced** by -1.1pp.
- Sutton's Economically Active population has **increased** by +0.4pp.
- The economically active populations in all SLP boroughs, **except Kingston** are lower than those in March 2020.



*Data points are based on the previous 12 months. The last available data is for Jan 2022 – Dec 2022

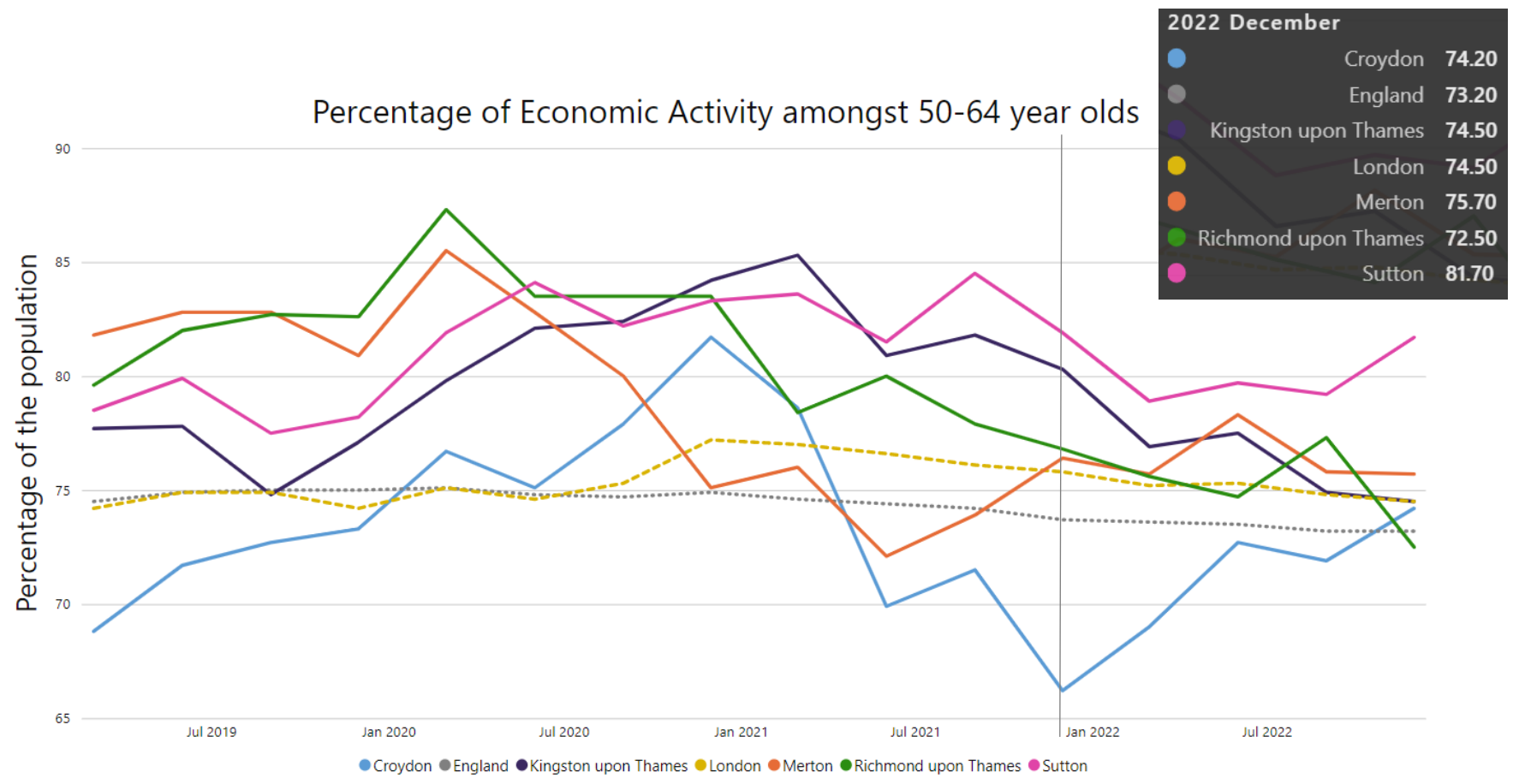
Economic activity amongst 50-64 year olds for SLP boroughs has declined over the past 12 months for all boroughs, except Croydon which previously experienced a sharp fall in the year to December 2021

Economic activity rates for 50-64 year olds when comparing the data point* for Dec 21 (grey line) to the data point for Dec 22:

- Increased by +8pp in Croydon
- Reduced by -5.8pp in Kingston
- Reduced by -0.7pp in Merton
- Reduced by -4.3pp in Richmond
- Reduced by -0.2pp in Sutton

Activity rates of 50-64 year olds compared to 16-64 year olds:

- Croydon 4.3pp lower
- Kingston 9.4pp lower
- Merton 8.5pp lower
- Richmond 5.6pp lower
- Sutton 1.5pp lower



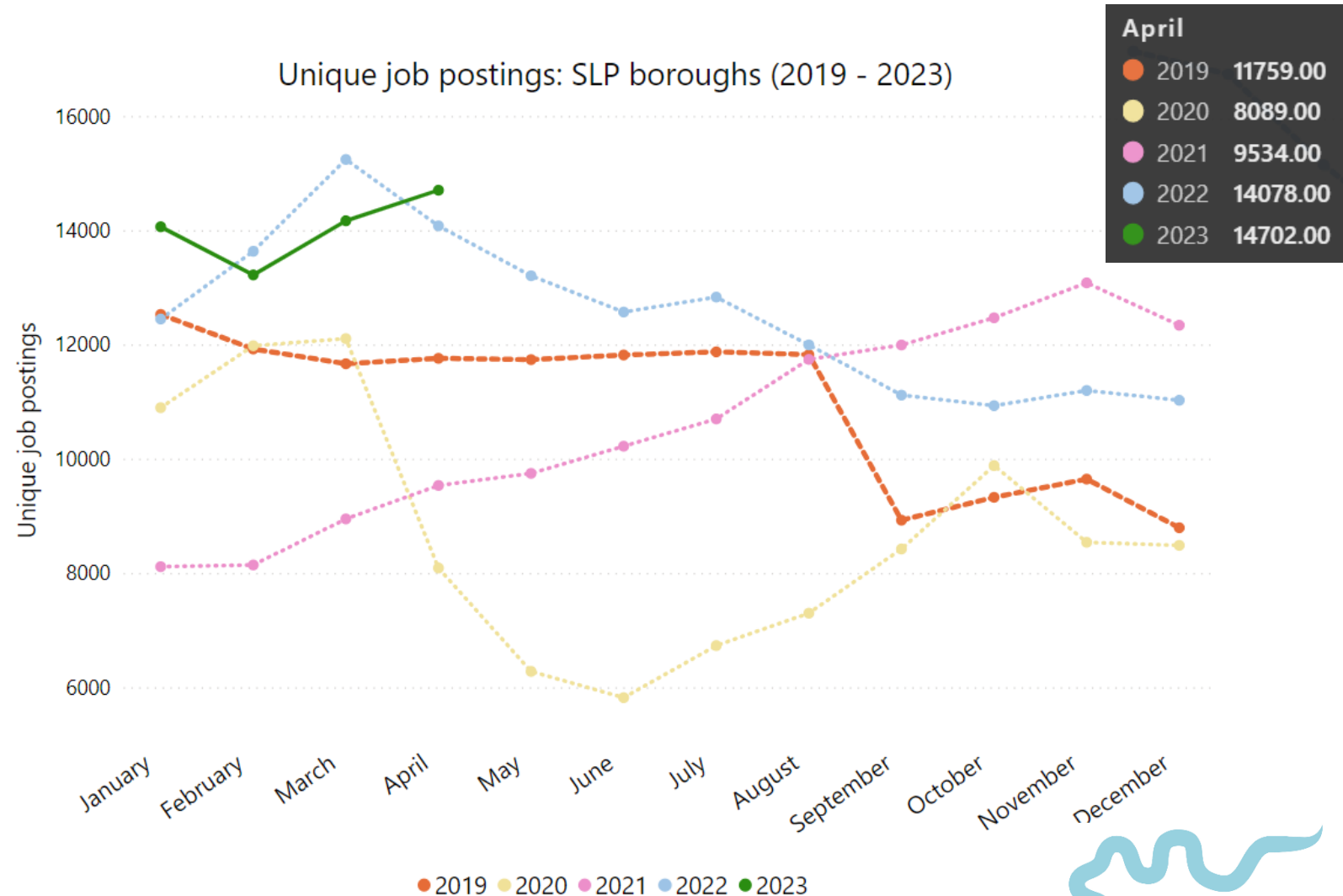
*Data points are based on the previous 12 months. The last available data is for Jan 2022 – Dec 2022

The **unique job postings** in SLP boroughs fell between Jan and Feb 2023, but have risen in the last two months with April 2023 having a higher number of job postings than April 2022

- There were **14,702** unique job postings for SLP boroughs in April 2023.
- In April 2023 the number of jobs posted was 624 higher than the number of jobs posted in April 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.



Source: Emsi
Updated: May 2023

Flexible working / working from home research

[Flexible and hybrid working practices in 2023: Employer and employee perspectives \(cipd.org\)](#) - May 2023

- This research explores employer and employee perspectives of flexible and hybrid working practices and asks whether organisations are doing enough to meet employee demand.
- The research showed an increase in requests for flexible and hybrid working, and that three-fifths of employers already offer this. It was also found that there is unmet demand for varying types of flexible working. Considering that 6% of employees changed jobs last year due to a lack of options – and 12% left their profession/sector altogether – it is essential for employers to increase both formal and informal flexible working arrangements to improve staff retention and attract the best talent.

[London and the rise of home working \(centreforcities.org\)](#) – May 2023

- Countless surveys show that staff value increased flexibility and the reduced cost and time spent commuting. Many note the importance of an enhanced “work-life balance” that has come with not being in the office so often. But some of these changes have come at a cost. Our city centres are less busy, many high street shops and smaller businesses have closed, and our public transport system is quieter and more dependent on subsidy.
- The survey found that younger workers were more likely to be in the office than older workers, as were workers who lived within Greater London.
- Factors affecting the return of workers to the office include; the cost and frequency of public transport and managing the balance between residential and commercial space.

[The impact of remote and hybrid working on workers and organisations - POST \(parliament.uk\)](#) – October 2022

- Analysis of data from UKHLS shows that prior to the lockdowns implemented in response to the pandemic, in January/February 2020, approximately 27% of individuals worked from home at least sometimes and approximately 6% worked from home exclusively. UKHLS COVID-19 study data indicates that in April 2020, during the first national lockdown in England, just over half (55%) of those in employment worked from home “at least sometimes” and almost 40% worked at home exclusively. OPN data show that in September 2022 in GB, when guidance to work from home because of the COVID-19 pandemic was no longer in place in GB, around 1 in 5 (22%) of the workforce worked at least one day from home in the previous seven days, and around 1 in 8 (13%) worked from home exclusively.

Further Intelligence

[Economic activity and social change in the UK, real-time indicators](#): (ONS, published 2 June 2023) - weekly findings on consumer behaviours, transport, and business and workforce.

- Consumer behaviour indicators mostly saw increased activity in the latest week, with the aggregate CHAPS-based indicator of credit and debit purchases rising by 2 points.
- The System Average Price (SAP) of gas fell for the seventh consecutive week, decreasing by 10% in the week to 28 May 2023.
- The average number of UK daily flights was 5% higher than the level seen in the equivalent week of 2022 (EUROCONTROL).

[Employment in the UK](#): (ONS, published 16 May 2023) - Estimates of employment, unemployment and economic inactivity for the UK

- January to March 2023 estimates show increases in the employment rate and the unemployment rate compared with the previous quarter (October to December 2022), while the economic inactivity rate decreased.
- Total hours worked increased compared with the previous quarter and are just slightly below pre-coronavirus (COVID-19) pandemic levels.

[Public opinions and social trends, Great Britain](#): (ONS, 17 May to 29 May 2023) - Social insights on daily life and events, including the cost of living, working arrangements and well-being from the Opinions and Lifestyle Survey (OPN)

- When asked about the important issues facing the UK today, the most commonly reported issues continue to be the cost of living (92%), the NHS (87%), the economy (73%), and climate change and the environment (60%).
- Around two-thirds (67%) of adults reported that their cost of living had increased, compared with a month ago.
- The most common reasons reported by adults who said their cost of living had increased compared with a month ago were an increase in the price of food shopping (97%), an increase in gas or electricity bills (69%), and an increase in the price of fuel (40%).

[Labour Market Statistics, May 2023 | Institute for Employment Studies \(employment-studies.co.uk\)](#):

- Despite rises in long-term ill health, economic inactivity overall is down on the quarter and on the year; with this translating into rises in both employment and unemployment (as those previously economically inactive start to look for work).
- Vacancies remain strongest in public services, professional services and administrative roles but have fallen further in hospitality and retail. This may point to fewer 'entry level' roles for those (re)joining the labour market, and potential risks around mismatches in people's skills or where they live.