

London LMI Bulletin

February 2023

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LONDON LMI



Title: Labour market overview, UK: February 2022

The UK employment rate was estimated at 75.6% in October to December 2022, 0.2 percentage points higher than the previous three-month period. The increase in employment over the latest three-month period was driven by part-time workers.

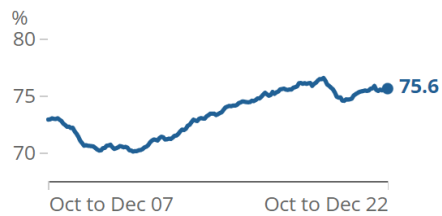
Employment rate

Employment rate (all aged 16 to 64)

Quarterly change: ▲0.2pps
Since Dec-Feb 2020: ▼-0.9pps

The employment rate is up on the quarter and up on the year, and is still below pre-pandemic rates.

Source: ONS LFS



The most timely estimate of payrolled employees for January 2023 shows another monthly increase, up 102,000 on the revised December 2022 figures, to 30.0 million.

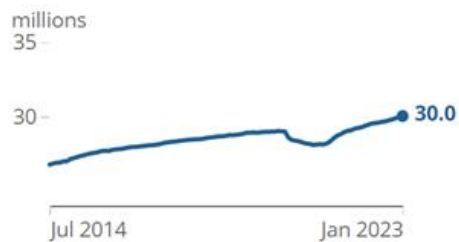
Payrolled employees

The number of payrolled employees

Monthly change: ▲ 102,000
Since Feb 2020: ▲ 1,028,000

The number of payroll employees is now well above pre-pandemic levels.

Source: HMRC PAYE RTI



The unemployment rate for October to December 2022 increased by 0.1 percentage points on the quarter, to 3.7%. In the latest three-month period, the number of people unemployed for up to six months increased, driven by people aged 16 to 24 years. Those unemployed for over six, and up to 12, months also increased, while those unemployed for over 12 months decreased in the recent period.

Unemployment rate

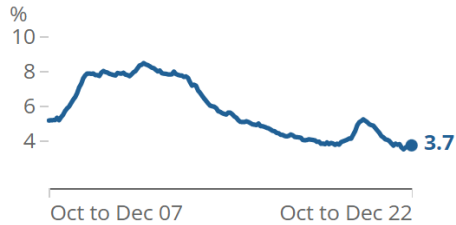
Unemployment rate (all aged 16+)

Quarterly change: ▲0.1pps

Since Dec-Feb 2020: ▼-0.2pps

The unemployment rate increased on the quarter but decreased on the year, and is still below pre-pandemic rates.

Source: ONS LFS



The economic inactivity rate decreased by 0.3 percentage points on the quarter, to 21.4% in October to December 2022. The decrease in economic inactivity during the latest three-month period was driven by people aged 16 to 24 years. Looking at economic inactivity by reason, the quarterly decrease was driven by those inactive because they are students, retired, or long-term sick.

Inactivity rate

Economic inactivity rate (all aged 16 to 64)

Quarterly change: ▼-0.3pps

Since Dec-Feb 2020: ▲1.2pps

The economic inactivity rate decreased on the quarter but increased on the year, and is still above pre-pandemic rates.

Source: ONS LFS



In November 2022 to January 2023, the estimated number of vacancies fell by 76,000 on the quarter to 1,134,000, the seventh consecutive quarterly fall since May to July 2022. The fall in the number of vacancies reflects uncertainty across industries, as survey respondents continue to cite economic pressures as a factor in holding back on recruitment.

Job vacancies

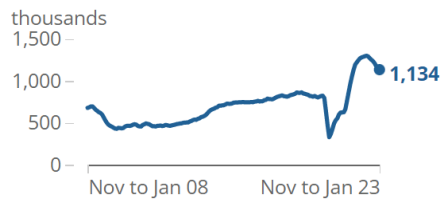
Number of job vacancies

Quarterly change: ▼-76,000

Since Jan-Mar 2020: ▲338,000

Vacancies decreased on the quarter but are above pre-pandemic levels.

Source: ONS Vacancy Survey



Growth in average total pay (including bonuses) was 5.9% and growth in regular pay (excluding bonuses) was 6.7% among employees in October to December 2022. For regular pay, this is the strongest growth rate seen outside of the coronavirus (COVID-19) pandemic period. Average regular pay growth for the private sector was 7.3% in October to December 2022, and 4.2% for the public sector; outside of the height of the coronavirus pandemic period, this is the largest growth rate seen for the private sector.

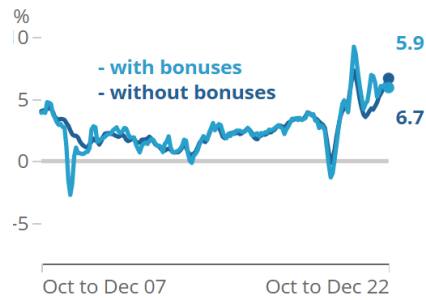
Nominal Earnings

Average Weekly Earnings annual growth rates - nominal pay

Outside of the pandemic period, regular pay has seen the strongest growth in the latest quarter.

Source: ONS MWSS

[Read more](#)



In real terms (adjusted for inflation), growth in total and regular pay fell on the year in October to December 2022, by 3.1% for total pay and by 2.5 for regular pay. This is smaller than the record fall in real total pay we saw in February to April 2009 (4.5%), but remains among the largest falls in growth since comparable records began in 2001.

There were 843,000 working days lost because of labour disputes in December 2022, which is the highest since November 2011.

The full report is available at [Office for National Statistics](#)

ONS 2022 [Online]. [Accessed 22 February 2023]. Available from:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/latest#main-points>

LONDON DATASTORE

Title: London labour market update

Key information:

- **Payrolled employees** shows an increase of around 25,100, or 0.6%, in London between December and January 2023 and an increase of 4.2% on the year.
- The **employment rate** in London was estimated at 75.1% for the three months ending December 2022, down 0.2 percentage points (pp) on the previous quarter and down 0.9pp on the same period in the previous year.

Payrolled employees in London

Latest data for January 2023



- London's employment rate was lower than the UK average (75.6%).
- The **unemployment rate** was still higher than the UK average. London's unemployment rate was estimated at 4.5%, up 0.3pp on the quarter and down 0.6pp from a year earlier. The UK average was 3.7%.
- London's **inactivity rate** (the measure of those not looking and/or not available to work) was estimated at 21.4%. This was unchanged on the previous quarter and up 1.5pp on the previous year, and is similar to the UK-wide estimate of 21.4%.

[Previous updates and other labour market analyses](#) are also available.

The full briefing is available at [London Datastore](#)



Title: February Labour Market Statistics: Comment from the Institute for Employment Studies

Key Information:

This month's figures show a continued trend of gradual improvement, with employment edging up and 'economic inactivity' (those people not looking and/ or not available for work) edging down. However, falls in economic inactivity have been driven mainly by fewer students overall, with worklessness due to long-term ill health in particular remaining very high. Worryingly this month, the number of young people outside full-time education or employment has reached one million for the first time in nearly a year.

Data on employment rates for disabled people is also disappointing, with the employment ‘gap’ to non-disabled people remaining wider than it was before the pandemic and with disabled people still two-and-a-half times more likely to be out of work than their non-disabled peers. Employment gaps are also wider for older people and for young people outside of full-time education. And despite a slight improvement in employment for older people in the most recent quarter, they continue to account for three quarters of the growth in economic inactivity since the pandemic began.

There are also continued signs of slight weakening in the labour market, with vacancies continuing to fall – mainly due to fewer job openings in private sector services, redundancies rising, and short-term unemployment up. All figures remain better than they were before the pandemic, but all appear to be trending in the wrong direction.

Data on labour market flows shows that in part, the rise in unemployment is being driven by more people leaving economic inactivity. There has also been a rise in those leaving economic inactivity for work, which is welcome, although more analysis is needed to understand which people are leaving, given that recent analysis (by IES and others) has shown that higher economic inactivity is primarily being driven by more people staying out of work for longer (rather than by higher inflows to economic inactivity).

Finally, pay data continues to show strong growth in nominal pay (of around 6.5%) while real pay continues to fall due to very high inflation. This means that pay in real terms is now back to where it was on the eve of the pandemic.

Data suggests that many of those most disadvantaged in the labour market are still losing out. There is also a long way to go to raise participation in work and support higher incomes, lower inequality and stronger growth. All the signs are that next month’s budget will focus on addressing these challenges, and it could not be more timely.

We believe that there needs to be action in four areas:

Improved access to employment support for those out of work, who want to work but aren’t currently looking – either by extending access to existing provision like Restart and the Work and Health Programme, and/ or by commissioning new, partnership-based support;

Help with addressing the costs of working – particularly around childcare, travel to work and workplace adaptations;

More support for employers – and higher expectations – around inclusive recruitment, flexibility at work, job design and support; and

Trialling new approaches to supporting health and wellbeing at work – including better help for workers and employers to keep people well at work and support rapid returns to work when people leave.

Read the detailed IES Labour Market Statistics briefing note [here](#).

Source: Institute for Employment Studies [Online]. [Accessed 22 February 2023]. Available from: <https://www.employment-studies.co.uk/resource/labour-market-statistics-february-2023>

Title: The UK Labour Market Review: January 2023

Key Information:

The most recent [figures from the Office for National Statistics \(ONS\)](#) continue to show a strong outlook for the UK, with the number of payroll employees at an all-time high, and unemployment lower than this time last year and well below pandemic-levels.

Advertised salaries on the rise but not enough to keep up with inflation

Advertised salaries in job postings continuing to grow, with the median advertised salary in December 2022 at £32,100 – up by £500 on the previous month. For graduate and managerial positions, the median advertised salary in December 2022 was £40,100 – almost £15,000 higher than job postings for other roles (£25,000). However, it is actually non-graduate positions that have seen the fastest year-on-year increase at 10.1%, compared to graduate and managerial positions, which have increased by just 6.8%. However, both are below the official inflation rate of 10.5%.

Recruitment activity is still strong

Turning to overall recruitment activity in December, we can see from the chart below that there were:

- 920k new postings in December 2022 compared to 1.0 million in November;
- 2.5 million active postings, down from 2.8 million in November.

This dip in both new and active postings can largely be attributed to the “Christmas dip” that occurs every year, but what is more interesting is the fact that there were around 200,000 more new job postings in December 2022 than in December of the previous year, suggesting that despite all the current economic uncertainty, employer demand remains strong.

Source: Lightcast [online] [Accessed 22 February 2023]. Available from https://lightcast.io/uk/resources/blog/the-uk-labour-market-review-january-2023?utm_content=236747436&utm_medium=social&utm_source=linkedin&hss_channel=lcp-9242998



Working in The Environment/Green Sector in London – A spotlight shared with our customers this month

Environment/Green Employment

With the government planning to increase the number of green jobs, the demand for employees with the skills and passion to protect and preserve the environment has never been higher

You could work in the environment sector which includes sustainability, waste management, water and air quality or you could work in agriculture which involves working with animals, crops and livestock.

What can you expect?

Most roles will involve work outdoors in all weather conditions, with some time spent in the office, depending on the role. A role in this sector could be physically demanding. The average salary is £35,000, depending on qualifications, entry level and job role.

What skills do you need?

Science skills:

The green economy of the future will need workers with a strong science background. Key roles will include environmental scientists, biologists, hydrologists and biochemists. People in these jobs will monitor, manage and protect natural resources including land and valuable water supplies.

Architectural and planning skills:

Buildings will become more energy efficient, with fewer resources used to construct and operate them. [Architects](#) and planners will design these buildings to comply with environmental regulations and client demands for green spaces.

Green engineering and tech skills:

Engineering and tech skills will be needed to design and maintain solar panels, wind turbines, low emissions vehicles and other green economy technology.

Agriculture skills:

As farming and food supply becomes more sustainable, there'll be a growing number of green jobs in areas such as [organic farming](#), urban farming and precision agriculture. This involves using data to measure and improve farming efficiency.

Environmental justice skills:

Workers in this field will operate at the intersection of human rights and [environmental](#) rights. They will gain legal, social and historical awareness to ensure humanity does not repeat the mistakes of the past which led to racial and social injustice and poor environmental and social health.

Systems skills:

The green economy will need workers who can design, operate and monitor a wide range of systems. They'll need to assess systems against performance indicators and find ways to optimise and improve system operations. They'll need skills in macroeconomics to build sustainability into long-term infrastructure projects.

Volunteering is often a stepping stone into employment. For instance, during the summer months you could apply to help manage the various lock sites on the River Thames through the [Environment Agency](#).

Also, wherever in the country you live, you can put your time and skills to good use both indoors and outdoors by volunteering with [The Wildlife Trusts](#).

The following not-for-profit organisations also regularly look for volunteers:

- [National Trust](#)
- [Natural England](#) - includes volunteering opportunities in their National Nature Reserves (NNRs).
- [RSPB \(Royal Society for the Protection of Birds\)](#)
- [RSPCA \(Royal Society for the Prevention of Cruelty to Animals\)](#)
- [TCV \(The Conservation Volunteers\)](#) - enter your postcode to discover activities in your area.

Read more about [volunteering with animals](#).

You can explore [job profiles](#) from the environment industry.

Sources: Prospects. 2023. Jobs and Work Experience. [Online]. [Accessed 16th February 2023]. Available from: <https://www.prospects.ac.uk/jobs-and-work-experience/job-sectors/environment-and-agriculture/overview-of-the-uks-environmental-sector>

National Careers Service. 2023. Job Profiles. [Online]. [Accessed 17th February 2023]. <https://nationalcareers.service.gov.uk/job-categories/environment-and-land>

Ethical Jobs. 2023. Blog [Online]. [Accessed 17th February 2023]. <https://www.ethicaljobs.com.au/blog/these-are-the-skills-young-people-will-need-for-the-green-jobs-of-the-future>

Useful Websites

Environment

The Royal Parks: Learning Programme Trainee

Supporting The Royal Parks' Learning Team in learning and engagement opportunities, from outdoor activities for school groups, to hands-on family activities in the school holidays, and walking tours and workshops for adults.

<https://www.jobtrain.co.uk/theroyalparks/Job/JobDetail?JobId=371>

Youth Environmental Service: New to Nature Programme Delivery Support

Supporting the delivery of the New to Nature programme as a pilot for a long-term Youth Environmental Service

<https://youthenvironmentalservice.co.uk/work-with-us>

Bat Conservation Trust: Volunteer Engagement Officer

This role involves engaging young and under-represented audiences in a long-running citizen science project.

<https://www.bats.org.uk/the-trust/jobs-careers/volunteer-engagement-officer>

Wildlife and Countryside Link: Nature 2030 policy and campaigns officer

Nature 2030 policy and engagement officer – working in England’s biggest environment coalition to achieve a nature-rich future by 2030

<https://www.wcl.org.uk/nature-2030-policy-and-engagement-officer.asp>

Chelsea Physic Garden: Horticultural and Learning Trainee

A traineeship in practical horticulture and environmental education at London’s oldest botanic garden, supporting skills and development.

<https://www.chelseaphysicgarden.co.uk/about/vacancies/>

Zoological Society of London (ZSL Whipsnade): Community and Learning Trainee

The trainee will support the team with administration, coordination and delivery of ZSL Whipsnade Zoo’s community and learning activities.

[New to Nature Community and Learning trainee - Whipsnade Zoo | Zoological Society of London \(ZSL\)](#)
