

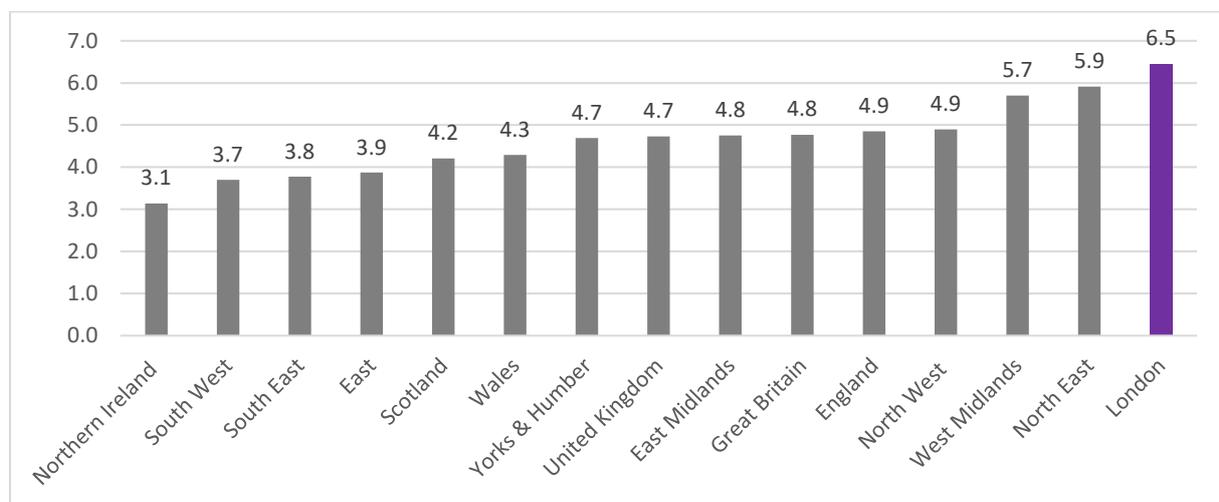
Central London Recovery Tracker – June 2021

London has seen the biggest increase in unemployment – but the rise has levelled off

London has seen the largest increase in [unemployment](#) as a result of the pandemic, and unemployment in the capital is now higher than any other region. Unemployment in London stands at 6.5%, compared to 4.7% across the UK. The unemployment rate in London increased by 1.7pp in the last year, compared to 0.7pp nationally.

Figure 1 – London has the highest rate of unemployment of any region of the UK

Unemployment rate by region, Feb-Apr 2021, [ONS](#)



The [claimant count](#) – a measure of the number of people claiming unemployment related benefits – was 151% higher in central London¹ in May 2021 than in March 2020 at the outbreak of the pandemic. This increase is far larger than that seen across the UK as a whole (97%). The increase in the claimant count among young people in central London has been even higher still at 172%.

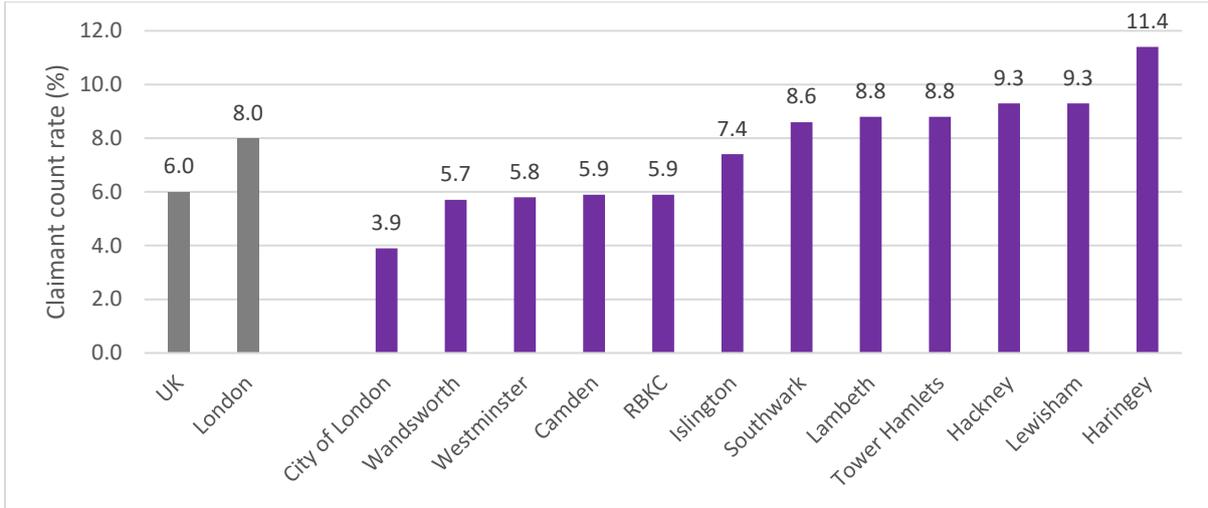
As figure 2 below shows, the claimant count is higher than the national average in seven central London authorities, with the highest rates being in Hackney (9.3%), Lewisham (9.3%) and Haringey (11.4%).

However, the increase in the claimant count in central London has levelled off, with the number of people claiming unemployment related benefits declining in each of the last two months.

Figure 2 – London has higher rates of claimants of unemployment related benefits

Claimant count as a proportion of residents aged 16-64 by borough, May 2021, [ONS](#)

¹ Central London refers to the 12 local authorities in Central London Forward



Vacancies are back at pre-pandemic levels – but London’s recovery is slowest

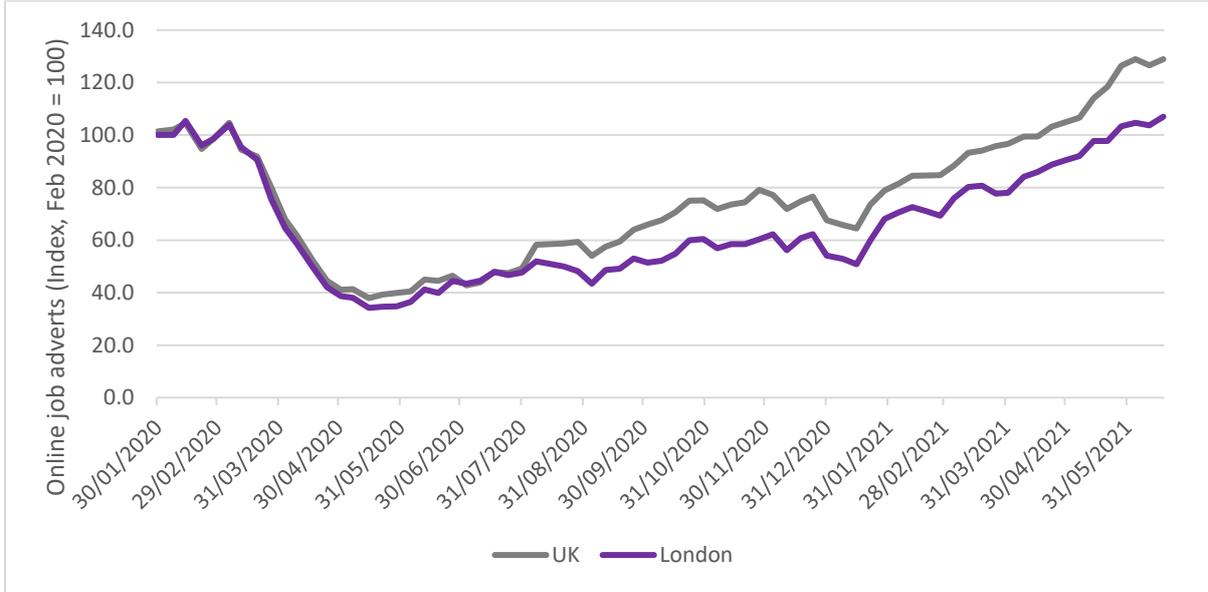
The number of vacancies in the capital has finally recovered to pre-pandemic levels.

Data produced for ONS by Adzuna showed that the number of online job vacancies in London plummeted from March 2020 with the onset of the pandemic. During the depth of the crisis, the number of vacancies in the capital was just a third of pre-pandemic levels. At the end of May – nearly 14 months after the first lockdown – the number of vacancies in London finally recovered to pre-pandemic levels.

However, the recovery in vacancies is slower in London than across the UK. In London, there were 7% more vacancies on 18th June compared to pre-pandemic levels; across the UK there were 29% more vacancies than pre-pandemic levels.

Figure 3 – Vacancies in London have recovered to the pre-pandemic levels

Index of online job adverts in London and UK, Feb 2020 – June 2021, [ONS](#)



London has the highest level of furloughed workers – but the number is falling

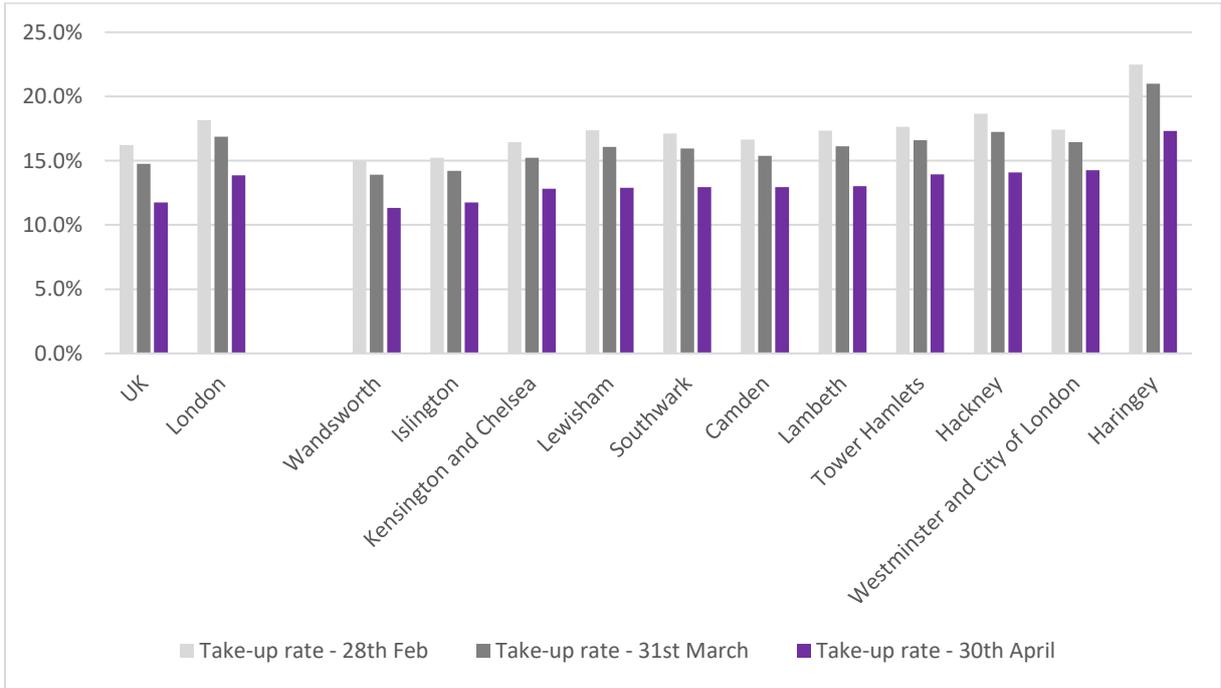
The latest [HMRC](#) furlough data shows that the number of workers remaining furloughed is declining rapidly in central London. There were 182,000 employments furloughed in central London at the end of April, down from 237,000 at the end of February.

However, the proportion of employments furloughed in central London remains higher than the national average. At the end of April, 13.4% of eligible jobs in central London were furloughed, compared to just 11.7% nationally. The proportion of furloughed workers at the end of April was higher in nine out of eleven areas of central London², with the highest being Haringey, where 17.3% of employments were furloughed.

The proportion of furloughed jobs in London is highest in accommodation and food services (47% of jobs furloughed; 149,600 in total), and arts, entertainment and recreation (42% of jobs furloughed; 35,500 in total). Levels of furlough in London are higher among females (14.7%) than males (13.1%).

Figure 4 – Take-up of the furlough is higher in central London but declining

Furlough take-up rate, February – March 2021, [HMRC](#)



Footfall and consumer spend remain below pre-pandemic levels and other cities

Data from [Centre for Cities](#) show levels of footfall and consumer spend in London have been recovering, but they remain significantly below pre-pandemic levels, and the pace of recovery is slower than other urban areas across the UK.

² Data for Westminster and City of London is combined by HMRC

Footfall in London’s city centre was at 42% of pre-pandemic levels on 28th May, compared to an average of 64% across other UK cities and large towns on the same date.

Similarly, the Centre for Cities spend index shows that offline sales in the centre of London had recovered to 73% of pre-pandemic levels. The average for cities and large towns across the UK was 88%.

Central London areas face a significant ongoing impact from Zoomshock

It is increasingly clear that the forced shift to home-working during the pandemic for many workers will have a lasting legacy on working patterns, with many businesses embracing a ‘hybrid’ model which combines greater working from home with some time in the office.

Metro-Dynamics has developed an online tool to understand the scale of ‘Zoomshock’ at a local level. Based on ONS data, the tool allows you to explore the potential flows of workers at a city, borough and local level, due to greater home-working.

The dashboard is available [here](#).

