

Central London Recovery Tracker – July 2021

The claimant count in central London is falling – for now

While the coronavirus crisis led to the sharpest rise in the number of people claiming unemployment-related benefits on record, the claimant count has been falling across central London in recent months.

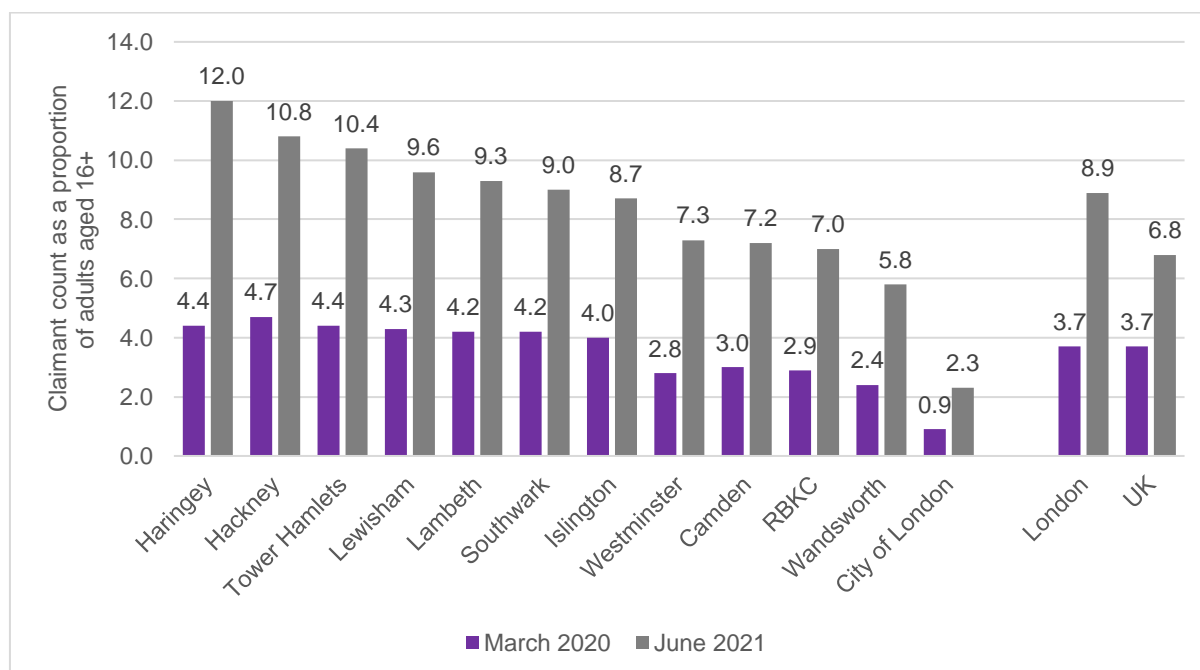
Between March and June 2021, the number of people claiming unemployment-related benefits fell in every one of the 12 central London local authorities. In total, the claimant count fell by 21,000 in central London across the period, with the largest declines in the boroughs with the highest claimant count.

However, as figure 1 below shows, the number of people claiming unemployment benefits remains far higher than pre-pandemic, and the claimant count rate is higher than the national average in 10 out of 12 central London local authorities.

While the claimant count is likely to fall in the next couple of months, we may see another increase as we enter the autumn, as the furlough scheme comes to an end in September.

Figure 1 – The claimant count remains higher than the national average in most central London boroughs

Claimant count rate, March 2020 and June 2021, [ONS](#)



The number of furloughed jobs is falling but is higher than across UK

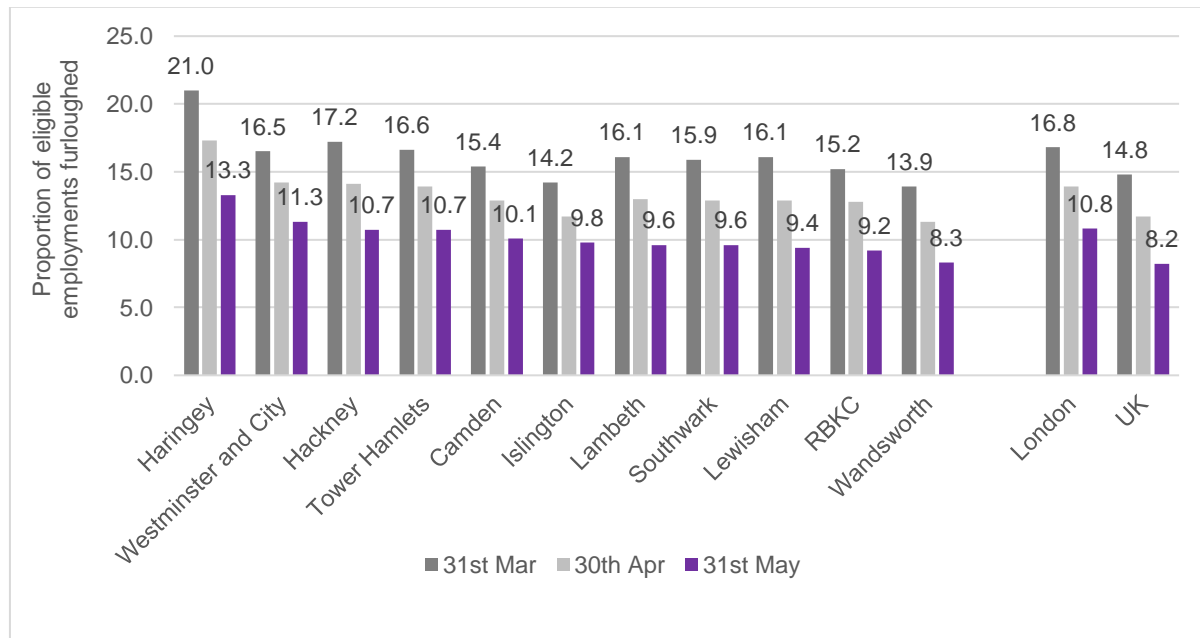
The number of furloughed jobs in central London fell rapidly as the economy opened up following the latest lockdown.

Between the end of February and the end of May, the number of furloughed jobs in central London fell by 99,000, from 233,000 to 134,000.

However, as figure 2 below shows, the proportion of jobs furloughed remains higher than the national average in all eleven areas of central London¹.

Figure 2 – Take-up of furlough is falling in central London but higher than UK average

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



Vacancies have recovered and some sectors face skills shortages

There has been a rapid rebound in the number of job vacancies as the economy has opened up.

As figure 3 below shows, ONS data on the number of online job vacancies show that vacancies in London are now higher than pre-pandemic.

However, the pace of the recovery in vacancies in London is significantly slower than that seen across the UK. On 16th July, there were 12% more online job vacancies in London compared to February 2020. Across the UK as a whole, job vacancies were 30% higher than the same period.

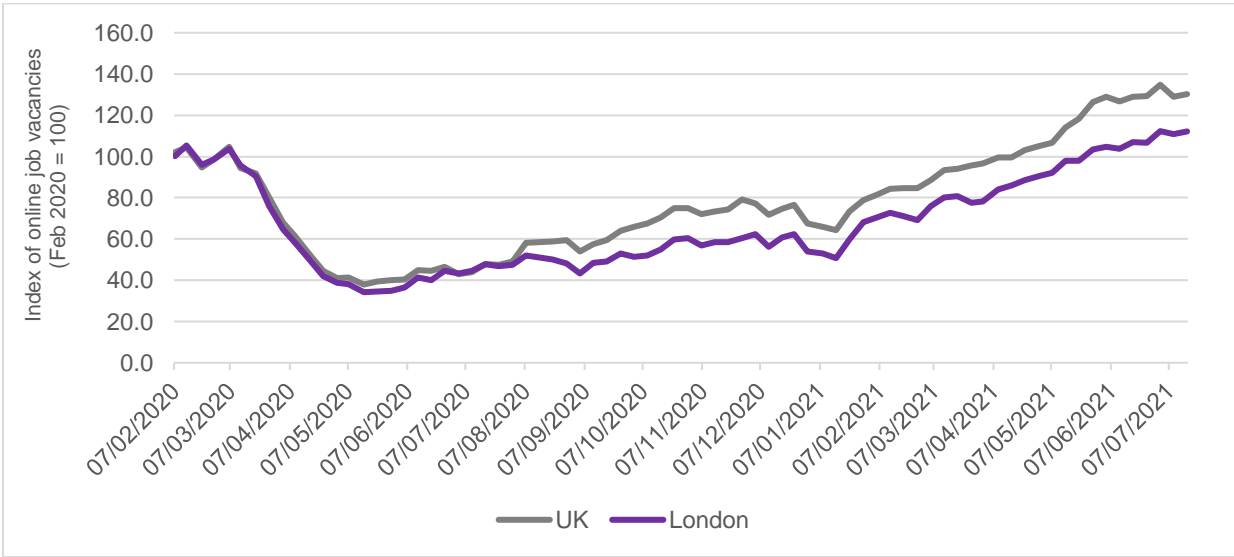
Similarly, data from [REC](#) show that the recovery in vacancies in London is slower than across the rest of the UK. The REC data suggest that by the middle of July, vacancies across the UK were 3% lower than March 2020, whereas in London they were 19% lower.

As the economy opens, more employers have reported facing hiring challenges. These have been particularly acute in sectors such as [hospitality](#), which had a high proportion of EU migrant workers pre-pandemic. There is [evidence](#) to suggest that the pandemic and the end of freedom of movement have led to both a significant decline in new migrant workers coming to the UK, and a reduction in the number of non-British nationals working in the UK.

¹ Data for Westminster and City of London is combined by HMRC

Figure 3 – Online job vacancies in London are above pre-pandemic levels

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



Footfall in central London remains well below pre-pandemic levels

The slower recovery in vacancies in central London may in part be due to lower levels of footfall in the city compared to other urban centres.

Data from [Google](#) show that across the central London local authorities, footfall and mobility remain well below pre-pandemic levels. Across the 12 central London boroughs, mobility relating to retail and recreation in July was 34% below pre-pandemic levels on average, with mobility relating to public transport and workplaces being 48% and 51% lower.

In each case, the average decline across the 12 central London boroughs was larger than the declines seen across London as a whole and the UK.

Figure 4 – Mobility in central London remains below pre-pandemic levels

Mobility data in July 2021 compared to baseline of Jan-Feb 2020, [Google](#)

