Central London Recovery Tracker – October 2021

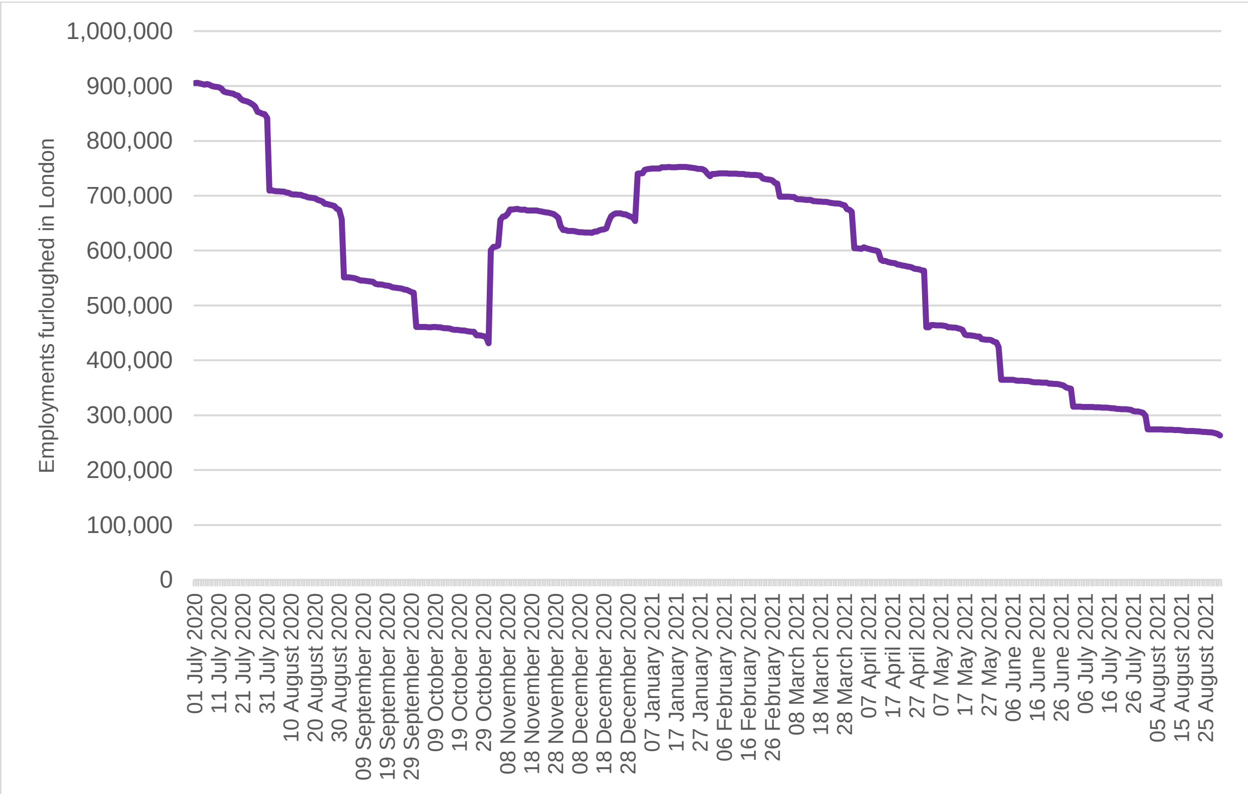
Central London had a high proportion of furloughed jobs as the scheme ended

The Coronavirus Job Retention Scheme ended on 30th September. The scheme has helped protect hundreds of thousands of jobs in the capital.

While use of the scheme had gradually declined since spring, there were still 79,100 furloughed jobs across the 12 central London local authorities at the end of August, with 263,100 jobs on furlough across the capital as a whole. The remaining furloughed jobs across the capital were concentrated in hospitality (61,010), retail (40,480) and administrative and other support services (37,630).

Figure 1 – A quarter of a million jobs were furloughed in the capital at the end of August

Furloughed employments in London, Jul 2020 – Aug 2021



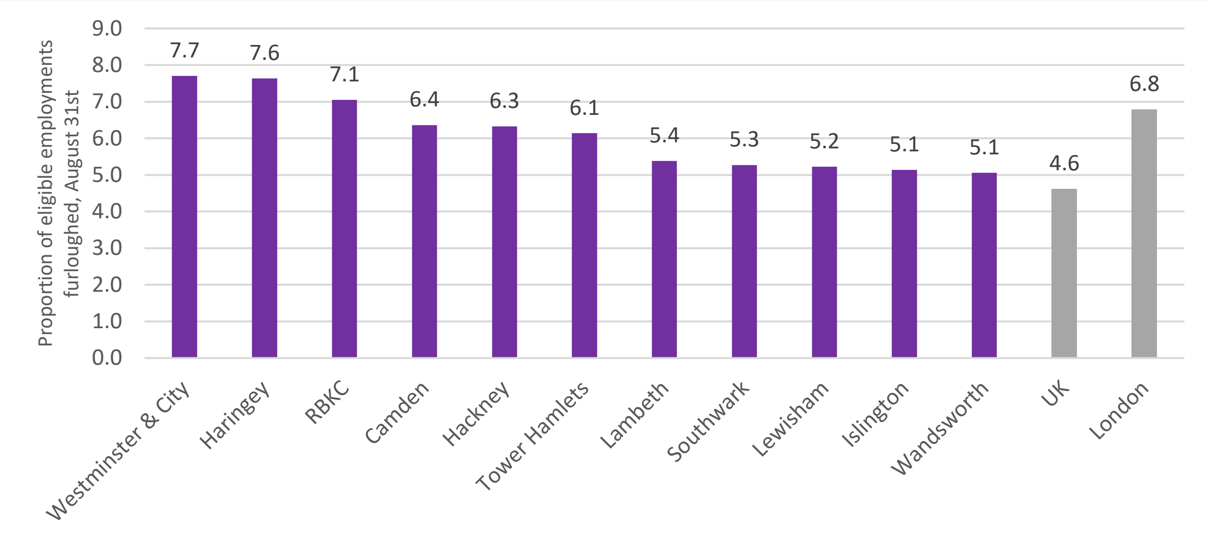
Source: HMRC, 2021

As figure 2 below shows, every part of central London had higher use of furlough than the national average at the end of August. Westminster and the City of London had the highest level of furloughed jobs, with 7.7% of eligible employments furloughed. This was followed by Haringey (7.6%) and Kensington and Chelsea (7.1%).

The end of the furlough scheme may slow or reverse the decline that we have seen in unemployment across the capital in recent months, as some previously furloughed workers may fall into unemployment.

Figure 2 – London had higher rates of furloughed jobs ahead of the end of the scheme

Proportion of eligible employments furloughed in central London, Aug 31st



Source: HMRC, 2021

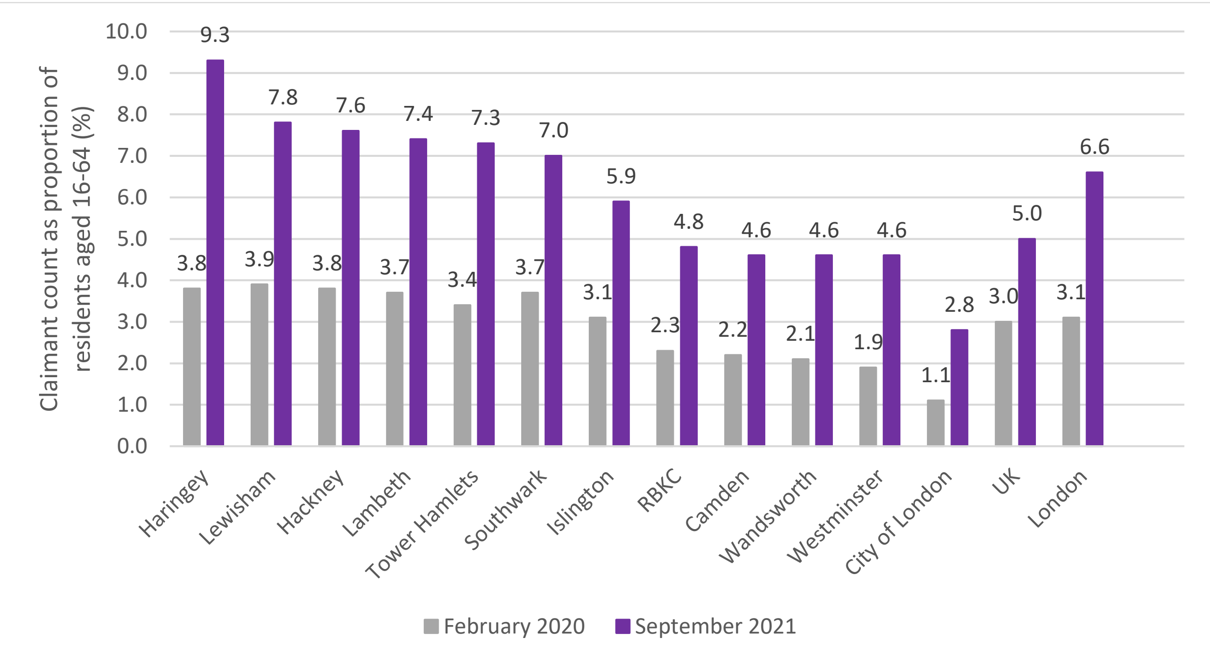
The number of central London residents claiming benefits continues to fall

The number of residents claiming unemployment-related benefits continues to fall in central London. In 11 out of 12 central London local authorities, the claimant count fell every month since May. The one exception is City of London which saw a small increase in September.

The claimant count remains higher than the national average in 7 of 12 CLF local authorities, and far higher than pre-pandemic levels. The latest claimant count data for September will not show the full impact of the end of the furlough scheme, which closed at the end of that month.

Figure 3 – The claimant count is higher than UK average in central London

Claimant count as a proportion of residents aged 16-64, Feb 2020 and Sept 2021



Source: Nomis, 2021

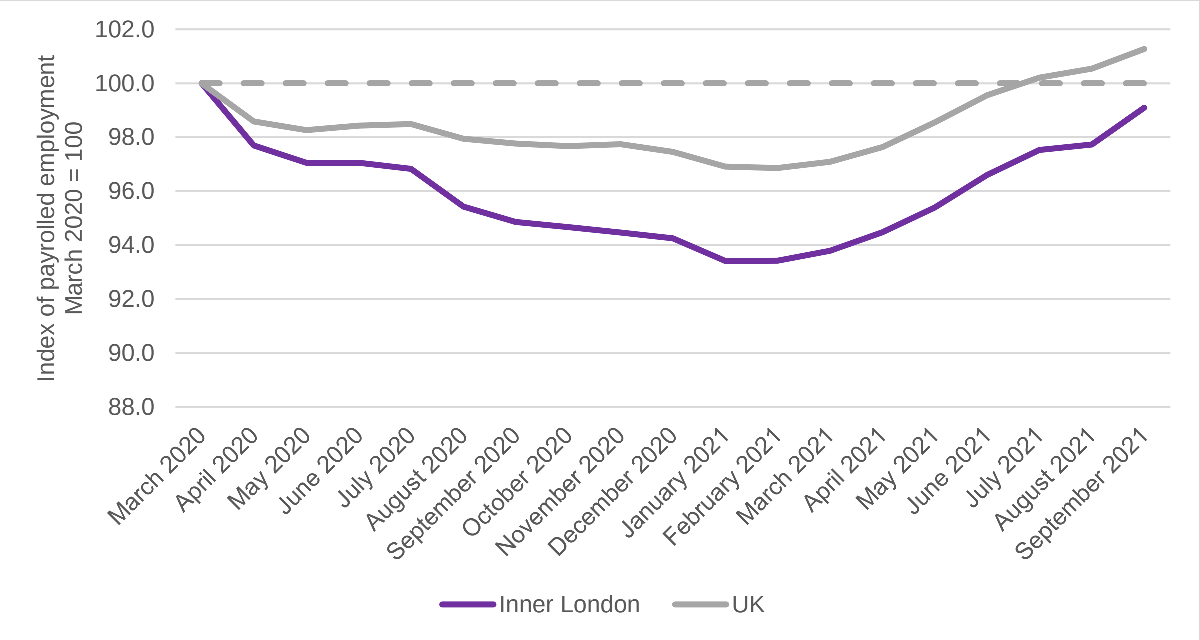
The number of payrolled employees is approaching pre-pandemic levels

ONS use real time information from HMRC for the number of workers on payrolls to give an up to date assessment of levels of employment.

The data show that inner London – and the capital as a whole – saw a larger impact from the pandemic, and a slower recovery. However, the number of workers on payrolls in central London is now finally approaching pre-pandemic levels. In September the number of payrolled workers was 0.9% below the level reached in March 2020. Across the UK as a whole the number of payrolled workers was 1.3% higher than pre-pandemic.

Figure 4 – Payrolled employees in inner London is approaching pre-pandemic levels

Index of payrolled employment, March 2020 = 100



Source: ONS 2021

Footfall and consumer spending continue to recover in central London

Google data show that mobility within central London is continuing to recover, but that it remains below pre-pandemic levels, and lower than other parts of the UK.

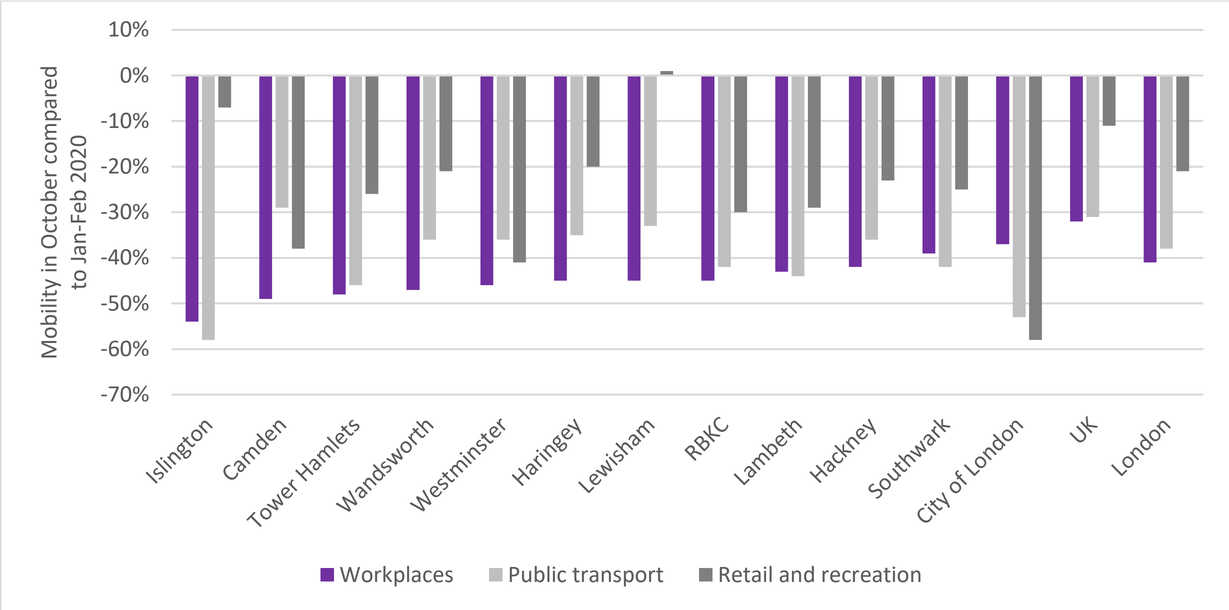
Mobility relating to retail and recreation has bounced back most. Across the 12 central London local authorities, mobility relating to retail and recreation was 26% lower than pre-pandemic.

Mobility relating to public transport and workplaces has recovered more slowly. Across the central London boroughs, mobility relating to public transport was 41% below pre-pandemic levels. Mobility relating to workplaces was lower still, at just over half (-46%) pre-pandemic levels.

Across each area of mobility – retail and recreation, public transport and workplace – mobility in central London is lower than across both the capital as a whole and the UK, relative to pre-pandemic levels.

Figure 5 – Mobility in central London is increasing but remains well below pre-pandemic levels

Mobility data in October 2021 compared to baseline of Jan-Feb 2020,



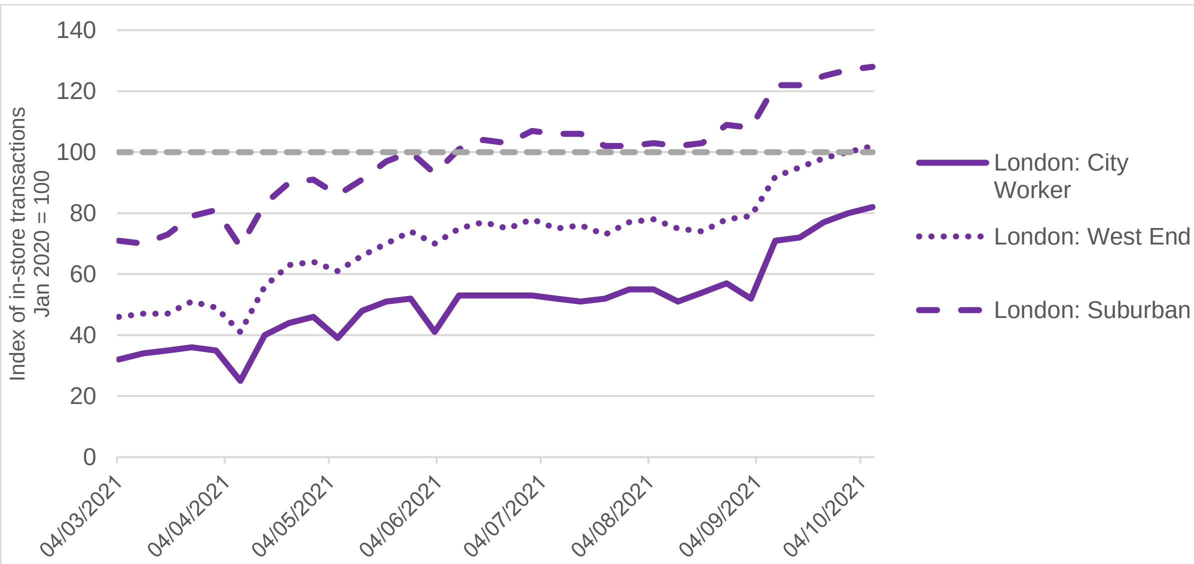
Source: [Google]

ONS has published experimental data on sales at the sandwich and coffee shop Pret a Manger. The data show a gradual increase since spring, with a more rapid increase toward the end of the summer as workers have gradually returned to the office.

The data show that while sales in the West End had finally recovered to pre-pandemic levels at the start of October, sales in 'city worker' areas remained a fifth (18%) lower than the average for January 2020. The recovery has been stronger in suburban London where sales are 28% higher than pre-pandemic, as well as in Yorkshire (42%), Manchester (13%) and regional towns (12%)

Figure 6 – Pret a Manger sales in West End are back to pre-pandemic levels

Index of in-store transactions at Pret a Manger, January 2020 = 100



Source: [ONS 2021]