

Central London Recovery Tracker – January 2022

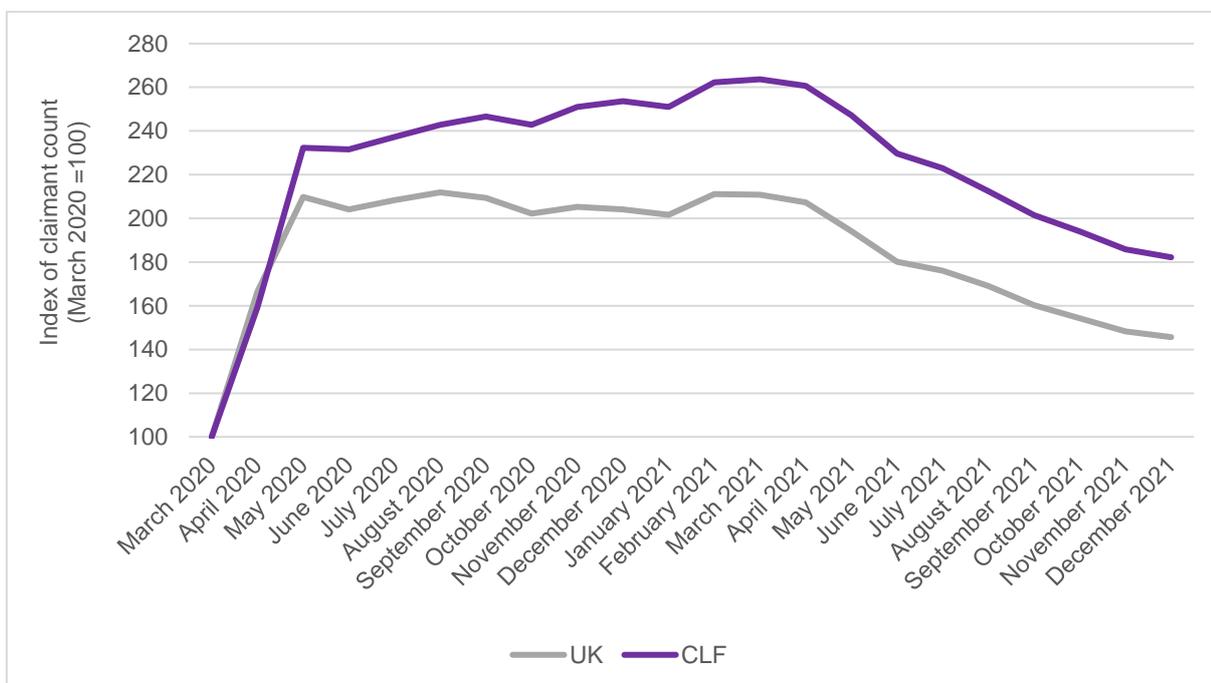
The claimant count and unemployment continue to fall

Following a large increase with the onset of the pandemic, unemployment across central London is continuing to fall. Across central London, the number of adults claiming unemployment-related benefits fell from 186,000 in March 2021 to 129,000 in December. The pace of the decline appeared to be slowing toward the end of the year, which may reflect some job losses as the furlough scheme came to an end in autumn.

However, the claimant count across central London remained 82% higher in December than the levels seen in March 2020 on the eve of the pandemic. Across the UK, the claimant count was only 46% higher than pre-pandemic.

Figure 1 – The claimant count has continued to decline in central London

Index of claimant count, March 2020 = 100



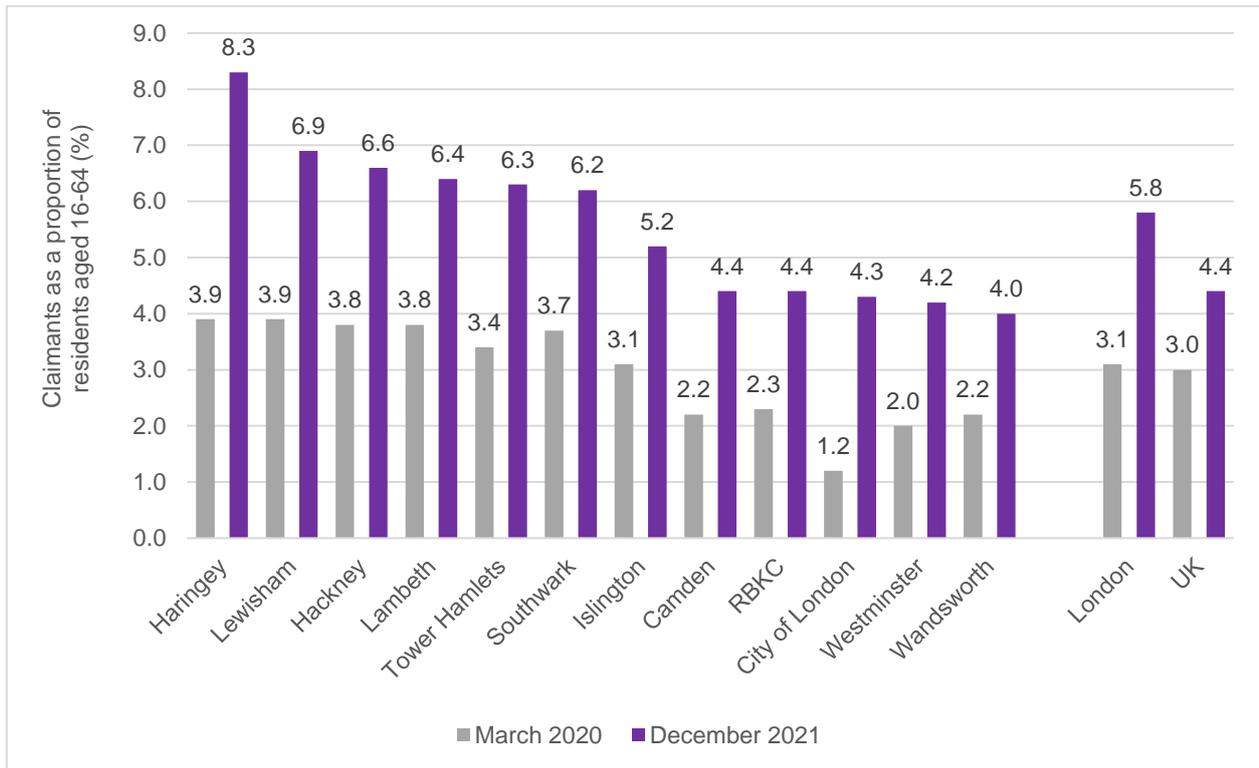
Source: [ONS](#)

As figure 2 below shows, the claimant count remains higher than pre-pandemic levels in every one of the 12 local authorities in central London. The claimant count rate remains highest in Haringey (8.3%), Lewisham (6.9%) and Hackney (6.6%).

As with the claimant count, the official unemployment rate – which measures the number of adults aged 16+ who are not in employment and actively seeking work – has continued to fall in the capital. As figure 3 below shows, the unemployment rate in London fell to 5.4% in September-November 2021, a decline of 0.4 percentage points on the previous quarter. Inactivity also declined, with the total employment rate increasing by 0.7 percentage points to 75.6%. This means London's employment rate has now exceeded the UK wide employment rate (75.5%).

Figure 2 – The claimant count remains higher than pre-pandemic in every borough

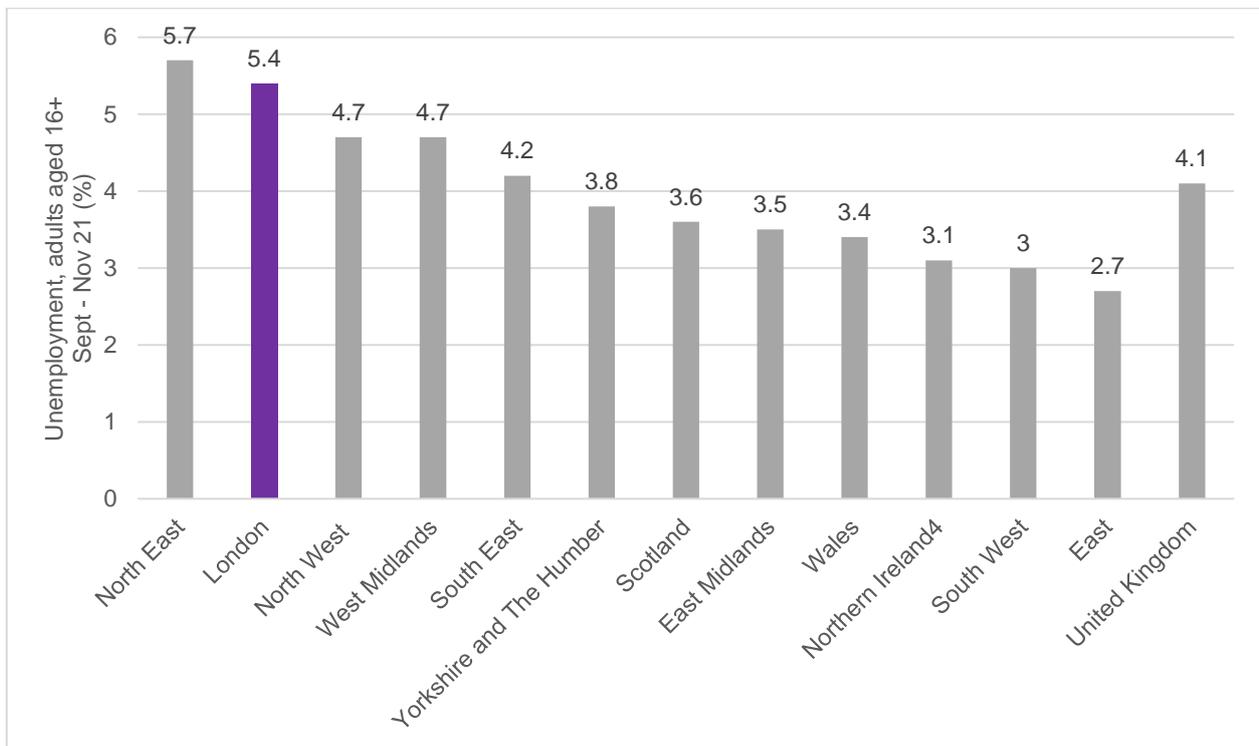
Claimant count as a proportion of adults aged 16-64, Mar 2020 and Dec 2021



Source: [ONS](#)

Figure 3 – London no longer has the highest level of unemployment in the UK

Proportion of adults aged 16+ who are unemployed, Sept-Nov 21



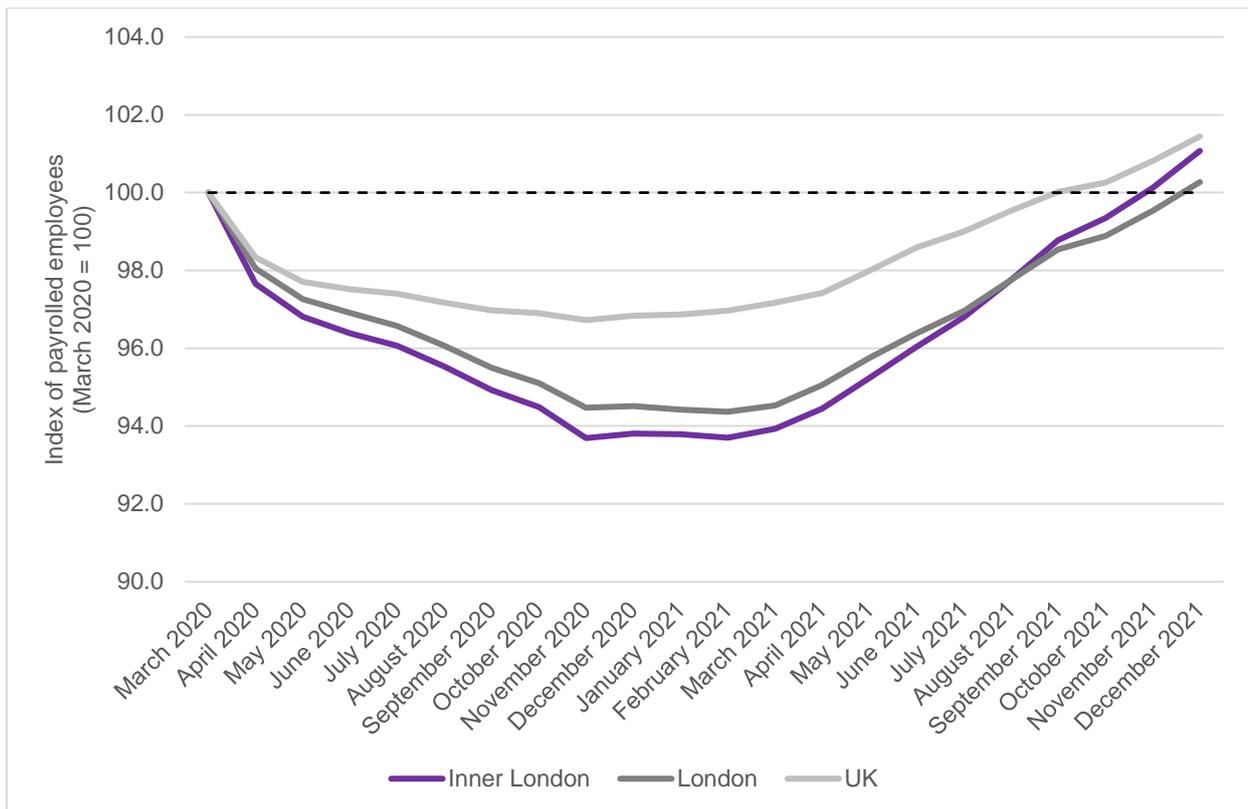
Source: [ONS](#)

The number of jobs in the capital has exceeded pre-pandemic levels

Real term information from PAYE data show that the number of jobs in inner London has exceeded levels seen on the eve of the pandemic. Across the 14 boroughs in inner London¹, there were 1.1% more payrolled jobs in December 2021 than there were in March 2020. While payrolled employment in the capital fell far further than across the whole of the UK, the recovery has been more rapid in London, and the gap has nearly closed.

Figure 4 – There are more payrolled employees in inner London than pre-pandemic

Index of payrolled employment, March 2020 = 100



Source: [ONS](#)

Job vacancies are recovering after a sharp decline with the Omicron wave

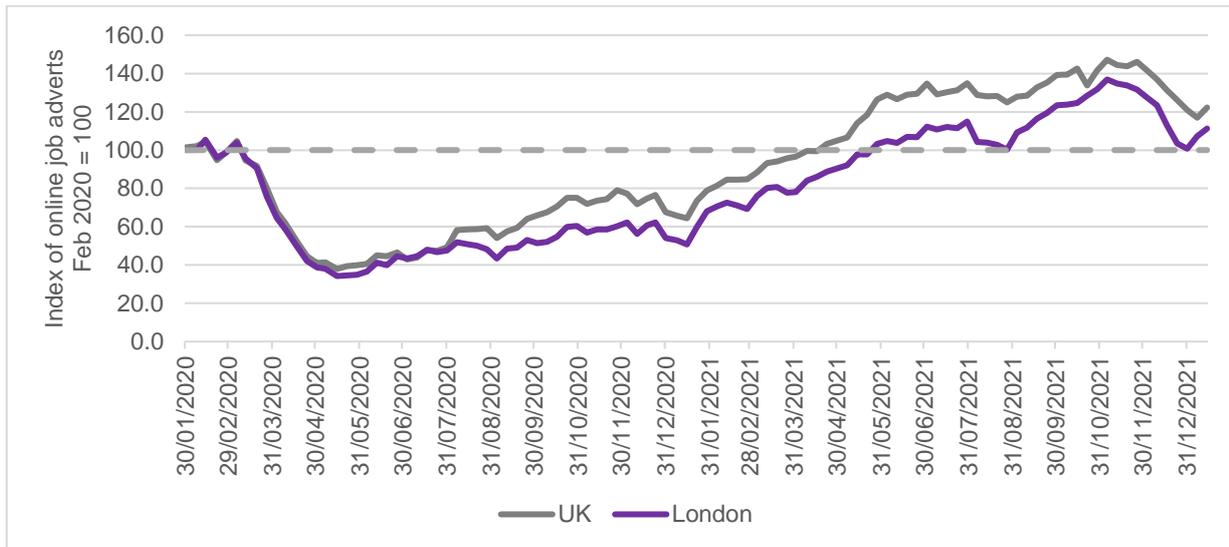
There are signs of a recovery in job opportunities after the impact of the Omicron wave. The ONS index of online job adverts shows that the number of vacancies had recovered rapidly as the economy re-opened. As figure 5 below shows, by November the number of job adverts was a third higher than February 2020, on the eve of the pandemic.

The onset of the Omicron wave saw the number of vacancies decline by a quarter, returning to pre-pandemic levels. However, the last two weeks have seen increases in the number of online job adverts. By mid January 2022, the level of online job ads was 11% higher than pre-pandemic levels.

¹ Data for payrolled employment are reported by ONS in groups of boroughs. Hammersmith and Fulham and Newham are included alongside the 12 CLF boroughs

Figure 5 – Job opportunities are recovering after the Omicron wave

Index of online job adverts, February 2020 = 100



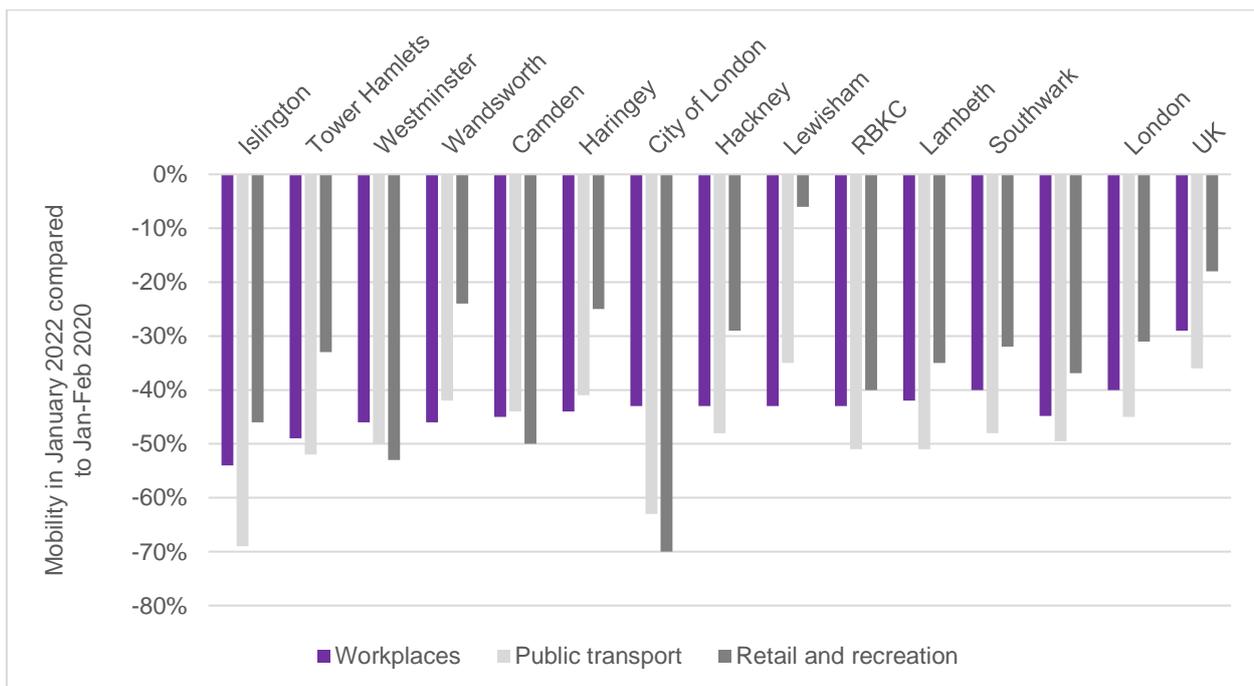
Source: [ONS](#)

Footfall in central London is recovering again after the Omicron wave

Footfall in central London had been recovering steadily in the second half of 2021, before the onset of the Omicron wave. The spread of the new variant, along with the reintroduction of the work from home advice, triggered another rapid decline in mobility. However, mobility is again recovering as the Omicron wave recedes.

Figure 6 – Mobility in central London is increasing but remains below pre-pandemic levels

Mobility data in January 2022 compared to baseline of Jan-Feb 2020



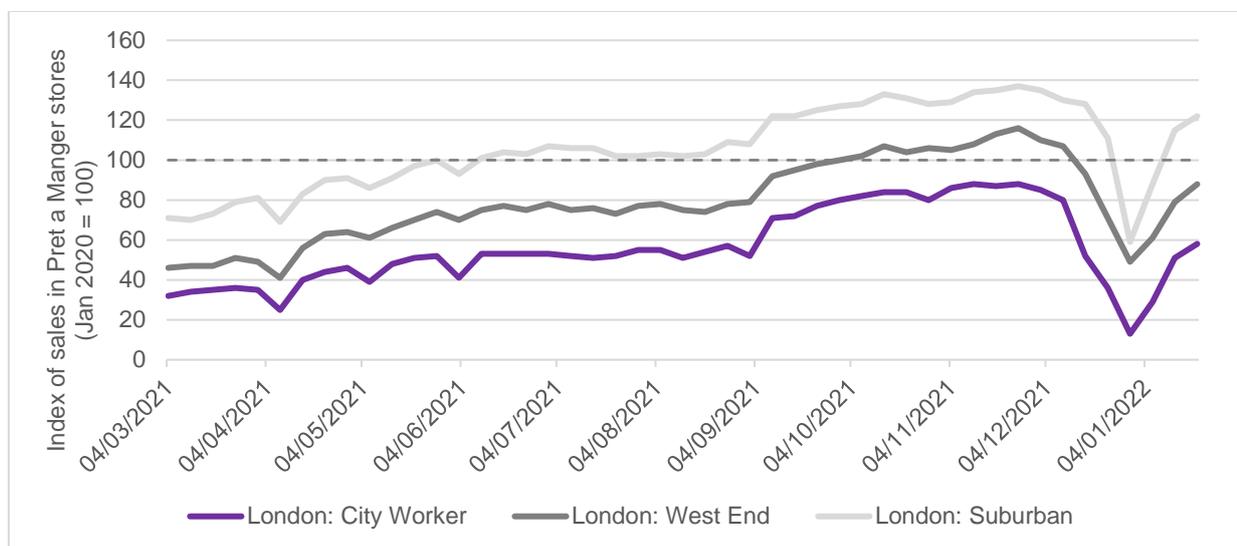
Source: [Google](#)

Figure 6 above shows Google mobility data across the 12 central London boroughs. Mobility relating to public transport was 50% lower on average across the 12 boroughs in January 2022 than pre-pandemic. Mobility relating to work was 45% down, with mobility relating to retail and recreation being 37% lower than pre-pandemic. Across each area, the decline in mobility in central London is larger than that seen across London and the UK as a whole. The data does suggest mobility across all areas had started to increase again in the New Year.

Similarly, experimental ONS data based on Pret a Manger sales show a sharp decline in December as the Omicron wave accelerated, followed by a rapid recovery in the New Year. The pace of the recovery though differs significantly across different parts of the capital. Compared to pre pandemic levels (January 2020), sales in suburban London were 22% higher in mid January 2022. In the west end, sales were 12% lower than pre-pandemic, with sales in 'city worker' areas being down by 42%.

Figure 7 – Pret a Manger sales show footfall in central London is recovering more slowly

Index of sales in Pret a Manger stores by area of London (Jan 2020 = 100)



Source: [ONS](#)

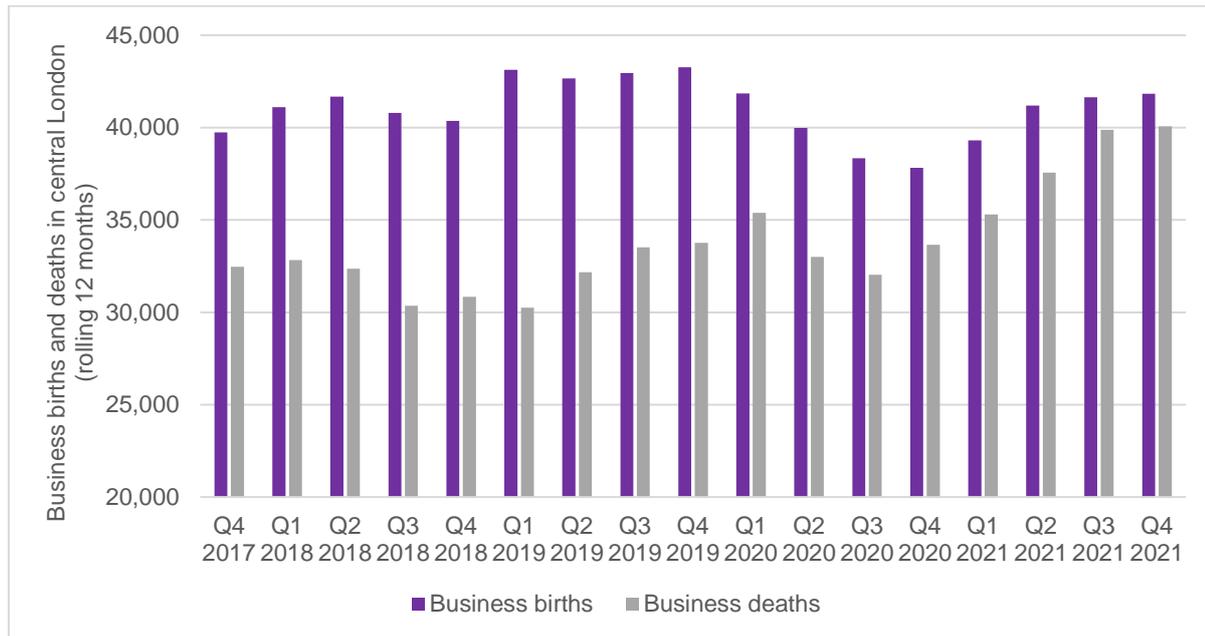
Business deaths are on the rise – but are still outnumbered by births

The number of businesses created in central London declined slightly as a result of the pandemic. There were 37,815 business births in the sub-region in 2020, compared to 43,275 the year before. The decline of 12.6% was larger than the decline seen across the capital as a whole (8.5%), and across the UK (6.7%). However, the level of business births has since picked up and is approaching pre-pandemic levels.

While the number of business failures did not increase significantly at the start of the pandemic, it has since accelerated. There were 40,070 business deaths in central London in 2021, up a fifth (19%) on the level the previous year. The increase in business deaths in central London has been less sharp than the figure seen across the capital as a whole (20.4%), or across the UK (26.4%). While there has been a rise in the number of business deaths, the number of businesses created has continued to exceed the number lost throughout the pandemic.

Figure 8 – Business failures have increased by a fifth in the last year

Business births and deaths in central London, rolling 12 months



Source: [ONS](#)