

Central London Recovery Tracker – February 2022

Employment continues to recover but some sectors lag behind

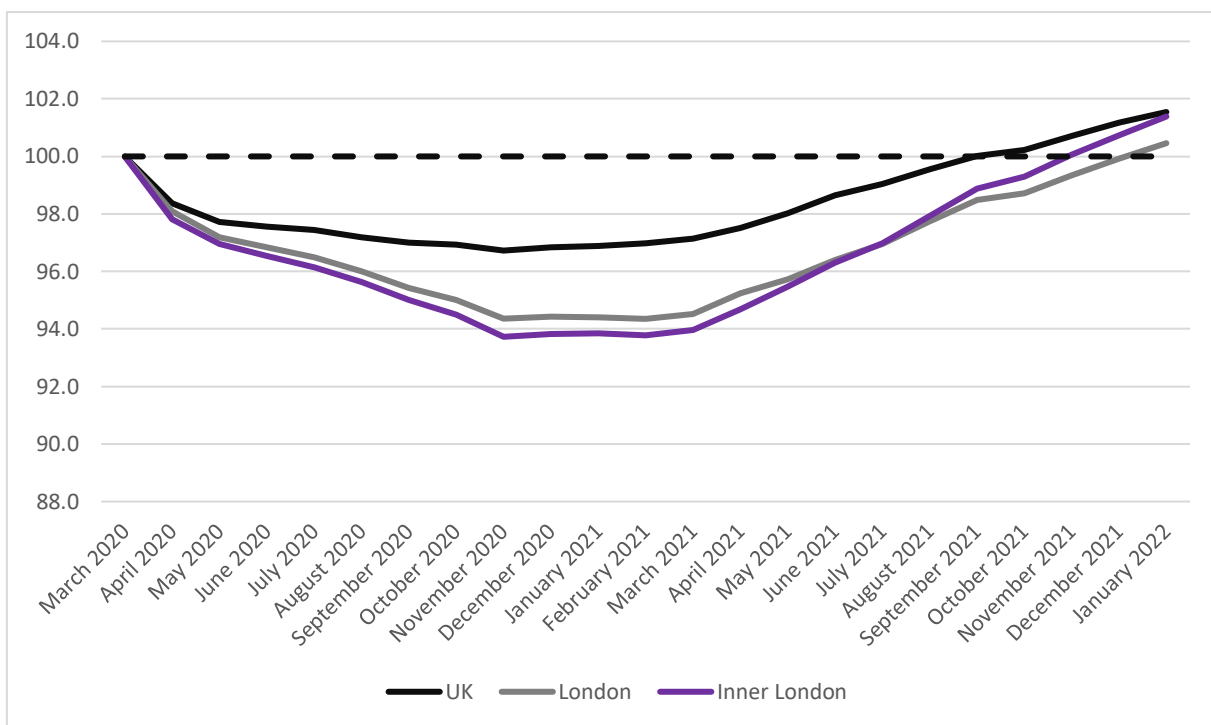
The latest real time information from PAYE data show that the number of Londoners in work continues to bounce-back rapidly.

The number of payrolled employees in inner London¹ fell by 106,000 between March and November 2020. This decline of 6.3% was far larger than the decline across the UK as a whole (3.3%).

However, inner London has since seen a rapid recovery, and there are now 1.4% more residents in payrolled employment than at the outbreak of the pandemic.

Figure 1 – Payrolled employment in inner London has exceeded pre-pandemic levels

Index of payrolled employees, March 2020 = 100



Source: [ONS](#)

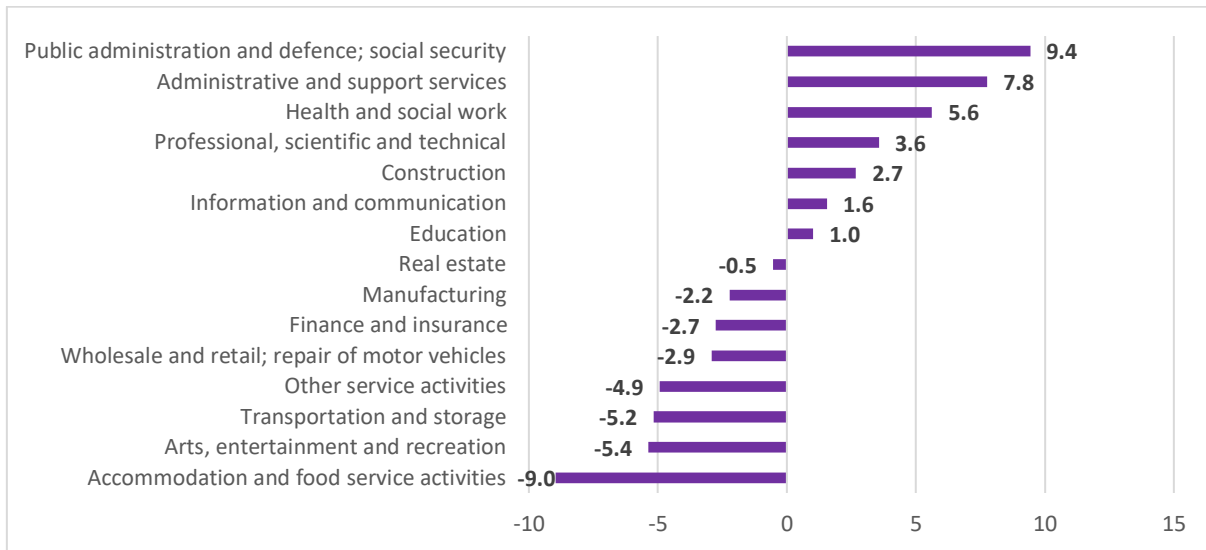
While overall payrolled employment has recovered to pre-pandemic levels, as figure 2 below shows, the picture varies significantly by sector.

Some sectors, such as public administration (9.4%), administrative and support services (7.8%) and health and social work (5.6%) are significantly larger than pre-pandemic. However other crucial sectors for London’s economy – including hospitality (-9.0%) and arts, entertainment and recreation (-5.4%) and transportation and storage (-5.2%) – remain well below pre-pandemic levels of employment.

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 2 – Hospitality and entertainment remain far smaller than pre-pandemic in the capital

Change in employment in London by sector, March 2020 – Jan 2022



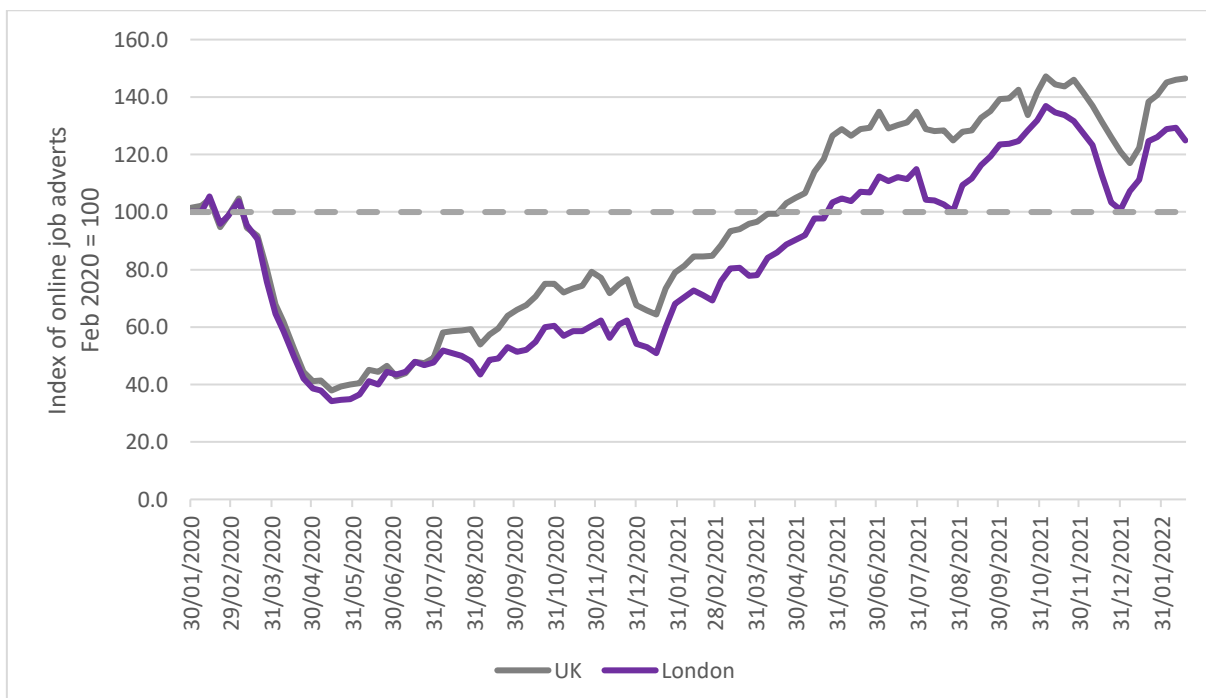
Source: [ONS](#)

Vacancies have bounced back from the Omicron shock and remain high

The number of vacancies remains high, following a sudden decline as a result of the surge of the Omicron variant. Data provided by Adzuna to ONS show there were 25% more online job adverts in the capital in mid February 2022 than there were in February 2020.

Figure 3 – Online job adverts remain well above pre-pandemic levels

Index of online job adverts, February 2020 = 100



Source: [ONS](#)

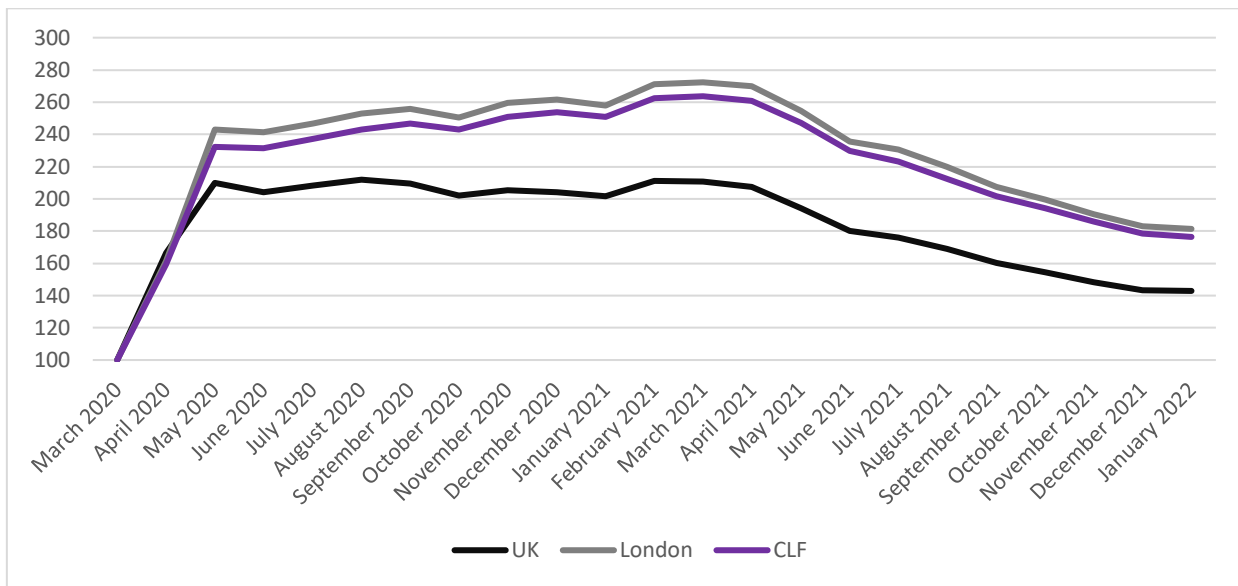
The decline in the claimant count has slowed

Following a rapid increase at the start of the pandemic, the number of central London residents claiming unemployment-related benefits saw a significant and sustained decline in the summer and autumn of 2021.

This progress appears to now be slowing, with the claimant count remaining far higher than pre-pandemic levels. In January 2022, there were 125,000 central London residents claiming unemployment related benefits. This was 62,000 lower than the peak seen in March 2021, but 54,000 (77%) higher than the levels seen in March 2020 at the outbreak of the pandemic.

Figure 4 – The decline in the claimant count in central London has slowed

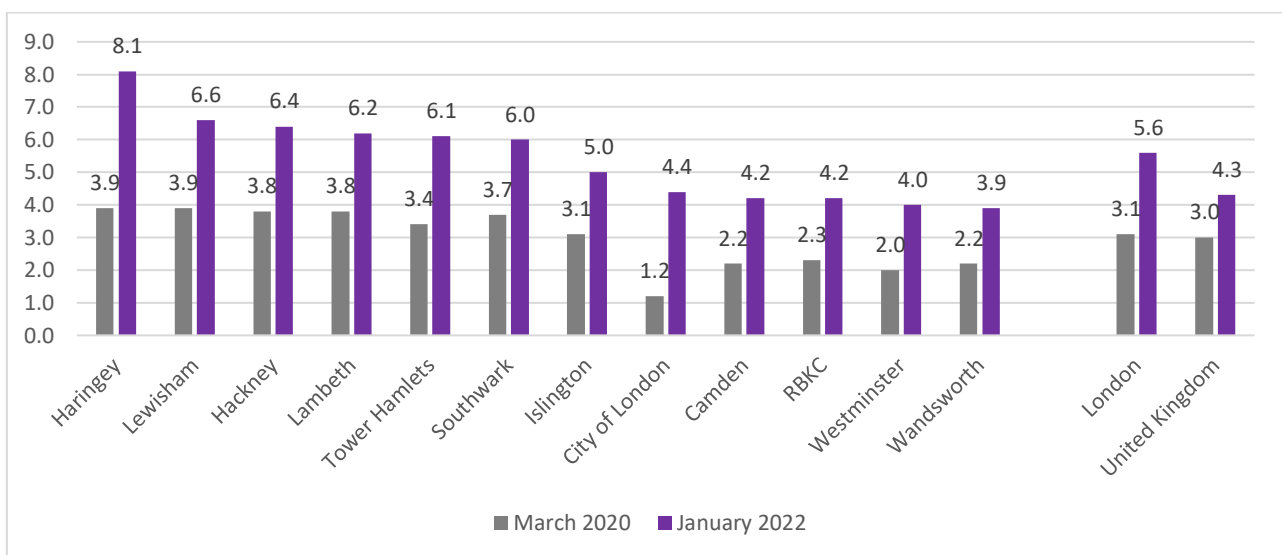
Index of claimant count, March 2020 = 100



Source: [NOMIS](#)

Figure 5 – The claimant count rate has declined but remains higher than pre-pandemic

Claimant count as a proportion of adults aged 16 – 64



Source: [NOMIS](#)

Looking across the sub-region, the claimant count rate remains significantly higher in every borough than pre-pandemic. As figure 5 above shows, there is large variation by borough with highest rates in Haringey (8.1%), Lewisham (6.6%), and Hackney (6.2%), and the lowest rates in Westminster (4.0%) and Wandsworth (3.9%).

Transport use remains significantly below pre-pandemic levels

TfL’s finances have come under significant pressure as a result of a decline in passenger numbers and revenue during the pandemic.

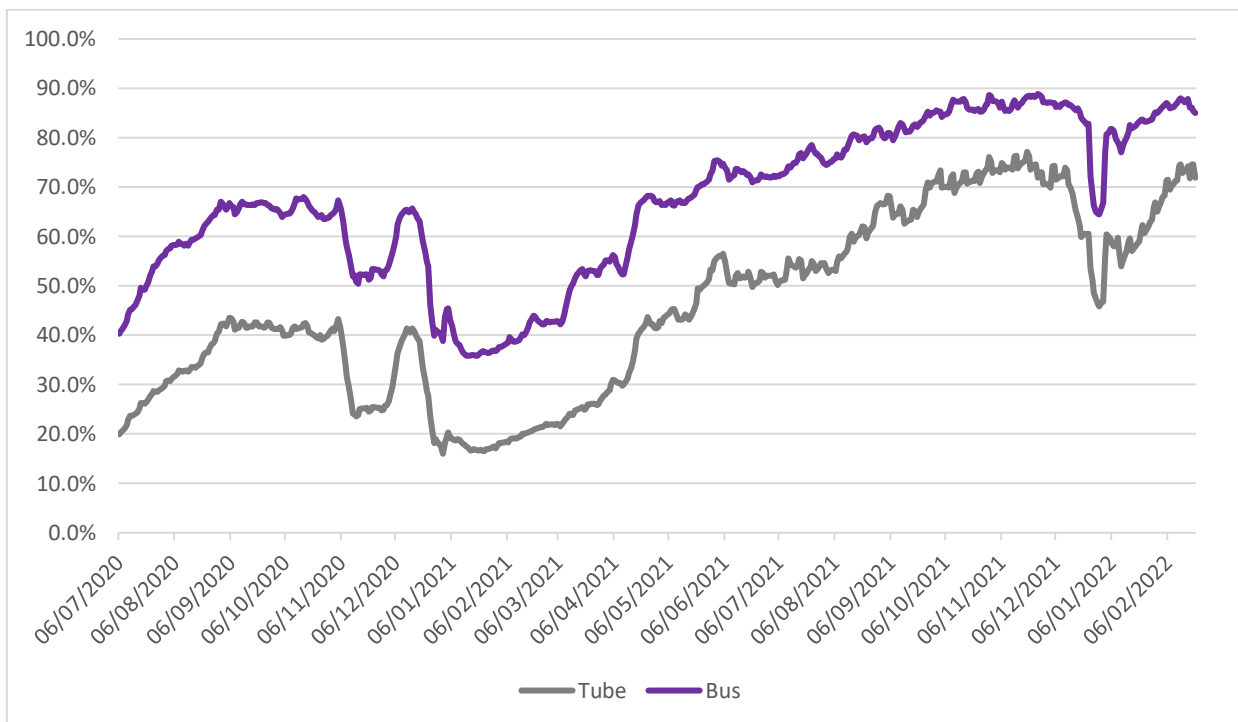
After a series of short term extensions to the previous deal, Transport for London agreed a further [4 months funding deal](#) with Department for Transport on Friday.

As figure 6 below shows, the number of passengers has recovered significantly as the economy opened up last year. However, weekly bus passenger numbers remain around 15% below pre-pandemic, with tube passenger numbers being almost 30% below pre-pandemic levels.

Continuing the recovery in passenger numbers and revenue will be crucial to stabilising TfL’s finances and protecting services beyond the summer.

Figure 6 – TfL passenger figures are recovering but remain below pre-pandemic levels

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



Source: [DfT](#)