

## Overview and Scrutiny Committee 14 March 2019

**Report Title:** Lambeth Labour Market Review

**Wards:** All

**Portfolio:** Leader of the Council, Cllr Jack Hopkins

**Report Authorised by:** Emma Peters: Interim Strategic Director Sustainable Growth and Opportunity

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### Report summary

Overview and Scrutiny Committee requested an overview of the local labour market and economy. This report presents an analysis of the available data covering topics including demographics, employment, qualifications, unemployment, welfare reforms and low pay.

### Finance summary

There are no financial implications associated with this report.

### Recommendations

1. To note the analysis of the local economy and labour market.

## **1. CONTEXT**

- 1.1 Overview and Scrutiny Committee have asked for an overview of the local economy and labour market.
- 1.2 There are a number of nationally available datasets from sources such as the Annual Population Survey (APS), DWP Claimant Count and UK Business Register and Employment Survey (BRES). The data analysis presentation included as Appendix One draws on these sources to offer the overview requested.

## **2. PROPOSAL AND REASONS**

- 2.1 A number of findings have been drawn from the data included in the review of the local economy and labour market:
  - Lambeth's population has grown over the last decade and will continue to grow further over the coming years
  - The borough's population comprises a significantly higher proportion of residents aged 20-34 than other London boroughs and nationally
  - Lambeth has a significantly higher proportion of residents with higher levels of qualifications, and conversely a lower proportion of those with low/no qualifications
  - This is reflected in a high proportion of Lambeth residents working in higher paid occupations
  - But qualification levels differ considerably by ethnicity, which impacts on the type of occupations that people from different ethnicities work in (and therefore levels of pay)
  - The employment rate has risen significantly and moved above regional and national averages, with the female employment rate one of the highest in the country
  - There remains an ethnicity employment gap and a disability employment gap
  - Unemployment is similar to the London average, but the claimant count is higher, reflecting that those who are out of work in the borough are more likely to claim benefits (rather than having alternative sources of household income)
  - There is a significantly higher proportion of those aged 50-64 who are claiming unemployment benefits, and also a higher proportion of people who have been claiming for more than one year
  - The number of people on Employment Support Allowance (out-of-work health-related benefit) has remained constant despite a decrease in unemployment
  - There are significant levels of commuting to and from Lambeth
  - The number of jobs in Lambeth has increased over the last decade, and is forecast to increase further over the coming years – jobs growth is particularly expected in health, hospitality, professional services and creative & digital industries
  - Low pay and in-work poverty remains an issue, especially amongst people working in the hospitality sector, those with low qualification levels, and those from Black and Minority Ethnic (BME) backgrounds
- 2.2 Overview and Scrutiny Committee requested data on the following issues. Unfortunately, due to limitations in the data that is published by national or regional sources, it is not possible to provide this:
  - Gig economy – workers in the gig economy get paid for each work task or “gig” that they complete, for example a delivery, car journey, cleaning job. It isn't possible to provide figures at a London level with any degree of certainty. 'Good Work: The Taylor Review of Modern Working Practices' finds that “Current limitations on Labour Force Survey data means that we do not know with any certainty how many people are undertaking gig

economy work and whether they are doing so to supplement other work or substituting employment totally with this type of work. The Chartered Institute of Personnel and Development (CIPD) estimate that there are approximately 1.3 million people (4% of all in employment) working in the gig economy in the UK. CIPD's research suggests that a high proportion of gig economy workers (58%) are permanent employees, engaging in gig economy activity on top of their more 'traditional' employment, which could indicate that this type of work is used to top-up income. The research also suggests that the gig economy will continue to grow, with 12% of UK working-age adults who have not participated in gig economy work in the last 12 months saying they are thinking about trying different forms of gig economy activity over the next year."

- Job vacancies – DWP ceased providing data on job vacancies notified to Jobcentre Plus in 2012, so it is not possible to estimate the current number of job vacancies in Lambeth. The Employer Skills Survey, conducted in 2017, estimated that there were 4,635 job vacancies in Lambeth at the time of the survey (although not all those jobs were necessarily being advertised). The largest number of those vacancies were in Business Services (1,165), followed by Hotels & Restaurants (513) and Information & Communication (465). Employers reported that 16% of those vacancies were caused by skills shortages.
- Further detail on unemployed residents aged 50-64 – The unemployment data does not provide a more detailed picture of this group of residents. An alternative is to look at benefit claimant data and an analysis of Job Seeker's Allowance claimants who are aged 50-64 shows that of the 990 claimants in August 2018, 510 were black, 340 white, 40 Chinese, 30 Asian and 20 mixed ethnicity with 50 not disclosed. Similar numbers for each ethnicity are seen in the profile of JSA claimants aged 25-49. Only 110 of the 990 claimants had dependent children. 62% were male and 38% female.

### **3. FINANCE**

3.1 There are no financial implications associated with this report.

### **4. LEGAL AND DEMOCRACY**

4.1 Section 149 of the Equality Act 2010 requires the Council in the exercise of its functions to have due regard to the need to:

- eliminate discrimination, harassment, victimisation and other form of conduct prohibited under the act; and,
- to advance equality of opportunity and to foster good relations between persons who share a relevant protected characteristic (age, disability, gender re-assignment, pregnancy and maternity, race, religion and belief, sex, and sexual orientation) and persons who do not share it.

4.2 Having regard to the need to advance equality of opportunity between persons who share relevant protected characteristics and persons who do not share it involves having due regard, in particular, to the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- take steps to meet the needs of the persons who share that characteristic that are different from the needs of persons who do not share it; and,
- encourage persons of the relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

4.3 The Equality Duty must be complied with before and at the time that a particular policy is under consideration or decision is taken – that is, in the development of policy options, and in making a final decision. A public body cannot satisfy the Equality Duty by justifying a decision after it has been taken.

## **5. CONSULTATION AND CO-PRODUCTION**

5.1 There are no consultation or co-production activities related to this report.

## **6. RISK MANAGEMENT**

6.1 There are no risks related to this report. Risks relating to the local economy and labour market are outlined in the data analysis.

## **7. EQUALITIES IMPACT ASSESSMENT**

7.1 The data analysis includes consideration of disparities based on age, gender, disability and ethnicity where that information is available.

## **8. COMMUNITY SAFETY**

8.1 N/A

## **9. ORGANISATIONAL IMPLICATIONS**

9.1 **Environmental**

N/A

9.2 **Staffing and accommodation**

N/A

9.3 **Procurement**

N/A

9.4 **Health**

N/A

## **10. TIMETABLE FOR IMPLEMENTATION**

10.1 There are no further actions planned.

<b>Audit Trail</b>				
<b>Consultation</b>				
<b>Name/Position</b>	<b>Lambeth directorate/department or partner</b>	<b>Date Sent</b>	<b>Date Received</b>	<b>Comments in para:</b>
Emma Peters	Interim Strategic Director Sustainable Growth and Opportunity	28/02/2019	06/03/2019	
Andrew Ramden	Finance	28/02/2019	05/03/2019	
Andrew Pavlou	Legal Services	28/02/2019	28/02/2019	4.1-4.3
Gary O'Key	Democratic Services	28/02/2019	01/03/2019	
Cllr Jack Hopkins	Leader of the Council	28/02/2019	06/03/2019	

<b>Report History</b>	
<b>Original discussion with Cabinet Member</b>	
<b>Report deadline</b>	
<b>Date final report sent</b>	
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	No
<b>Key decision report</b>	No
<b>Date first appeared on forward plan</b>	n/a
<b>Key decision reasons</b>	n/a
<b>Background information</b>	
<b>Appendices</b>	Appendix 1: Lambeth Labour Market Review