



SPOTLIGHT ON THE IMPACTS OF THE COVID-19 PANDEMIC: YOUTH UNEMPLOYMENT ACROSS CAMBRIDGESHIRE AND PETERBOROUGH

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Key Findings

- Across Cambridgeshire and Peterborough, ONS 2020 population estimates indicate that there are around 531,000 people who are classed as working age, aged 16-64. Around 18% (91,700) of this group are within the 16-24 category, known as 'young people' for the purposes of this paper.
- Across the UK and East of England, unemployment among those aged 16-24 has historically been notably higher compared to other age groups. The pandemic had a greater effect on the younger age groups and saw unemployment levels for this age group increase at a faster rate.
- Historically, there have been consistently lower proportions of young people who are long term unemployed compared to other age groups. The pandemic saw increases in long-term unemployment, across all age groups, although the increases among younger people were seen earlier compared to older people who were unemployed.
- The first national lockdown in March 2020 saw the number of unemployment related benefit claimants rise, with claimants aged 16-24 rising at a faster rate compared to other age groups, this disparity was greater in Peterborough.
- In July 2020, over 1 in 4 young people were on furlough across the United Kingdom. Over the winter lockdown in early 2021, this proportion increased to a similar level following a decline in late 2020.
- Data from the 2020 Labour Force Survey identified a considerably higher proportion of young people on zero-hours contracts during the pandemic compared to older people in the labour market. The data also suggests that some younger people were likely to be adversely impacted by the pandemic on employment opportunities than others. At a national level, young people with no qualifications or other qualifications saw the greatest decrease in their hours worked during the pandemic period.
- The number of apprenticeships starting across Cambridgeshire and Peterborough have been lower in 2020/21 compared to the previous two years. This decline is also evident across England overall.
- Overall unemployment levels have declined since the peak observed at end of 2020, with clear decreases evident from April 2021.
- Moving forward, the Learning & Work institute found that over a quarter of employers had concerns about younger candidates and said that they needed more experienced candidates, while almost 1 in 5 felt that young people were less likely to hold the right qualifications for their roles.
- Covid-19 has accelerated longer term structural changes in the labour market and these changes are likely to reduce young people's employment opportunities, as they are underrepresented in the sectors which are recovering the fastest.

Introduction

While the COVID-19 pandemic (hereafter referred to as COVID-19 or the pandemic) has had an economic impact on people of all age groups, there is national evidence¹ to suggest that young people have been disproportionately impacted by the pandemic, and in some cases, have not seen these impacts fade as quickly as older workers in the labour market. Therefore, this paper looks at the economic impact of the pandemic on young people locally.

The labour market in Cambridgeshire and Peterborough has been referred to as a microcosm of the UK overall, with considerable variation in the economy and labour market across the area, resulting in three overlapping labour markets which inform the demand and flow of labour across the region².

Broadly, these are defined as 1. **Greater Cambridge area**, while not without deprivation, is prosperous and attracts many international businesses to come to the area and grow. Skills levels and wages are high. 2. **Peterborough and surrounding areas**, where there is much industry and potential; however, deprivation levels are higher than the Greater Cambridge area. It has a lower proportion of higher-level skills than elsewhere in the area, and educational and health outcomes in Peterborough are relatively poor. 3. **The Fens**, where there are substantial economic challenges, with many of the market towns struggling to attract or retain young people. This context is important in understanding why young people in certain parts of the Cambridgeshire and Peterborough area have seen more negative impacts from the pandemic than others.

This paper will provide an initial look at the emerging findings from the local evidence base and wider data sources which will be vital in monitoring the recovery of the local economy and young people's participation in it. This includes locally available data sources for Cambridgeshire and Peterborough, to determine the extent of the impact for young people in the local labour market. This report coincides with the end of significant government support schemes which have supported people over the last 18 months during the pandemic. Therefore, this will act as a baseline for future monitoring which will be imperative in understanding how people are impacted as schemes like the job retention scheme, also known as furlough (hereafter referred to as the job retention scheme or furlough), the self-employment income support scheme and the £20 universal credit uplift come to an end.

The [first section](#) of this report will outline key datasets which provide insights into economic inactivity, unemployment and benefits related to this, with a specific focus on the pandemic and the job retention scheme at both a national and local level. [Section two](#) will explore young people in work, looking at the sectors which they are employed in and how these have been impacted by COVID-19. [Section three](#) will look at young people in education, with a focus on participation levels and the impact of the pandemic. The fourth and final [section](#) will summarise the conclusions and outline possible future impacts of the pandemic, this will look at the current labour market, outlining the

¹Facing the future: Employment prospects for young people after Coronavirus, March 2021. Available: <file:///C:/Temp/fp616/Downloads/Updated%20Facing%20the%20future%20-%20employment%20prospects%20for%20young%20people%20after%20Coronavirus.pdf>

² Cambridgeshire and Peterborough Local Skills Report. March 2021. Cambridgeshire and Peterborough Skills Advisory Panel. Available: <https://mk0cpcamainsitehdbtm.kinstacdn.com/wp-content/uploads/documents/skills/Local-Skills-Report/Annex.pdf>

current skills demand and vacancies by sector, and how this compares to the sectors young people are represented in.

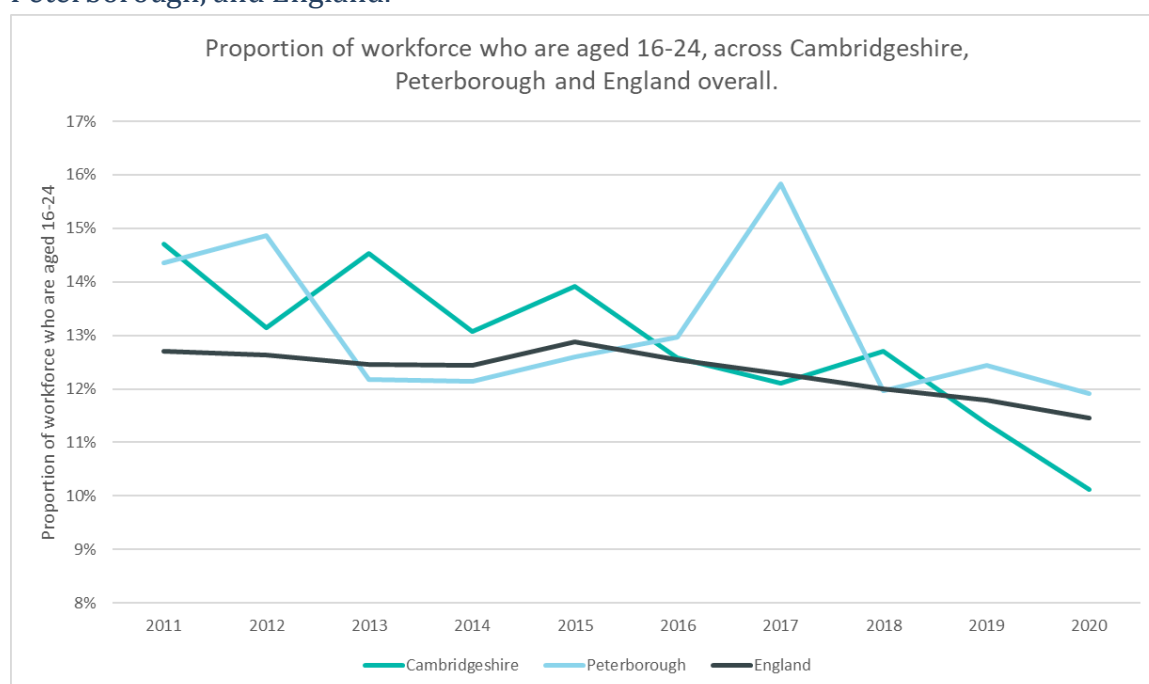
Local Context

Across Cambridgeshire and Peterborough, 2019 local population estimates indicate that there were around 531,000³ people who are classed as working age, or aged 16-64. Around 17% (91,600) of this group were within the 16-24 category, defined in this paper as ‘young people’.

The total population aged 16-24 has been declining in recent years; in the 2011 census⁴, there were just under 98,000 people aged 16-24 across Cambridgeshire and Peterborough, in the year to 2020, it had decreased to 91,600.

Alongside this, historically, the proportion of 16–24-year-olds in the workforce has also been slowly declining over the past 10 years, as illustrated in [figure 1 below](#), this is noticeable at both local and national level.

Figure 1: Proportion of workforce who are aged 16-24, across Cambridgeshire, Peterborough, and England.



Source: Annual Population Survey, Employment by Age

Therefore, the findings of this paper should be read with the historical picture of declining population of young people and proportions of young people in the workforce in mind.

³ ONS Mid-2020 population estimates.

⁴ 2011 Census: Key Statistics for Local Authorities in England and Wales. Available:

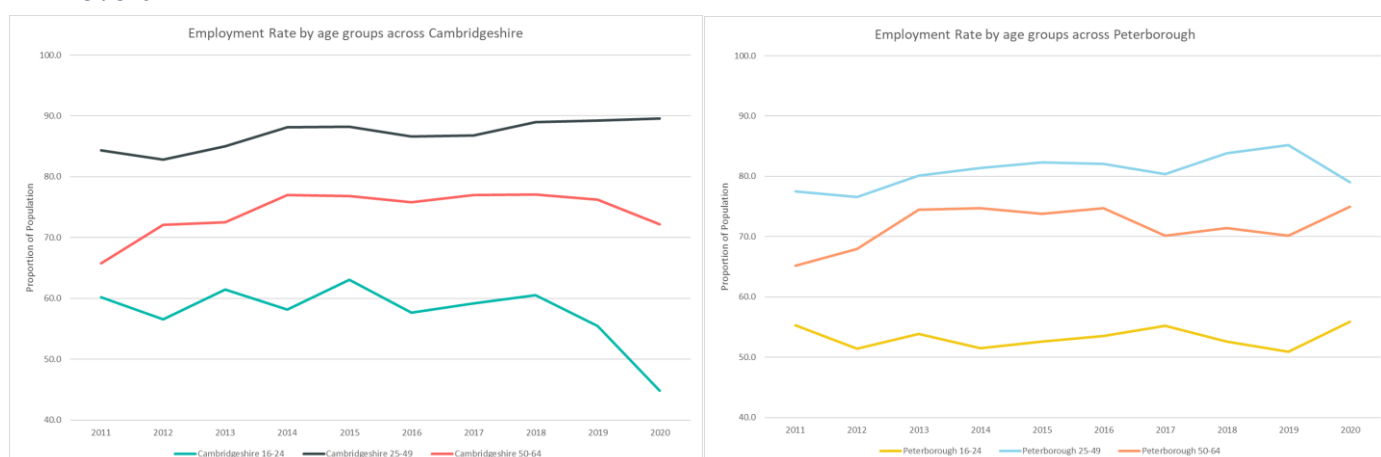
<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/2011censuskeystatisticsforlocalauthoritiesinenglandandwales>

Section 1: Young people out of work

Historically, **16-24 year olds have a lower employment rate compared to older people, this is the case across both Cambridgeshire and Peterborough and across England overall.** This can be linked to younger people participation in further and higher education, this data is explored in more detail in [Section 3](#).

After a period of fall in employment rates amongst young people, in 2020, the employment rate for young people across Cambridgeshire dropped further, by -11% to 45%. Nationally, young people's employment rate also saw a decline in 2020 compared with 2019, by -1% to 53%. However, there was an increase in young people's employment rate in Peterborough, which saw a 5% increase from 2019 (when it was 51%) to 56% in the year ending December 2020. This is the highest the employment rate has been for 16–24-year-olds since 2008, when it was 61%.

Figure 2: Employment Rate by age group across Cambridgeshire and Peterborough overall.



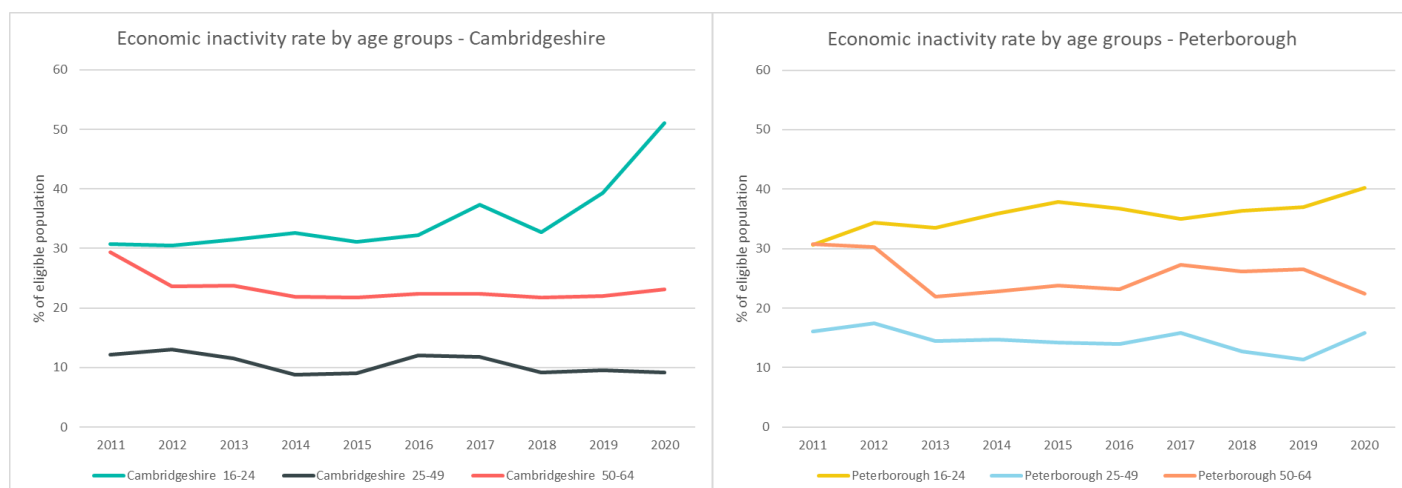
Source: Annual Population Survey, Employment Rate by age

The lower employment rates among young people are also reflected in young people's economic inactivity rates, which have historically been higher compared to other age groups, as illustrated in [figure 3](#).

IN THE MONTHS FOLLOWING THE START OF THE PANDEMIC, THERE WAS A LARGE FALL IN EMPLOYMENT LEVELS FOR YOUNG PEOPLE AGED 16-24, AND THIS WAS FOLLOWED BY A RISE IN UNEMPLOYMENT.

Looking at changes in economic inactivity between the year ending 2019 to the end of 2020, data shows a 12% increase in the proportion of 16-24-year-olds who were economically inactive in Cambridgeshire. However, despite increases in the employment rate across Peterborough, there was still a slight increase of 3% in the economic inactivity rate in this time period.

Figure 3: Economic inactivity rate across Cambridgeshire and Peterborough and overall



Source: Annual Population Survey, Economic inactivity rate by age

Unemployment levels have been decreasing over time, [figure 4](#) illustrates the downward trend of people who are unemployed across the East of England and England overall. We use data at this geography, as estimates at a local level for young people are based on smaller sample sizes and are therefore unreliable. Both regional and national estimates highlight the sharp increase in unemployment seen at the start of the pandemic, with initial impacts seen in the quarter ending June 2020. **This data highlights that unemployment among those aged 16-24 has been notably higher compared to other age groups, with the pandemic having a greater effect and seeing unemployment levels increase at a faster rate.** National estimates have found that unemployment among young people aged 16-24 is almost four times the overall unemployment rate and young people now account for around two thirds of the total fall in employment since the start of the pandemic.⁵

Across the East of England, unemployment levels for young people peaked between August-October 2020, with approximately 16% of the eligible 16-24 population recorded as unemployed, this was considerably higher compared to other age groups, where unemployment levels were between 3-4% in this time period.

To put this into local context⁶, across Cambridgeshire and Peterborough, 16% of the eligible population would be around 8,500 young people aged 16-24. However, even with these increases, by historical standards, unemployment levels for young people remain low.⁷

Unemployment levels have declined since the peak observed at end of 2020, with clear decreases evident from April 2021, likely associated with the easing of government restrictions and the re-opening of employment sectors hardest hit by the lockdowns, this data is explored in more detail in [section 2](#).

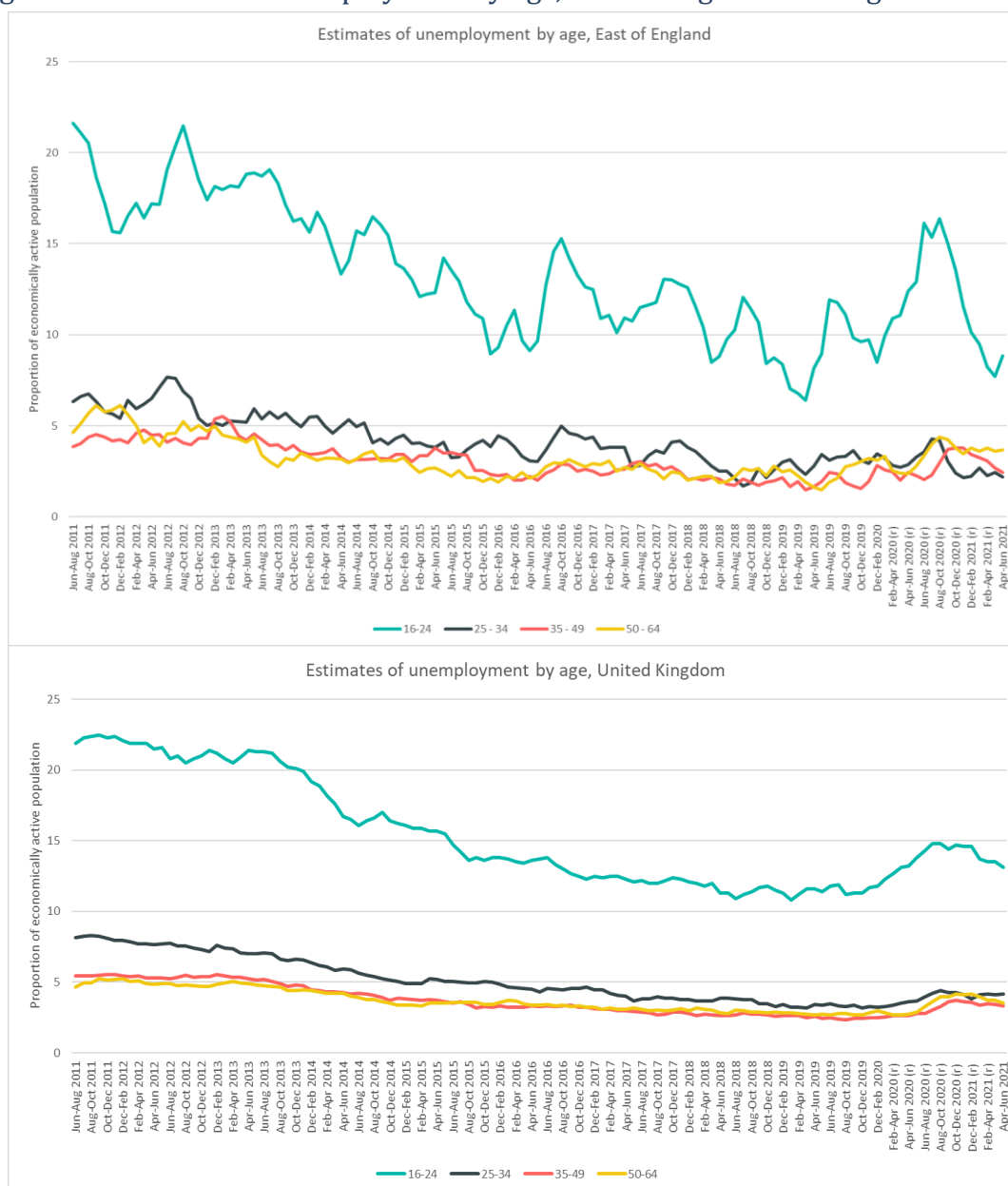
⁵ Facing the future: Employment prospects for young people after Coronavirus, March 2021. Available: <file:///C:/Temp/fp616/Downloads/Updated%20Facing%20the%20future%20-%20employment%20prospects%20for%20young%20people%20after%20Coronavirus.pdf>

⁶ Note: this is a crude estimate of the potential

⁷ Youth Unemployment Statistics: House of Commons Library. Available: <https://researchbriefings.files.parliament.uk/documents/SN05871/SN05871.pdf>

In the quarter ending June 2021, it was estimated that around 7% of young people were unemployed across the East of England, a drop of 9% compared to the 2020 peak.

Figure 4: Estimates of Unemployment by age, East of England and England overall.



Source: Labour Force Survey, Estimates of Unemployment by Age

Long-term youth unemployment, or young people who have been unemployed and seeking work for over 12 months, have also been on a downwards trajectory following the high levels seen between 2008-2014, associated with the 2008 recession⁸. **Historically, there have been consistently lower proportions of young people who are long term unemployed compared to other age groups.**

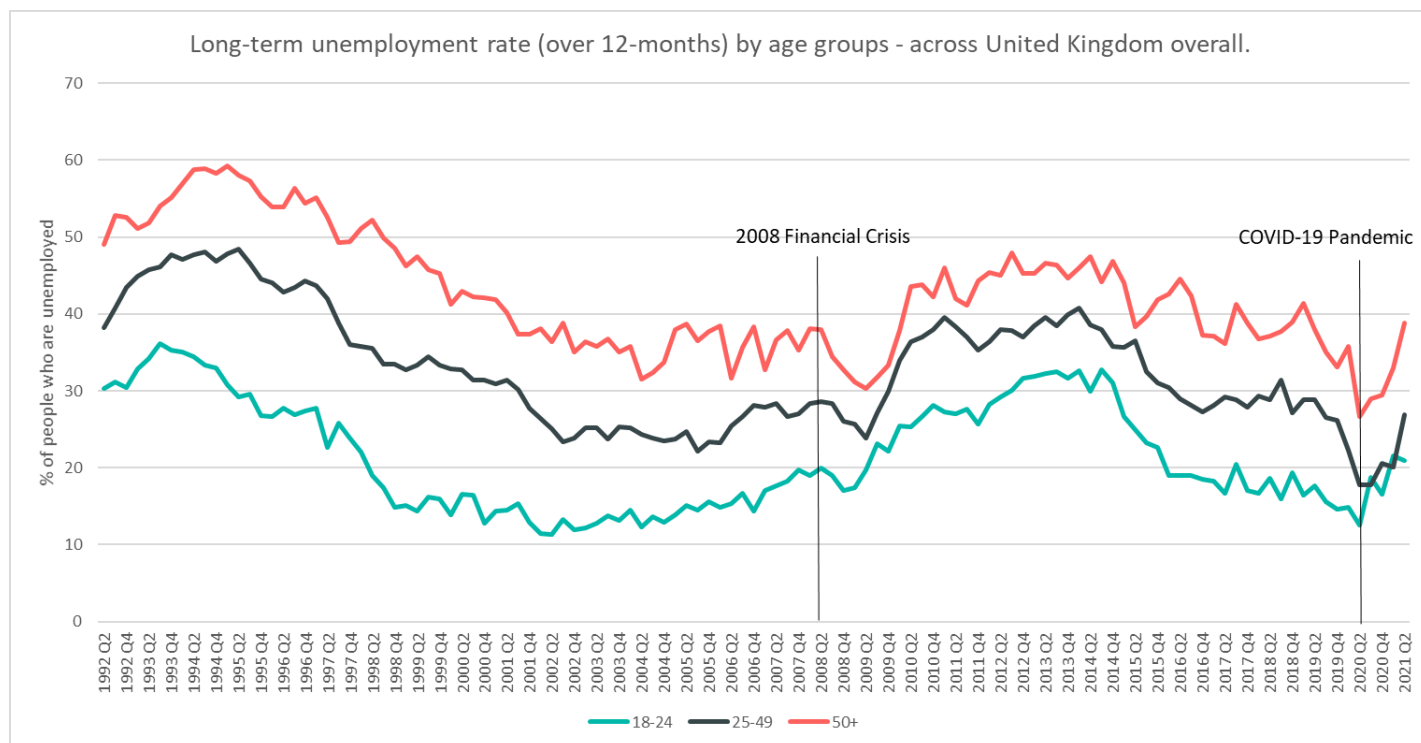
⁸ After 63 quarters of expansion, the UK economy got smaller for five quarters in a row. Having shrunk by more than 6% between the first quarter of 2008 and the second quarter of 2009, the UK economy took five years to get back to the size it was before the recession. More information available here:

<https://www.ons.gov.uk/economy/grossdomesticproductgdp/articles/the2008recession10yearson/2018-04-30>

THE NUMBER OF PEOPLE AGED 16-24 CLAIMING UNEMPLOYMENT RELATED BENEFITS MORE THAN DOUBLED FROM MARCH TO MAY 2020, AT THE START OF THE PANDEMIC. SOME OF THE INITIAL INCREASE WILL BE DUE TO EMPLOYED PEOPLE WHO BECAME ELIGIBLE FOR UNIVERSAL CREDIT AS PART OF THE GOVERNMENT RESPONSE.

In the second quarter of 2020, long-term unemployment for young people had decreased to 12.6%, this was the lowest this figure had been since 2004, when 12.3% of young unemployed people were classed as long-term unemployed. However, as illustrated in [figure 5](#) the pandemic saw increases in long-term unemployment, across all age groups, although the increases among younger people were seen earlier compared to older people who were unemployed. By the first quarter of 2021, 22% of unemployed young people had been unemployed for over 12 months across the UK overall, for the first time, this was slightly above the long-term unemployment rate for 25–49-year-olds (20%). By the second quarter of 2021, long term unemployment levels for young people saw a slight decrease to 21% while levels for older age groups continued to rise (27% for 25–49-year-olds and 39% for those aged 50+).

Figure 5: Long-term unemployment (over 12 months) – across United Kingdom overall.



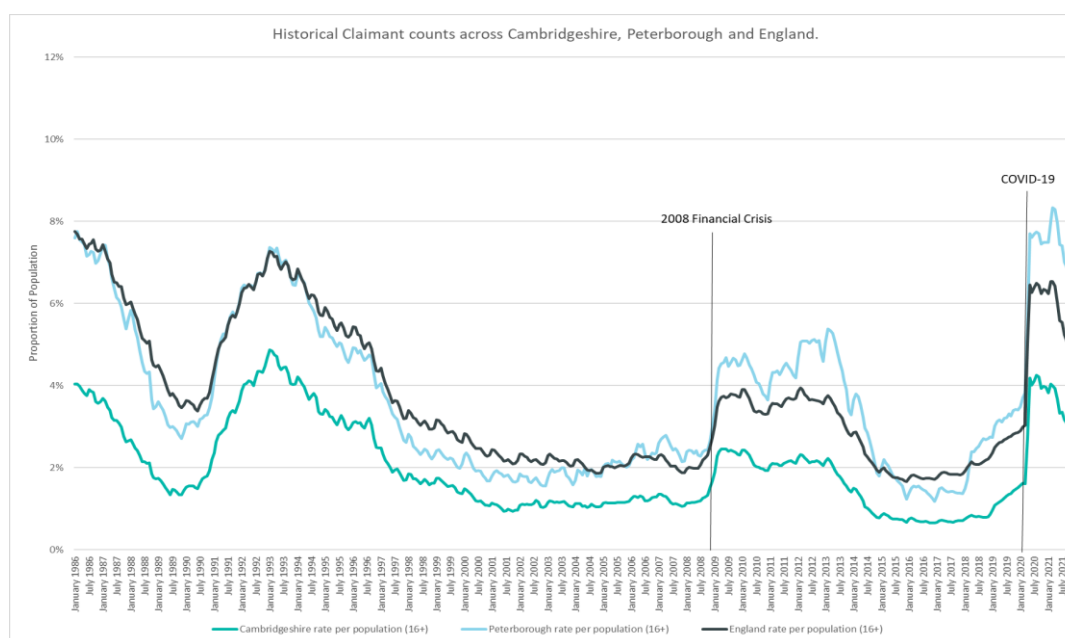
Source: Labour Force Survey, 18–24-year-olds unemployed for over 12 months

Unemployment related benefits – Universal Credit and Job Seekers Allowance

The Claimant Count measures the number of people (aged 16+) claiming benefit principally for the reason of being unemployed. Since April 2015, the Claimant Count now includes all Universal Credit claimants who are required to seek work and be available for work, as well as all Job Seeker Allowance claimants (the number of people claiming Jobseeker's Allowance and National Insurance credits at Jobcentre Plus local offices). We can use data on claimants rather than unemployed numbers because – although the numbers are lower – they are available at a much more granular level, providing insights into the number of claimants within smaller geographies. It is however a narrower measure of unemployment, and as such does not cover all those out of work, since not all can claim assistance.

Historically, across all age groups, the claimant rate in Cambridgeshire has been lower than England overall while the rate in Peterborough has been similar to the national proportion, as outlined in [figure 6](#). The 2008 financial crisis saw increases in the proportion of people claiming, with larger increases evident in Peterborough compared with Cambridgeshire and England overall. The total claimant numbers had been on downwards trajectory since 2013 until 2020.

Figure 6: Historical Claimant counts across Cambridgeshire, Peterborough and England by age groups.



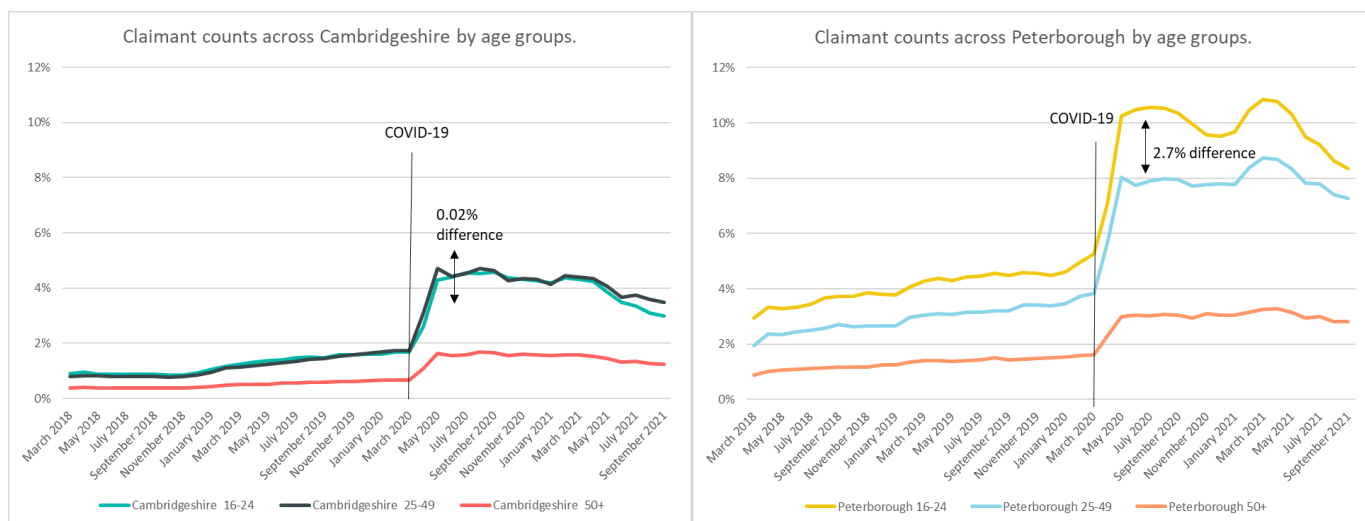
Source: Claimant count by sex and age, Office for National Statistics.

The first national lockdown in March 2020 saw the number of claimants rise, with claimants aged 16-24 rising at a faster rate compared to other age groups, this divide was more prevalent in Peterborough. [Figure 7](#) highlights the increases and widening disparity between age groups across Cambridgeshire, Peterborough, and England overall.

In Cambridgeshire, the increases in claimant counts among young people were in line with claimants aged 25-49 but higher than claimants aged 50 and over. In July 2020, across people aged 16-24 and 25-49, 5% were claiming unemployment related benefits, this compares to 2% of people aged 50+. In Peterborough, young people saw the largest increases in claimant counts, with notably higher

proportions of claimants aged 16-24 (11% in July 2020, compared with 8% of people aged 25-49 and 3% of people aged 50+).

Figure 7: Claimant counts across Cambridgeshire and Peterborough by age groups – March 2018-September 2021.



Source: Claimant count by sex and age, Office for National Statistics.

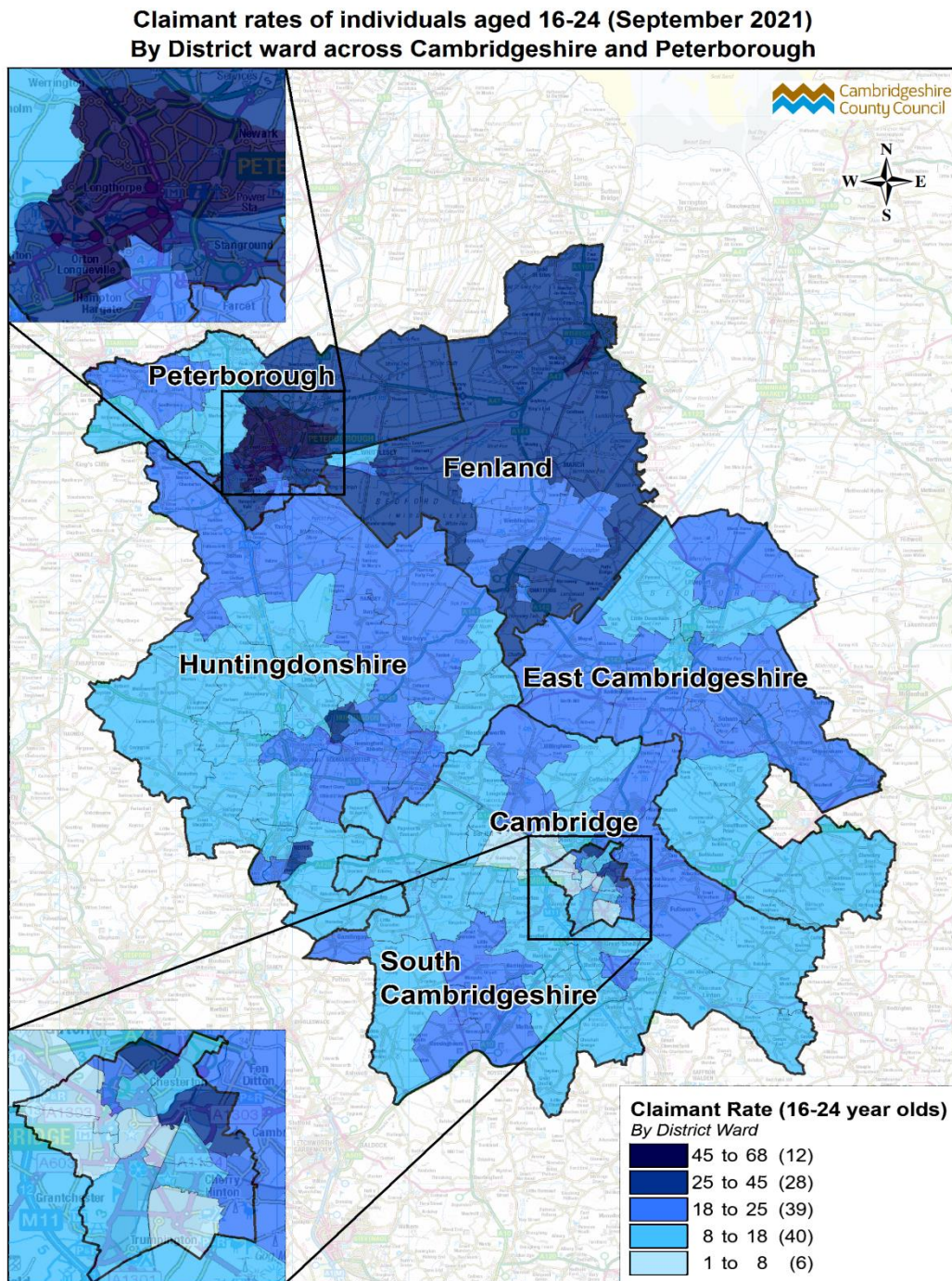
Claimant rates have remained high since the start of the pandemic, although slight decreases were evident across all age groups from March 2021. **However, the number of young claimants across Cambridgeshire and Peterborough overall was still 3,730 in September 2021, in September 2019 this figure was 1,915.**

In Cambridgeshire, the proportion of claimants aged 16-24 decreased at a faster rate compared to claimants aged 25-49, with 25-49-year-olds accounting for the highest proportion. **In Peterborough, young people still account for the highest proportion of universal credit and job seekers allowance claimants. There are considerable differences in claimant counts by location, with the highest proportions evident towards the north of the Cambridgeshire and Peterborough area.** As illustrated in [Map 1](#), there are clear pockets around the rest of the area where higher proportions of claimants can be observed, such as within the Kings Hedges and Arbury wards in Cambridge, and Huntingdon and St. Neots in Huntingdonshire. This distribution is similar to what was found in the 2019 Indices of Multiple Deprivation⁹ (IMD) where the northern districts of the Cambridgeshire and Peterborough area exhibit the highest levels of relative deprivation (across factors such as income, employment, education and health). **It should be noted that these differences across the local area existed prior to the pandemic, as outlined in the IMD and more deprived locations will have had a higher rate of claimants prior to the pandemic.**

⁹ The Indices of Deprivation 2019 provide a set of relative measures of deprivation for small geographical areas (Lower-layer Super Output Areas) across England, based on seven different domains of deprivation: 1. Income Deprivation 2. Employment Deprivation 3. Education, Skills and Training Deprivation 4. Health Deprivation and Disability 5. Crime 6. Barriers to Housing and Services 7. Living Environment Deprivation

Additionally, while some of the increase in the Claimant Count will be due to people who have become unemployed, some will also be due to employed people who have become eligible for Universal Credit as part of the government response.¹⁰

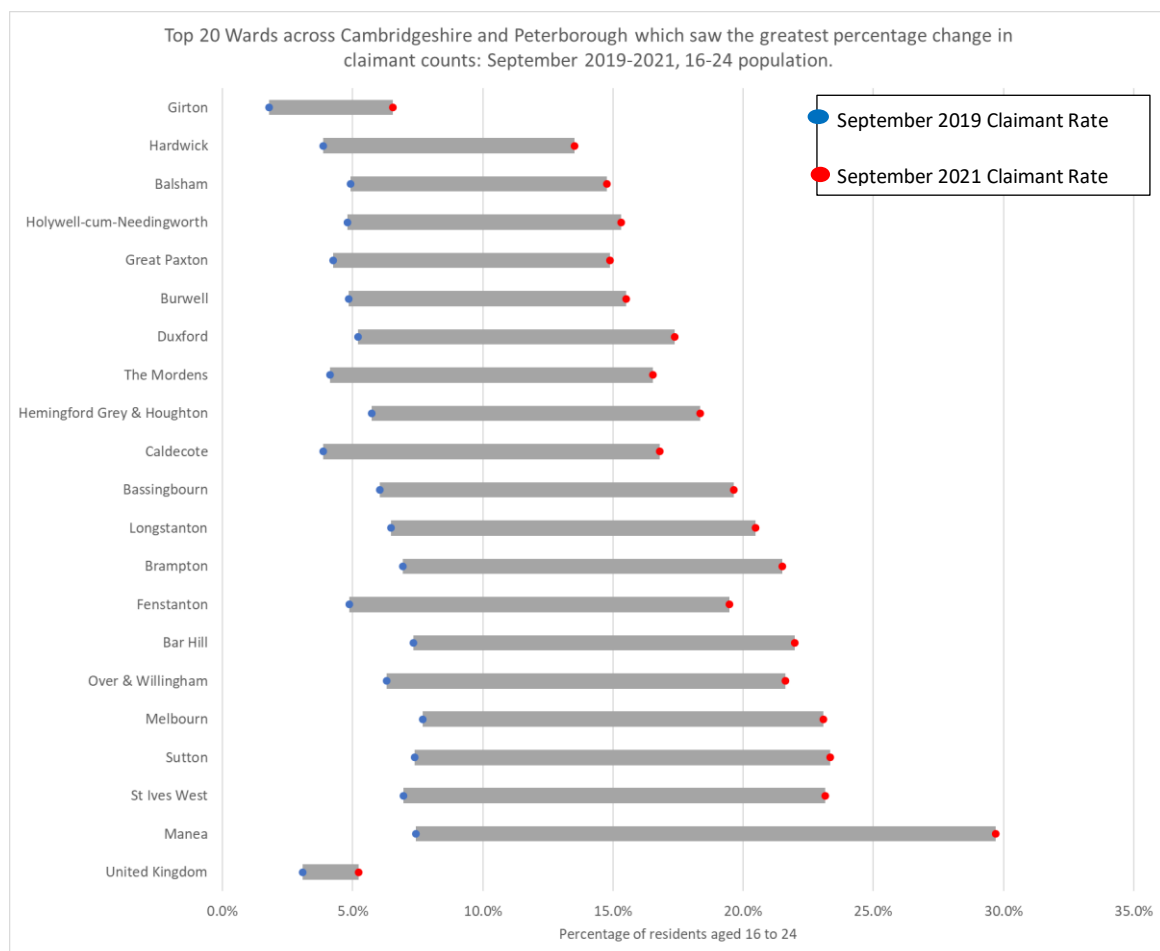
Map 1: Claimant Rates of 16–24-year-olds across Cambridgeshire and Peterborough District Wards: September 2021.



¹⁰ Youth Unemployment Statistics: House of Commons Library. Available: <https://researchbriefings.files.parliament.uk/documents/SN05871/SN05871.pdf>

The above map illustrates the areas with the highest rate of young claimants, although [figure 8](#) below highlights the locations where the greatest change in claimant rates was seen. These locations started off from lower baselines than those which have the highest claimant rates. However, they are important to identify as they saw the largest percentage increases due to COVID-19. For instance, people aged 16-24 across the United Kingdom overall saw a 2% increase in claimant counts between September 2019-2021, while there was a 22% increase in young claimants in Manea. **This suggests that young people in all locations have felt the economic impacts of COVID-19, not just young people who live in more deprived locations.**

Figure 8: Claimant counts by ward, top 20 locations which saw the greatest percentage change: September 2019-September 2021.



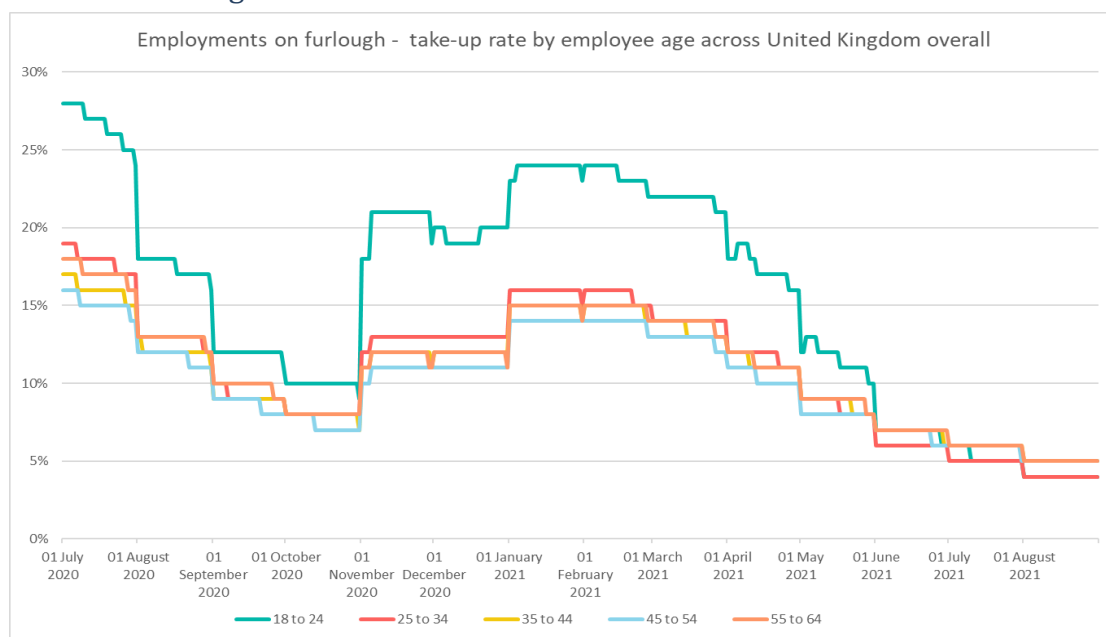
Coronavirus Job Retention Scheme

The coronavirus job retention scheme, also commonly referred to as furlough, was introduced in March 2020 to provide grants to employers to ensure that they could retain and continue to pay staff, despite the effects of the COVID-19 pandemic.

Across the UK overall, in July 2020¹¹, although they only accounted for 11% of the workforce, the 18-24 age group had the highest proportion of eligible employments on furlough at 28%. **Meaning over 1 in 4 young people aged 18-24 were on furlough across the United Kingdom at the start of the pandemic.** This gradually decreased as restrictions eased over the summer in 2020, bringing the take up rate for 18–24-year-olds down to 10% by October 2020. However, during the second national lockdown in November 2020, the take-up rate more than doubled from the previous month (21%) and remained flat **until the winter lockdown in early 2021, which saw this proportion increase to a similar level to July 2020 (24%)**. This demonstrates that the young were most affected by the initial economic impacts of the pandemic because they are overrepresented in sectors that were disproportionately affected by lockdown restrictions, this is explored further in [section 2](#).

At a Local Authority level, data on employments furloughed by age has only been available since the September 2021 data release, therefore a comparison over time is not possible. **However, at the end of August 2021¹², there were 1,240 people who were 25 and under on furlough across Cambridgeshire and Peterborough. This accounts for 8% of employments on furlough across the area, a lower proportion compared to most other age groups, with people aged 35-39, 40-44, 45-49, and 50-54 all accounting for 12% each.** There were lower proportions of people aged 65 and over on furlough (6%).

Figure 9: Time series of Employments on furlough – take up rate by employee age across United Kingdom overall



Source: Coronavirus Job Retention Scheme statistics: 7 October 2021, HM Revenue & Customs.

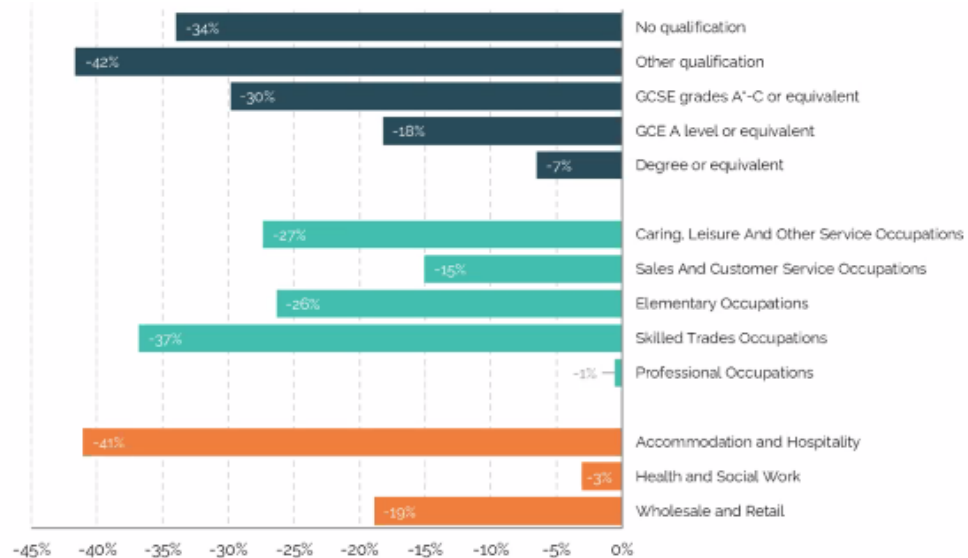
¹¹ Note this is the first release where data on employments furloughed by age was made available.

¹² Based on October 2021 data release.

Section 2: Young people in work

It was not just those young people that found themselves out of work, evidence suggests that those young people who remained in work were also harder hit. [Figure 10](#) looks at percentage change in hours young people worked, highlighting within the young people cohort, qualifications, occupations, contract conditions and sectors of work also had a part to play in how young people were disproportionately affected by the pandemic based on their employment characteristics.

Figure 10: Percentage change in hours young people worked, 2019 compared to 2020, by various employment characteristics.



Source: Labour Force Survey (2019-2020).

Qualifications

Those young people with no or lower qualification levels saw greater decreases in the hours worked over the pandemic compared to those with higher qualifications. **Young people with degree or equivalent level qualifications saw a -7% decrease in their hours worked, compared to -34% with no qualifications and -42% with other qualifications, such as level 2 and 3 certificates.**

Contracts

There was also a shift in 2020 which saw an increase in the proportion of young people employed on zero-hours contracts, the Quarterly Labour force survey found that **young people were more likely than other age groups to be employed in zero-hours contracts**¹³, in April-June 2020 11% of people aged 16-24 in employment were on zero-hours contracts, this compares to 3% of workers aged 25-34.

¹³ Coronavirus and changing young people's labour market outcomes in the UK: March 2021. Office for National Statistics. Available:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/labourmarketeconomicanalysisquarterly/march2021>

Occupations

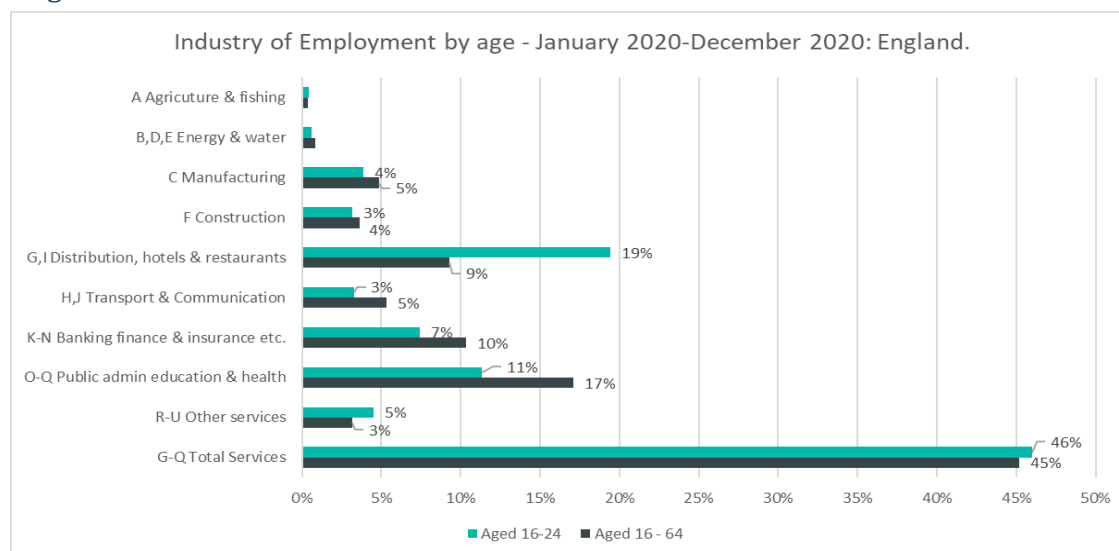
A similar pattern can be observed when looking at the different occupations young people are employed in, with lower occupational groups seeing the greatest decreases in hours worked. Young people who were employed in professional occupations saw very little change, with a -1% decrease in hours worked. Those employed in skilled trade occupations saw the greatest decrease in hours worked, at -37%, however, people employed in certain occupations and sectors will have been impacted by lockdowns where they were not able to work.

Sectors

We can see this impact in the -47% decrease in hours worked in the Accommodation and Hospitality sector, which was largely shut down during lockdown periods. This highlights that certain sectors and occupations within those sectors were disproportionately impacted by the impacts of COVID-19 and the restrictions which came with it. **Services such as hospitality – including pubs, restaurants and hotels – recorded almost no output in April and May 2020, and shrank by up to 90%, but industries such as information and communication, where staff could largely work from home, saw little change compared with pre-pandemic levels.**¹⁴

Young people are overrepresented in these sectors which saw the greatest impacts. [Figure 11](#) highlights industry of employment by age groups, outlining how 16–24-year-olds are represented in the workforce, compared to the working age population overall. This data shows that across England overall, 19% of the 16–24-year-old workforce work in Distribution, Hotels and Restaurants, compared with 9% of the working age population.

Figure 11: Industry of Employment by Age- January 2020-December 2020 across England.



Source: Annual Population Survey, Industry of Employment by age

¹⁴ The impact of the coronavirus so far: the industries that struggled or recovered. Office for National Statistics. Available:

<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/articles/theimpactofthecoronavirussofartheindustriesthatstruggledorrecovered/2020-12-09>

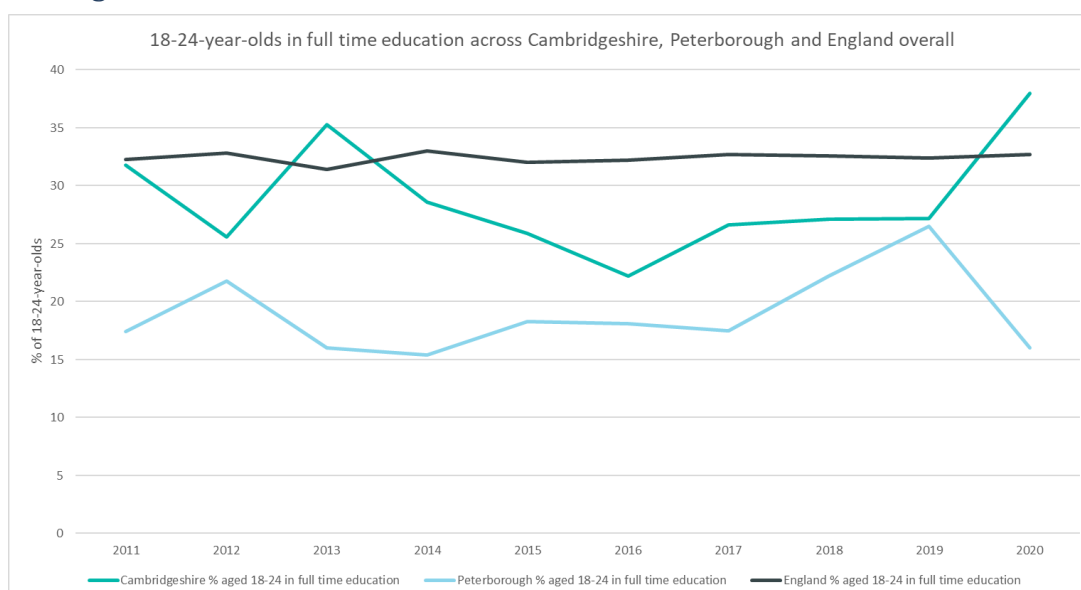
Section 3: Educational, Skills and Training Provision

Historically, Cambridgeshire and Peterborough have both had lower proportions of 18–24-year-olds in full time education than nationally (except for in 2013 in Cambridgeshire). Nationally, the proportions of young people in full-time education have seen little change over the last 10 years, with proportions fluctuating between 31-33%. Across Cambridgeshire, the proportion of young people in full time education has been declining since the peak in 2013, where 35% of 18–24-year-olds were in full time education. In the year ending December 2019, this figure had declined to 27%, this was in line with Peterborough but lower than the national proportion (32%).

Historically, Peterborough has had lower proportions of young people participating in full time education compared with Cambridgeshire, while it has had higher rates of employment, as explored in [Section 1](#). However, the proportion of young people in full-time education in Peterborough has **been on an upwards trajectory** with notable increases between 2017 (18%) and 2019 (27%). 2020 saw a change in these patterns, across both Cambridgeshire and Peterborough. In Cambridgeshire, there was an 11% increase which saw 38% of the 18–24-year-olds surveyed participating in full-time education, this is the highest proportion observed since the series began in 2005. Peterborough saw a -9% decrease, and only 16% of young people in full time education, this is the lowest the proportion has been since 2014, when it was 15%.

However, it should be noted that Annual Population Survey data on 18–24-year-olds at a local level will be based on small sample sizes therefore the figures are volatile. Additionally, the latest available data goes up until the end of 2020, therefore, **it is a bit too early to conclude whether the changes seen at a local level represent the future picture. Therefore, it is important to continue monitoring this data to understand future trends.**

Figure 12: 18–24-year-olds in full time education across Cambridgeshire, Peterborough and England overall

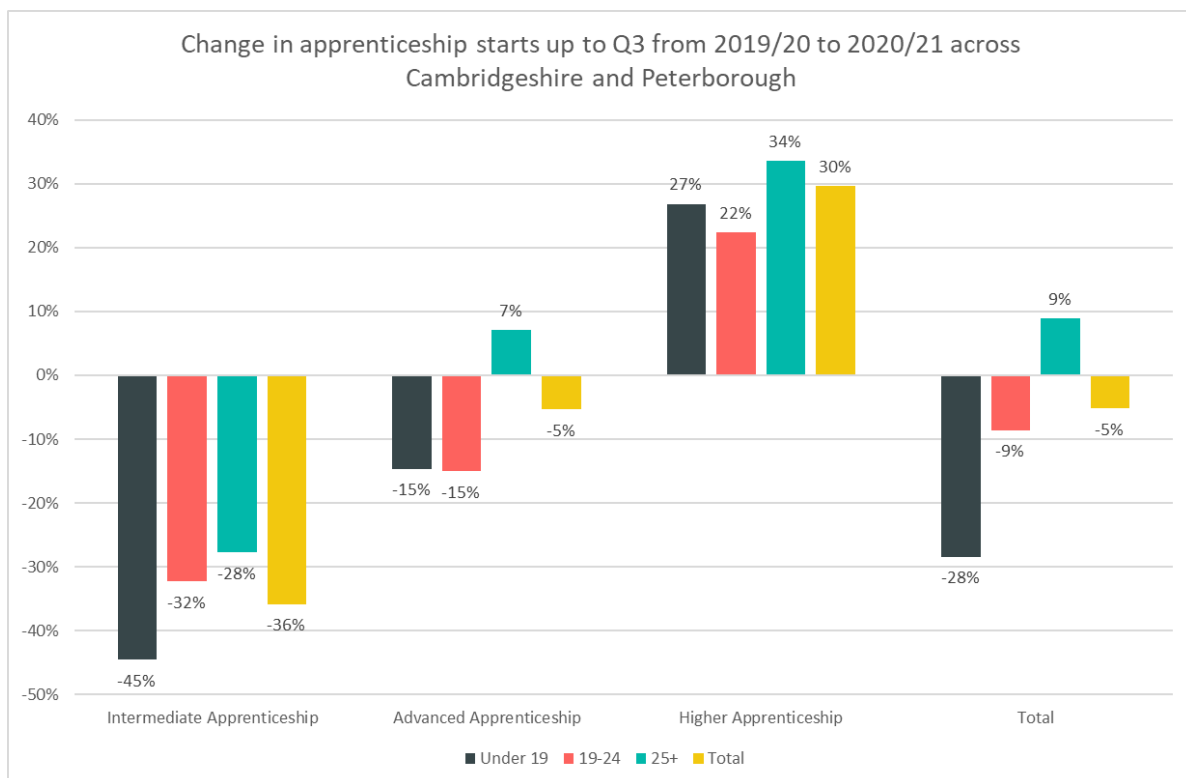


Source: Annual Population Survey, Economic Activity of those aged 18-24.

Evidence suggests, COVID-19 has also had impacts on young people's education and the types of courses which have been delivered, **the number of apprenticeships starting¹⁵ across Cambridgeshire and Peterborough have been lower in 2020/21 compared to the previous two years. This decline is also evident across England overall.** Up to Q3 April 2021 there have been 3,497 apprenticeship starts across Cambridgeshire and Peterborough for the 2020/21 year. This is -5% less compared to the number of starts up to Q3 in 2019/20, when there were 3,688 apprenticeship starts. Nationally apprenticeships starts were down by -7% when comparing starts up to Q3 to in 2020/21 to 2019/20. However, in Q2 starts were -25% down compared to Q2 2019/20 locally and -18% nationally. Therefore, the decline is becoming less evident as we move further into the year.

While the total number of starts across all apprenticeship levels were reduced in 2020/21, there is some variation between each level and age group. The chart in [figure 13](#) highlights that **intermediate apprenticeships saw the largest decline from 2019/20 to 2020/21, with learners aged under 19 seeing the largest drop compared to the same point last year (-45%).** On the contrary, there have been increases in higher level apprenticeships in this time period, there were **27% more starts among learners aged under 19 and 22% more starts in learners who were 19-24.** This is slightly lower than the increase seen among learners aged 25 and above (+34%). There has also been a decline in the number of young people starting advanced apprenticeships (-15% for learners aged under 19 and those aged 19-24), this compares to a 7% increase among learners who were 25 and above.

Figure 13: Change in apprenticeship starts across Cambridgeshire and Peterborough, up to Q3, 2019/20 to 2020/21



Source: *Apprenticeships and Traineeships, Academic year 2020/21. Department for Education.*

¹⁵ Based on course delivery location.

Young people who are not in any form of education or training¹⁶, and not in employment are considered to be *Not in Education, Employment or Training*, also referred to as **NEET**. A person identified as NEET will always be either unemployed or economically inactive. Studies have shown that time spent NEET can have a detrimental effect on physical and mental health, and increase the likelihood of unemployment, low wages, or low quality of work later on in life.¹⁷

Nationally, the percentage of all young people (aged 16-24) who were NEET in April to June 2021 was estimated at 9.3%, which is a record low; the proportion was down 1.5 percentage points compared with January to March 2021 and down 1.8 percentage points compared with before the coronavirus (COVID-19) pandemic in October to December 2019.¹⁸

At a local level, data on NEETs is only available for people aged 16 and 17. This is because Local Authorities have a duty to track young people's activity to identify those not participating and support them to do so, and this is not a requirement for anyone aged 18 and above.

Locally, we can see that **there are lower proportions of 16- and 17-year-olds who are NEET in Cambridgeshire compared to nationally, but slightly higher proportions across Peterborough**. In the year ending 2020¹⁹, across Cambridgeshire 3.2% (420) of 16 and 17-year-olds were recorded as NEET, **this is less than half the proportion in Peterborough, where 7% (340) were recorded as NEET**. Across England overall, the proportion was 5.5%. Therefore, looking at changes within the COVID-19 period in 2020 shows increases in Peterborough but little change across Cambridgeshire and nationally. **Therefore, the pandemic is yet to show any impacts on young people who are NEET, however, this may be too early to tell, so it is important to continue monitoring this.**

¹⁶ People are considered to be in education or training if any of the following apply:

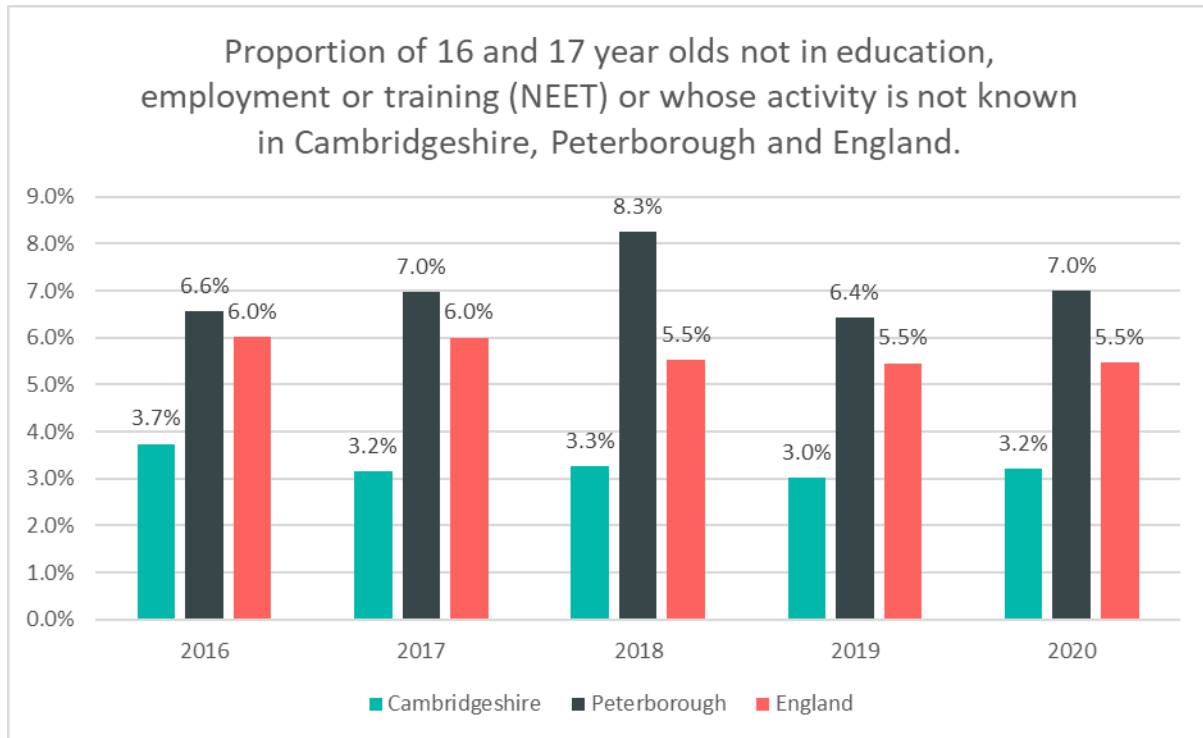
- they are enrolled on an education course and are still attending or waiting for term to start or restart
- they are doing an apprenticeship
- they are on a government-supported employment or training programme
- they are working or studying towards a qualification
- they have had job-related training or education in the last four weeks

¹⁷ NEET: Young People Not in Education, Employment or Training. House of Commons Library. Available: <https://commonslibrary.parliament.uk/research-briefings/sn06705/>

¹⁸ Young people not in education, employment or training (NEET), UK: August 2021. Available: <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/bulletins/youngpeoplenotineducationemploymentortrainingneet/august2021>

¹⁹ Based on a 3-month average across December 2020-February 2021.

Figure 14: Proportion of 16- and 17-year-olds who are NEET or whose activity is not known – Cambridgeshire, Peterborough and England.



Source: NEET and Participation 2021, Department for Education.

Section 4: Conclusions and future impact

This paper has highlighted the economic impacts of the pandemic by exploring data on young people out of work, the impacts on those in work and the effect this has had on young people in education. It was outlined how **unemployment among young people has been notably higher compared to other age groups, with the pandemic having a greater effect and seeing unemployment levels increase at a faster rate.**

We also looked at the increases seen in the number of claimants of unemployment related benefits, **with claimants aged 16-24 rising at a faster rate compared to other age groups, especially in Peterborough.** It was noted how there were considerable differences in claimant counts by location, **with the highest proportions evident towards the north of the Cambridgeshire and Peterborough area.** While these differences in location existed prior to the pandemic, the increases brought about as a result of it **may have exacerbated existing inequalities. In Peterborough, young people still account for the highest proportion of universal credit and job seekers allowance claimants.** Equally, looking at areas which saw the greatest change suggested that **young people in all locations felt the economic impacts of COVID-19, not just young people who live in more deprived locations.**

The coronavirus job retention scheme saw 1 in 4 young people on furlough across the UK overall during the first lockdown in July 2020, and a similar proportion over the winter lockdown in early 2021. **By July 2021²⁰ the take-up rates of furlough among the youngest age bands decreased and are now in line with the other age bands.** This reduction is in line with the easing of restrictions across the UK, particularly in Accommodation and Hospitality.²¹ Data from the Labour Force Survey and the Coronavirus Job Retention Scheme shows that people employed in this sector were more likely to see a reduction in their hours worked or be furloughed. **This demonstrates the reasons why young people in the workforce have seen more negative economic impacts from the pandemic than their older counterparts.**

The Annual Population survey identified a decrease in the proportion of young people going into full time education in Peterborough in 2020, and as we know this cohort also saw an increase in economic inactivity for this period, **the rise in economic inactivity can be linked to a rise in youth unemployment observed regionally and nationally in 2020.**

However, while we have seen increases in unemployment, a higher number of people on unemployment related benefits, and over 1 in 4 young people furloughed at the start of the pandemic, **we are starting to see signs of recovery.**

²⁰ The figures for August 2021 are based on claims received to the deadline for claims for August of 14 September 2021. In some circumstances, late claims can be made with a reasonable excuse and in agreement with HMRC. Claims for August could also be amended until 28 September. Therefore, the data for August 2021 is incomplete and should be considered provisional. It is estimated that the overall total number of employments on furlough in August 2021 will be in the region of 20,000 jobs higher once all claims are submitted and revisions applied.

²¹ Coronavirus Job Retention Scheme statistics: 7 October 2021. Available: <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-7-october-2021>

Unemployment levels have declined since the peak observed at end of 2020, with clear decreases evident from April 2021, likely associated with the easing of government restrictions and the re-opening of employment sectors hardest hit by the lockdowns. **However, as government support schemes come to an end, it will be important to continue monitoring data related to economic inactivity to fully understand the impacts of COVID-19 on the labour market without this support in place.**

It should also be noted that there are areas which we know less about, where it is still too early to fully understand the impacts of the pandemic, such as the proportion of young people in full time education locally and those who are classed as NEET. **Therefore, it is important to continue monitoring this data to understand future trends.**

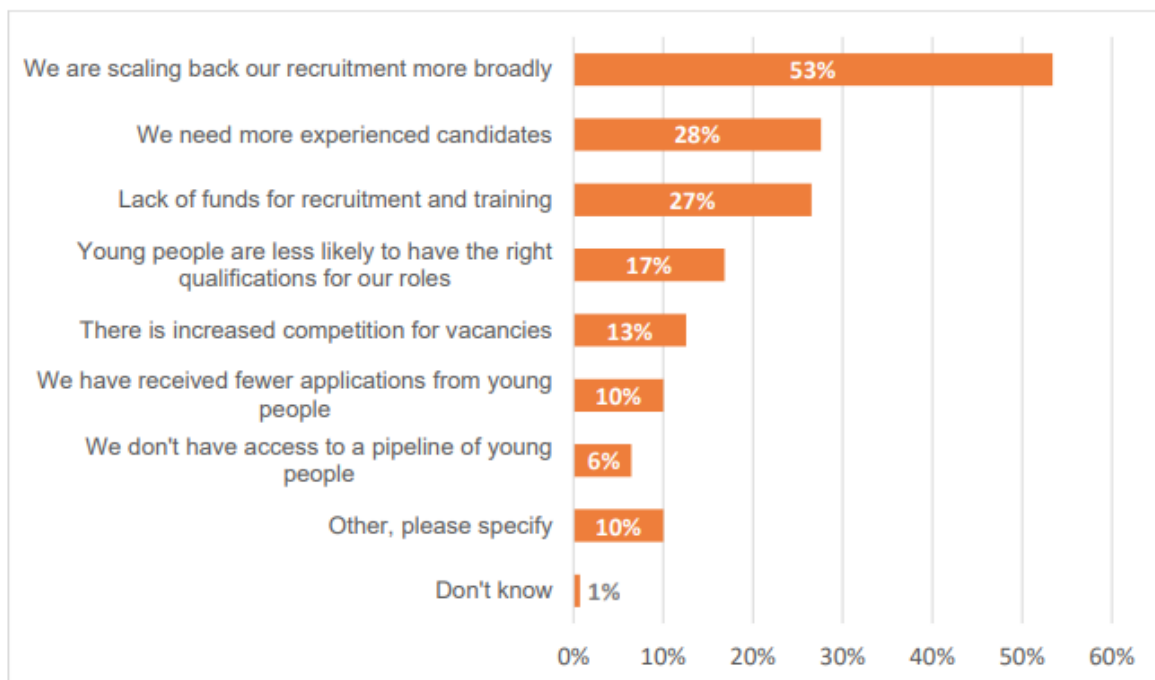
Historically, we know from that recovery after the 2008 financial crisis took until 2013/2014, and **while we have started to see early signs of recovery, which is promising, full recovery is likely to take up until 2024/25.**

COVID-19 HAS ACCELERATED LONGER TERM STRUCTURAL CHANGES IN THE LABOUR MARKET AND THESE CHANGES ARE LIKELY TO REDUCE YOUNG PEOPLE'S EMPLOYMENT OPPORTUNITIES, AS THEY ARE UNDERREPRESENTED IN THE SECTORS WHICH ARE RECOVERING THE FASTEST.

A survey run by the Learning & Work institute found that employers which reported employing a lower proportion of young people during the pandemic, most (53%) said that this was because they were scaling back their recruitment more broadly (see [figure 15](#)). **However, concerns about the qualifications and experience of younger candidates were also raised: over a quarter said that they needed more experienced candidates (28%) or that they lacked the funds for recruitment or training (27%), while 17% felt that young people were less likely to hold the right qualifications for their roles.**²²

²² Facing the future: Employment prospects for young people after Coronavirus, March 2021. Available: <file:///C:/Temp/fp616/Downloads/Updated%20Facing%20the%20future%20-%20employment%20prospects%20for%20young%20people%20after%20Coronavirus.pdf>

Figure 15: Employment prospects for young people after Coronavirus – England.



Source: *Facing the future: Employment prospects for young people after Coronavirus, March 2021*. The above chart outlines answers from the Employer survey, base: all who had recruited a lower proportion of young people (279).

Vacancies – the future labour market

Section 2 highlighted that certain sectors were disproportionately impacted by the impacts of COVID-19 and the restrictions which came with it, such as the Accommodation and Food Services and Arts, Entertainment and Recreation sectors. [Figure 11](#) outlined how **young people are overrepresented in these sectors which saw the greatest impacts**. Part of the key to labour market recovery will be demand for work in the sectors most impacted returning. The analysis below explores recovery in employment sectors through job vacancy data, at both a local and national level.

In May to July 2021, there were an estimated 953,000 job vacancies nationally, reaching their highest level on record, having grown by 43.8% (290,000) compared with the previous quarter²³. Indicating an increased demand for work in the labour market.

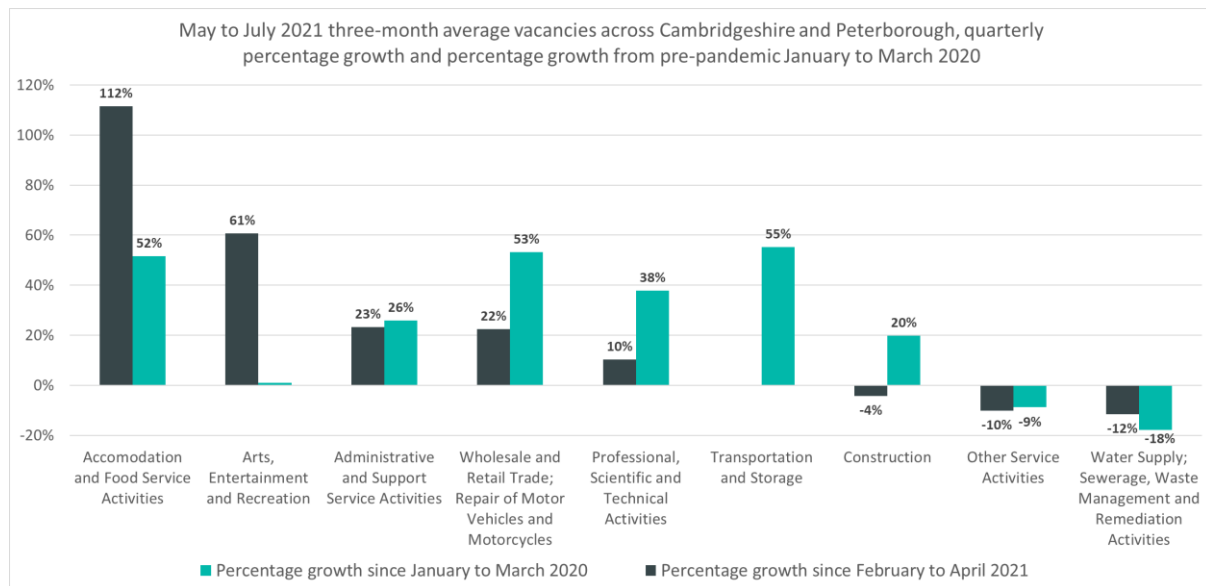
The fastest rate of growth was seen in Arts, Entertainment and Recreation, which grew by 267% (23,000). The largest increase in levels was seen in Accommodation and Food Service activities, which grew by 73,000 (164%).²⁴ **Locally, these two sectors also saw the largest quarterly growth, the**

²³ Vacancies and jobs in the UK: August 2021. Office for National Statistics. Available: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/august2021>

²⁴ IBID

Accommodation and Food Service activities sector saw the largest increase in both rates and levels, with a 112% increase from the last quarter (310 vacancies). However, as these sectors were largely shut down during periods of COVID-19 restrictions, growth in the number of vacancies is expected as they re-open. Many other sectors did not see the same impacts from COVID-19 but have still seen growth in the number of vacancies available locally.

Figure 16: Quarterly and pre-pandemic percentage growth in vacancies across Cambridgeshire and Peterborough



Source: Labour Insight, Burning Glass technologies, provided by the Cambridgeshire and Peterborough Combined Authority.

Therefore, looking at shorter term changes in our vacancies may not provide full insight into the longer-term structural changes in the labour market which COVID-19 has accelerated. **These changes are likely to reduce young people's employment opportunities, as they are underrepresented in the sectors which are recovering the fastest.**²⁵ Additionally, the new post COVID-19 labour market is likely to be quite different to what it looked like prior to the pandemic, many sectors will be undergoing radical change, including offline retail and the many retail and catering services that support offices and city centre hubs.²⁶ We know that younger people are overrepresented in these sectors, as outlined in Figure 10. **However, if demand does not return in these sectors then young people will need to re-skill and re-train to cater to the new sectors which the economy demands, and the skills gap between these types of employment is likely to be quite wide.**

²⁵ Facing the future: Employment prospects for young people after Coronavirus, March 2021. Available: <file:///C:/Temp/fp616/Downloads/Updated%20Facing%20the%20future%20-%20employment%20prospects%20for%20young%20people%20after%20Coronavirus.pdf>

²⁶ Covid-19, mass unemployment and structural change. University of Nottingham. Available: <https://www.nottingham.ac.uk/vision/vision-covid-19-mass-unemployment-and-structural-change>

Glossary

Annual Population Survey

The Annual Population Survey (APS), which began in 2004, is compiled from interviews for the Labour Force Survey (LFS), along with additional regional samples. The APS comprises the main variables from the LFS, with a much larger sample size. Consequently, the APS supports more detailed breakdowns than can be reliably produced from the LFS. Estimates are produced every quarter for a rolling annual period; for example, January to December data will be followed by data for April to March when they are next updated.

Claimant Count

The number of people claiming unemployment-related benefits. Between 1996 and 2013, the Claimant Count was measured using claimants of Jobseeker's Allowance. In 2013 a new benefit, Universal Credit, which will replace a number of means-tested benefits, including the means-tested element of Jobseeker's Allowance, began to be rolled out. From the introduction of Universal Credit, those claimants who were receiving the benefit for unemployment reasons have been included in the Claimant Count.

Employment

Employment measures the number of people in paid work or who had a job that they were temporarily away from (for example, because they were on holiday or off sick). This differs from the number of jobs because some people have more than one job. The employment rate is the proportion of people aged between 16 and 64 years who are in employment. A more detailed explanation is available in [A guide to labour market statistics](#).

Employment rate

The headline employment rate is calculated by dividing the employment level for those aged from 16 to 64 by the population for that age group.

Unemployment

Unemployment measures people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks. The unemployment rate is not the proportion of the total population who are unemployed. It is the proportion of the economically active population (those in work plus those seeking and available to work) who are unemployed.

Economic inactivity

People not in the labour force (also known as economically inactive) are not in employment but do not meet the internationally accepted definition of unemployment because they have not been seeking work within the last four weeks and/or they are unable to start work in the next two weeks.