

Covid-19 – BAME disproportionality project: Labour market

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Covid-19 is impacting everyone in Camden.

Yet the immediate labour market impacts are disproportionately felt – particularly for key workers and people in ‘shut down’ sectors.

And analyses suggest that longer term labour market impacts will also be disproportionate, with women, younger people, and low earners most at risk of losing their jobs.

This slide pack highlights immediate and evolving labour market implications, referencing the specific experience of Black, Asian and Minority Ethnic (BAME) residents, and outlines action that the council and partners are taking to address labour market inequality.

Existing inequality: Pre-Covid-19

Whilst there's relatively little hard data on ethnicity - the data that is available highlights labour market inequality, before the impacts of Covid-19 are considered:

- The UK unemployment rate was 3.7% in October-December 2019 according to a [House of Commons Library report](#). The rate was 3.4% for people from a White background compared to 5.8% for people from BAME backgrounds - although there was substantial variation between different ethnic minority groups
- [A 2018 ONS report](#) highlighted how “employees of Chinese, Indian and Mixed or Multiple ethnicity all had higher median hourly pay than White British employees in 2018; while employees in the Pakistani and Bangladeshi ethnic groups had lowest median hourly pay”
- [A Carnegie UK Trust report](#) found that millennials from BAME backgrounds were “58 per cent more likely to be unemployed than their White counterparts; 47 per cent more likely to be on a zero-hours contract; 10 per cent more likely to be working a second job; 5 per cent more likely to be doing shift work; and 4 per cent less likely to have a permanent contract”

Covid-19: Immediate impacts

Nationally, it's a disproportionate picture:

- Whilst 77% of businesses continue to trade, a high proportion of those in Accommodation and Food Service are Arts, Entertainment and Recreation have closed / paused trading
- Workers in shut down sectors are the lowest paid across the workforce - typical pay for workers in in those sectors less than half that of those able to work from home
- People from BAME backgrounds more likely to be in shut down sectors or key workers facing biggest health threats
- People in their early 20s are 2.5 times more likely to work in shut down sectors
- Low earners are seven times as likely as high earners to have worked in a sector that is now shut down
- 10% of men with Level 4+ qualifications are in locked down sectors vs 17-21% in 0-2 Level qualifications
- With schools and day-care closed to all except key workers, parents have been facing extra challenge
- Key workers are disproportionately likely to be female

Sectors where the largest share of workers have been furloughed via the government's Coronavirus Job Retention Scheme (CJRS)

80%

Hospitality or accommodation and food services

68%

Arts entertainment and recreation

41%

Construction

Covid-19: Labour market shock

- The more 'benign' forecasts anticipate the highest unemployment rate in more than 25 years
- 10m people employed in at risk occupations including non-food retail, restaurants and hotels, passenger transport, personal services, arts and leisure
- Coronavirus Job Retention Scheme (CJRS) has prevented mass unemployment but only currently planned until end of June
- Likely to be a significant spike in unemployment as we emerge from lockdown and the CJRS is withdrawn or tapered
- Experience of work will be influenced by types of jobs and levels of exposure – e.g. key workers
- Analysis suggests that Camden has one of the lowest levels of 'at risk' jobs – 23% of jobs
- Despite this, we know retail, hospitality and construction have high percentage of BAME workers – sectors facing huge challenges:
 - a. social distancing will limit the ability of some types of business to operate effectively
 - b. behavioural change may limit long-term demand in these sectors because of fears of gathering
 - c. acceleration of trends which could have a negative impact on them e.g. greater working at home, less business travel, greater reliance online retail

Lessons from previous shocks

The impacts of previous economic downturns and labour market shocks offer useful indicators of potential challenges – for example:

- Following the economic downturn after the financial crisis of 2008, there was an increase in unemployment rates across ethnic groups nationally. The unemployment rate for people from a White background reached a peak of 7.8% in 2011 while the rate for people from BAME backgrounds increased to a peak of 14.7% in 2009

Latest data from local employment and income-focused support services

Covid-19: Access to financial support

- Of the 821 council tenants that submitted Universal Credit claims since 23rd March, 50% were from BAME backgrounds
- Of those residents still claiming Job Seekers Allowance (having not yet transitioned to Universal Credit), 46% were from BAME backgrounds in December 2019
- In May 2019 around 9,100 of the working-age population in Camden were claiming Employment & Support Allowance (health / disability) – approximately 40% were from BAME backgrounds
- Data from Citizens Advice Camden provides a sense of proportionality in relation to enquiries received between early March and 13th May:

#	Measure	Number	% BAME
1	People with Universal Credit or legacy benefits enquiries	345	69%
2	People with debt or financial capability enquiries	87	83%
3	People with employment enquiries	168	52%

Covid-19: Access to employment support

- 52% of residents that were supported into apprenticeships through the Inclusive Economy team were from BAME background (i.e. 48% for construction and 60% for non construction)
- 68% of residents that accessed Adult Community Learning opportunities over the past academic year were from BAME backgrounds

Access to employment support programmes that are open to all Camden residents – e.g.

#	Service	Council / Commissioned	Proportion of BAME residents
1	Gospel Oak Job Hub / Regent's Park Job Hub (delivered remotely)	Council	91%
2	West Euston Partnership	Commissioned	81%
3	Somers Town Job Hub	Commissioned	52%
4	Hillside Clubhouse	Commissioned	27% (39% did not disclose)

Labour market renewal: Challenges and our response

Supporting more people into good work

The Inclusive Economy team will continue work to support more residents into good work – e.g.

- Delivering support through our new Neighbourhood Hubs – providing accessible, coordinated and relational support that is interested in outcomes beyond ‘job starts’ (e.g. health, income)
- Using that approach to integrate the wider system of support (i.e. providers, colleges, charities) – and to enhance the council’s existing delivery services that support approx. 550 people into work per year
- Enabling national and devolved support programmes to deliver effectively within the borough
- Maximising the number of residents supported into the construction sector through our King’s Cross Construction Skills Centre
- Supporting Camden residents into apprenticeships and working with the IPPR to create new apprenticeships in Hospitality, Retail and Construction by offering unspent apprenticeship levy funds
- Funding King’s Cross Recruit to support residents into jobs created in King’s Cross
- Tackling underrepresentation in STEAM sectors by providing young people with access to opportunities
- Utilising our procurement levers to secure public value from major contracts

Responding to emerging challenges

As part of a wider renewal strategy, we will also develop new interventions:

- Further developing Good Work Camden in response to the findings of the renewal commission
- Taking our Neighbourhood Approach model to other areas, to increase our capacity to support residents through the renewal period
- Building on our recent research into, and testing of, new forms of welfare provision
- Designing a borough-wide job brokerage service to identify good work opportunities and change recruitment practices
- Progressing plans for our Euston Construction Skills Centre
- Enabling and influencing existing national programmes, including the Work & Health programme, to ensure greater embeddedness within our local approach, services and neighbourhoods
- Exploring solutions advocated by a number of think tanks, including temporary job creation schemes and a universal jobs guarantee
- Pulling together local data from different sources as part of a planned Labour Market Intelligence Group
- Lobbying government for timely labour market data and to shape new national level programmes

Addressing disproportionate impacts

What did the evidence tell us?	What actions are we proposing?	What does success look like
<p>People from BAME backgrounds more likely to be in shut down sectors or key workers facing biggest health threats</p>	<ul style="list-style-type: none"> • Sharing Public Health information with local businesses • Ensuring that we have the capacity to respond to a significant increase in employment unemployment • Ensuring that our Neighbourhood Approach is able to respond to labour market issues that disproportionately impact residents from BAME backgrounds 	<ul style="list-style-type: none"> • Businesses are able to adhere to government guidelines to reduce risk • Residents from BAME backgrounds are aware of the support available and that support is responsive to individual needs
<p>A high proportion of residents from BAME backgrounds are accessing Universal Credit or Job Seekers Allowance</p> <ul style="list-style-type: none"> • Of the 821 council tenants that submitted Universal Credit claims since 23rd March, 50% are from BAME backgrounds • Of those residents still claiming Job Seekers Allowance (having not yet transitioned to Universal Credit), 46% were from BAME backgrounds in December 2019 	<ul style="list-style-type: none"> • Scaling up our Neighbourhood Approach to provide accessible and relational support • Responding to trends identified 'on the ground' - and through hard data collected locally - to provide specific responses to specific challenges (e.g. labour market issues that disproportionately impact residents from BAME backgrounds) • Designing a borough-wide job brokerage service to identify good work opportunities and improve recruitment practices • Strengthen referral routes from council services and JCP to ensure that residents get the support they need 	<ul style="list-style-type: none"> • Residents from BAME backgrounds finding the support that they need through the Neighbourhood Approach • Residents from BAME backgrounds receiving support to address labour market challenges that disproportionately impact them • More residents from BAME backgrounds finding and staying in good work
<p>A high proportion of residents that access employment support are from BAME backgrounds:</p> <ul style="list-style-type: none"> • 52% of residents that were supported into apprenticeships through the Inclusive Economy team were from BAME background (i.e. 48% for construction and 60% for non construction) • 68% of residents that accessed Adult Community Learning opportunities over the past academic year were from BAME backgrounds • A high proportion of residents accessing employment support locally are from BAME backgrounds 	<ul style="list-style-type: none"> • Ensuring that our employment support provision prioritises in-work progression, including for apprentices • Strengthening connections between Adult Community Learning and our Neighbourhood Approach to ensure that learners have a clear pathway into good work 	<ul style="list-style-type: none"> • More residents from BAME backgrounds progressing into good work following apprenticeships • More residents from BAME backgrounds progressing from Adult Community Learning courses into good work

Addressing disproportionate impacts

What did the evidence tell us?	What actions are we proposing?	What does success look like
<p>A high proportion of unemployed people from BAME backgrounds claim ESA:</p> <ul style="list-style-type: none"> In May 2019 around 9,100 of the working-age population in Camden were claiming Employment & Support Allowance (health / disability) – approximately 40% were from BAME backgrounds 	<ul style="list-style-type: none"> Working with Camden Disability Action to co-design a new approach to supporting disabled people and people with long-term health conditions into good work Connecting residents in receipt of ESA to the support that they need by improving referral routes from JCP Enabling and influencing existing national programmes, including the Work & Health programme 	<ul style="list-style-type: none"> Residents from BAME backgrounds are involved in co-designing that new approach to employment support More residents from BAME backgrounds, including disabled people and those with long-term health conditions, receive the support that they need
<p>A high proportion of residents accessing advice locally are from BAME backgrounds:</p> <ul style="list-style-type: none"> 69% of people that contacted Citizens Advice Camden with Universal Credit or legacy benefits enquiries were BAME 83% of People that contacted Citizens Advice Camden with debt or financial capability enquiries were BAME 52% of People that contacted Citizens Advice Camden with employment enquiries were BAME 	<ul style="list-style-type: none"> Strengthening links with the Camden Advice Partnership to ensure that residents can address income and employment advice simultaneously Integrating benefits advice within our Neighbourhoods Approach Building on our recent research into, and testing of, new forms of welfare provision 	<ul style="list-style-type: none"> More residents from BAME backgrounds accessing benefits-related support progressing into good work Stronger partnership working between the Neighbourhood Approach and advice partners
<p>There is relatively little hard data on ethnicity in the context of the labour market</p>	<ul style="list-style-type: none"> Lobbying government for timely labour market data and to shape new national level programmes Pulling together local data from different sources as part of a planned Labour Market Intelligence Group 	<ul style="list-style-type: none"> Better quality and more timely data to inform responses to challenges disproportionately impacting residents from BAME backgrounds – e.g. recent trends include concerns around care sector employees, people in shut down sectors, people in unstable gig economy work

Thank you

