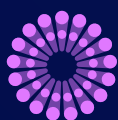




# LONDON INCLUSIVE TALENT STRATEGY

## GET LONDON WORKING PLAN

### EVIDENCE BASE



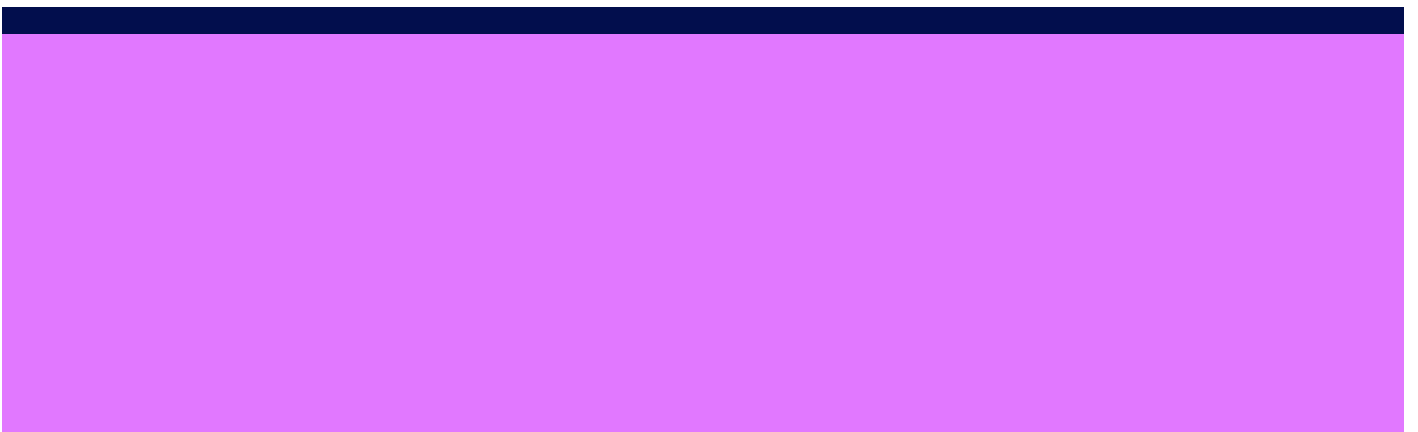
LONDON  
GROWTH PLAN

MAYOR OF LONDON



# Inclusive Talent Strategy and Get London Working Plan Evidence Base

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# Introduction

This report serves as an evidence base to support the development of the Inclusive Talent Strategy (ITS) and Get London Working (GLW) Plan led by the Greater London Authority and London Councils. The evidence base will focus on the state of the current skills and labour market landscape in London. The ITS and GLW Plan can be [accessed here](#).

## Methodology and data sources

The evidence base primarily relies on quantitative insights from official statistics, supplemented by the ITS employer survey. To provide a more comprehensive perspective, it should be complemented by the summary findings from the [ITS consultation](#) and the [Talk London](#) campaign.

Quantitative insights are taken from a range of national and regional sources, including:

- Office for National Statistics (ONS) Census and surveys (e.g. the Labour Force Survey; the Annual Population Survey, Annual Survey of Hours and Earnings), particularly in relation to London's jobs, earnings, businesses and residents.
- Education and skills data from the Department for Education (DfE) and the Higher Education Statistics Agency (HESA), as well as more detailed adult education data sourced from the Individualised Learner Record (ILR).
- Data on business sentiment based on a survey conducted by the GLA as part of the evidence base gathering process for the ITS.
- Online job postings data sourced from Lightcast<sup>1</sup>, based on information from newly posted, unique job postings collected from multiple online platforms.

Several forms of engagement took place to support the creation of the ITS including a formal consultation, industry engagement a Talk London campaign. The summary of this engagement is available [here](#).

### Box 1: Overview of ITS and GLW Plan engagement

#### Overview of ITS and GLW Plan engagement:

The GLA launched a public consultation to gather stakeholder views on six ITS themes, including areas to prioritise and good practice examples. The consultation comprised of:

- An online consultation with 37 open-ended questions (250-word limit per question). This was available in British Sign Language (BSL) and an easy read version.
- In-person engagement through meetings and workshops, with contributions transcribed and included in the analysis.
- Online Talk London campaign.

Overall, there were over 100 in person engagements, including over 70 industry specific sessions reaching over 100 employer or industry representatives. The online consultation received 89 submissions. Responses were received from a mix of stakeholders, including skills, training and education providers and representative bodies; charities and NGOs; local authorities and sub-regional partnerships; community and voluntary organisations; employment support providers; careers providers; employer representative bodies; employers; health and social care providers; Government bodies and departments; and research organisations.

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<sup>1</sup> There are several caveats to be aware of with this data source. This data is, for example, not representative of all job roles, particularly those not widely advertised online. For more information, see: GLA Economics (2022), [Understanding online job postings data](#).

Alongside, these engagement activities the GLA and partners conducted a small-scale online employer survey that sought to gauge how businesses in London support and develop their current employees, what initiatives have worked well, and where there might be gaps or opportunities for improvements. More information on the survey is provided below (Box 2) and a selection of results are provided in Appendix B.

## **Box 2: Overview of GLA ITS employer survey**

### **GLA ITS Employer Survey:**

- The GLA ITS employer survey was run from early August to mid-September 2025.
- There were 55 total respondents to the survey including those with partial responses.
- The largest share (36%) of employers responding to the survey operate across multiple regions of London: 31% were in South London, 13% in both West and North London and 7% in East London.
- The survey captured employers of many different sizes: 33% had between 10-49 employees, 28% had between 50-249 employees, 26% had over 1000 employees, 6% had 250-999 employees and 6% had less than 10 employees. In addition, 2% of respondents did not report their size.
- The share of respondents operating in one of London's priority sectors was 53%. Retail, Hospitality and Tourism was the most common with 13% in this sector, this was followed by Built Environment with 11%.

Throughout this report the main emphasis is on analysis at the London level, key trends at sub-regional and Local Authority level are highlighted throughout the report but more evidence is available within the appendix. References are also included to other publications – including evidence bases, deep dives and data dashboards.

## **Structure of evidence base**

The structure of the evidence base is as follows:

### **Chapter 1: London's population and labour market**

This chapter provides background on London's labour market, shaped by a growing, relatively young, and ethnically diverse population. Despite these strengths, the city faces ongoing challenges in employment and economic participation. Key issues explored include population trends, Local Authority-level disparities, inequalities in employment by gender, ethnicity, disability, and education, as well as unemployment, economic inactivity, young people not in education, employment or training (NEET) rates and internal / international migration patterns.

### **Chapter 2: London's skills landscape**

This chapter outlines key themes in London's skills and labour market, including high levels of educational attainment, but with persistent disparities in access to learning opportunities for some. It highlights the role of adult education in workforce development, rising demand for skills amid technological change, and the growing economic potential of the city's transition to net zero.

### **Chapter 3: Structural barriers to work and skills**

London faces persistent structural barriers that limit access to skills provision, employment and economic opportunity, particularly for women, ethnic minorities, and disabled individuals. This chapter explores key factors shaping access to skills and

employment in London, including childcare and caring responsibilities, health-related barriers to work, transport connectivity, housing insecurity, the availability of flexible work and the health of London's population and workforce.

#### **Chapter 4: Good work**

Good work means fair, inclusive, and high-quality employment that treats workers with dignity, offers fair pay, secure contracts, and opportunities to grow. It fosters safe, supportive, and diverse workplaces where workers feel valued and heard. Good work contributes to a stronger, more responsible London economy. This chapter seeks to provide evidence on the quality of employment offered in the capital including the levels of pay, job security and working conditions.

#### **Chapter 5: Moving forward**

The ITS and GLW initiatives provide a strategic opportunity to address London's workforce challenges by uniting key stakeholders, policymakers, educators, employers, and community groups. This collaborative approach is vital for developing inclusive solutions that reflect the city's diverse and evolving labour market.

The evidence base demonstrates the need to expand access to skills and employment for underrepresented groups, including those with long-term health conditions, disabilities, and caring responsibilities. Despite their willingness to work, many Londoners face persistent barriers. Through coordinated policy, investment, and programme delivery, ITS and GLW aim to remove these obstacles and build more equitable pathways into sustainable employment.

A summary of the evidence base can be [accessed here](#).

# Chapter 1: London's population and labour market

This chapter provides background on London's labour market, shaped by a growing, relatively youthful, and ethnically diverse population. Despite these strengths, the city faces ongoing challenges in employment and economic participation. Key issues explored include population trends, internal / international migration patterns, geographic disparities across local authorities, inequalities by gender, ethnicity, disability, and education, as well as unemployment, economic inactivity and youth NEET rates.

## Summary of key points

- London's population reached 8.9 million in mid-2023, with strong growth in some local authorities and decline in others over the last decade. The city has a younger and more ethnically diverse population than the national average, with nearly 70% of residents of working-age.
- Employment in London remains below the government's 80% target, with notable variation by local authority, gender, ethnicity, disability status, and qualification level. Women, disabled individuals, and racially minoritised groups, particularly Pakistani and Bangladeshi women, face persistent barriers to labour market entry and progression.
- Higher qualifications and credentials are strongly linked to employment outcomes, underscoring the importance of skills development to improve labour market participation and reduce inequalities.
- London's unemployment rate in the UK (6.0%) is higher than the UK average, with significant variation across London boroughs and demographic groups.
- Over 1.3 million Londoners are economically inactive, largely due to studying, caring duties, and long-term health conditions.
- Young people face specific challenges, with London recording the highest NEET rate nationally (15.2%).
- Non-UK nationals now make up a significant portion of London's workforce (42%), particularly in industries like Health and Hospitality.
- International students play a major role in London's economy, although recent declines in visa applications may pose future challenges.

## London's population

London's population was 8.9 million in mid-2023.<sup>2</sup> The majority of Londoners live in Outer London (61%), with just over a third living in Inner London (39%). Between the 2011 and 2021 Census, London's population overall grew by 7.7%. This headline masks huge variation, with some London boroughs experiencing rapid growth - with populations in Tower Hamlets and Barking and Dagenham growing by 22.1% and 17.7%, respectively.<sup>3</sup> On the

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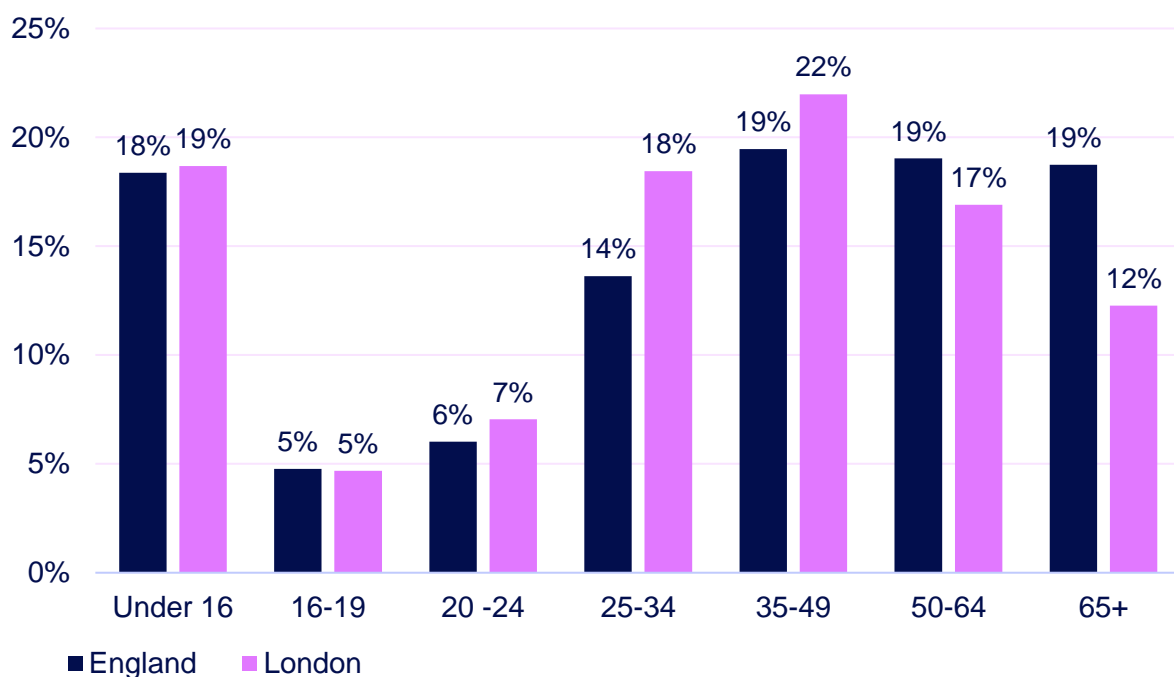
<sup>2</sup> <https://data.london.gov.uk/dataset/londons-population/>

<sup>3</sup> <https://www.ons.gov.uk/visualisations/censuspopulationchange>

other end of the spectrum, three London boroughs have seen their population decline (Camden, Westminster and Kensington and Chelsea).

London has a young population compared to other parts of the country. Of London's 8.9 million population, 6.3 million were of working-age (16-64) which represents almost 70% of the population<sup>4</sup>, this contrasts with 63% across England. Figure 1 shows the share of population by age in London and England. One in five residents in England (19%) are aged 65 or over, however the figure is close to one in ten in London (12%). Whilst London has a comparatively young population it is experiencing growth in the share of residents over the age of 65. Between 2011 and 2021 the number of Londoners aged 65 and over increased by over 100,000 which represents an increase of 15.3%, although this remains lower than the average growth seen across England.<sup>5</sup>

**Figure 1: Population by age group, 2024**



Source: ONS, Mid-year population estimates, 2025

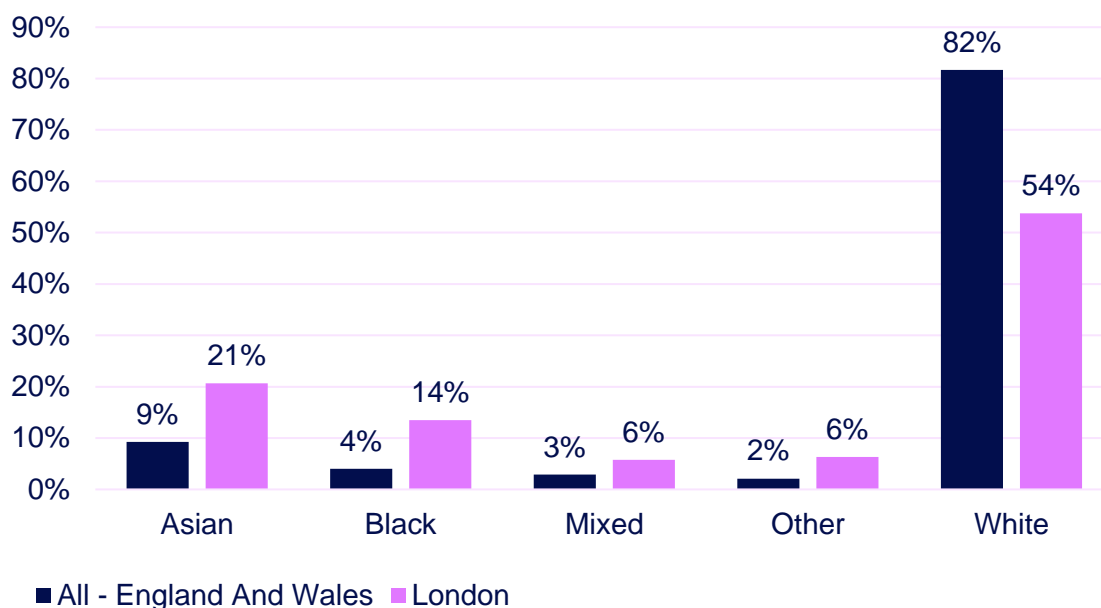
London's population and therefore its labour market is also ethnically diverse. According to the latest Census (2021), London's population comprised 4.73 million people from a White ethnic background (54%), 1.82 million from an Asian background (21%), 1.19 million people from a Black background (14%), 0.51 million people of Mixed or multiple ethnicities (6%) and 0.56 million people from Other ethnic groups (6%).<sup>6</sup> Varied cultural backgrounds enrich London's social fabric, foster international connections, and bring new opportunities for businesses.

<sup>4</sup> ONS, Mid-year population estimates, 2025

<sup>5</sup> <https://www.ons.gov.uk/visualisations/censuspopulationchange>

<sup>6</sup> [Regional ethnic diversity - GOV.UK Ethnicity facts and figures](#)

**Figure 2: Share of population by ethnic background, 2021**



Source: HM Government, *Regional ethnic diversity using Census 2021, 2023*

### Population projections

London's population is expected to continue to grow – reaching 9.3 million by 2030 based on projections produced by the GLA.<sup>7</sup> However, not all age groups are expected to grow at the same rate. In 2019, there were 1.84 million people aged 0 to 16 in London, however by 2030 this number is expected to decline to 1.64 million.<sup>8</sup>

According to GLA population projections, the number of Londoners 16 and under peaked in 2019 and will continue to reduce in the long term. The reduction in school-age children in London is putting pressure on schools as their funding declines, and some are closing. Research produced by London Councils in 2025 predicts a decrease of 3.6% in reception pupil numbers in London over the next four years.<sup>9</sup> This translates to 3,195 places which is roughly equivalent to a drop of 117 reception classes. It also predicts a drop of demand of 2.9% for pupils beginning secondary school. The decrease for pupils entering year 7 translates to 2,646 places, roughly equivalent to 100 year 7 classes.

The reduction in the number of young people is in part due to the declining birth rate and movement of families out of London. In 2024, the total fertility rate (TFR) for England and Wales was 1.41 children per woman compared to 1.8 in 2014.<sup>10</sup> However, London was one of the two regions to experience an increase in the TFR in the last year - London increased from 1.33 in 2023 to 1.35 in 2024. Despite a recent rise in London the TFR remains below the English and Welsh average.

The population aged 25–49 is projected to continue growing, reaching its peak in approximately 20 years, whilst the 50–64 age group is projected to grow rapidly, increasing by just under 200,000 over the next 25 years. Notably, the population aged 65 and over is

<sup>7</sup> GLA, [London's Population Projections, 2022](#).

<sup>8</sup> GLA, [London's Population Projections, 2022](#).

<sup>9</sup> <https://www.londoncouncils.gov.uk/news-and-press-releases/2025/continued-drop-school-places-demand-creates-impossible-choices-london>

<sup>10</sup> ONS, *Births in England and Wales: 2024 (refreshed populations)*, 2025.

projected to increase by more than 600,000 over the next 25 years. Consequently, although London's labour market benefits from a higher proportion of working-age residents, the growing number of older Londoners combined with the falling share of children below the age of 16 indicates a potential change in public service delivery in the future - including employment and skills provision geared towards supporting an ageing workforce.

### **Internal and international migration**

Despite the changing demographics of the city - the working-age population in London's labour market is expected to continue to grow due to internal and international migration.

London's population and labour market is influenced by the movement of people in and out of the capital. The latest available regional data shows that London's population increased between mid-year 2023 and 2024. Two of the components of this population change are internal and international migration. Internal migration (the movement of residents across different UK regions) resulted in a net reduction of the London population (more people moved out of London than moved into London). In contrast, international migration resulted in a net increase to the London population.<sup>11</sup> Internal migration, a strong pool of international talent, and the prevalence of flexible roles contribute to a workforce that is continually evolving in London.

In addition, it is also important to note that many travel into London each week for work, these individuals are not London residents and therefore are not captured in the population or migration statistics.

#### *International workforce*

In December 2024, two million employments in London were held by non-UK nationals, this is equivalent to 42% of all employments (Figure 3).<sup>12</sup> London's share compares to 16% of all employment in the rest of the UK. Since Brexit and the end of free movement there has been a decline in the number of EU nationals in the London labour market (-6% between December 2020 and December 2024) and an increase in non-EU nationals (+55% between December 2020 and December 2024).

Many of London's largest industries have a large share of nationals from outside of the UK. Across London, 58% of jobs are held by UK nationals. The largest sector in London is Health and Social Work which has a total workforce of over 600,000 with 47% non-UK nationals. The sector with the largest share of non-UK workers is accommodation and good services where 61% of workers are from abroad, equivalent to 270,000 people.<sup>13</sup>

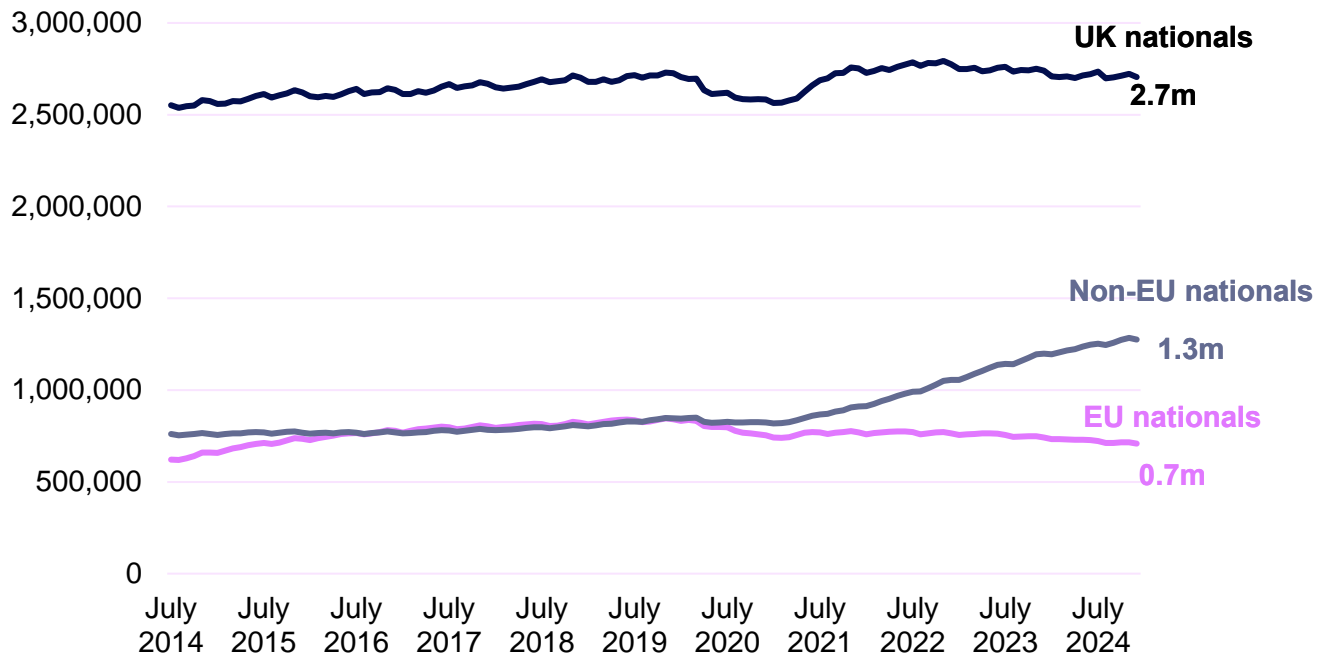
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<sup>11</sup> ONS, Estimates of the population for England and Wales, 2025.

<sup>12</sup> HM Revenue and Customs, UK payrolled employments by nationality, region, industry, age and sex, from July 2014 to December 2024, 2025.

<sup>13</sup> HM Revenue and Customs, UK payrolled employments by nationality, region, industry, age and sex, from July 2014 to December 2024, 2025.

**Figure 3: Monthly counts of payrolled employments in London for UK, EU and non-EU nationals, July 2014 – December 2024**



Source: HM Revenue and Customs – Pay As You Earn Real Time Information (non-seasonally adjusted) and Migrant Worker Scan. Note: Estimates are based on where employees live.

### International students

International students are an important part of London’s population and economy. London’s higher education sector is world renowned and therefore London benefits from a large number of international students. Each year over 200,000 international students are educated in London.<sup>14</sup> For example, more than a quarter of undergraduates and two thirds of postgraduates in London’s higher education institutions came from outside of the UK. However, recent national policy changes could cause a reduction in these figures in future years. Home Office statistics indicate there was a drop of 14% in student visa applications in the 2023/24 academic year compared to the previous 12 months<sup>15</sup> suggesting there could be a future reduction in the number of international students in London.

Nationally, evidence from 2023 (latest available) shows that the economic impact of international students was £41.9bn for the 2021/22 cohort rising from £31.3bn in 2018/19.<sup>16</sup> Accounting for public services costs, the net benefit was £37.4bn, which implies a benefit to cost ratio of 9.4. Approximately £33.5bn was generated by non-EU students (nearly 90% of total net impact). The net impact was highest in London compared to other UK regions - estimated at just under £10bn for the 2021/22 cohort (around 25% of national figure). This corresponds to an average net benefit of £1,040 per Londoner.

<sup>14</sup> HESA, Where do HE students come from?, 2025

<sup>15</sup> Home Office, Why do people come to the UK? Study, 2025.

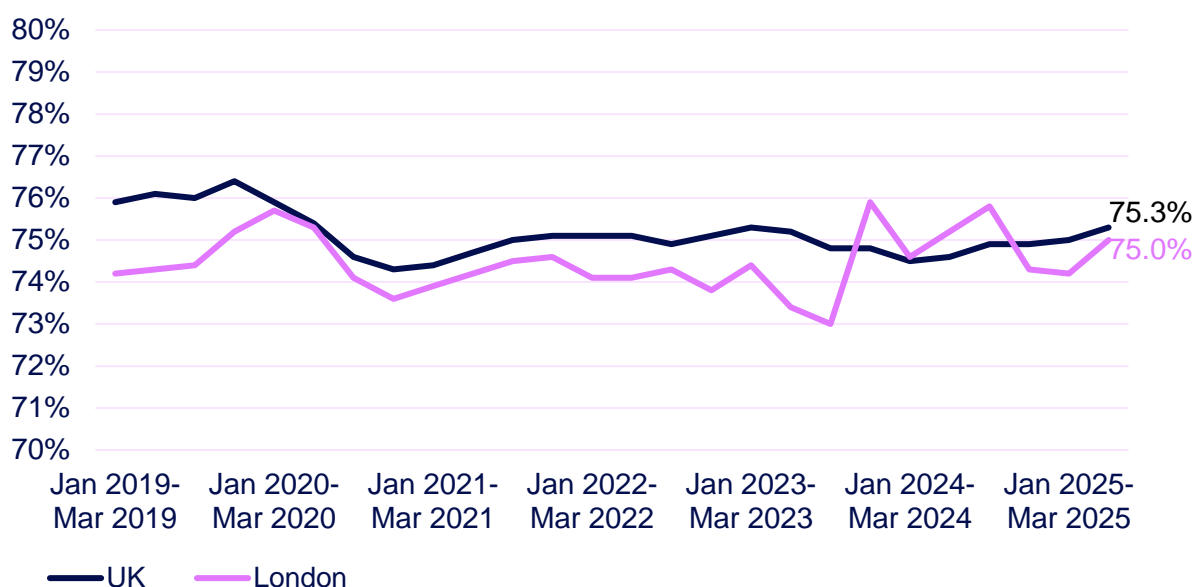
<sup>16</sup> London Economics, The benefits and costs of international higher education students to the UK economy, 2023.

## Resident employment rate

The first part of the labour market participation narrative focuses on those currently in work before moving to unemployed and economically inactive Londoners. In July 2025, London was home to approximately 4.3 million payrolled employees, down by 42,700 compared to the same month in 2024.<sup>17</sup> However, payrolled employees represent only part of the picture; total employment was 4.9 million people in June 2025.<sup>18</sup> The key distinction being that payrolled employees reflects those on Pay As You Earn (PAYE) schemes, whilst total employment captures all individuals in work, including self-employed and informal workers.

The gap between London's employment rate and the UK average has declined in recent years (Figure 4), despite volatility in London's employment rate across 2023 and 2024.

**Figure 4: Employment rate (16-64), London and UK, January 2019 – June 2025**



Source: ONS, Labour Force Survey, January 2019 to June 2025, 2025. Note: Employment rate is the share of the population 16-64 in employment

The national government are aiming for an employment rate of 80% across the UK, but currently there are large regional differences. In April – June 2025, the South West (80.2%), South East (79%) and East of England (78.5%) had the highest levels of employment amongst English regions– all near the government target of 80%. However, London's employment rate was 75%, which is marginally lower than the UK average (75.3%).

To reach the government's target of 80% employment rate there would need to be a five percentage point increase in employment, therefore around an additional ~327,000 Londoners would have needed to have been in employment in June 2025.<sup>19</sup> To reach this target it will be important to support unemployed and inactive Londoners who want to work into employment.

London is a diverse region made up of 33 local authorities - each with their own unique labour market profile shaped by local demographics, economic conditions, and sectoral

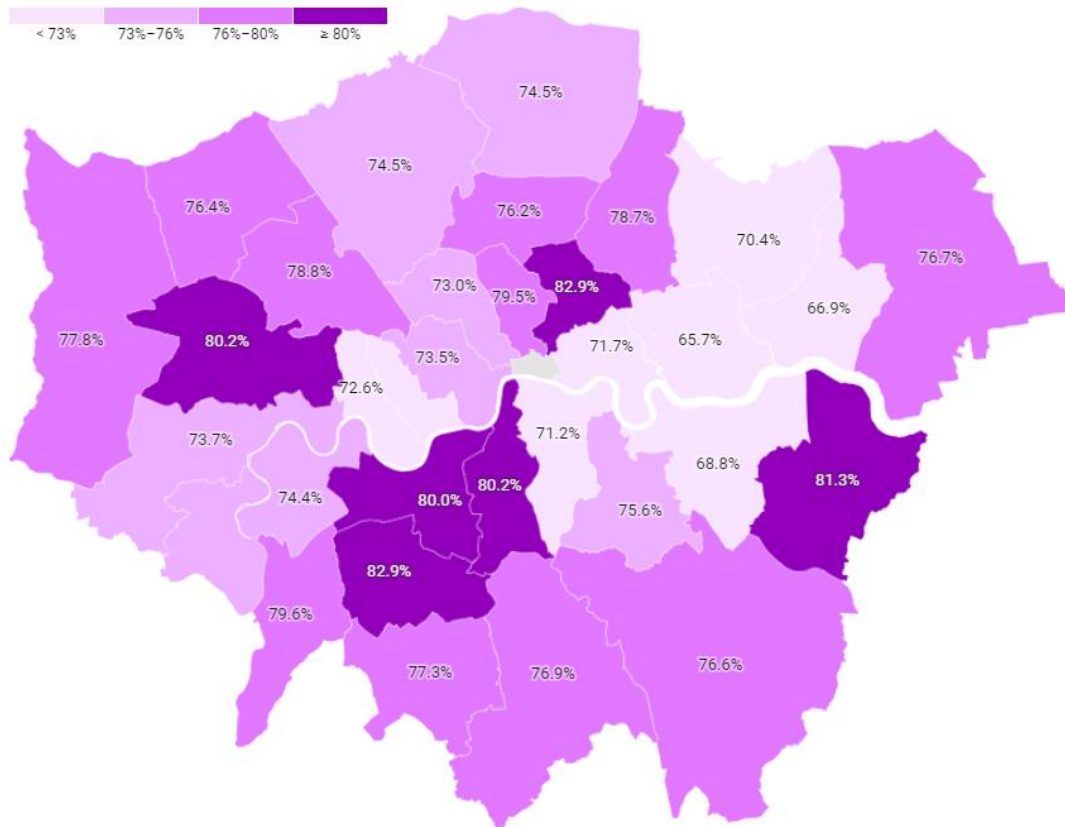
<sup>17</sup> <https://data.london.gov.uk/dataset/gla-economics-labour-market-update/>

<sup>18</sup> ONS, Labour Force Survey, April to June 2025, 2025.

<sup>19</sup> Based on GLA analysis of Labour Force Survey, April to June 2025, 2025.

strengths. A more detailed picture of these borough-level labour market dynamics, including population, employment and inactivity rates, and percentage of low-paying jobs, is available in the annex. Between April 2024 and March 2025, seven local authorities had employment rates above the government’s 80% target (Figure 5).<sup>20</sup> The highest rates of employment are seen in Hackney (82.9%) and Merton (82.9%). In contrast, Kensington and Chelsea (61%), Newham (65.7%) and Barking and Dagenham (66.9%) have the lowest employment rates. Due to data issues with the Labour Force Survey some caution should be used when comparing local authorities (Table 1 in the appendix shows the confidence intervals).

**Figure 5: Employment rate (16-64) by London Local Authority, April 2024 - March 2025**



Map data: © Crown copyright and database right 2018 - Created with Datawrapper

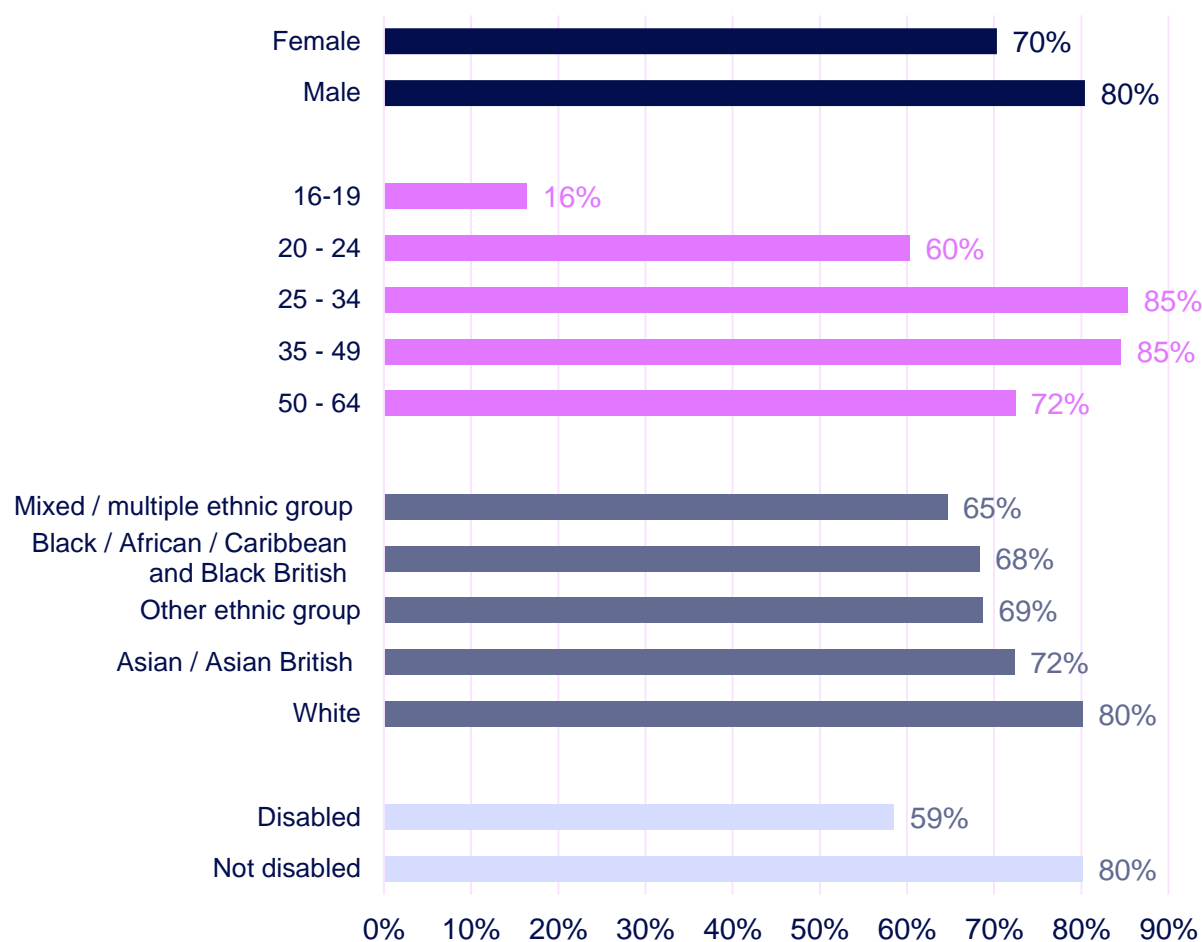
Source: ONS, Annual Population Survey, April 2024 – March 2025. Note: Due to data issues surrounding the Labour Force Survey some caution should be used when interpreting statistics beyond the headline London level.

### Employment rate disparities

Geographical variation is not the sole form of disparity in employment rate observed across London (Figure 6). There are wide gaps in employment rate by gender, ethnicity and disability. It is worth noting that whilst this report focuses on employment rate gaps, amongst those in work there can also be significant wage disparities between these groups.

<sup>20</sup> ONS, Annual Population Survey, April 2024 – March 2025, 2025.

**Figure 6: Employment rate (16-64) by selected characteristics, April 2024 - March 2025**



Source: ONS, Annual Population Survey, April 2024 – March 2025

Note: Due to data issues surrounding the Labour Force Survey some caution should be used when interpreting statistics beyond the headline London level.

### Disparities by gender

In March 2025, Women were 10 percentage points less likely to be in employment compared to men in London.<sup>21</sup> In addition, London’s female employment rate has declined in the last four years - in 2020, 71.5% of women aged 16-64 were employed compared to 70.4% in March 2025. The female employment rate in the UK between April 2024 and March 2025 was 72.1%. The reduction in London’s female employment rate has coincided with an increase in the female employment rate across the UK - therefore the gap between London and the UK has widened and now stands at 1.7 percentage points.

Alongside the employment rate gap there are also differences in the working pattern of men and women. Only 15% of men aged 16-64 in employment worked part-time in 2024, in contrast for women the figure was 27%. The rate of part-time work increases to 38% for women over the age of 50, compared to 21% of men aged 50+.

<sup>21</sup> ONS, Annual Population Survey, April 2024 – March 2025, 2025.

### Disparities by age

There are clear differences in employment rate by age. Londoners aged under 24 have low levels of employment, likely due to the large share of Londoners accessing further and higher education opportunities. Individuals aged 25 to 49, who make up 40% of the population, are the most likely to be in employment - with employment rates of 85%. Older individuals (50 to 64) are less likely to be in employment (72%). The share of older individuals not in employment is an important factor to monitor as London's population ages and as the state pension age continues to rise.

There are interesting differences by gender and age - only 77% of women aged 35 to 49 are employed compared to 92% of men, this equates to a 15-percentage point gap in their employment rates. Reasons for the gap in employment rates by gender and age could be in part explained by caring or childcare responsibilities (explored in Chapter 3).

### Disparities by ethnicity

Turning our focus to ethnicity employment gaps, between April 2024 and March 2025, White Londoners had the highest employment rate: standing at 80.1%. In contrast, only 64.6% of Londoners from a mixed / multiple ethnic group background were in employment - this equates to more than a 15 percentage point difference between the highest and lowest.<sup>22</sup>

It is important to recognise that data by broad ethnic groups can obscure disparities within those groups and overlook intersecting factors such as gender and ethnicity. Intersectionality can lead to further inequalities, for example Bangladeshi and Pakistani women in London have significantly lower employment rates than White women or Bangladeshi and Pakistani men.<sup>23</sup>

The GLA has recently published evidence on the economic consequences of labour market inequalities by ethnicity. The research finds that Londoners from Black and racially minoritised backgrounds have a significantly lower average employment rate. But, even when in work and holding comparable educational qualifications, they are underrepresented in the highest earning occupations and overrepresented in the lowest paying occupations.<sup>24</sup> The research finds that if employment rates were equal across ethnic groups in London in 2023, there would have been around 290,000 more Londoners from Black and racially minoritised backgrounds in employment. Equalising employment rates would increase London's workforce by 6% and translate to £17.4bn in higher salaries for racially minoritised groups.

These findings are in line with the Institute of Health Equity report on structural racism and health inequalities in London. The research found that many ethnic minority groups in London experience lower rates of employment than White people - despite having positive educational outcomes and higher rates of educational attainment on average than White students. This is due, at least in part, to the impacts of racism and discriminatory hiring practices.<sup>25</sup>

Barriers to employment and skills access, including discrimination, will be explored further in Chapter 3 of this report.

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<sup>22</sup> ONS, Annual Population Survey, April 2024 –March 2025, 2025.

<sup>23</sup> NIESR, Bangladeshi and Pakistani Women in Good Work: Barriers to Entry and Progression, 2025.

<sup>24</sup> GLA, Bridging the Gap: The Economic Case for Workforce Diversity in London, 2025. (forthcoming)

<sup>25</sup> Institute for Health Equity, Structural racism, ethnicity and health inequalities in London, 2024.

### Disparities by disability and health conditions

A priority for the GLW plan is to improve the economic position of Londoners with disabilities or health conditions (See Chapter 3 for more detail). Across the UK and London there is a large gap in the employment rate of people depending on their disability status. In London in 2024, only 59% of those with an Equality Act (EA) core or work limiting disability were in employment, this compares to 80% of those without. Many of these individuals may want to work but are not able to find employment that suits their needs. Research shows that people with a disability can find it particularly difficult to access good work or training – often hiding their disability as they believe this will work against them.<sup>26</sup> The share of Londoners inactive due to ill-health but who want to work is explored in more detail later in this report.

The gap in employment rate based on an individual's disability status has declined in recent years (Table 1). In 2020, the employment rate gap between those with and without a disability in London was 25 percentage points (pp), but has declined to 21.4 percentage points by 2024, which is a 3.6pp reduction in the employment rate gap. This has been predominately driven by improvements in the employment rate of those with an EA core of work limiting disability.

**Table 1: Gap in employment rate by disability status (16-64), London and UK, 2020 & 2024**

Area	2020			2024			Change (2020 to 2024)
	Employment rate EA core or work limiting disabled	Employment rate not EA core or work limiting disabled	Gap	Employment rate EA core or work limiting disabled	Employment rate not EA core or work limiting disabled	Gap	
UK	54%	81%	26.8pp	57%	82%	25.6pp	-1.2pp
London	55%	80%	25.0pp	59%	80%	21.4pp	-3.6pp

Source: ONS, Annual Population Survey, 2025

The conditions held by Londoners with disabilities will influence their likelihood of being in employment. National evidence suggests just 31% of those with neurodiversity conditions were in employment.<sup>27</sup>

### Disparities by educational attainment

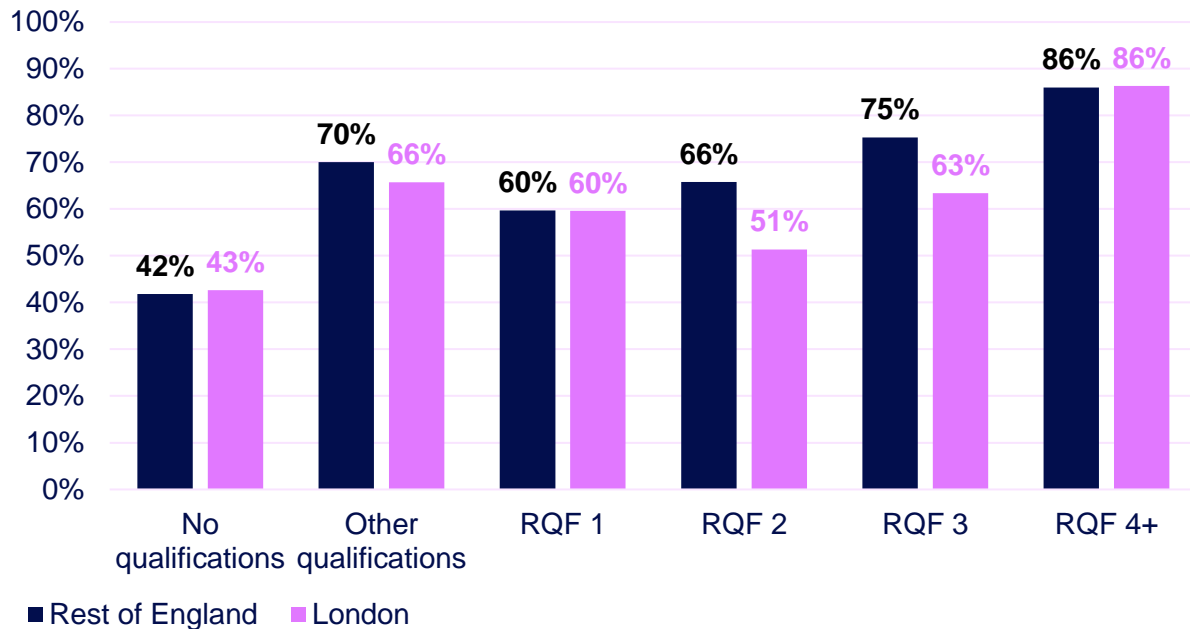
Another significant predictor of the likelihood of being in employment is the highest level of qualification held by an individual. The latest available data (Figure 7) shows 86% of Londoners who hold a Regulated Qualification Framework (RQF) at Level 4+ (equivalent higher education) as their highest qualification were in employment, compared to 51% of those who hold RQF2 (GCSE A\* to C equivalent).

<sup>26</sup> Young Foundation, No Wrong Door: How an integrated employment and skills system can support Londoners, 2023

<sup>27</sup> <https://www.gov.uk/government/news/employment-prospects-for-neurodiverse-people-set-to-be-boosted-with-launch-of-new-expert-panel>

When focusing on those with an RQF2 or RQF3 as their highest qualifications those in London are much less likely to be in employment compared to the rest of England. The disparity in employment rates could signal a tougher labour market for those with lower levels of qualifications in London compared to the rest of the country, highlighting the importance of skills accumulation.

**Figure 7: Employment rate (16-64) by highest qualification, London and Rest of England, April 2024 - March 2025**



Source: ONS, Annual Population Survey, April 2024 – March 2025

Note: Due to data issues surrounding the Labour Force Survey some caution should be used when interpreting statistics beyond the headline London level.

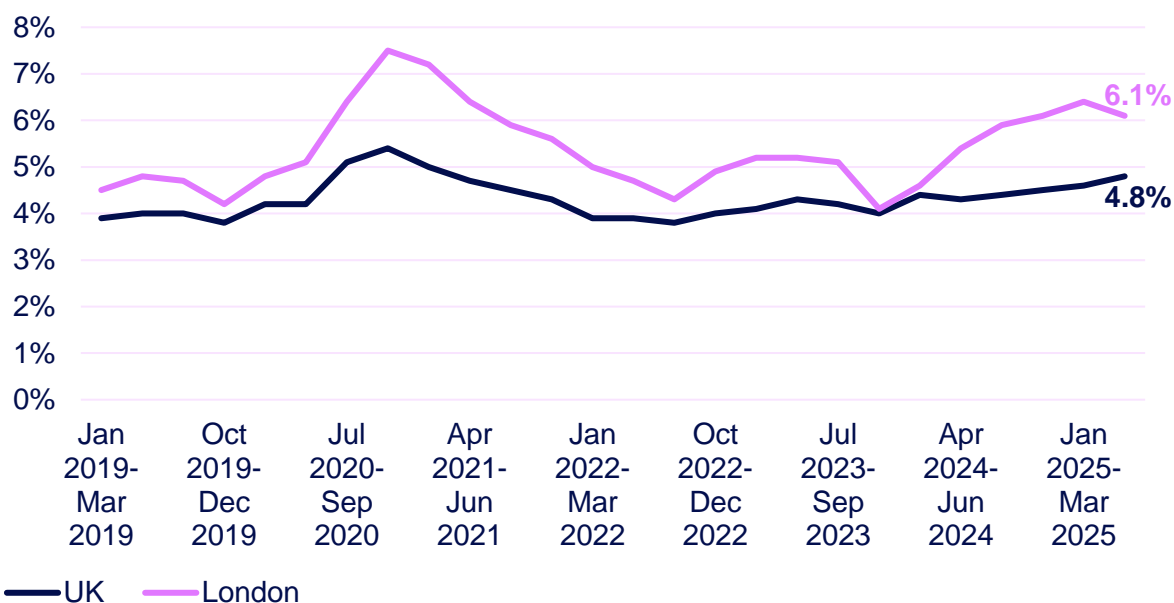
### Unemployment rate

Those not in employment are either economically inactive or unemployed and looking for work. First, we will focus on those who are unemployed.

As of June 2025, London had the highest regional unemployment rate across the country (6.0%).<sup>28</sup> There has been a small level of decline in unemployment in London in recent months, but the overall trend since the beginning of 2024 has been of increasing unemployment (Figure 8).

<sup>28</sup> GLA, London Labour Market Update, three-month period ending June 2025, 2025.

**Figure 8: Unemployment rate (16-64), London and UK**



Source: ONS, Labour Force Survey, January 2019 to June 2025, 2025. Note: Unemployment rate is the share of the economically active population 16-64 who are unemployed.

In 2024, there was a 4.9 percentage point difference in the share of Londoners who are unemployed in the highest and lowest ranked London boroughs for unemployment; Barking and Dagenham has the highest share of Londoners who are unemployed (10.2%), in contrast only 3% of Londoners in Merton are unemployed.<sup>29</sup>

Across the capital there is a small difference in the unemployment rate of men and women. In 2024, 4.5% of men aged 16+ were unemployed compared to 5.2% of women. Data by gender and London Borough is limited due to sample sizes. However, where data is available, we can see some variance: for example, in 2024 in Croydon, 8.4% of men aged 16+ were unemployed, compared to only 3.3% of women. In contrast, in Barking and Dagenham 3.9% of men aged 16+ were unemployed compared to 10.4% of women. Disparities related to ethnicity and disability are also evident, mirroring the patterns outlined in the employment section above.

Due to limitations with the Labour Force Survey, the unemployment rate data can hide some of the nuances of understanding who is claiming out of work benefits and engaging with employment support programmes. Claimant count data (which is a measure of the number of people claiming benefits principally for the reason of being unemployed) suggests just almost 360,000 Londoners were claiming unemployment-related benefits in August 2025.<sup>30</sup> The number of claimants in London increased by 7,670 compared to the same period last year (2024).

Those claiming out of work benefits are quite equally split by gender, with males representing 53% of claimants. Around 15% of claimants were aged 16 to 24 this equates to just over 52,000 young Londoners. Those aged between 16 and 24 are the age group with

<sup>29</sup> ONS, Annual Population Survey, April 2024 to March 2025, 2025.

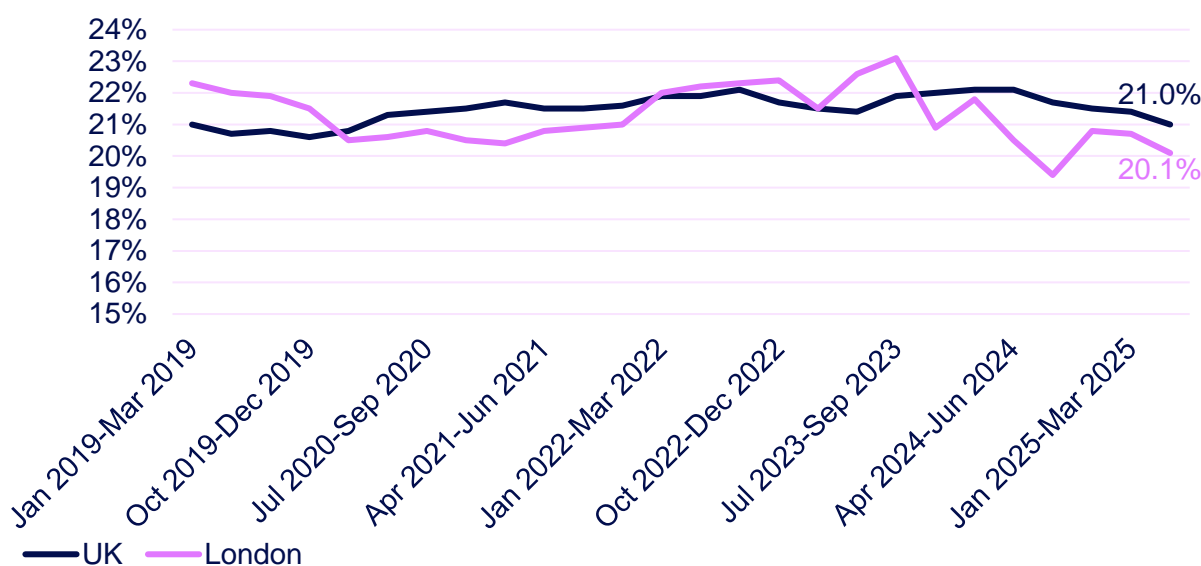
<sup>30</sup> ONS, Claimant Count - seasonally adjusted, 2025.

the biggest percentage rise in the number of claimants over the last year in London. This is a change from spring 2025, which showed numbers of older claimants rising faster.<sup>31</sup>

## Economic inactivity

Those furthest away from the labour market are those who are economically inactive - this means they are not seeking or available to work. Economic inactivity<sup>32</sup> is not as high in London as the UK average (UK: 21%). However, the London rate of economic inactivity still stands at over one-fifth of the working-age population (20.1%)<sup>33</sup> but this is below the levels seen pre-pandemic in the capital (see Figure 9). Despite a lower-than-average rate of economic inactivity, due to the size of the capital, there are almost 1.3 million Londoners who are economically inactive.

**Figure 9: Economic inactivity rate (16-64)**



Source: ONS, Labour Force Survey, January 2019 to June 2025, 2025

Note: Economic inactivity rate is the share of the population 16-64 who are economically inactive.

There is large variation in economic inactivity across London and within sub-regional partnerships.<sup>34</sup> In Central London Forward, the inactivity rate ranges from 14% in Wandsworth and Lambeth to 34% in Kensington and Chelsea. The rate of economic inactivity by borough is available in the appendix.

Levels of economic inactivity also vary by demographics:

- Young people (18-24) are the most likely to be economically inactive due to their engagement with education, whilst only 10.4% of Londoners aged 25 to 34 are inactive. In contrast, one quarter of 50 – 64 years olds are inactive.
- Focusing on gender, 15.6% of men aged 16-64 are economically inactive, compared to 25.3% of women.

<sup>31</sup> This is likely due to the rollout of a higher administrative earnings threshold between May and November 2024. That raised the number of claimants, particularly in June to July 2024. Consequently, year-on-year growth rates have shifted as the impact of the threshold change is no longer reflected in the calculation.

<sup>32</sup> Economic inactivity is defined as people not in employment who have not been seeking work within the last 4 weeks and/or are unable to start work within the next 2 weeks.

<sup>33</sup> GLA, London Labour Market Update, three-month period ending June 2025, 2025.

<sup>34</sup> Definition of the sub-regional partnerships is provided within the appendix.

- By ethnicity, 24.5% of Londoners from ethnic minority backgrounds are inactive, this is lower than the English average for ethnic minority groups.
- Over a third (36.4%) of Londoners with an EA core or work limiting disability are inactive.<sup>35</sup>

As demonstrated by the differences in inactivity by age and gender, there are numerous reasons why people are economically inactive, some will want to work but for several reasons cannot whilst others don't want to or aren't able to work. Many of those who are economically inactive would like to work but can't at present (Table 2). In London more a quarter of a million residents who are inactive would like a job, equivalent to one in five economically inactive people. This is higher than the share across the UK (18.9%).

**Table 2: Desire to work amongst economically inactive individuals, London and UK, 2024**

Economically inactive	London (level)	London (%)	UK (level)	UK (%)
<b>Wants a job</b>	<b>263,800</b>	<b>20.8%</b>	<b>1,706,000</b>	<b>18.9%</b>
<b>Does not want a job</b>	<b>1,002,400</b>	<b>79.2%</b>	<b>7,331,100</b>	<b>81.1%</b>

Source: ONS, Annual Population Survey, April 2024 - March 2025. Notes: Numbers are for those aged 16-64. % is a proportion of those economically inactive.

The reason for economic inactivity can influence whether an individual wants to work, for example, 68,600 Londoners who are economically inactive due to long-term sickness want to work. Table 3 outlines the reasons for economic inactivity across London and the UK amongst those aged 16-64. In London, 33% of those who are economically inactive are inactive because they are a student, compared to 27% across the UK. London has a lower share of people who are economically inactive due to long-term sickness (22.1% compared to 28.4%) and who have retired (7.1% compared to 11.2%) compared to the UK, this is consistent with London's comparatively younger population.

**Table 3: Reasons for economic inactivity, London and UK, 2024**

Economically inactive	London (level)	London (%)	UK (level)	UK (%)
<b>Total</b>	<b>1,266,200</b>	<b>20.4%</b>	<b>9,037,100</b>	<b>21.6%</b>
<i>Of which....</i>	<i>Share of economically inactive</i>			
Student	419,400	33.1%	2,423,600	26.8%
Looking after family / home	277,700	21.9%	1,657,300	18.3%
Temporary sick	20,800	1.6%	200,400	2.2%
Long-term sick	280,400	22.1%	2,567,500	28.4%
Discouraged	#	#	25,700	0.3%
Retired	90,400	7.1%	1,147,500	12.7%
Other	173,800	13.7%	1,015,200	11.2%

Source: ONS, Annual Population Survey, April 2024 - March 2025. Notes: Numbers are for those aged 16-64. % is a proportion of those economically inactive, except total, which is a proportion of those aged 16-64. # Represents data excluded for disclosure reasons.

<sup>35</sup> ONS, Annual Population Survey, April 2024 - March 2025, 2025.

The reasons for economic inactivity vary by location across London. For instance, at the sub-regional partnership (SRP) level there are significant differences. Across all SRPs more than 30% of those who are economically inactive are inactive due to being a student (30% in West London Alliance and 37% in Central London Forward). When focusing on those who are long-term sick, we see that a quarter (25%) of those who are inactive in Local London are long-term sick compared to one in five (20%) in Central London Forward.

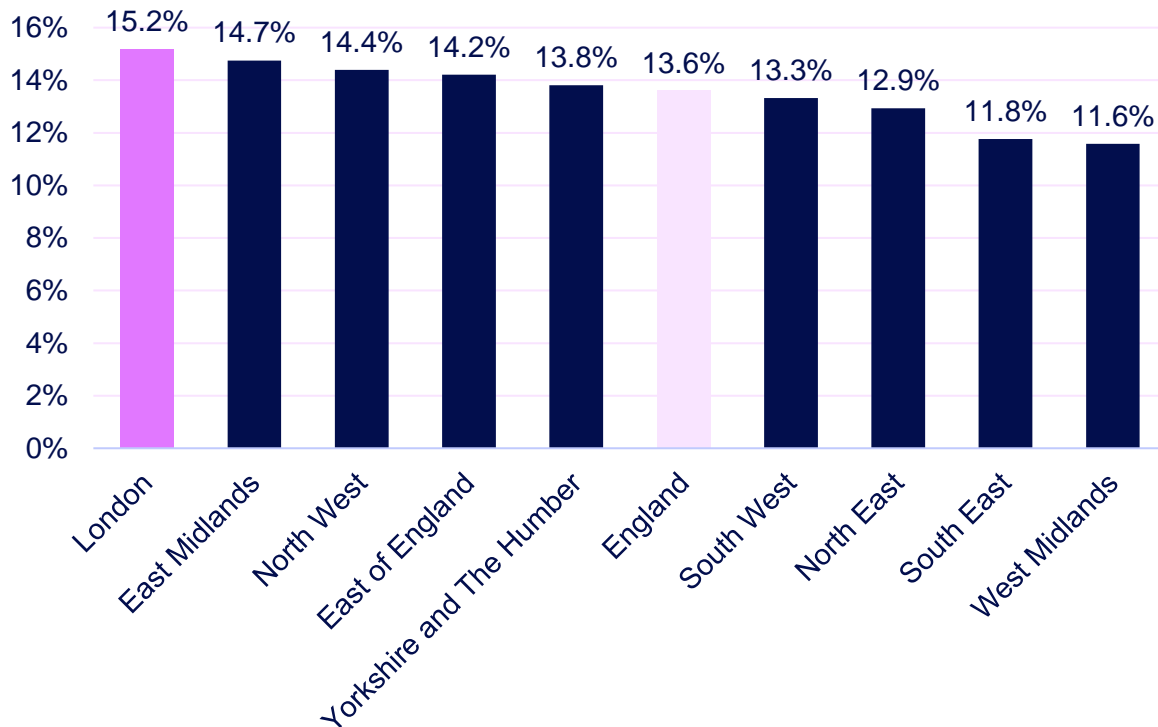
Across London, the share of the population who are economically inactive due to long-term sickness has been rising across London and the UK since 2020, this will be explored in more detail in Chapter 3.

Not in education, employment or training (NEET)

As shown above, a large share of young people are economically inactive. However, this is commonly due to being in education or training (a student). Therefore, it is important for us to consider young people who are NEET.

The share of 16-24 year olds who are NEET in London was 15.2% in Q4 2024, this was the highest of all English regions (Figure 10), and 1.6 percentage points higher than the English average.<sup>36</sup> There is a lack of evidence on the demographics of NEET Londoners.

**Figure 10: Share of 16-24 Not in Education, Employment or Training (NEET) by English region, Q4 2024**



Source: Department for Education, NEET age 16 to 24, Q4 2024, 2025

<sup>36</sup> Department for Education, NEET age 16 to 24, 2025.

## Chapter 2: London's skills landscape

This chapter outlines key themes in London's skills and labour market landscape, including high levels of educational attainment, but with persistent disparities in access to learning opportunities for some. It highlights the role of adult education in workforce development, rising demand for skills amid technological change, and the growing economic potential of the city's resilience to climate change and transition to net zero.

### Summary of key points

- London's working-age population is highly educated, with strong progression into higher education. Six in ten (62%) of working-age Londoners hold qualifications at Level 4 or above (equivalent to higher education).
- However, gaps in access to learning opportunities remain, limiting post-education outcomes.
- Apprenticeship starts remain stable, with growth in higher-level programmes and strong participation from women and ethnic minorities.
- Adult education supports workforce development, despite reduced public investment. Programmes like the Adult Skills Fund and Skills Bootcamps show positive outcomes in London.
- Skills demand is high, with rising job vacancies and persistent gaps in workforce proficiency, especially amid AI-driven changes in London's knowledge-based economy.
- The net zero transition offers major economic potential, with over 600,000 green jobs projected by 2030 and £54.9 billion contributed by the Low Carbon and Environmental Goods and Services (LCEGS) sector in 2023/24.
- Green job postings are increasing, with employers seeking technical and strategic sustainability skills. London's green workforce is concentrated in high-skill, advisory roles.

### Education and labour supply

The first section of this chapter focuses on access to education across London, the level of skills held by Londoners and the outcomes achieved.

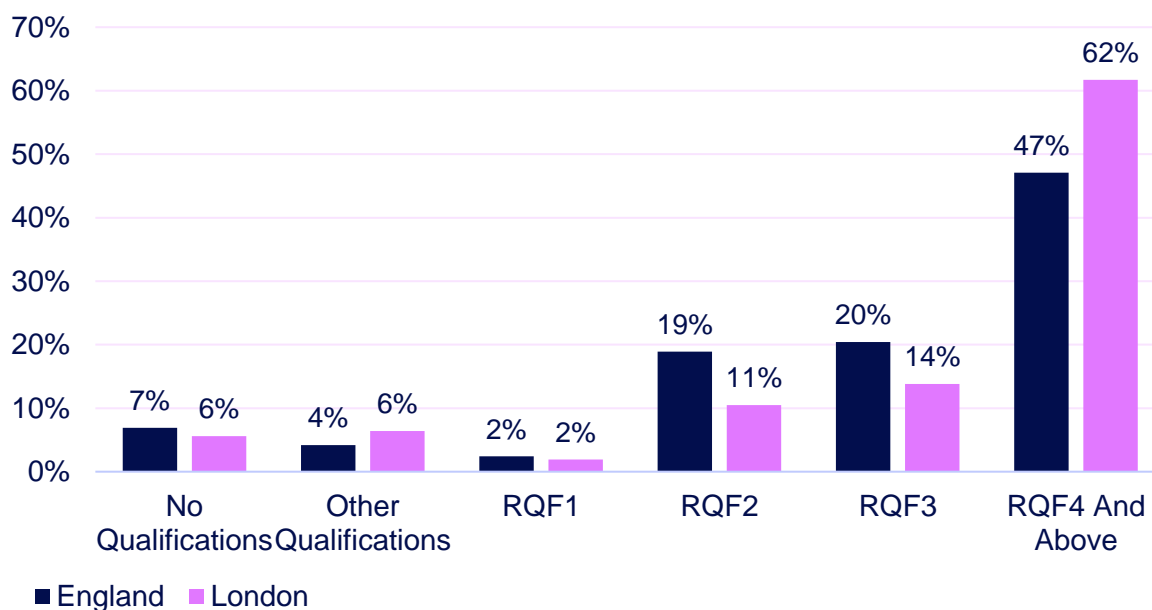
#### Qualification attainment and essential skills

London's population is highly educated with more than six in ten (62%) Londoners of working-age holding a qualification of Level 4 or above (equivalent to higher education) compared to less than half of people across England (47%) (Figure 11). However, 6% hold no qualifications this is only marginally lower than the English share (7%).<sup>37</sup>

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<sup>37</sup> ONS, *Annual Population Survey, January – December 2024, 2025*

**Figure 11: Highest qualification held, 16-64, 2024**



Source: ONS, Annual Population Survey, January – December 2024, 2025. Note: Percentage is a proportion of resident population of area aged 16-64. RQF stands for Regulated Qualification Framework in England. ‘Other qualifications’ relate to qualifications not part of the formal qualification framework and qualifications gained abroad with no UK equivalent.

There are large differences in the qualification profile of residents across the London boroughs. Seven London boroughs have more than 10% of the population having a Level 2 or below (GCSE equivalent) as their highest qualification – meaning more than one in ten have only GCSEs or lower - in Enfield for example, the figure is 14%. In contrast, in Lambeth and Islington less than 5% of the population hold a Level 2 or below as their highest qualification - suggesting high levels of qualifications amongst their population.

A large share of London’s population has essential skills needs including English, Literacy, Numeracy, and Digital. Research conducted in 2022 mapped essential skills needs (low literacy or numeracy) across the country, it found that 1.4 million Londoners have essential skills needs, equivalent to 23.2% of the population.<sup>38</sup> Whilst London’s share of the population with essential skills needs is lower than some other regions there are some local authorities with levels above the London average: Barking & Dagenham has the highest share of people with essential skills needs (25.4%), followed by Redbridge (25.2%). A lack of essential skills can limit employment opportunities (as explored in Chapter 1) but also in other areas of life such as engaging with their child’s homework, being able to accurately budget and generally live a full life.

Alongside essential skills, such as numeracy and literacy, many Londoners have English language needs which can stop them accessing employment, vital services, and engaging in their wider community. According to the 2021 Census, London has the lowest percentage of people who have English as their main language (78.4%, 6.7 million) amongst English regions.<sup>39</sup> Aggregate figures can hide differences across our city: in Bromley 92% of residents have English as their main Language, whilst in Newham the figure is 65%. Not all of those who have a language other than English as their main language will have English

<sup>38</sup> Learning & Work Institute, Mapping Local Essential Skills Needs, 2022.

<sup>39</sup> ONS, Language, England and Wales: Census 2021, 2022.

language needs. For example, among residents whose main language is not English, only 7.5% in the City of London and 11.2% of those in Hammersmith and Fulham report limited English proficiency. However, across London 355,000 people who don't have English as their main language do not speak English or do not speak English well (18%).<sup>40</sup> In Enfield, 28% of non-native English speakers cannot speak the language well, equating to approximately 18,000 individuals. The provision of English for Speakers of Other Languages (ESOL) can play an important role in supporting adults to improve their English proficiency (see Box 3).

### **Box 3: Overview of English for Speakers of Other Languages**

#### **English for Speakers of Other Languages (ESOL)**

ESOL courses are for students from overseas looking to learn English. The curriculum is designed to help individuals whose first language is not English develop their English language skills. These programs are essential for enabling learners to communicate effectively in English-speaking environments, whether for everyday interactions, further learning or entering the workplace. ESOL courses typically focus on reading, writing, listening, and speaking, and are tailored to accommodate varying levels of proficiency.

Adult education providers in London are able to fund formal ESOL courses through their Adult Skills Fund or informal ESOL with their Tailored Learning allocation. In 2023/24, the GLA supported 57,000 Londoners to access ESOL support.

### **Key Stage 5 (16-18) destinations**

An important part of the youth employment story is to understand the destinations of those leaving Key Stage 5 (KS5) (16-18 education). Around 65,000 of the 82,000 students leaving KS5 in academic year 2021/22 in London achieved a sustained employment, apprenticeship or education destination (79.6%).<sup>41</sup> The figure is higher in Outer London (80.9%) compared to Inner London (77.8%).

In terms of relative performance, London is the fifth highest of all English regions, and the best performing region is the East Midlands at 81.4%. However, London has the highest share of students remaining in education following KS5 (59.3%), but the lowest share of students continuing onto an apprenticeship (3.2%).

The data indicates that London performs comparatively well in securing positive post-KS5 destinations for students, but most continue in academic study rather than vocational routes.

One of the factors that influences the destinations of learners is the provision of high-quality careers education, information, advice and guidance (CEIAG). Research shows that schools who achieved higher Gatsby Benchmark scores typically reported that more students had positive sustained destinations post-16, with each additional benchmark achieved resulting in a 1.1% reduction in the share of NEET young people.<sup>42</sup> The GLA support careers advice for young people through the Careers Hubs (see Box 4).<sup>43</sup>

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<sup>40</sup> This includes all people resident in London aged 3 and above.

<sup>41</sup> Department for Education, 16-18 destination measures: Academic year 2022/23, 2025.

<sup>42</sup> Percy, C., Technical note: Looking deeper at destinations, Careers and Enterprise Company, 2024

<sup>43</sup> <https://www.london.gov.uk/programmes-strategies/jobs-and-skills/london-careers-hubs-information-employers-and-education-providers>

## Box 4: Overview of the Careers Hubs

### The Careers Hubs

A Careers Hub is a group of secondary schools, further education colleges, alternative provision and special schools in a dedicated area that work together to deliver high-quality careers education for all students. Collaborating with employers, the public, education and voluntary sectors, they help deliver the Gatsby Benchmarks and improve careers outcomes for young people.<sup>44</sup>

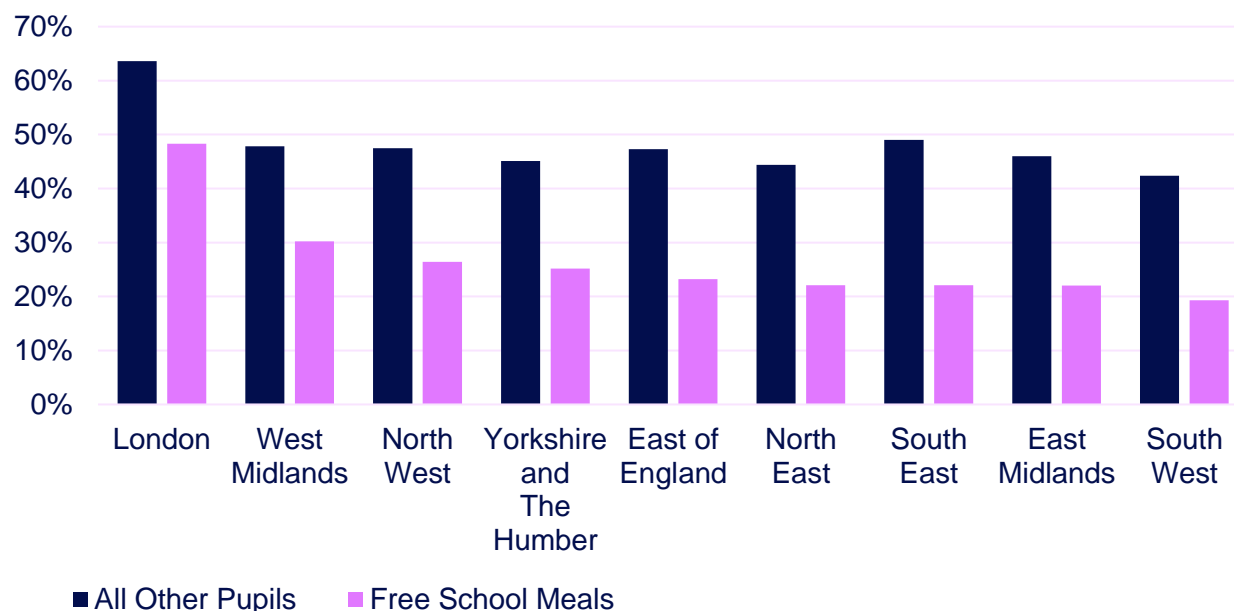
The Hubs led by Reed in Partnership (Central), Education Development Trust (EDT) (West), Local London (East) and the South London Partnership (South) align their thematic goals and performance indicators with those set by the Greater London Authority (GLA) and The Careers & Enterprise Company (CEC). Each has a Hub Delivery Fund that provides flexibility in responding to specific local needs.

### Higher education access and outcomes

As seen in the KS5 destination data a large share of Londoners progress onto higher education (HE). Data allows us to focus on the progression rates to higher education by age 19 for state-funded pupils. London has the largest share of pupil's progressing onto higher education (60.6%), this is 15 percentage points higher than the next best performing region.

Across the country there is a pronounced gap in the share of students going onto higher education based on whether they received Free School Meals (FSM) at school (Figure 12).

**Figure 12: Progression to Higher Education by age 19 - pupils in state-funded schools at age 15, by Free School Meal status, 2023/24**



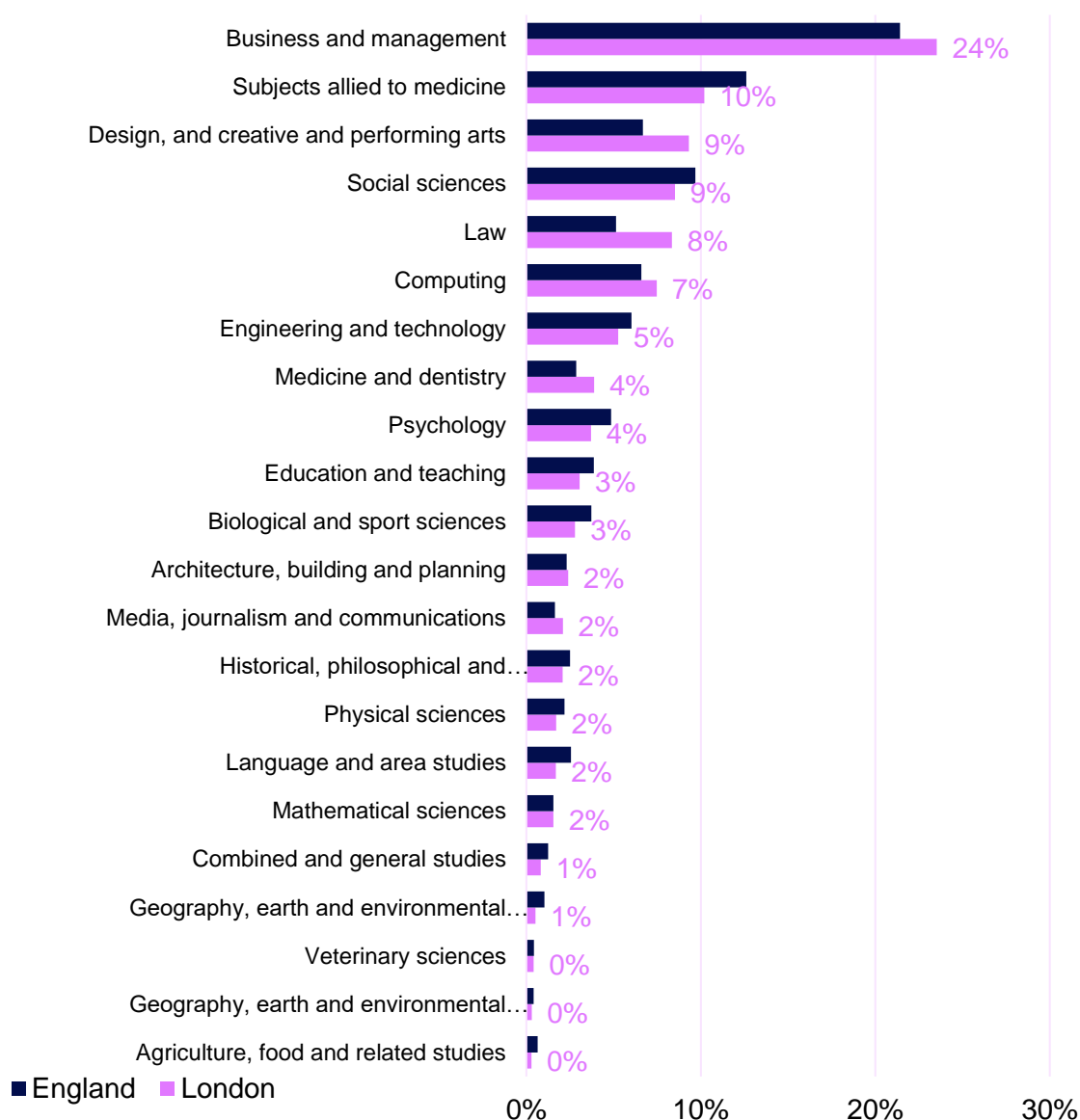
Source: Department for Education, *Widening participation in higher education: Academic year 2023/24, 2025*

<sup>44</sup> A summary of the London Careers Hubs evaluation will be published in Autumn 2025.

Whilst the FSM gap has fallen in recent years, it remains at 20.1 percentage points in 2023/24.<sup>45</sup> FSM students in London are as likely to progress onto higher education as those not in receipt of FSM in other regions. However, significant disparities persist within London, with a 15-percentage point gap in participation between students eligible for free school meals (FSM) and their non-FSM peers.

London has a large higher education sector with over 500,000 students in London based Higher Education (HE) providers in 2023/24.<sup>46</sup> To understand how London's higher education sector is contributing to the supply of skills it is important to consider the subject or study (Figure 13).

**Figure 13: HE student enrolments by subject of study, England and London, 2023/24**



Source: HESA, [What do students study?](#), 2025

<sup>45</sup> Department for Education, Widening participation in higher education: Academic year 2023/24, 2025.

<sup>46</sup> HESA, [Where do students study?](#), 2025.

The two most common subjects of study in London and England are Business and Management and subjects allied to Medicine. Differences in participation show where London's higher education sector has a specialism compared to other parts of the country: in London a larger share of students are studying Design, and Creative and Performing Arts and Law compared to the share seen across England.

London sends a high share of young people to university and benefits from a large number of young people moving to the city to study or create their careers. However, the outcome story of graduates living in London is mixed:<sup>47</sup>

- London has the lowest proportion (87%) of first-degree graduates who were in sustained employment and/or further study during the 2022-23 tax year five years after graduation amongst English regions. There was little difference in the proportions across the other English regions.
- Among first degree graduates who were in sustained employment five years after graduation, those living in London had highest median earnings, followed by the South East and East of England, reflecting that London and its surrounding areas do attract higher salaries, typically to offset the higher cost of living in these areas. There was little difference in graduate median earnings across the other English regions.
- Graduates living in London reported slightly lower levels of job quality 15 months after graduation compared to graduates in other regions of the UK.

There are also significant gaps in attainment and outcomes of graduates by gender, ethnicity and disability status.

### Apprenticeships

Apprenticeships are recognised by many employers as a key way to train people with the skills required by businesses - in the GLA's ITS employer survey 84% of employers were aware of apprenticeships and 47% offered them to current employees. However, evidence from the 2022 Employer Skills Survey showed that many establishments in London do not think the benefits of apprenticeships outweigh the costs or that apprenticeships are the solution in periods of high skill demands.<sup>48</sup>

Since reform of the apprenticeship system was introduced in 2017, there has been a significant reduction in apprenticeships across the UK. The number of apprenticeship starts in London rose marginally in 2023/24 to 37,700. Over the last four years apprenticeship starts per 1,000 population have remained relatively constant (Figure 14), and remain the lowest amongst all English regions.<sup>49</sup>

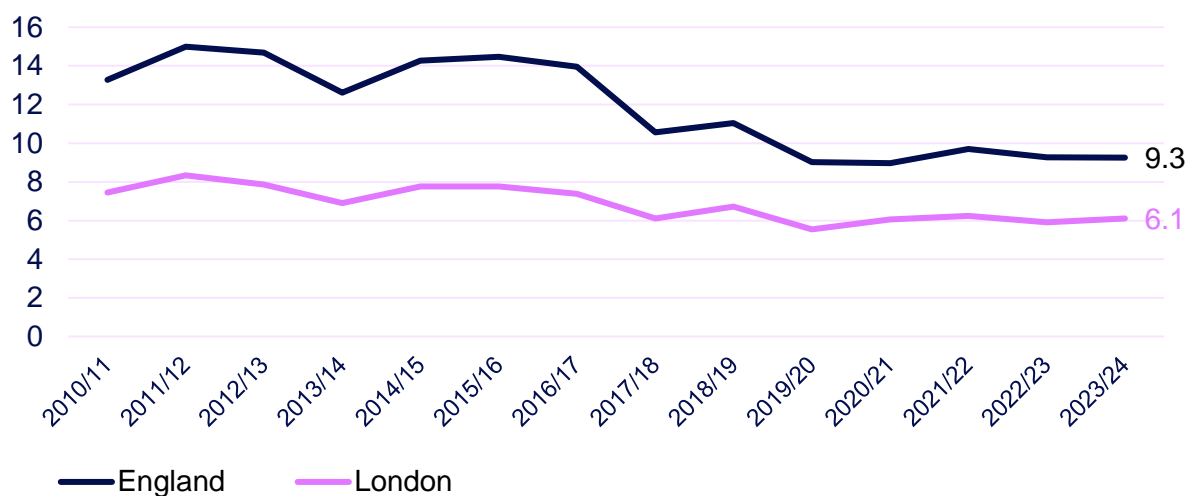
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<sup>47</sup>Department for Education, LEO Graduate and Postgraduate Outcomes, 2022-23 tax year, 2025.

<sup>48</sup> GLA, Why are apprenticeships less common in London? Evidence from the Employer Skills Survey, 2024.

<sup>49</sup> GLA, [Apprenticeship Statistics for London](#), 2024.

**Figure 14: Apprenticeship starts per 1,000 population, 2010/11 to 2023/24**



Source: GLA analysis of Department for Education - Apprenticeships and ONS population estimate by local authority 16 – 64 population. Note: Estimates are based on where the student lives.

Since the introduction of the Apprenticeship Levy there has been an increase in the share of apprenticeships at higher levels. In London, higher level (Level 4 +) apprenticeships account for almost half of all starts (46%). Between 2016/17 and 2023/24, the number of higher level apprenticeships starts nearly quadrupled, while starts at intermediate level fell by over 70%.<sup>50</sup>

The ratio of female to male apprentices has remained relatively stable in London over the last five years. In 2023/24, women accounted for more than half (56%) of apprenticeship starts in London. Similarly, the distribution of ages of apprentices has been similar over the last few years, with a small increase in the number of starts for those under age 19. The profile of people starting apprenticeships in London is ethnically diverse. In 2023/24, half of apprenticeship starts in London were by people from Black, Asian and Minority ethnic backgrounds (excluding White Minorities), compared to 16% nationally.

Apprenticeships in London are concentrated in a few sector subject areas. In 2023/24, for example, almost 6 in 10 (59%) apprenticeship starts were in Business, Administration and Law or Health, Public Services and Care-related subjects.

### Adult education

An important part of the skills system is the education and training opportunities available for adults who want to gain essential skills qualifications or upskill / retrain. We have previously highlighted the differences in skills levels across London’s population. Alongside funding pressures, some Londoners can struggle to access education and skills programmes, including people over 50, some ethnic minority groups, people with a disability, people with SEND and those with low levels of English language skills. These groups face barriers to accessing skills programmes as do parents and carers.<sup>51</sup> The barriers to access will be explored in more detail in Chapter 3.

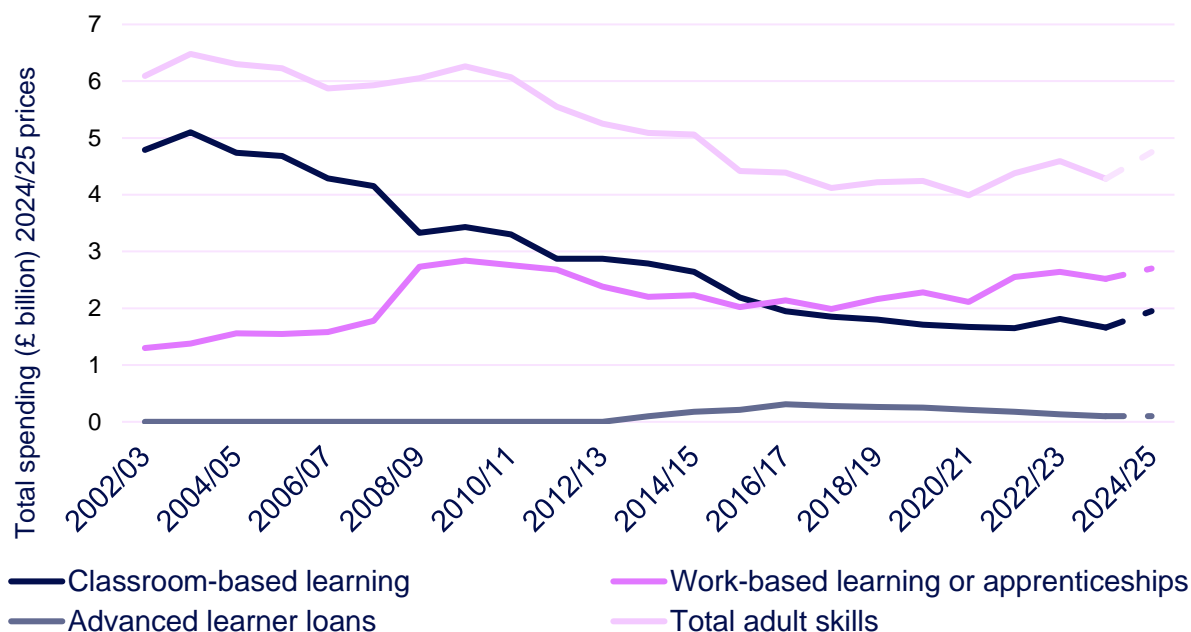
One of the challenges the sector faces is a challenging financial situation. In 2023/24, the last full-year available, national public spending on adult education and skills was

<sup>50</sup> GLA, [Apprenticeship statistics for London](#), academic year 2023/24, 2024.

<sup>51</sup> Institute of Health Equity, [Skills and health inequalities in London](#), 2024.

approximately £4.3 billion, this means it has fallen by a third compared to its inflation-adjusted high of £6.3 billion in 2003/04 (Figure 15).<sup>52</sup> The decline has been particularly steep in classroom-based learning, where expenditure has fallen by two-thirds, from £5.1 billion in the early 2000s to £1.7 billion in 2023/24.

**Figure 15: National public spending on adult education and skills (actual and projected for 2024-25)**



Source: Institute for Fiscal Studies, *Adult Education and Skills*, 2025

### Adult Skills Fund

A large component of adult education delivery in London is funded by the Greater London Authority through the Adult Skills Fund (ASF) (formerly known as the Adult Education Budget) and Skills Bootcamps for Londoners programme. The ASF provides education and training opportunities for Londoners from a variety of different backgrounds.

London’s ASF allocation is based on a funding formula that has remained stagnant since 2019/20. However, the UK economy has experienced a period of high inflation that has led to rising costs for ASF providers that has not been reflected in the ASF allocation, therefore the GLA has experienced several years of real-terms reductions in its adult education allocation. In future years, the GLA will receive its skills funding as part of its Integrated Settlement.

In the academic year 2023/24, there were 233,820 GLA-funded learners in London taking 487,700 aims enrolments.<sup>53</sup> The number of enrolments is more than double the number of learners, because individuals can take more than one learning aim (courses) during the academic year.

Amongst learners participating in the ASF and FCFJ programmes in 2023/24:

- 69 per cent were female;
- 61 per cent were from a Black or Minority Ethnic background (including Mixed, Asian, Black and Other Ethnic Group learners);

<sup>52</sup> Institute for Fiscal Studies, [Adult Education and Skills](#), 2025.

<sup>53</sup> Greater London Authority, [Adult Skills Fund 2023/24](#), 2024

- 61 per cent were aged 24-49; and
- 15 per cent consider themselves to have an LLDD<sup>54</sup> and/or a health problem.

Most of the learning within the ASF is taking place at Other Level and Entry Level. However, in recent years there has been a growth in learning above Level 1, particularly at Level 3 due to the implementation of Free Courses for Jobs. Over half (61%) of all Adult Skills aims enrolments correspond to Preparation for Life and Work courses. Preparation for life and work prepares learners for employment and provides Maths and English skills. It also helps the learners outside of work by teaching skills for independence and personal development. The second most common subject area is Health, Public Services and Care.

The GLA monitors the outcomes of the ASF through the London Learner Survey (LLS). The latest data (2023/24) revealed that 81 per cent of learners were either employed, or pursuing further learning after completing their course.<sup>55</sup> Specifically, 77,000 Londoners (44% of non-retired learners) experienced a positive economic change, such as gaining employment, securing a permanent position, receiving a pay increase, or advancing to higher levels of training following their course. Movement into employment is a large contributor to the 77,000 Londoners who experienced a positive economic change following their learning - 23,000 Londoners out of work were supported into employment (23 per cent of those out of work). Four in ten learners in employment (38 per cent) experienced progression in work, of which half (19 per cent) experienced a pay increase following their course. The LLS also demonstrates the importance of adult education in improving social outcomes including health and wellbeing, social integration and self-efficacy – with 94% of learners experiencing a positive social change.

Through the London Learner Survey we can see how the destinations of Londoners are supporting sectors vital to London's growth. In 2023/24, 60% of learners in employment following their course were in industries aligned with London's growth and priority sectors, this is equivalent to 45,600 Londoners. Common industries of employment amongst adult skills learners including the experience economy (Hospitality and Retail), Finance and Professional Services and Health and Social Care.

### **Skills Bootcamps for Londoners**

Another GLA funded skills programme is Skills Bootcamps for Londoners. The programme aims to help Londoners aged 19+ to enter employment, upskill or change career. The programme is open to adults who are full-time or part-time employed, self-employed or unemployed, as well as adults returning to work after a break. Skills Bootcamps training courses provide access to in-demand sector specific skills training and provide a guaranteed job interview on completion. In addition to technical training, learners also receive guidance on entering professional working environments to fully prepare them for new roles.

According to the latest published data for the 2023/24 financial year, the GLA supported 3,970 Londoners through Skills Bootcamps.<sup>56</sup> Skills bootcamps cover a range of priority sectors for London: in 2023/24, the majority of enrolments (48%) were in the Digital sector and almost a quarter (23%) were in Construction (Figure 16).

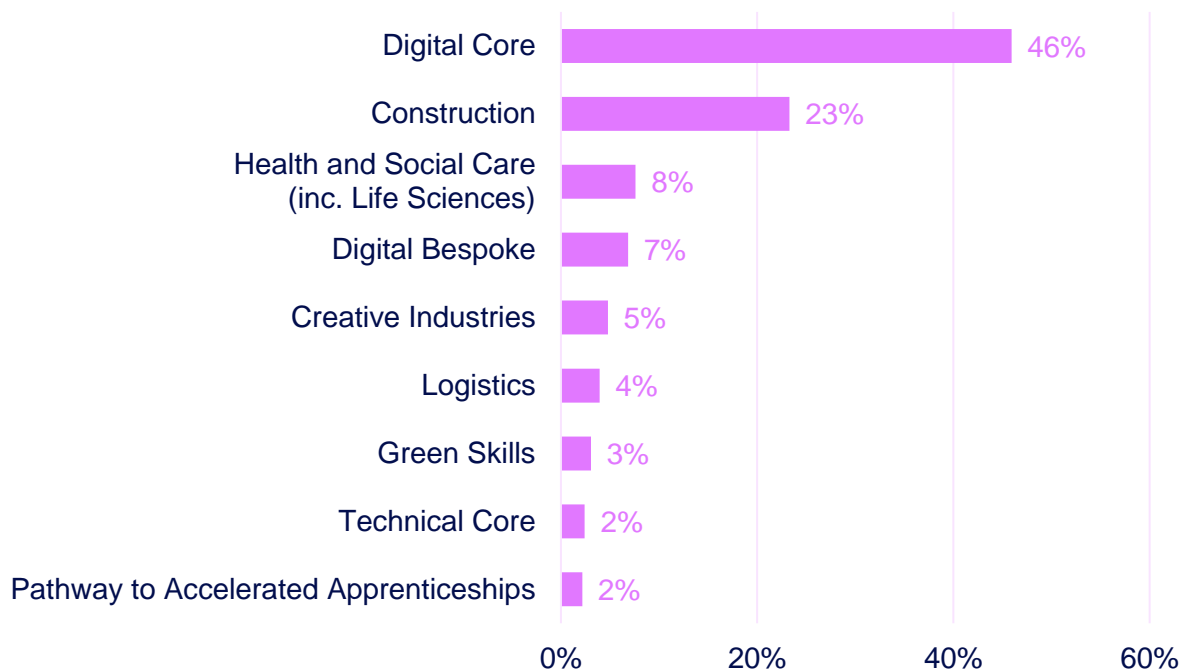
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<sup>54</sup> LLDD stands for Learners with Learning Difficulties and/or Disabilities.

<sup>55</sup> Greater London Authority, London Learner Survey 2023/24, 2025

<sup>56</sup> <https://data.london.gov.uk/dataset/gla-skills-bootcamps/>

**Figure 16: Skills Bootcamps for Londoners participation (Milestone 1) by sector, 2023/24 (Wave 4)**



Source: GLA, Skills Bootcamps for Londoners data publication, 2024

Across the programme, one third of learners were able to secure a job outcome six months after their course.<sup>57</sup> Bootcamps in Construction had the highest outcome rate (76%), followed by Health and Social Care (43%) and Technical (43%). The bootcamp evaluation has found that successful Bootcamps depend on providers building strong relationships with employers, to secure their meaningful involvement in all aspects of Bootcamp design and delivery. In addition, employers also value the employability skills that London Bootcamps provide, such as communication skills, interview techniques and CV writing.<sup>58</sup>

One of the challenges with adult education is a lack of awareness or engagement from businesses. Just under half of respondents to the GLA's ITS employer survey were aware of the Adult Skills Fund (45%) or Skills Bootcamps (47%). Whilst almost two in three (65%) respondents had used Independent Training Providers (ITPs) to train their existing workforce, only one in five has used FE colleges. Complexity and fragmentation are often cited as a reason for a lack of engagement.

### Employment and skills brokerage

London's skills and employment support offer also includes services delivered by London Boroughs through their Employment and Skills Brokerages. These services offer an array of employment and skills support to local borough residents, whilst promoting good quality working practices for local businesses and responding to complex skills shortages in the capital.

<sup>57</sup> A job outcome is defined as: Offer of a new job / apprenticeship (for fully funded / independent learners), new role or additional responsibilities at existing employer for employer co-funded or obtaining new contracts for self-employed learners.

<sup>58</sup> Forthcoming research: CFE, Skills Bootcamps for Londoners Wave 4 (April 2023–March 2024) Evaluation Report, 2025.

London Councils, the collective organisation of the capital's local authorities, captures the scope and impact of borough-led employment initiatives through its annual Borough Employment and Skills Survey. The 2024/25 survey found that 31 of London's 33 boroughs offer a local employment support service, collectively assisting just over 45,200 Londoners. The two London boroughs that do not provide a direct service instead signpost residents to alternative employment support. Among those that do offer a service, 58% deliver it in-house.

While each borough's brokerage offer is tailored to the needs of its local residents and businesses, there are core services consistently provided across all London boroughs. These include access to employment advisors, support with CV writing and job applications, and interview preparation or coaching. Additional services include:

- 97% of London boroughs advertise local vacancies to residents
- 94% of London boroughs offer support to improve foundational and sector specific skills
- 94% of London boroughs offer support and advice to employers
- 84% of London boroughs offer careers advice and support for apprenticeships

The 2024/25 Borough Employment and Skills Survey reveals that London boroughs collectively invested £51.6 million in their employment services, a 35% increase from the £38.2 million spent in 2023/24. This upward trend in investment over the past three years likely reflects an initial response to pandemic-related unemployment, followed by a growing emphasis on tackling the cost-of-living crisis and re-engaging economically inactive Londoners. Notably, the proportion of London boroughs spending between £500,000 and £1 million rose from 18% in 2022/23 to 21% in 2023/24, and surged to 36% in 2024/25, marking a significant shift in local commitment to employment support.

It is worth noting that a significant majority of borough brokerage services (97%) are closely linked to their Adult Community Education (ACE) services, which offer a wide range of courses, professional qualifications, and tailored support. In most cases, London boroughs reported that ACE and employment services sit within the same directorate, enabling strong operational and strategic alignment. This structure supports cross-referrals, co-designed training programmes, and integrated delivery models. These partnerships contribute to improved employment outcomes through initiatives such as employment and career hubs.

As part of the Government's Get Britain Working agenda, London boroughs have been devolved responsibility for delivering Connect to Work, a new back-to-work programme expected to support 13,400 Londoners annually. Delivery models vary, with 45% of London boroughs providing services in-house, 39% through commissioned providers, and 12% using a hybrid approach. In parallel, London's four Sub-Regional Partnerships are piloting four of the five GBW Trailblazers, targeting economic inactivity and youth employment. These initiatives support priority groups such as people with musculoskeletal conditions (MSK), disabilities, caring responsibilities, long-term health issues, over-50s, social housing residents, and care leavers. Further details are outlined in the Get London Working Plan.

### Further Education workforce

The analysis shows that Further Education (FE) is a core part of supporting Londoners to upskill, enter the workforce or improve their health and wellbeing. However, the sector faces several challenges including workforce recruitment and retention.

In 2023/24, London's FE workforce has 25,288 workers according to those returning data in the DfE's Further Education Workforce Data Collection (FEWDC)<sup>59</sup>, the third smallest per capita among English regions.<sup>60</sup> The FE teacher vacancy rates in London are high at 4.8%, this is the second highest among English regions. Teacher vacancy rates are particularly acute for engineering, electronics and functional skills teachers.

Pay remains a significant challenge within the sector, which might be impacting recruitment and retention. FE pay continues to be below other education levels - FE teaching professionals are paid less than their Secondary or Higher Education counterparts. In several of the subject areas where London has a high vacancy rate there is a pay premium associated with working in industry compared to FE teaching. For Electronics and Construction, FE pay is substantially lower than industry pay.<sup>61</sup> Supporting people working in industry to teach alongside their role (referred to as dual professionalism) is often cited as a way to increase FE workforce supply and ensure teachers maintain current industry knowledge.<sup>62</sup>

## Skills demand

An important part of education and skills provision is responding to the needs of businesses and organisations to support growth, close skills gaps and boost productivity. This is addressed in the second section of the chapter, which focuses on skills demand.

London has the highest level of labour productivity of any region in England. In 2023, gross value added (GVA) per hour worked was almost 30% higher in London than the UK average (£54.00 per hour worked vs. £41.90 per hour worked).<sup>63</sup> However, unsmoothed estimates show that London is the only region to experience negative productivity growth in 2023.

In February 2025, the Mayor of London and London Councils published the London Growth Plan (LGP) setting out a plan for a more prosperous, fairer and greener global city. The LGP sets out London's 10-year ambition for economic growth, and the actions needed to achieve these ambitions, this includes a commitment to raise the average annual productivity growth rate to 2% from 2025 to 2035 (see Box 5).

### Box 5: Overview of London Growth Plan ambitions

#### London Growth Plan ambitions:

- **Productivity:** Raise productivity growth rates to 2% average per year over 2025 to 2035.
- **Inclusion:** Raise the real household weekly income (after housing costs) of the lowest earning 20% of Londoners by 20% by 2035. This would mean that at least a million London households would have on average an extra £50 to spend each week after paying for housing costs.
- **Green growth:** Accelerate progress towards achieving London's net zero target for 2030.
- **A global capital:** Grow London's services exports by an average of 6% per year.

<sup>59</sup> Data reflects respondents, not entire London workforce. Across England, 85% of providers are included. London's share is not known.

<sup>60</sup> Department for Education, Further education workforce: academic year 2023/24, 2025.

<sup>61</sup> DfE Further Education (FE) Workforce Statistics, 2023/24, ASHE Median pay for full-time employees by sector London, 2024.

<sup>62</sup> Written evidence submitted by the Education and Training Foundation. Accessed via: <https://committees.parliament.uk/writtenevidence/141329/pdf/>

<sup>63</sup> ONS, Regional and subregional labour productivity, UK: 2023, 2025.

The London Growth Plan sets out how it will achieve these ambitions including a focus on growing the highest productivity sectors and enabling all Londoners to participate to their full potential – which is a core component of the Inclusive Talent Strategy (ITS) and the Get London Working plan. The London Growth Plan focuses on several growth sectors which lean on London’s strengths and include Financial, Professional and Business Services and Technology; Creative industries including creative technologies; Experiences (visitor spend on culture, leisure, hospitality, retail and events); International education (international students); and Frontier innovation (life sciences, deep tech and climate tech). These industries and the employment opportunities they bring are key to advancing London’s economic growth.

One way to improve productivity and inclusion is to address skills gaps and ensure all workers have the skills needed to do their role. Through the production of London’s Local Skills Improvement Plan, employers reported difficulties navigating the fragmented and confusing skills system and highlighted the need for greater clarity and mapping of skills provision.<sup>64</sup> The GLA’s ITS employer survey reveals a clear divide in educational partnerships: while nearly half of employers (46%) have collaborated to some extent with universities to boost recruitment over the past five years, only 29% have tapped into the potential of FE colleges - highlighting a missed opportunity in bridging skills and talent pipelines.

### Demand for workers

Understanding the current landscape of labour demand is essential for identifying the occupations and industries that are experiencing growth, and therefore may require newly skilled talent to meet emerging needs. This insight is particularly valuable for policymakers, educators, and workforce development professionals aiming to align training and education pathways with market realities. One widely used indicator of labour demand in London is the volume of online job postings, this reflects real-time employer recruitment activity across sectors. These postings can offer granular data on the types of roles being advertised, the skills and qualifications sought, and the distribution of opportunities. When analysed over time, trends in job postings can reveal shifts in economic activity, the rise of new industries, and the impact of technological change on workforce requirements.

Job posting estimates suggest there were around 123,000 unique online postings for jobs in July 2025 (single-month estimate). This was a rise of around 16,000 postings compared to the 106,000 observed in July 2024.<sup>65</sup> This suggests that although the labour market was tightening in 2024, it improved in the first half of 2025. Between August 2024 and July 2025, the most commonly recruited occupations in London were: programmers and software developers, sales related occupations and teaching assistants.

These occupations showcase the variety of employment opportunities in London. However, London has a strong competitive advantage with regards to professional and scientific services, that accounted for 15% of workforce jobs in the capital in March 2025 (Figure 17).<sup>66</sup> London also specialises in Information and communication (9% of jobs) and Finance and insurance (7% of jobs). A high-level mapping of how the Standard Industrial Classification sectors could support the London Growth Plan is provided within the appendix (Table 7).

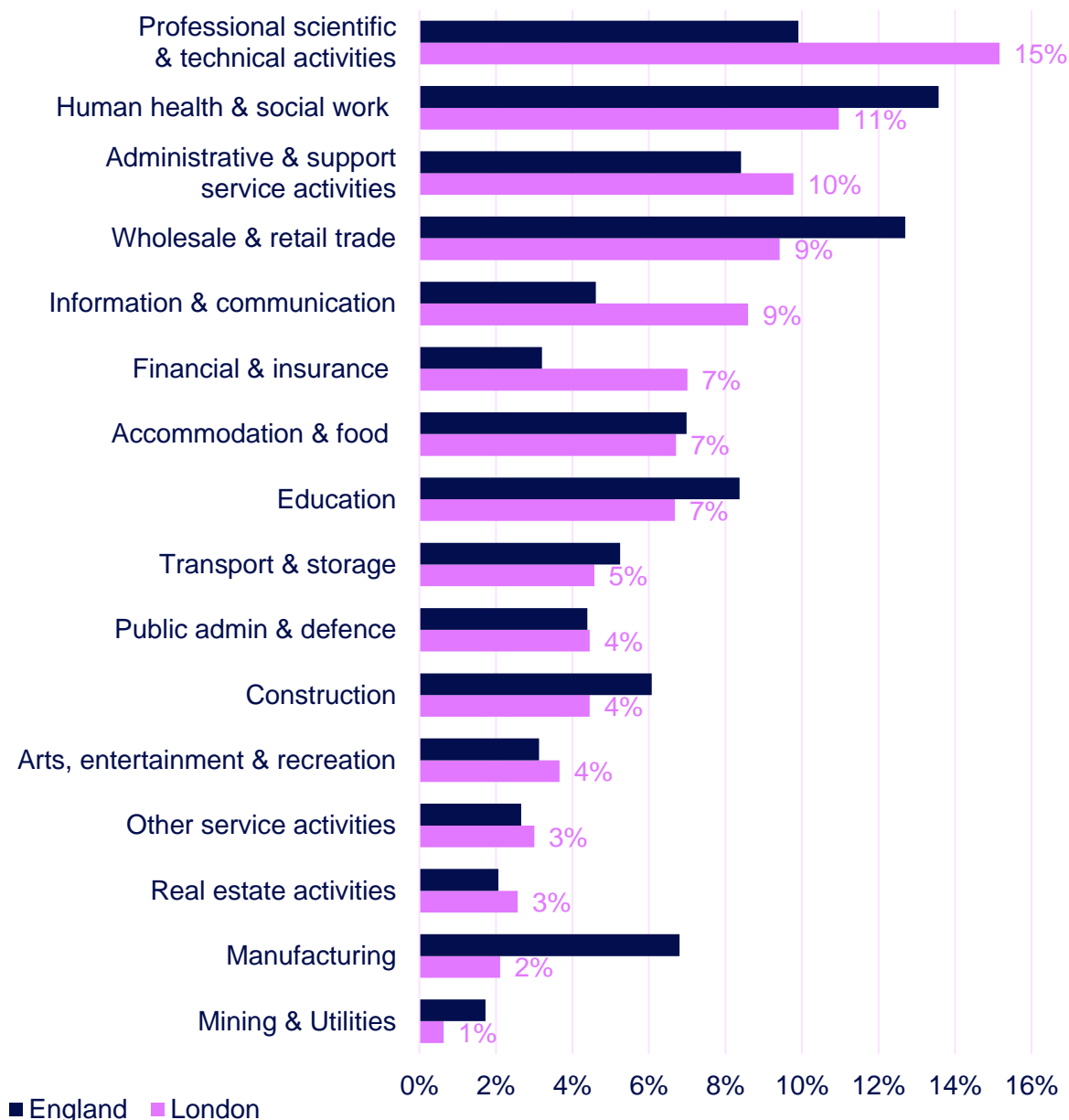
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<sup>64</sup> Business LDN, The London Local Skills Improvement Plan, 2023.

<sup>65</sup> GLA, Labour market monthly update, Lightcast data, 2025.

<sup>66</sup> ONS, Workforce Jobs, seasonally adjusted, 2025.

**Figure 17: Profile of workforce jobs by selected sector (% of all jobs, March 2025)**



Source: ONS, Workforce Jobs, seasonally adjusted. Note: percentage of total employment by sector.

Over the last five years not all parts of the country or sectors have seen workforce growth at the same rate. Workforce jobs grew at a faster pace in London (8%) between March 2020 and March 2025, compared to England (4%). During the five-year period, the capital experienced strong jobs growth across several sectors including other services, Professional services, Arts and entertainment, Public administration, Finance, Information and communication, and Administrative services - outpacing the overall growth rate in England.<sup>67</sup>

Alongside understanding historic trends, it is important to understand the potential for future growth in employment by sector. The DfE’s Skills Imperative produced by the National Foundation for Education research (NFER) forecasts that between 2025 and 2035 employment in London will grow by 301,000<sup>68</sup>, although it is important to recognise not all of

<sup>67</sup> ONS, Workforce Jobs, seasonally adjusted, 2025.

<sup>68</sup> Department for Education, Labour market and skills projections: 2020 to 2035, 2023.

this increase in employment will be occupied by London residents. More than half of the projected growth in employment is expected to take place in Business and other service industries (+164,000), whilst Manufacturing is forecast to decline.

### Skills gaps

If employers cannot find the skills, they need to fill vacancies this can limit their growth and productivity. The 2024 DfE Employer Skills Survey shows a marked fall in unmet skills demand from employers in London since 2022.<sup>69</sup> The latest data suggest that, by 2024, employers were finding it easier to recruit people with the right skills, compared to the acute shortages seen just after the pandemic.

The number of vacancies reported by London employers fell from 289,000 to 194,100, with a large fall in the number of 'hard-to-fill' vacancies (from 140,300 to 52,200). However, the vacancy rate (as a proportion of employment) remains higher in London than in other regions, therefore nominal figures may be influenced by an overall decline in vacancies across the labour market during that period. Around half of respondents to the GLA's ITS employer survey believe recruiting employees with the right skills is currently a fairly or very big challenge.<sup>70</sup>

The number of skills-shortage vacancies<sup>71</sup> (a subset of hard-to-fill vacancies) declined from 93,500 in 2022 to 45,600 in 2024. The skills-shortage vacancy density (the share of all vacancies that are hard to fill due to skills shortages) declined from 32% to 24% over the same period. Three quarters of employers responding to the GLA's ITS employer survey said new employees were 'somewhat' prepared regarding the skills needed for the role, stating that the top three skills they require when new people join their organisation are: specialist skills or knowledge needed to perform the role, computer literacy / basic IT skills and creative and innovative thinking.

However, the rate of skills shortages among existing employees had not improved significantly, and employer training rates remained flat. This points to an ongoing need for greater investment in workforce training. The number of skill gaps (employees not fully proficient) increased from 297,000 to 309,500. However, skill gaps density (the proportion of employees judged not fully proficient) remained steady at 5.6%, down from 5.8% in 2022. Employees not proficient in their role can have a negative impact on productivity growth.

Despite persistent skills gaps, over the last decade there has been a reduction in the level of employer led or arranged training. The proportion of establishments providing training to staff over the last 12 months declined slightly from 60% to 59% between 2022 and 2024 – this is compared to 65% in 2017. Between 2022 and 2024 there was a £1bn reduction in the amount employers in London were investing in training, highlighting a persistent need for greater investment in workforce development to support productivity.<sup>72</sup>

### **Labour market shifts**

Historic employment forecasts and existing evidence on skills gaps often fall short in accounting for the transformative impact of artificial intelligence (AI), climate resilience, and

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<sup>69</sup> Department for Education, Employer Skills Survey, 2025.

<sup>70</sup> Evidence from the ITS employer survey should be taken with caution due to the limited sample.

<sup>71</sup> A skills-shortage vacancy is defined as a vacancy that is hard to fill due to lack of skills, qualifications or experience among applicants. A skills-shortage vacancy is a subset of hard-to-fill vacancies.

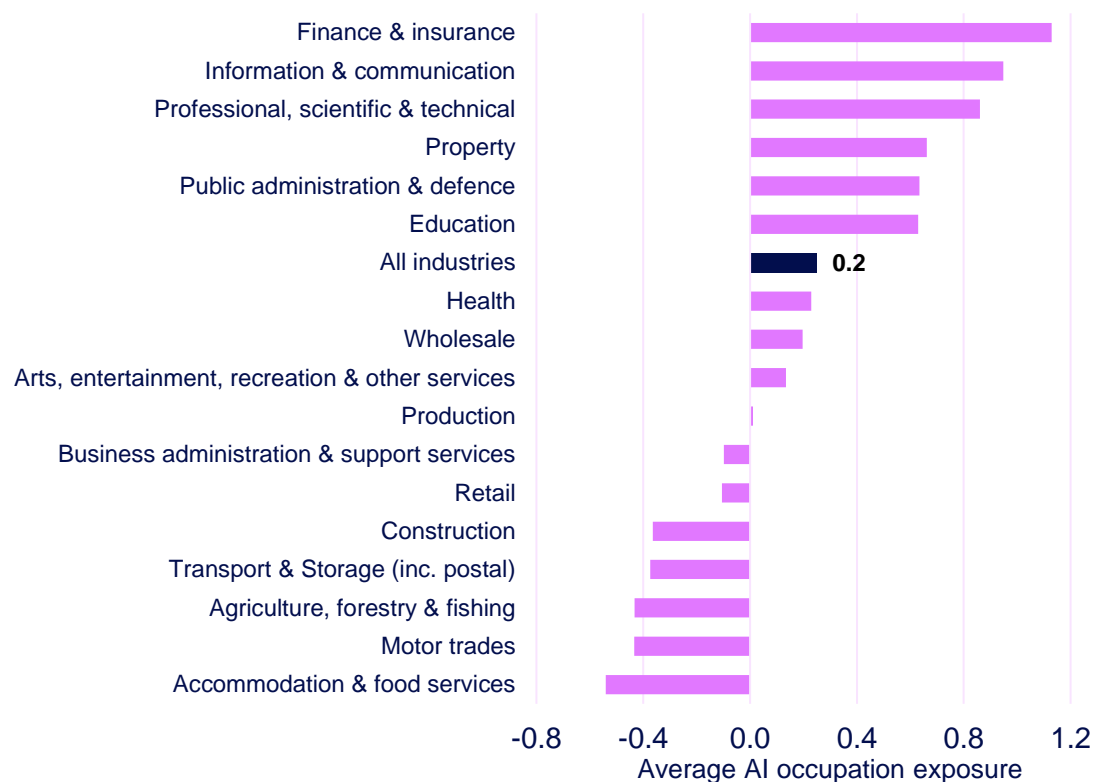
<sup>72</sup> Department for Education, Employer Skills Survey, 2025.

the transition to net zero. These forces are reshaping the labour market, driving worker displacement, altering job roles, and creating demand for new skills. While many factors may influence London’s labour market in the coming years, this report focuses on two of the most significant drivers of change: AI and climate resilience.

AI adoption and risk

It has become evident that AI is changing the nature of work. London will be particularly exposed because of its large knowledge-based services sector which is highly exposed to AI (Figure 18).

**Figure 18: Exposure to AI by industry**



Source: Department for Education, *Impact of AI on UK jobs and training, 2023*. Note: Industry estimate of exposure to AI is constructed by taking a weighted average of the AI Occupational Exposure (AIOE) scores across occupations within an industry. This provides an average AIOE score for each industry.

The top five occupations by AI exposure are: management consultants and business analysts; financial managers and directors; chartered and certified accountants; psychologists and purchasing managers and directors. Many of these occupations are prominent in London’s labour market and highlight how AI skills will become increasingly important for Londoners across many occupations and industries. The GLA is currently undertaking its own analysis of how AI may influence London’s labour market, and this will be published in late 2025.

There is limited official data on the uptake on AI across the UK and London. However, evidence from the ONS states that in 2023, 9% of firms were using AI and this was expected

to grow to 22% in 2024.<sup>73</sup> AI incorporates a range of different technologies and products and they each have their own adoption rates: in 2023, there was high adoption of cloud-based computing systems and applications, and specialised software (at 69% and 61%, respectively), moderate uptake for specialised equipment (36%) and low uptake for artificial intelligence (AI) and robotics (at 9% and 4%, respectively). However, more than half of respondents to the GLA's ITS employer survey had adopted large language models (LLMs) or generative AI (e.g., ChatGPT, Copilot, Gemini, etc.) in the last five year. Conversely, 44% of respondents stated they felt somewhat or very unprepared regarding their ability to adopt new and emerging technologies in the future.

Many employees and employers will need support as they begin to adopt the latest technologies. A third of respondents to the GLA's ITS employer survey stated that they do not provide their staff with training opportunities related to the use of new and emerging technology.

### Climate resilience and the transition to net zero

The Mayor of London has set a target for London to be net zero carbon by 2030. Boosting climate resilience and the transition to net zero represents an unprecedented opportunity for the capital's economy, with the prospect of over 600,000 green jobs by 2030.<sup>74</sup>

Forthcoming research shows the latest estimate of the contribution of London's Low Carbon and Environmental Goods and Services (LCEGS) sector.<sup>75</sup> The research found that the LCEGS sector was worth £54.9bn to London's economy in 2023/24, as indicated by the value of sales in the sector. These sales were generated by over 20,000 businesses that employed over 341,100 people in the sector in 2023/24.<sup>76</sup>

In 2023/24, the five largest sub-sectors in the LCEGS sector by sales account for 72% of the London total sales (71% in 2019/20, 73% in 2022/23), and are made up of:

- Carbon Finance (£21.2bn in 2023/24; £18.89bn in 2022/23; and £17.79bn in 2019/20) - this includes Carbon finance trading houses and consultancies.
- Wind (£5.9bn in 2023/24; £5.29bn in 2022/23; and £5.27bn in 2019/20) – this includes control systems development and manufacture, drive train development, manufacture and systems integration and consulting houses.
- Geothermal (£5.2bn in 2023/24; £4.82bn in 2022/23; and £4.91bn in 2019/20) – this includes head office functions, systems and design and international consultancy.
- Building Technologies (£4.1bn in 2023/24; £3.77bn in 2022/23; and £3.92bn in 2019/20) – this includes head office functions, building systems design and consultancy and building systems providers and installers.
- Alternative Fuels (£3.9bn in 2023/24; £3.55bn in 2022/23; and £3.70bn in 2019/20) – this includes R&D functions, alternative fuel providers and process implementation accounting.

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<sup>73</sup> ONS, Management practices and the adoption of technology and artificial intelligence in UK firms: 2023, 2025.

<sup>74</sup> WPI Economics and Institute for Employment Studies, Green Jobs and Skills in London: cross-London report, 2022

<sup>75</sup> The LCEGS sector comprises products and services from across the economy, which actively enable a shift towards a green economy. A full definition will be set out in the forthcoming report

<sup>76</sup> Forthcoming research: GLA, London's Low Carbon Market Snapshot: Low Carbon Environmental Goods and Services (LCEGS), 2025

Alongside a growing economic contribution of low carbon industries labour market evidence shows there has been a consistent growth in the number of online vacancies containing 'green'. Job postings are classified as being 'green' if they include any of the following:

- **Green skills:** Specific technical knowledge sets, competencies, or tools related to sustainability, decarbonisation, environmental protection, or climate resilience (e.g. carbon accounting, solar installation, biodiversity management). These reflect the growing demand for green capabilities embedded across a broad range of job roles.
- **Green job titles:** Job postings where the title itself clearly contains green-related terms (e.g. sustainability consultant, wind turbine technician). These titles often signal roles that are purpose designed for activities in the green economy and directly linked to net zero or environmental goals.
- **Transition-critical occupations:** Broader roles - such as electricians, heating engineers, or architects - that are recognised as being essential to achieving the net zero transition, even if they do not currently explicitly feature green-related language in their associated job advertisements. While not all of these roles are likely to be currently engaged in net zero activities, their inclusion recognises the importance of upskilling and occupational transformation across the existing workforce.

In short, any job posting that contains at least one of these components - a green skill, a green job title, or is part of a transition-critical occupation - is considered 'green' for the purpose of this analysis. This approach reflects the evolving nature of green work and ensures broader inclusion of roles undergoing green transformation. Further information on the experimental methodology can be found [here](#).

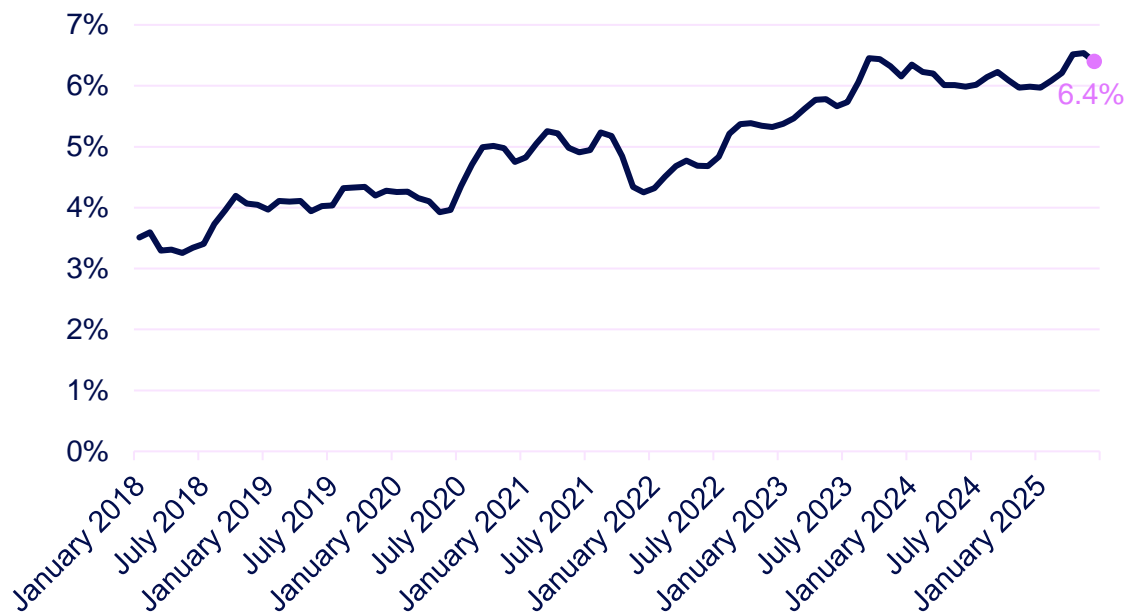
Green job demand in London has continued to rise, despite broader labour market challenges. In the 12 months between July 2024 and June 2025, green roles accounted for 6.2% of all job adverts in the capital, an increase from 4.1% in 2019 - rising to 6.4% as of mid-2025 (Figure 19).<sup>77</sup>

Although demand for green softened post-pandemic in line with wider labour market dynamics, the absolute number of green postings has again begun to grow in 2025, indicating strong underlying demand for green expertise. By June 2025, monthly volumes had climbed back to around 7,500 unique monthly postings, pointing to renewed momentum in hiring for climate resilient or net zero-related roles.

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<sup>77</sup> GLA, [Green Job Postings in London](#), July 2025.

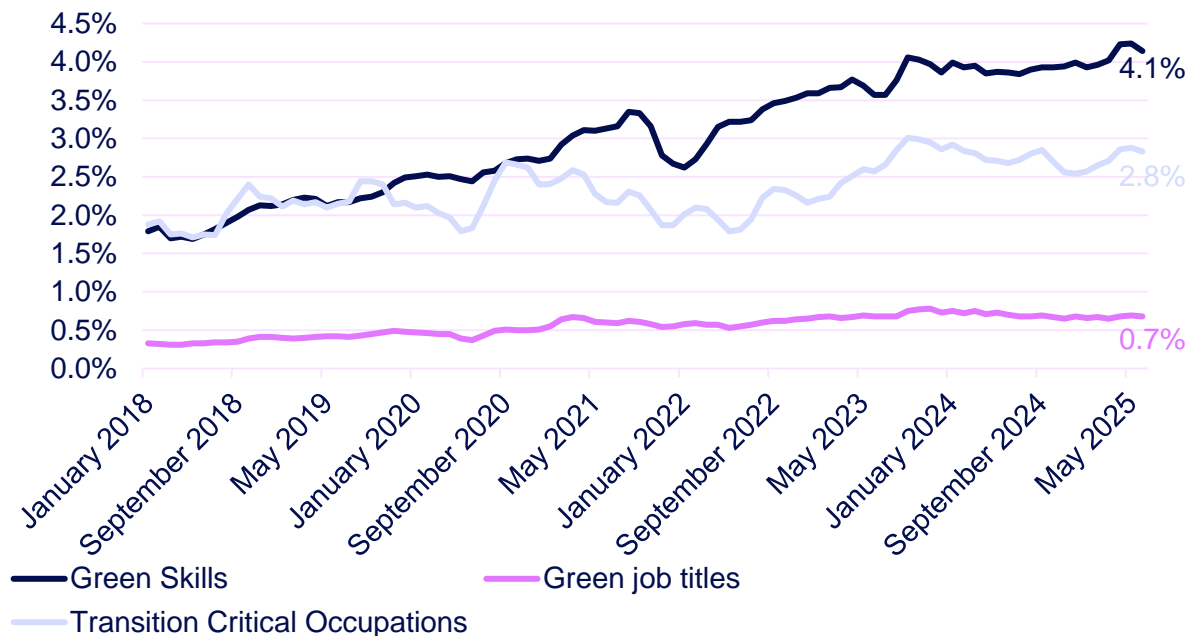
**Figure 19: Share of total job postings in London classified as Green, 2018 - 2025**



Source: [GLA Green Jobs postings](#); analysis of Lightcast Data, 2025

In June 2025, technical green skills appeared in 4.1% of all job adverts in London, making them the most common basis for classifying a role as green (Figure 20). Their prevalence has more than doubled since 2019 (up 106%), reflecting the rising demand for sustainability-related expertise across a broad spectrum of occupations.

**Figure 20: Composition of job postings classified as green, London, 2018 - 2025**



Source: [GLA Green Jobs postings](#); analysis of Lightcast Data, 2025. Note: These green definitions and statistics are experimental and are subject to revision. Disaggregated shares do not sum to aggregated total due to double counting.

The growing share of job adverts explicitly referencing green expertise (green skills or job titles) suggests that more employers are actively looking for people who can help deliver environmentally sustainable solutions and services. This trend also suggests that climate resilience, net zero and sustainability are increasingly becoming an embedded part of hiring needs across the economy, rather than limited to specialist green activities or roles.

Alongside aggregated demand for green skills it is important to understand the most in-demand green skills and job titles in London which can offer insight into how the green workforce is developing across the city. Demand is strongest for technical and strategic green skills - during the period July 2024 to June 2025, the top green skills included building energy efficiency, understanding of ESG standards, net zero strategy, and renewable energy systems. Demand has also grown for electric vehicle (EV) expertise, retrofit and skills linked to the energy transition — all showing notable increases since 2019.

Sustainability-focused job titles are increasingly common. The most frequently advertised roles included sustainability consultants, water hygiene engineers, renewable energy managers, and carbon analysts. Demand for these positions has risen steadily, reflecting growing professionalisation within the green economy. London's green expertise is concentrated in high-skill, advisory roles. Taken together, the skills and job title data suggest London's green labour market is particularly concentrated in professional, advisory, and strategic roles, reflecting the city's wider occupational structure and positioning it as a hub for leadership in the green transition.

### **Diversity of London's sectors**

Workforce diversity in London growth sectors is key to driving innovation and inclusive economic success. In London, it helps unlock talent, close opportunity gaps, and ensure the city's progress reflects its rich social fabric, making businesses more resilient, competitive, and better equipped to serve diverse markets.

Previous evidence has demonstrated how some sectors within London's economy have further to go on their inclusivity journey:<sup>78</sup>

- **The digital sector:** Women are under-represented, meaning the gender pay gap is comparatively high. The workforce has fewer disabled workers, older workers and is less ethnically diverse than London as a whole. Individuals from Black / African / Caribbean / Black British backgrounds working in the sector have the lowest wages on average.
- **The creative sector:** The sector is predominantly White and middle-class. The workforce has fewer women, disabled workers and older workers, and is less ethnically diverse than London as a whole. Under-representation is particularly apparent in senior roles. Non-standard employment (such as freelancing) is prevalent in parts of the sector.
- **The hospitality sector:** Barriers to entry in the sector are typically low, but employment is often characterised by relatively low skills and low pay. Progression is also a major issue for the sector, given the relative lack of balance between entry-level roles and more advanced roles. At entry level the sector is characterised by relatively high diversity; however, under-representation remains a concern in management and leadership roles. The sector with the largest share of non-UK

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<sup>78</sup> Work Advance and Institute for Employment Studies, Workforce Integration and Inclusion in London's growth sectors, 2022

workers is accommodation and food services where 61% of workers are from abroad, equivalent to 270,000 people.<sup>79</sup>

- **Financial services:** Research focusing on the demographics of senior leaders in the financial sector identifies under-representation by individuals from lower-socio economic backgrounds, women and ethnic minorities. It identifies that a larger share of senior leaders in London are from higher socio-economic backgrounds than the rest of the UK.<sup>80</sup>
- **Construction:** Construction jobs are predominantly undertaken by men; meanwhile women, individuals from minority ethnic backgrounds and those with disabilities are still under-represented across the sector.<sup>81</sup> The workforce is ageing, and there are concerns that not enough young entrants are being attracted. The sector is a key part of London's focus on climate resilience and the transition to net zero.
- **Health sector:** The sector is one of the most diverse of the economy, although there are patterns of segmentation in particular roles and there remain important issues of under-representation in senior roles. The largest sector in London is Health and social work which has a total workforce of over 600,000 with 47% non-UK nationals.
- **Life Sciences:** There is limited evidence on the diversity of the Life Sciences workforce in London, however national evidence suggests the sector is predominantly White, Male and UK born. In addition, the sector's workforce has very high levels of education attainment (67% have a degree or above).<sup>82</sup>

The above highlights a sub-section of sectors. Ongoing monitoring, as outlined in Chapter 5, will ensure comprehensive coverage and detailed analysis across all priority sectors.

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<sup>79</sup> HM Revenue and Customs, UK payrolled employments by nationality, region, industry, age and sex, from July 2014 to December 2024, 2025

<sup>80</sup> Progress Together, Performance not privilege: tackling barriers to senior leadership in UK financial services, 2025

<sup>81</sup> GLA, Labour Market Analysis of London's Priority Sectors, 2024.

<sup>82</sup> Lightcast analysis of ONS LFS microdata, Q1 2021 to Q4 2023.

# Chapter 3: Barriers to accessing skills and employment

London's labour market faces persistent structural barriers that limit access to skill training, employment and economic opportunity, particularly for people with low levels of skills, women, ethnic minorities, and individuals with disabilities or health conditions. This chapter explores key factors shaping access to employment and skills provision in London, including childcare and caring responsibilities, transport connectivity, housing insecurity, the availability of flexible work and the health of London's population and workforce. Addressing these barriers is essential to help Londoners to access or progress within good and meaningful work.

## Summary of key points

- High childcare fees and limited availability continue to restrict women's participation in the workforce and reduce overall diversity.
- Lower levels of transport connectivity in outer London borough can make it harder for residents to access well-paying jobs.
- Rising poverty among renters and increased reliance on temporary accommodation are contributing to unstable housing and living conditions that can in turn impact the ability of Londoners to find stable good work
- Hybrid working has become more common, but access to flexible arrangements remains uneven across different sectors and population groups.
- Structural barriers including discrimination and racism are likely to impact the ability of Londoners from minoritised backgrounds to access employment and skills opportunities.
- Despite relatively high life expectancy, health inequalities and work-limiting conditions such as musculoskeletal issues and mental health challenges continue to affect labour market participation.

## Structural barriers to accessing work and skills

Structural barriers, such as caring responsibilities, housing challenges, limited transport options and discrimination and structural inequalities in hiring and progression can significantly hinder Londoners' ability to access or progress in employment. The population groups most affected by structural barriers include: people with a disability or health condition, Londoners aged over 50, women, racially minoritised groups, care leavers, people with experience of the criminal justice system, people experiencing homelessness, refugees/asylum seekers and carers. These barriers are compounded for people who face intersecting structural barriers.

### Childcare and caring responsibilities

As stated in Chapter 1, London's female employment rate is below the UK average. A lack of available and affordable childcare can be a reason for low levels of female labour market participation. Childcare and caring responsibilities are unevenly distributed between genders, with women typically bearing a greater share. This can significantly impact women's labour market position including their likelihood of being in good work. Amongst

men who are economically inactive in London only 6% are inactive due to looking after family / home, compared to 32% of economically inactive women.<sup>83</sup>

Recent evidence suggests female parents are more likely to be in employment compared to female non-parents, however, this is likely to reflect associated factors such as age. Therefore, alongside differences between parents and non-parents it is important to consider how family composition may influence people’s abilities to engage with skills and employment opportunities.

Evidence shows that childcare commitments can hold back entry into work or in work progression. Single mothers are more likely to be workless compared to other parents, and amongst those in work they are more likely to be working part-time in order to balance work and caring responsibilities.<sup>84</sup> In the latest data, 44% of employees who were single parents in London were in part-time work, compared to 18% for employees living as a couple with children, 14% for single employees without children, and 10% for employees living as a couple without children.<sup>85</sup> These differences have an impact on levels of in-work poverty - which are highest amongst single parents.<sup>86</sup>

The average (median) hourly rate for childcare paid by parents for children under 2 is £8 an hour in London (Figure 21), which is £1.50 more than the second highest region.<sup>87</sup>

**Figure 21: Median hourly parent-paid fee for children under 2 by region (2024)**



Source: Department for Education, Childcare and early years provider survey, 2024

The London figure hides borough-based differences, with five London boroughs having median hourly rates of £10 or more. In six London boroughs the median hourly rate for children under 2 increased by 20% between 2023 and 2024. When compared to hourly earnings in each borough we can see that London is a childcare affordability blackspot<sup>88</sup> and

<sup>83</sup> ONS, Annual Population Survey, April 2024 to March 2025.

<sup>84</sup> Gingerbread and Trust for London, Single parents and in-work progression in London, 2019

<sup>85</sup> Department for Work and Pensions (DWP), released 21 March 2024, GOV.UK website, statistical release, Households below average income: for financial years ending 1995 to 2023.

<sup>86</sup> GLA Economics, In-work poverty in London: an overview of trends and drivers, 2024.

<sup>87</sup> Department for Education, Childcare and early years provider survey, 2024.

<sup>88</sup> <https://www.nesta.org.uk/data-visualisation-and-interactive/the-cost-of-childcare-where-are-englands-affordability-blackspots/>

updated analysis shows a growing number of London boroughs where childcare rates are nearly half of average hourly salaries.<sup>89</sup>

Caring responsibilities go beyond childcare and can relate to unpaid care provided for family including parents, sibling or children with special needs. London has the lowest share of the population providing unpaid care (7.8% providing unpaid care in London compared to 8.9% in England). However, this does not lessen the impact this responsibility has on the population.<sup>90</sup> Across London, almost 600,000 people are unpaid carers, with more than 160,000 providing more than 50 hours of unpaid care each week. In addition, 277,700 people were economically inactive due to looking after family / the home.<sup>91</sup>

National research on carers reveals that caring responsibilities interact with gender, ethnicity, highest educational qualification and age. Therefore, caring responsibilities and childcare accessibility can be a barrier to accessing skills provision for many groups underrepresented within London's labour market. Research commissioned by the GLA identified caring responsibilities as a persistent and significant barrier to adult education participation.<sup>92</sup> These responsibilities not only limit the time and energy individuals can dedicate to learning, but also introduce additional financial burdens, such as the cost of arranging alternative care. As a result, even when courses are fully funded, carers may still be unable to attend due to costs. Research conducted by the Learning and Work Institute on the impact of the cost of living on adult education found that many education providers were using flexible learner support funding to help learners with the cost of childcare and transport.<sup>93</sup>

Caring responsibilities not only impact an individual's ability to engage in skills and employment related activities, but they can have a negative impact on health. National evidence suggests the impact of caring on different groups can be profound<sup>94</sup>:

- Female carers have poorer mental and physical health, are more likely to be socially isolated, and have lower earnings compared to male carers.
- Asian carers providing higher hours or within-household care, experience greater negative effects on health and on earnings than White carers.
- The interaction of caring responsibilities and lower educational qualification was associated with greater negative impacts on employment, health, social isolation, and earnings.
- Younger carers experience poorer mental health and greater social isolation while older carers experience poorer physical health.

### Transport

London has a sprawling transport network which aims to connect Londoners to places of work, entertainment and culture. London's transport system is relatively accessible and used by millions of people every day. However, it could be improved to support more Londoners with access needs to navigate our city.

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<sup>89</sup> GLA analysis of average earnings and childcare data.

<sup>90</sup> ONS, Unpaid care by age, sex and deprivation, England and Wales: Census 2021, 2023.

<sup>91</sup> ONS, Annual Population Survey, April 2024 - March 2025.

<sup>92</sup> Toynbee Hall, More than just education: A participatory action research project on adult education in London, 2022.

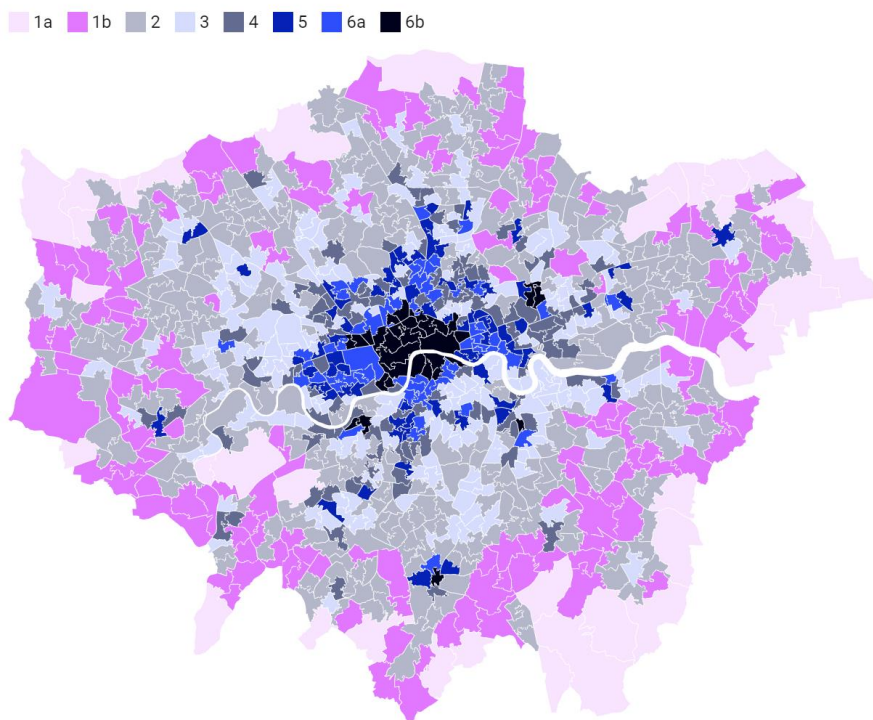
<sup>93</sup> Learning and Work Institute, The Rising Cost of Living and Access to Adult Education in London, 2024.

<sup>94</sup> Brimblecombe N, Cartagena Farias J., Inequalities in unpaid carer's health, employment status and social isolation, 2022

Research suggests that in 2023, around 300,000 Londoners are in transport poverty, whilst this is the lowest population share across English regions, it represents a significant number of people.<sup>95</sup> Transport poverty, in this instance, is defined as being experienced when the total costs of private and public transport drive a household into poverty – keeps millions of individuals in substandard living. In addition, research shows that access to high paying jobs can be impacted by where you live. For example, in West London Heathrow airport provides many employment opportunities. However, accessing Heathrow swiftly can be challenging for local residents without the use of a car.<sup>96</sup>

Alongside the cost of travel, it is important to consider accessibility to public transport. Transport for London produce statistics on Public Transport Accessibility Levels (PTAL), which measures connectivity (level of access) to the transport network, combining walk time to the public transport network with service wait times. The method is essentially a measure of the density of the public transport network at any location within Greater London. Each area is graded between 0 and 6b, where a score of 0 is very poor access to public transport, and 6b is excellent access to public transport. The map below shows how public transport accessibility is highly correlated to the proximity to central London (Figure 22). The lower levels of public transport access in many of the outer London boroughs can make it difficult for people to access employment or skills opportunities, especially if this requires travelling across London rather than into central London.

**Figure 22: Public Transport Accessibility Levels (PTAL) by MSOA in London, 2023**



Source: Transport for London, PTAL, 2023

<sup>95</sup> Social Market Foundation, Getting the measure of transport poverty: understanding a responding to the UK’s hidden crisis, 2023.

<sup>96</sup> [Access to work in London by public and personal transport | Trust for London](#)

## Housing

Costly and insecure housing can stop people being able to benefit from the skills and employment opportunities on offer in London. About one in three London households now rent privately - the highest level since 1971 and more than 300,000 Londoners are on social housing waitlists.<sup>97</sup> Nearly a million Londoners living in private rented homes were in poverty in 2023/24, more than double the number from 20 years ago. Back in 2004/05, private renters made up 22% of all Londoners in poverty; by 2023/24, that had risen to 40%. Amongst London households in poverty, housing costs equate to 57% of net income, compared to 33% across England.<sup>98</sup>

Individuals facing housing insecurity or high costs may struggle to access or complete training programmes, even when opportunities are available. Similarly, young adults living in overcrowded or unstable housing conditions may find it difficult to concentrate on their studies or pursue further education. Research with Londoners not currently enrolled in learning confirmed that the rising cost of living and its related financial pressures had led them to de-prioritise learning and training given the need to focus on more immediate costs such as food and housing.<sup>99</sup>

Another part of the housing picture in London is the increase in temporary accommodation and homelessness. London boroughs initially allocated nearly £600 million to their homelessness budgets for the 2024/25 financial year, informed by historical expenditure and projected increases in demand. However, the scale of homelessness pressures has escalated more rapidly than anticipated.<sup>100</sup>

The number of homeless Londoners requiring temporary accommodation has reached the highest level ever recorded – 183,000, or one in 50 residents of the capital. In Newham one in twenty households are in temporary accommodation.<sup>101</sup> London boroughs collectively spend £4m daily on temporary accommodation. Costs have spiked due to landlords ending their arrangements with boroughs and a resulting increase in the use of more expensive nightly paid accommodation, including hotels.

Insecure housing, especially which translates into frequent displacements to new areas, can reduce the ability of individuals to find work or engage with skills provision. Evidence shows a clear difference in employment by housing tenure, suggesting a potentially vicious cycle. Research has shown that social landlords can play an important role in reducing barriers to employment and skills, especially amongst social tenants facing multiple barriers.<sup>102</sup>

## Availability of flexible work

As noted earlier, a large number of Londoners are economically inactive due to looking after family / the home. Enabling individuals to balance family caregiving responsibilities with re-entry into the labour market may necessitate access to flexible working arrangements. The same holds true for those seeking to combine employment with ongoing learning. Flexible

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<sup>97</sup> [Housing and homelessness | Trust for London](#)

<sup>98</sup> [Housing and homelessness | Trust for London](#)

<sup>99</sup> Learning and Work Institute, The rising cost of living and access to Adult Education in London, 2024.

<sup>100</sup> <https://www.londoncouncils.gov.uk/news-and-press-releases/2025/ps330m-homelessness-overspend-housing-crisis-threatens-bankrupt-london>

<sup>101</sup> Trust for London, Temporary accommodation by London borough, 2025

<sup>102</sup> Institute for Employment Studies, Building opportunity: How social housing can support skills, talent and workforce development, 2022.

working refers to work arrangements that provide employees with greater control over when, where, and how they work, allowing them to vary their hours, location, or working patterns.

All employees have the legal right to request flexible working - employees can request a change to the number of hours they work; when they start or finish work; the days they work and where they work.<sup>103</sup> Evidence shows that flexible working can help employers reach more diverse talent, boost retention, improve employee wellbeing and lead to productivity gains.<sup>104</sup>

One part of flexible working is being able to work remotely or in a mix of home and office (hybrid). Since the pandemic, more people have been working this way. In autumn 2024, 28% of working adults in Great Britain were hybrid working, and the number is likely even higher in London due to the occupation composition.<sup>105</sup> The type of job strongly affects whether someone can work remotely - this flexibility mostly benefits people in high-paid, skilled jobs. For example, young people are less likely to work hybrid, partly because many work in customer-facing roles like retail or hospitality. Parents are more likely than non-parents to work from home, and among parents, men are more likely to work hybrid than women (41% vs 30%).

Many of the sectors where flexible working is common are prevalent in London, but these may not be the roles available to those with low skill levels or who are trying to re-enter the labour market. Whilst many groups under-represented in the labour market work part-time, which is a form of flexibility, they may not have control over their working pattern, place of work or receive their rota in advance. Therefore, whilst they have some flexibility they may not be in good work (which is further explored in Chapter 4).

### *Discrimination and intersectionality*

One of the factors contributing to employment rate gaps mentioned in Chapter 1 could be intersectionality and discrimination. Research shows that ageism, sexism and racism are present in the UK labour market.<sup>106</sup> More recently, the GLA commissioned a review into the barriers to labour market entry and progression for Bangladeshi and Pakistani women. Much of the rhetoric around the employment rate of these groups has focused on socio-cultural, gender and religious values and fails to recognise their human capital and education attainment. Pakistani and Bangladeshi women are among the most underrepresented in London's workplaces, despite rising educational attainment and outcomes. The research shows that Pakistani and Bangladeshi women often experience racism and discrimination based on their religion, race and gender in the job market and in the workplace.<sup>107</sup> These experiences can have a profound impact on people's confidence and aspirations, limiting their participation and progression in skills provision and the labour market.

The research also found that Pakistani and Bangladeshi women often face intersecting disadvantage which limited access to resources and opportunities to find good work, such as limited access to social networks and financial resources. In addition, migrant workers often face several intersecting barriers such as visa restrictions, language barriers and difficulties getting overseas qualifications recognised. Research focused on the employment outcomes

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<sup>103</sup> <https://www.gov.uk/flexible-working>

<sup>104</sup> CIPD, Flexible working: the business case, 2018.

<sup>105</sup> ONS, Who are the hybrid workers?, 2024.

<sup>106</sup> <https://www.aru.ac.uk/news/ageism-sexism-and-racism-still-rife-in-labour-market>

<sup>107</sup> NIESR, Bangladeshi and Pakistani Women in Good Work: Barriers to Entry and Progression, 2025.

of Hong Kongers in the UK found that many were in work that did not match their skills and experience. The research found that there is usually no single factor explaining this poor skills match, with several key barriers emerging from the research. Some of the barriers mentioned include low confidence with spoken English; difficulties in achieving recognition for professional qualifications; living in an area with few job vacancies; and lack of understanding of the workings of the UK jobs market.<sup>108</sup>

In addition to accessing employment, there are ethnic inequalities in seniority in London, with White and Indian groups having higher rates of employment as managers and senior officials, nearly three times higher than Black groups. Surveys of workers show that racism and discrimination play a role in lack of progression, with people reporting difficulty in accessing training opportunities and being passed over for promotion.

The GLA is trying to reduce labour market disparities experienced by Londoners from Black, Asian and Minority Ethnic backgrounds through its Workforce Integration Network (WIN) (see Box 6). The network is focused on improving labour market inequalities for groups identified as among the most underrepresented in London's workforce, specifically young Black men (16–24) and older Black men (50+); Black women and Pakistani and Bangladeshi women.

#### **Box 6: Overview of GLA Workforce Integration Network**

##### **The GLA's Workforce Integration Network (WIN)**

In 2018, the Mayor of London launched the Workforce Integration Network (WIN).

WIN works with employers, industry bodies, community organisations, and public sector partners to create pathways that help under-represented groups access and progress in good work and sustainable careers.

WIN helps employers tackle labour market inequalities by convening industry peers through the Design Lab programme, providing practical resources such as Inclusive Employer Toolkits, commissioning research to strengthen the evidence base for inclusion, and funding community-led organisations through the Inclusive Talent Brokerage to improve employment access for under-represented groups.

#### **Health of London's population and workforce**

The health of the population is an important part of the story when focusing on people's ability to engage in training or employment.

London has a relatively young and healthy population. Life expectancy at birth is higher for men and women in London compared to the average across the UK. Men in London have a life expectancy at birth of 80 years, which is the fourth highest across the UK, whilst women in London have a life expectancy at birth of 84 years which is the highest of any UK region.<sup>109</sup> However, our city is diverse and we see dramatic differences in life expectancy by borough, there is more than a five year differences in life expectancy at birth between men in

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<sup>108</sup> British Future, Working it out: Hong Kongers, employment and the cost of living, 2024.

<sup>109</sup> ONS, Life expectancy for local areas of Great Britain: between 2001 to 2003 and 2021 to 2023, 2024.

Richmond upon Thames and Barking and Dagenham, which could be caused by many factors including deprivation, demographic differences and instances of poor health.

Life expectancy measures should be complemented by analysis of healthy life expectancy (HLE)<sup>110</sup> which gives us an understanding of the age individuals can expect to be in good health. Among the regions of England, the highest male HLE at birth was observed in London (63.9 years), whilst for females London has the second highest HLE at 64.0 years. Most regions of England experienced a fall in HLE at birth since the pre-coronavirus (COVID-19) pandemic period (2017 to 2019), however, in London males have seen a small improvement of 2.2 months.

Importantly, there are significant inequalities in HLE across London, which can vary by more than a decade between different London boroughs or communities, underlining the scale of impact of deprivation and other factors. Males (69.5 years of age) and females (70.2 years of age) residing in Richmond upon Thames had the highest HLE within London in 2021–23, whereas males (57.8 years of age) and females (57.2 years of age) living in Lewisham had the lowest HLE.<sup>111</sup> A HLE below the state pension age could impact the share of older workers able to remain in the labour market, this is particularly relevant as the state pension age continues to rise.

### Work limiting health conditions

London's relative health is also seen within its lower-than-average prevalence of Work Limiting Health Conditions (WLHC) in its working-age population than the rest of the UK. However, London's WLHC prevalence has been rising in the last 10 years. In 2023, three in ten (29% or 1.8million) of London's working-age population reported a long-term health condition and 15% of London's working-age population (or 920,000 people) had a health condition which limited the kind and/or the amount of work they could do.<sup>112</sup>

GLA research shows that the employment of Londoners with WLHCs tends to be more precarious, concentrated in certain occupations, and is associated with more absences due to sickness. Inequalities in WLHCs mean they are more prevalent among people with lower levels of education, older people, and among most ethnic minority groups in London. In addition, women have slightly higher rates of WLHCs than men.<sup>113</sup>

Since the pandemic there has been a rise in the share of people economically inactive due to ill-health, although London has seen a less marked rise compared to the rest of the UK. Figure 23 outlines how the share of the 16-64 population who are economically inactive due to long-term sickness across London and the UK. In 2020, 3.4% of the population in London were economically inactive due to long-term sickness, in 2024 it had increased to 4.4%. This metric is a core component of the GLW plan. Londoners who are inactive due to long-term sickness can face several complex and compounding health problems which can limit their ability to engage with the labour market. However, as previously mentioned, 68,600 Londoners who are inactive due to long-term sickness want to work.<sup>114</sup>

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<sup>110</sup> Healthy life expectancy measures health-related wellbeing and represents the average time an individual is expected to live in "very good" or "good" general health, based on how individuals perceive their general health.

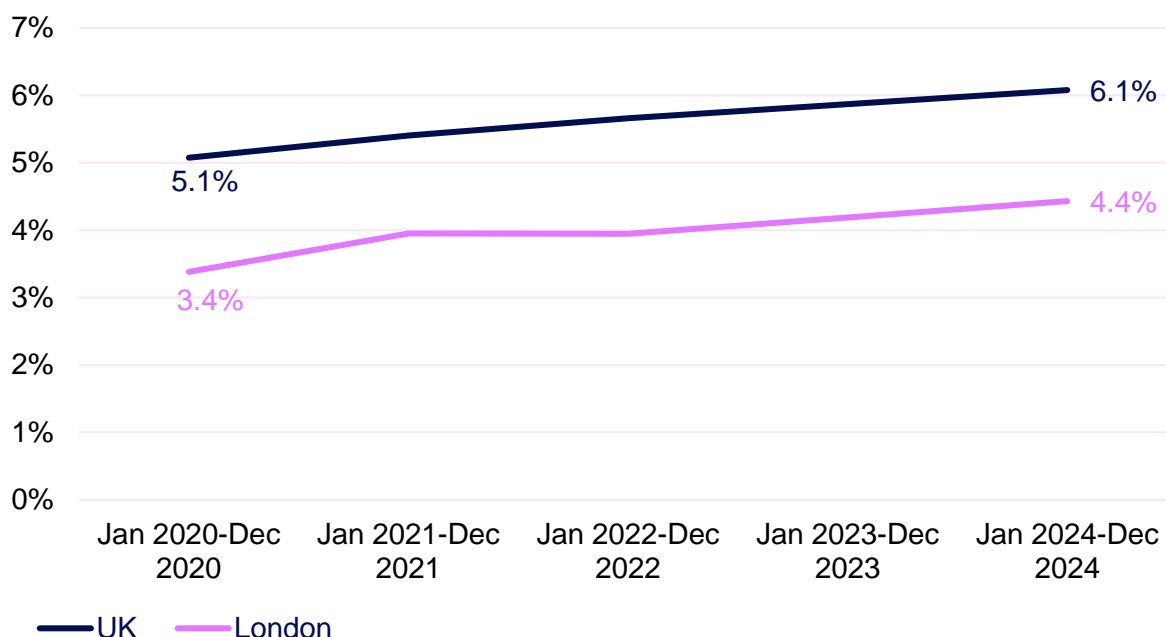
<sup>111</sup> ONS, Life expectancy for local areas of Great Britain: between 2001 to 2003 and 2021 to 2023, 2024.

<sup>112</sup> GLA Economics, Long-term sickness and the London labour market, 2025.

<sup>113</sup> GLA Economics, Long-term sickness and the London labour market, 2025.

<sup>114</sup> ONS, Annual Population Survey, April 2024 - March 2025, 2025.

**Figure 23: Percentage of population (16-64) who are economically inactive due to long-term sickness, 2020 to 2024**



Source: ONS, Annual Population Survey, January 2020 to December 2024, 2025

National evidence suggests that the most common conditions held by those who are inactive due to ill-health include musculoskeletal (MSK) conditions and depression and anxiety, this is the same in London. Almost half (48%) of all economically inactive working-age Londoners report a musculoskeletal WLHC, while 52% report a mental health condition.

Amongst Londoners in ill-health or experiencing a WLHC early intervention is important to reduce the risk of these people leaving the labour market. National evidence shows that once out of the workforce, people with work-limiting conditions are nearly three times less likely to return to employment than those without long-term health conditions, and the longer they are inactive, the less likely they are to re-enter work.<sup>115</sup>

A detailed review of long-term sickness in the London labour market can be [accessed here](#).

**Health and employment and skills access**

Health conditions and / or disabilities can be a barrier to stop learners engaging in adult education. Nonetheless, research consistently demonstrates that the accumulation of skills has a significant and positive impact on individuals’ health and wellbeing.<sup>116</sup> Participation in skills programmes not only enhances employability and economic prospects but also contributes to improved mental health, greater self-confidence, and stronger social connections. These benefits are evident across all life stages: from early education through to adult learning.

Research has shown that if effectively targeted towards the most excluded groups, adult skills programmes can reduce health inequalities. The impact is particularly evident among

<sup>115</sup> The Health Foundation, Commission for healthier working lives: Labour market flows and health, 2024.

<sup>116</sup> Institute for Health Equity, Skills and Health Inequality in London, 2023.

those who live in deprived areas, have low levels of skills, poor health and disability, experience discrimination and exclusion, and are socially isolated.<sup>117</sup>

Skills programmes can also benefit parents and carers or those whose quality of life and confidence could be improved by participating in skills building programmes. The GLA's London Learner Survey (LLS) for 2023/24 shows that following their adult education course 184,000 (94%) Londoners experienced a positive social change: meaning their wellbeing or confidence improved or they experienced increased social integration.<sup>118</sup>

The Commission for Healthier Working Lives emphasises that once people leave work due to ill-health, they often struggle to return (only 3% of people with WLHC return to employment after 12 months out of work), therefore preventing health-related job loss as well as early intervention are important priorities. Evidence shows that integrating employment, skills, and health interventions can significantly improve mental health and reduce worklessness (See Box 7). These approaches evidence the need to develop targeted interventions for underserved populations and those that face barriers, with improved outreach for advice and support.

### **Box 7: Integration of work, skills & health outcomes**

#### **Evidence on interventions that integrate work, skills & health outcomes:**

- Health-led employment trials show positive results including Individual Placement and Support (IPS) for a range of conditions including physical health, mental health and drug and alcohol use. The IPS programmes including work coaches in primary care and employment advisors in NHS talking therapies have delivered positive employment and health outcomes across mental and physical health conditions. Success factors include personalised, holistic support, strong employer engagement, and cross-sector collaboration.<sup>119</sup>
- The Community Learning Mental Health (CLMH) research project aimed to identify the potential for adult and community learning courses to help people develop the tools, strategies and resilience to manage, and aid recovery from, mild to moderate mental health problems. The evaluation of the programme found 52% of learners who started their course with clinically significant symptoms of anxiety and/or depression no longer had clinically significant symptoms at the end of their course.<sup>120</sup>
- GLA research found social prescribing to adult education could be a key tool to address the mental health crisis and support NHS services.<sup>121</sup>

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<sup>117</sup> Institute for Health Equity, Skills and Health Inequality in London, 2023.

<sup>118</sup> GLA, London Learner Survey 2023/24, 2025.

<sup>119</sup> Department for Health and Social Care, Estimates of the impact of IPS over 12 months: Health-led Employment Trial Evaluation, 2024.

<sup>120</sup> Department for Education, Community learning mental health research project: phase two evaluation report, 2018.

<sup>121</sup> Learning and Work Institute, Social Prescribing and Adult Education in London, 2022.

## Chapter 4: Good work

Good work means fair, inclusive, and high-quality employment that treats workers with dignity, offers fair pay, secure contracts, and opportunities to grow. It fosters safe, supportive, and diverse workplaces where employees feel valued and heard. Good work contributes to a stronger, more responsible London economy and improves health.

Estimates suggest that there were 4.9 million people in employment in London in June 2025.<sup>122</sup> This chapter seeks to provide evidence on the quality of employment offered in the capital including the levels of pay, job security and working conditions.

### Summary of key points

- London benefits from higher-than-average median wages: In 2024, median gross weekly pay for full time workers resident in London was £853.40 which is £125.10 higher than the median rate across the UK (£728.30).
- However, income inequality is high. The gap between the bottom and top 10% of full-time earners in London stands at £1,213 (gross weekly pay) compared to £911 across the UK.
- The share of workers in London earning below the London Living Wage (LLW) has fallen in recent year. Currently, 14% of workers earn below the LLW, rising to 48% for those working in accommodation and food services.
- Poverty in London has shifted from being a phenomenon primarily associated to family worklessness, to now also affecting working families.
- London has the second lowest proportion of jobs that are estimated to be paid below minimum wage (0.9%), however, due to the scale of London's labour market this is the third highest nominal figure – equivalent to 40,000 jobs.
- Evidence shows that on average London has a lower level of job quality than the UK. One of the biggest contributors to this gap is the share of workers in (regional) low pay.
- There are significant differences in the quality of work by sector across London. With 38% of employees in hospitality reporting not in being in (regional) low pay and in social care less than half of employees (48%) felt there were opportunities for career progression.

### Earnings

Median full-time earnings for residents in London<sup>123</sup> are significantly above the UK average. In the years following the financial crisis (2010 to 2015), median weekly pay remained relatively stagnant in London, increasing by less than one per cent each year. However, between 2016 and 2021 wage growth was improving at a faster pace and enabled residents

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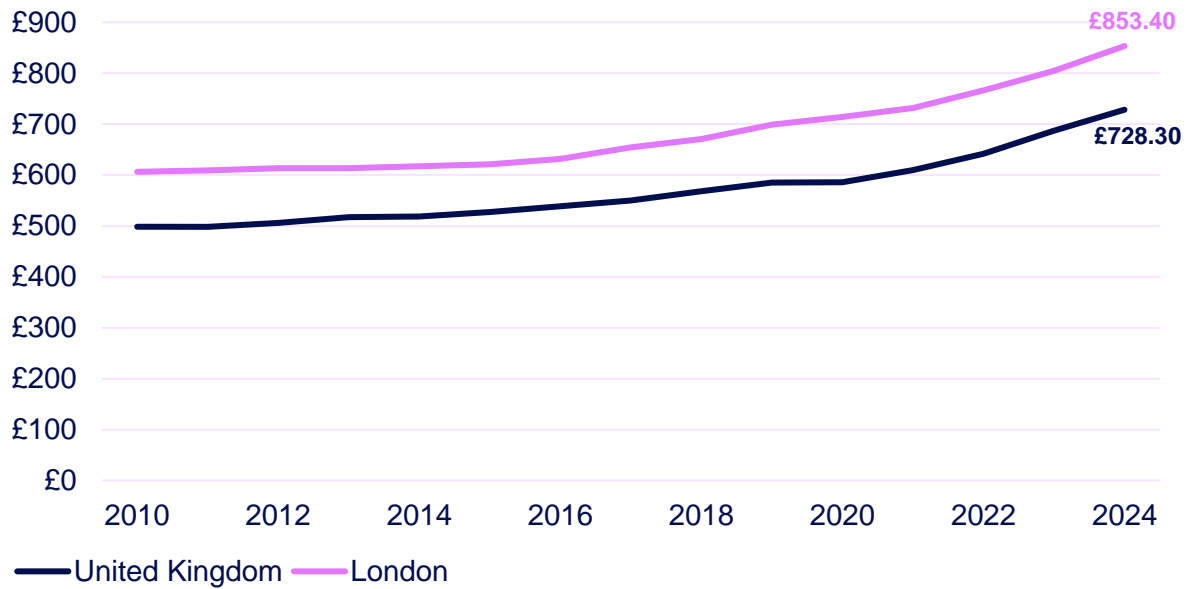
<sup>122</sup> ONS, Labour Force Survey, April to June 2025, 2025

<sup>123</sup> Due to the ITS and GLW focus on London residents' analysis of pay and conditions will focus on London residents unless stated otherwise.

to experience real wage growth. In the last three years (2022 to 2024) annual wage growth in London has ranged from 4.8% to 6% due to a period of high inflation.<sup>124</sup>

In 2024, median gross weekly pay for full time workers resident in London was £853.40 which is £125.10 higher than the median rate across the UK (£728.30).<sup>125</sup>

**Figure 24: Median gross weekly pay, all full-time workers, resident analysis, 2010 - 2024**



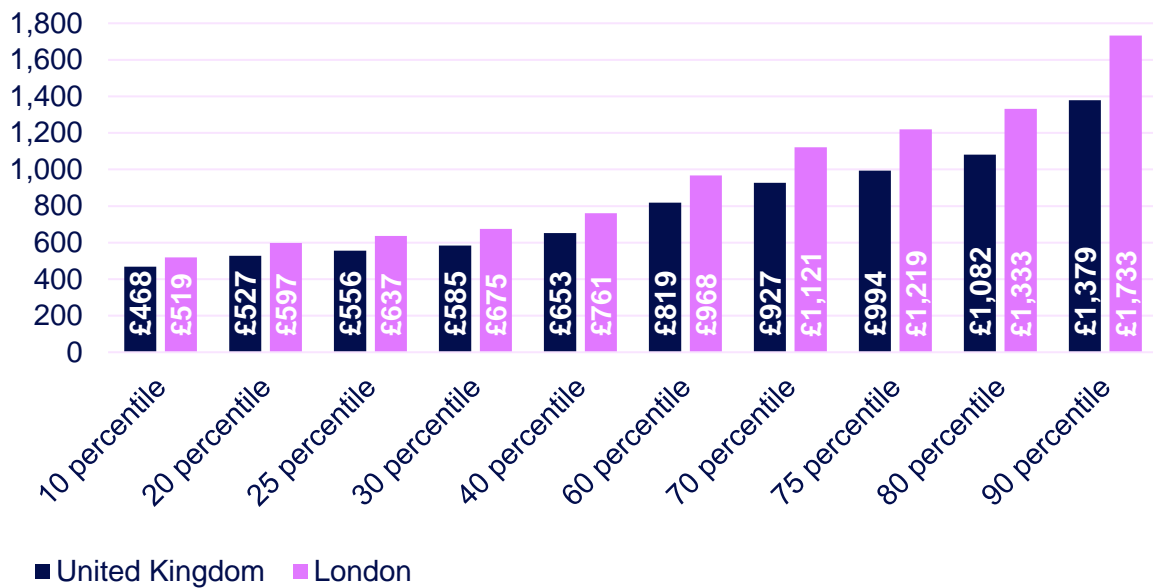
Source: ONS, Annual Survey of Hours and Earnings, 2010 – 2024. Note: Median earnings in pounds for employees living in the area.

Income inequality and housing costs

Alongside, household and median income figures, it is important to understand the difference between the top and bottom earners (Figure 25). The income of Londoners is higher than the UK average across all income deciles – with the gap widening at the higher end of the income distribution. Income inequality can be shown by the gap between the bottom and top 10% of full-time earners - in London the gap stands at £1,213 (gross weekly pay) compared to £911 across the UK. This means in the UK the top earners earn 2.95 times the bottom 10% of earners, whereas in London the figure is 3.34 times.

<sup>124</sup> Inflation averaged 4.9% a year between 2022 and 2024  
<sup>125</sup> ONS, Annual Survey of Hours and Earnings, 2010 – 2024

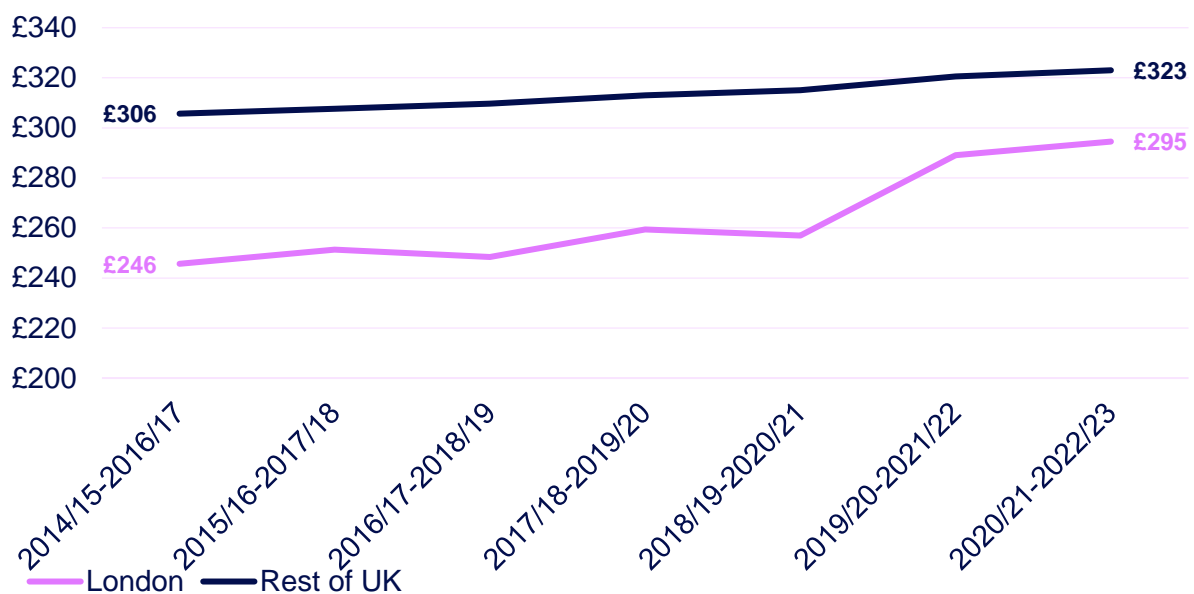
**Figure 25: Gross weekly pay for full time employees by income decile, London and UK, 2024**



Source: ONS, Annual Survey of Hours and Earnings, 2024. Note: Earnings in pounds for employees living in the area.

Household income, especially after housing costs, is important to boost living standards. Currently the bottom 20% of households in London earn £295 per week after housing costs compared to £323 in the rest of the UK (Figure 25). The London Growth Plan commits to raising the household weekly income (after housing costs) of the lowest earning 20% of Londoners by 20%. This would mean that at least a million London households would have on average an extra £50 to spend each week after paying for housing costs.

**Figure 26: Weekly income (after housing costs) for the lowest earning 20% of households**



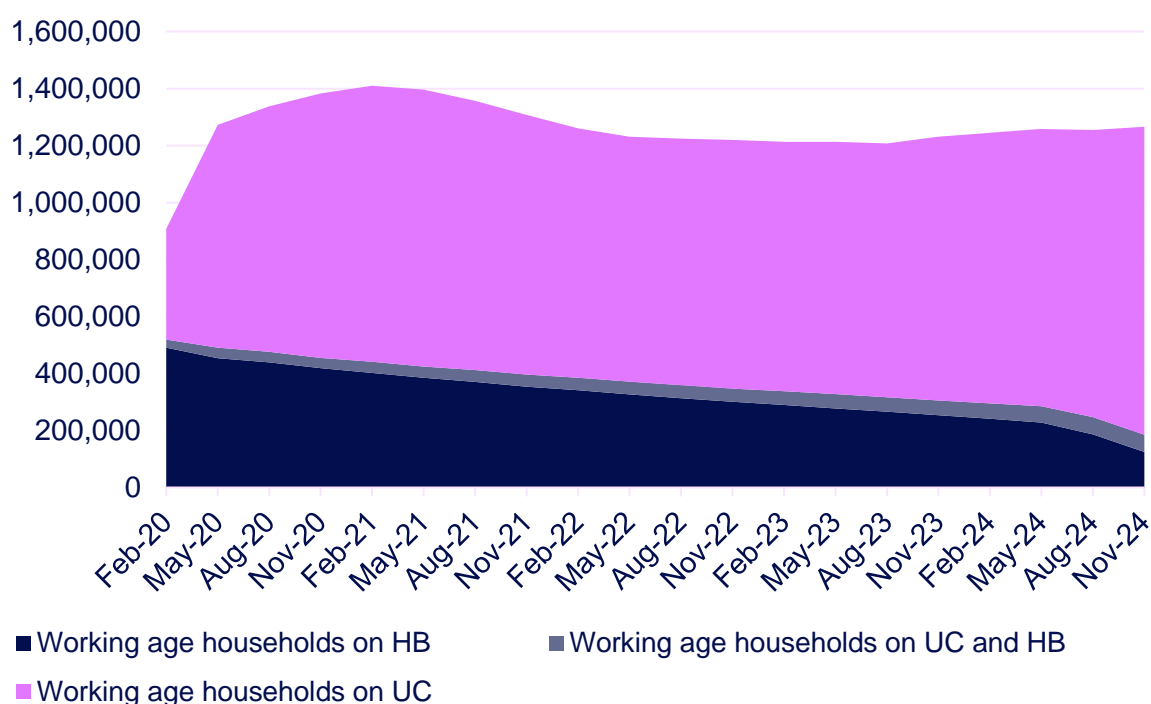
Source: Department for Work and Pensions “household average income” microdata. Note: Household weekly income in this chart refers to gross equivalised household income after housing costs in 2022-23 £ terms. Data are three-year averages, but there was no data available for 2020/21, so estimates for years including 2020/21 are averages of the two remaining time points.

### Benefits, low pay and in-work poverty

One of the reasons for high levels of income inequality is the number of Londoners in low pay or in receipt of benefits – including those out work.

For many Londoners, especially those who are inactive or unemployment, their income is dependent upon the welfare system. In November 2024, more than 1.2 million working age households in London were in receipt of means tested benefits (Figure 27) – a number which has remained relatively stable since February 2022. Most claimants were solely on Universal Credit (UC).

**Figure 27: Working age London households on means-tested benefits, 2020 to 2024**



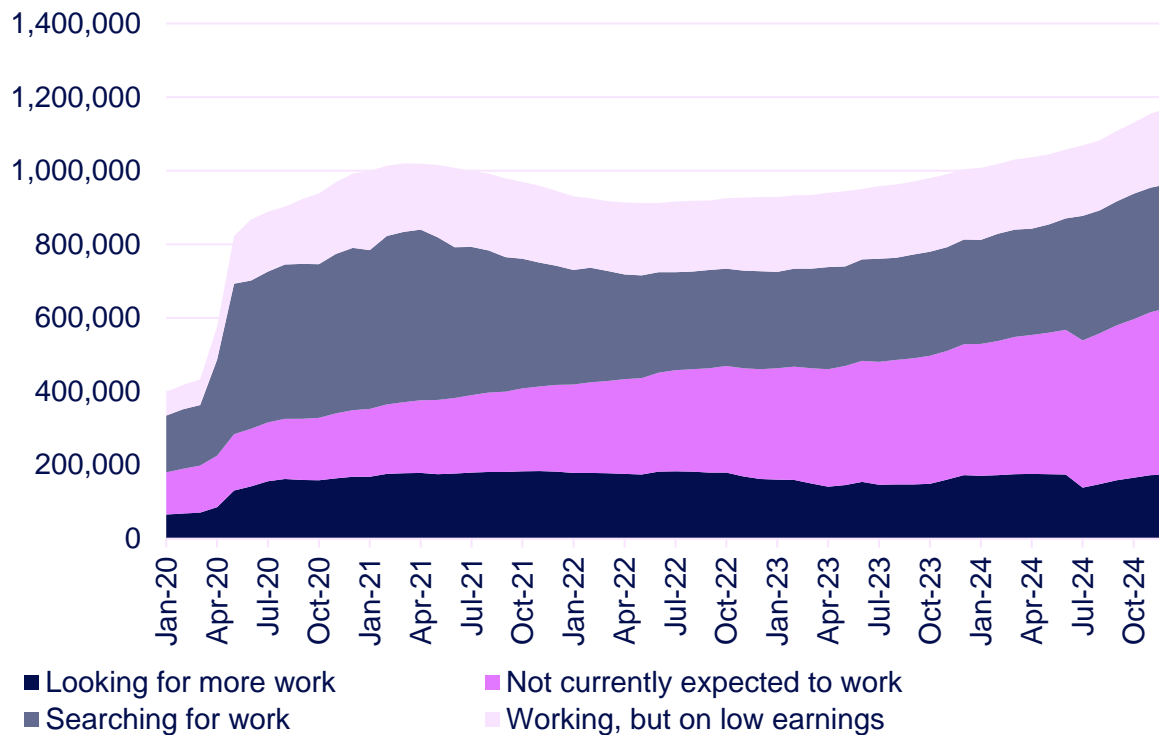
Source: DWP Benefits data visa Stat-Xplore

There are different reasons why individuals claim Universal Credit including their different work statuses. Data shows the number of people claiming UC broken by four work statuses:

- Looking for more work;
- Not currently expected to work;
- Searching for work;
- Working, but on low earnings.

Since 2020, the share of UC claimants looking for more work has remained relatively static at ~15% as has the share of those working but on low income ~17%. However, there has been a change in the share of individuals claiming UC who are not expected to work- rising from 29% in January 2020 to 39% in December 2024. This has aligned with a reduction in the share claiming UC who are searching for work – declining from 39% in January 2020 to 29% in December 2024. Many of those not expected to search for work will be economically inactive, whilst those searching for work will be unemployed.

**Figure 28: Londoners claiming Universal Credit by work status**



Source: DWP Benefits data visa Stat-Xplore

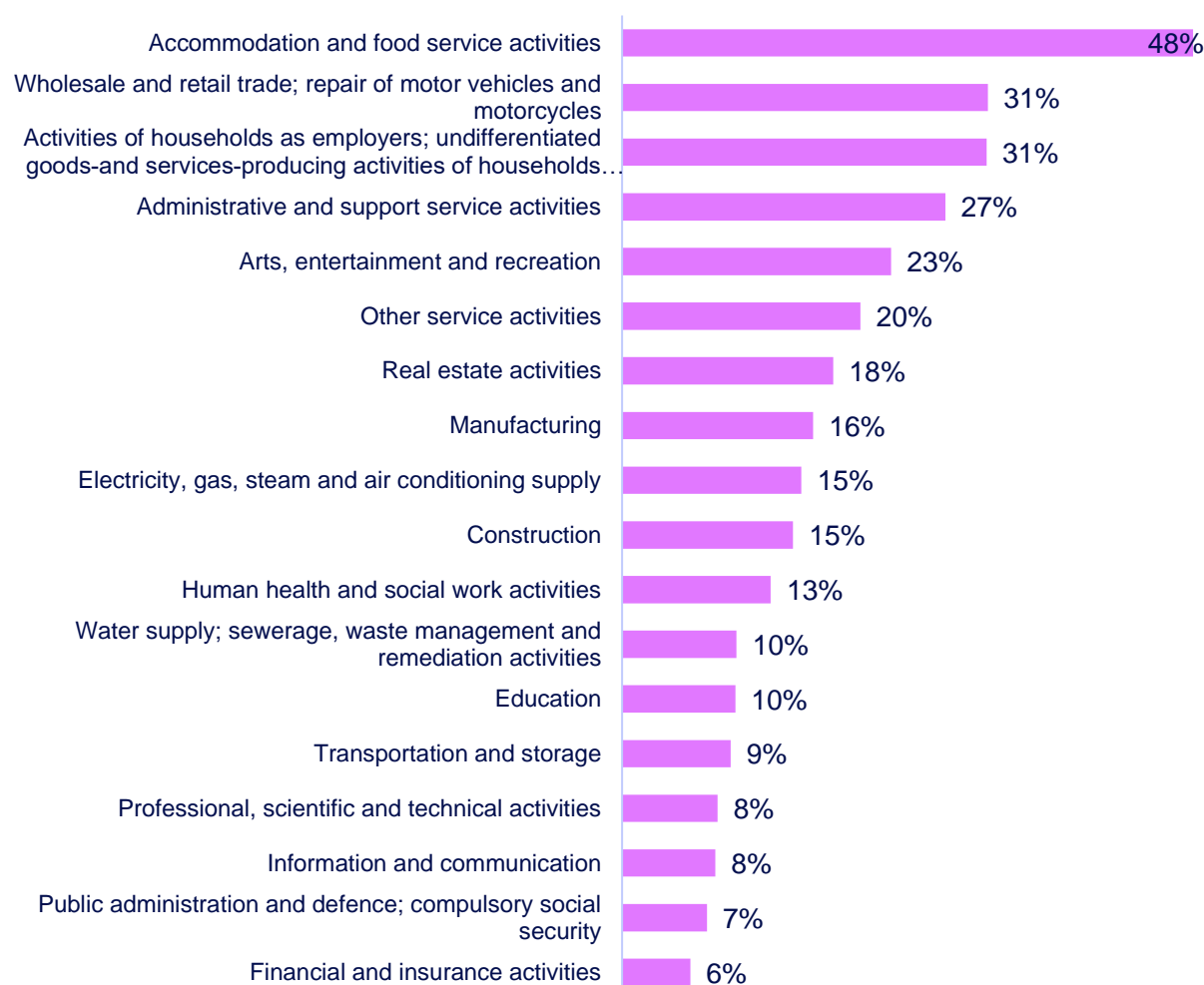
The share of Londoners working but on low earnings is influenced by instances of low pay. In 2024, 14% of jobs in London were low paid, meaning they are paid below the London Living Wage; however, this rises to 38% in part-time work. Whilst these numbers seem high, they represent a significant improvement compared to 2018, where low pay appeared to peak. In 2018, around 20% of all jobs in London were low paid with the figure rising to 48% for part-time work.<sup>126</sup>

<p><b>14%</b> of jobs in London are low paid</p>	<p><b>38%</b> of part-time jobs in London are low paid</p>	<p><b>9%</b> of full-time jobs in London are low paid</p>
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There are large differences in the share of jobs paid below the LLW based on industry (Figure 29). Almost half of all jobs in Accommodation and Food service activities are paid below the LLW – compared to only 6% of jobs in financial and insurance activities. The estimated share of residents’ jobs paid below the LLW by borough is available in the appendix (see Table 6). For example, more than a quarter of residents’ jobs in Brent pay below the LLW compared to only 9.9% in Wandsworth and Westminster.

<sup>126</sup> Trust for London, Poverty profile, 2024 and ONS, Annual Survey of Hours and Earnings, 2024

**Figure 29: Share of jobs paid below the London Living Wage by industry, 2024**



Source: Trust for London, *London's poverty profile, 2024* and ONS, *Annual Survey of Hours and Earnings, 2024*.

Almost half of all jobs in Accommodation and Food service activities are paid below the LLW – compared to only 6% of jobs in financial and insurance activities. The estimated share of residents' jobs paid below the LLW by borough is available in the appendix (see Table 6). For example, more than a quarter of residents' jobs in Brent pay below the LLW compared to only 9.9% in Wandsworth and Westminster.

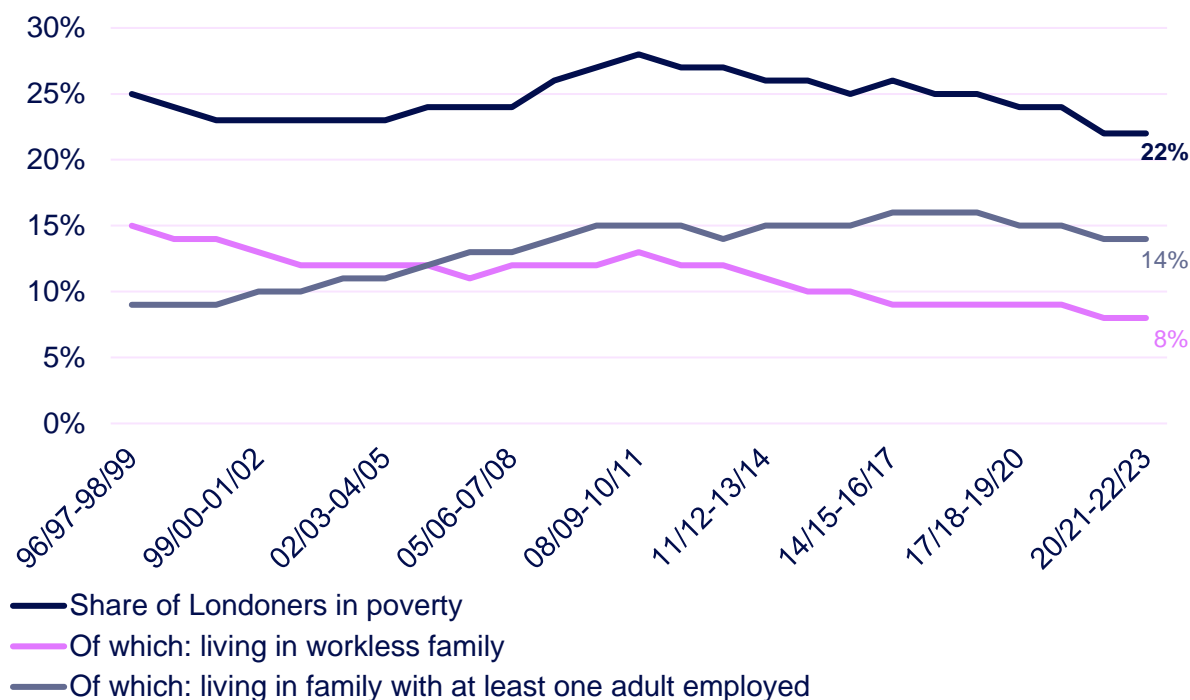
Research published by the GLA in 2025, shows that in London, 2.2 million people were in relative poverty according to the latest data for 2020/21-2022/23 – meaning that 24% of the capital's residents lived in households with less than 60% of UK median income.<sup>127</sup>

Relative poverty in London has shifted from being a phenomenon primarily associated with family worklessness, to primarily affecting working families (Figure 30). The overall share of working-age Londoners in poverty has fluctuated between 22% and 28% since 1996. However, there has been a big shift in the composition of the population in poverty. In 1996/97-1998/99, it could be broken down as 15% of working-age Londoners in poverty and

<sup>127</sup> GLA Economics, *In-work poverty in London – An overview of trends and drivers, 1996-2023, 2025*

in a workless family<sup>128</sup>, and 9% in poverty and in a family with at least one person employed. In 2020/21-2022/23, those figures were reversed: 14% of working-age Londoners were in poverty and in a family with at least one person employed, and 8% were in poverty and in a workless family.

**Figure 30: Percentage of working-age Londoners in poverty, broken-down by family employment situation, 1996 to 2023**



Source: GLA analysis of DWP Households Below Average Income, 2025

Insecure forms of work such as part-time work and self-employment are linked to poverty. Evidence suggests 29% of part-time workers are in poverty, compared to 24% of those who are self-employed and just 10% of those in full-time work.

In addition, workers from an ethnic minority background and those with no educational qualifications are most likely to be working and in poverty. The in-work poverty rates of employed Londoners with a degree have been consistently lower than that of Londoners with qualifications below degree level, or without any qualifications. Educational attainment and ethnicity are the two characteristics most clearly associated with in-work poverty in our data. Gaps also exist with regards to other characteristics, but they are less clearcut.

Family structures affect how many adults in the family might be available to work and by how much. Working families with three or more children have seen their poverty rate increase sharply since the introduction of the two-child benefit cap on Universal Credit. Single parents have a high likelihood of in-work poverty, though the number of people in work and in poverty has also risen sharply among Londoners living as a couple.

<sup>128</sup> “Family” is defined by DWP as “a single adult or a married or cohabiting couple and any dependent children”. A family is a subset of the broader concept of households. For instance, multiple families can live in the same household (like in the case of a multi-generational household).

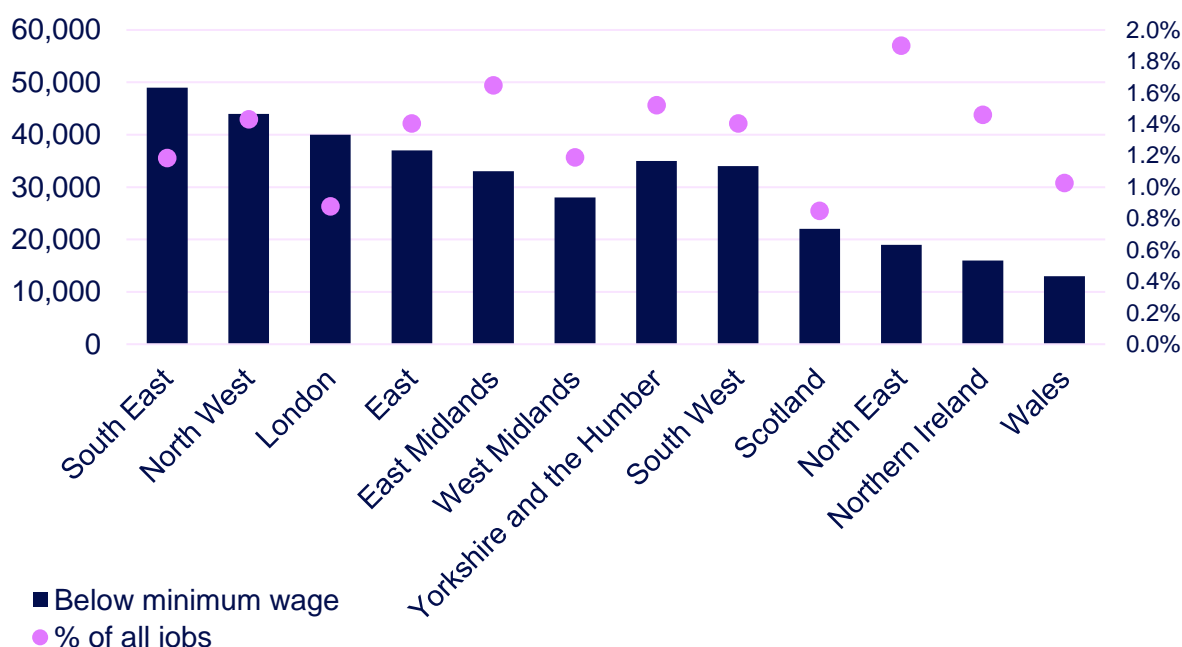
## Employment conditions

Not all employment can be classified as good work. While many jobs offer fair pay, safe conditions, and opportunities for growth, others fall short sometimes failing to meet even the basic legal standards for wages, working hours, or health and safety.

### Labour market rights

Analysis by the Department for Business and Trade (DBT) finds that approximately 371,000 workers across the UK were paid below the relevant minimum wage in April 2024, this is equivalent to 1.3% of all jobs.<sup>129</sup> London has the second lowest proportion of jobs that are estimated to be paid below minimum wage (0.9%). However, due to the scale of London's labour market this is the third highest nominal figure – equivalent to 40,000 jobs (Figure 31). In 2023 to 2024, HMRC identified around £7.6 million in arrears owed to 52,000 workers – 29% of these arrears (£2.2m) were owed by workplaces in London.<sup>130</sup>

**Figure 31: Estimated number of jobs paid below the minimum wage by region, April 2024**



*Source: DBT analysis of Annual Survey of Hours and Earnings 2024 (ONS). Note: ASHE estimates of jobs paid below the NMW/NLW have been rounded to the nearest 1,000. As a result, figures may not always tally to the total. The figures cover underpayment across all minimum wage rates.*

Research by the Resolution Foundation estimates that 900,000 UK workers per year have their holiday pay withheld, valuing around £2.1bn (£2,300 each).<sup>131</sup> This research also finds that 14% of the lowest-paid workers report that they receive no paid holiday, six-times higher than the highest-paid. The research also finds that recent migrants experience higher rights violations rates than the general population (5 per cent say they do not get paid holiday, for example, compared to 3 per cent of all employees), although this may underestimate the

<sup>129</sup> Department for Business & Trade, National Living Wage and National Minimum Wage: government evidence on enforcement and compliance in 2023 and 2024, 2025.

<sup>130</sup> Department for Business & Trade, National Living Wage and National Minimum Wage: government evidence on enforcement and compliance in 2023 and 2024, 2025.

<sup>131</sup> Resolution Foundation, Enforce for good, 2023.

true experience of migrant workers as official surveys can fail to pick up migrant workers or those with limited English proficiency.

### Good work

The Mayor of London supports good work through the Good Work Standard (see Box 8). The Good Work Standard is a free accreditation programme that provides employers with a set of best employment practices alongside information and resources to help achieve them. The initiative has been developed in collaboration with London's employers, trade unions, professional bodies and experts and it sets the benchmark the Mayor wants every London employer to work towards and achieve.

#### **Box 8: The Good Work Standard**

Organisations able to meet the Good Work Standard criteria can apply for accreditation and recognition as leading employers from the Mayor. The four pillars of good, as defined by the Good Work Standard are:

- **Fair pay and conditions:** Pay, contracts and financial wellbeing
- **Engagement, voice and wellbeing:** Workforce dialogue, positive relationships with trade unions, health and wellbeing and work-life balance
- **Skills and progression:** Management and leadership, skills and development and in-work progression
- **Diversity and inclusive recruitment:** Equality, diversity and inclusion and inclusive recruitment practice.

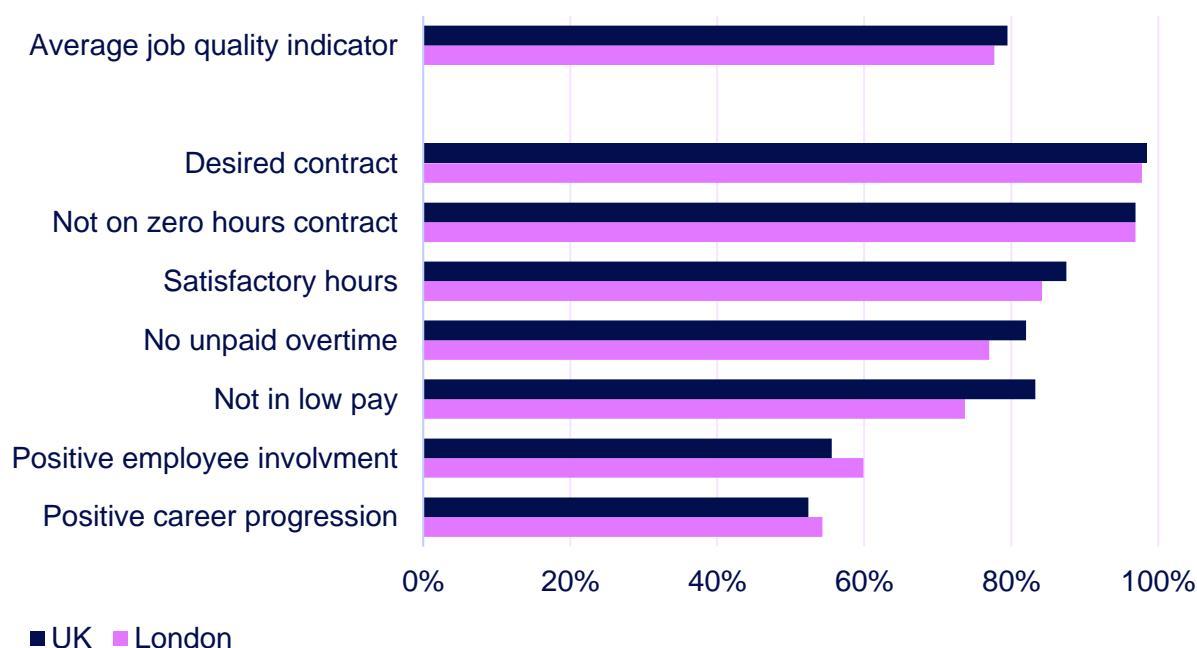
ONS data can be used to compile a picture of good work across the UK and London (Figure 30). The average job quality score summarises ONS Labour Force Survey responses across seven separate questions.

- Whether employee reports 'good' or 'very good' career progression opportunities.
- Whether employee reports 'good' or 'very good' employee involvement.
- Whether employee hourly pay is greater than 60% of the local (regional) median.
- Whether employee has worked unpaid overtime.
- Whether employee reports satisfactory hours.
- Whether employee reports a zero hours contract.
- Whether employee reports having desired contract.

Each item is scored as the share of employees answering the question with a positive response. For instance, if 20% of employees report having worked unpaid overtime, then we take the 80% that haven't had to do so as the 'positive' score.

Evidence shows that on average London has a lower level of job quality than the UK. One of the biggest contributors to this gap is the share of workers in (regional) low pay (Figure 32).

**Figure 32: Average job quality indicator and component, share of employees, 2022**



Source: ONS Labour Force Survey and GLA Economics, State of London, 2025

In London in 2022, only 73.7% of employees earned more than the 60% of the regional median, while in the UK 83.3% earned more. This means, as shown earlier, whilst pay is high in London, so is income inequality.

A similar share of employees were not on zero hours contracts across London and the UK. However, a lower share of Londoners reported that they work satisfactory hours or were paid for overtime. On a more encouraging note, a large share of employees in London felt there was positive employee involvement or career progression available.<sup>132</sup>

The London average hides differences experienced by workers depending on the sector of employment. In Hospitality, only 38% of employees report not in being in (regional) low pay, compared to 92% of those working in the Creative Industries. In Social Care, less than half of employees (48%) felt there were opportunities for career progression compared to almost three-quarters (74%) of Digital sector employees.

Education providers in London report that many employed learners are working under insecure, zero-hour contracts with irregular schedules, as such roles are the most readily available in the current economic climate. Faced with rising living costs, these learners often prioritise extra work shifts over attending classes, focusing on immediate income rather than long-term skill development and career progression.<sup>133</sup>

<sup>132</sup> ONS Local, Job quality indicators by industry in London and all other regions of the UK, 2023, 2024

<sup>133</sup> Learning and Work Institute, The rising cost of living and access to Adult Education in London, 2024.

## Chapter 5: Moving forward

The ITS and GLW initiatives provide a strategic opportunity to address London's workforce challenges by uniting key stakeholders, policymakers, educators, employers, and community groups. This collaborative approach is vital for developing inclusive solutions that reflect the city's diverse and evolving labour market.

The evidence base demonstrates the need to expand access to skills and employment for underrepresented groups, including those with long-term health conditions, disabilities, and caring responsibilities. Despite their willingness to work, many Londoners face persistent barriers. Through coordinated policy, investment, and programme delivery, ITS and GLW aim to remove these obstacles and build more equitable pathways into sustainable employment.

### Monitoring progress

Monitoring performance is a central feature of the ITS and GLW plan. Many of the actions of the ITS and GLW plan aim to support the London Growth Plan's ambitions to boost productivity growth to 2% annually over the next decade and raise the real weekly income of the lowest earning 20% of Londoners by 20% (after housing costs). Neither the ITS nor the GLW plan has productivity based targets due to the complex factors that influence productivity, instead a range of metrics will be monitored that should positively impact productivity including increased education attainment and reduced skills and employment gaps.

Both the GLW plan and the ITS aim to support the following targets:

- **Increase London's employment rate to 80%:** achieving an 80% employment rate amongst working-age adults is a long-term ambition, shared with the UK government. In London, it would strengthen the economy, reduce inequality, and unlock opportunities for underrepresented groups. Moreover, it supports inclusive growth, boosts public finances, and helps businesses meet skills demands positioning London as a globally competitive and resilient city.
- **Raise the real household weekly income (after housing costs) of the lowest earning 20% of Londoners by 20% by 2035:** it is key to tackling inequality and driving inclusive growth. It helps households under the greatest financial pressure access essentials like housing, healthcare, and education, while also boosting local spending, supporting small businesses, and reducing reliance on public services in London. This goal strengthens both individual opportunity and London's overall economic resilience.

By tracking key indicators across skills and employment, we ensure strategic objectives remain aligned with delivery outcomes, enabling stakeholders to assess progress, identify gaps, and make timely adjustments. This evidence-led approach keeps the ITS and GLW plan responsive to London's dynamic labour market and helps target interventions that drive inclusive economic growth and reduce inequalities.

Beyond its practical function, performance monitoring underpins transparency and accountability across the ITS and GLW programmes, providing a robust evidence base to inform future policy development. The outcomes below should be complimented by ongoing and regular programme monitoring associated with the proposed actions of both documents.

Given that data and evidence point towards a range of inequalities across employment and skills there is a need to monitor how these outcomes vary by demographic and geographical factors.

### **Monitoring the ITS**

Alongside the 80% employment and income growth targets the GLA will monitor the following:

- **Economic outcomes of learners:** tracking learners' economic outcomes is key to understanding whether education leads to employment, better jobs, and career growth, especially for underrepresented groups. This key information helps ensure skills investment in London is closely matched to labour market demand, directing resources where they'll have the greatest impact.
- **Diversity of growth sectors workforce:** workforce diversity in London growth sectors is key to driving innovation and inclusive economic success. In London, it helps unlock talent, close opportunity gaps, and ensure the city's progress reflects its rich social fabric, making businesses more resilient, competitive, and better equipped to serve diverse markets.
- **Londoners earning below the LLW:** reducing the share of Londoners earning below the London Living Wage is vital to tackling in-work poverty and building a fairer capital. Furthermore, raising wages improves financial security, supports wellbeing, and ensures work genuinely provides a decent standard of living.
- **Londoners progressing to higher levels of learning:** increasing the percentage of Londoners advancing to higher levels of learning is essential to building a skilled workforce capable of dealing with future labour market shifts, such as AI or net-zero. It opens pathways to better jobs and wages, addresses skills shortages in London growth sectors, and promotes social mobility, helping London stay competitive and inclusive in a fast-changing economy.
- **Londoners aged 16-64 with Level 3+ qualifications:** boosting the number of working-age Londoners with Level 3+ qualifications is key to developing a skilled workforce for high-growth sectors. These qualifications open doors to better jobs, further education, help close skills gaps, improve resilience to labour market shocks and strengthen London's global competitiveness.
- **Skills shortage vacancies:** reducing skills shortage vacancies is important to London's growth, helping businesses expand, boosting productivity, and aligning training with industry needs, especially in key growth sectors like Creative, Life Sciences, and Construction. Reducing skills shortage vacancies strengthens the labour market and promotes a fairer, more competitive economy.

## Monitoring the GLW plan

Alongside the 80% employment and income growth targets the GLA will monitor the following through the GLW plan governance processes:

- **Variation in employment rates across London boroughs:** reducing employment rate disparities across London boroughs is essential for unlocking potential, promoting fairness, and strengthening local economies. By tackling unequal access to jobs, the city can ensure all residents benefit from growth and contribute to more connected, resilient communities.
- **Health related economic inactivity rate (number of working-age people who are economically inactive due to being long-term sick divided by the working-age population):** reducing health-related economic inactivity is important to unlocking potential, boosting productivity, and easing pressure on public services. Long-term conditions like mental illness and musculoskeletal conditions keep many out of work. Addressing this helps individuals lead more secure lives while strengthening the economy.
- **Disability employment rate gap (the difference in the employment rate of people who report they are disabled, and those who do not):** the disability employment rate gap is a clear sign of labour market inequality. Closing it is crucial for fairness and economic inclusion, unlocking the potential of many while fostering a more diverse, financially independent, and productive workforce.
- **Proportion of 16-24 year olds not in education, employment or training (NEET):** reducing the NEET rate among 16–24 year olds in London is vital to preventing long-term disadvantage and unlocking economic potential. With relatively high rates in recent years, driven by poor health and inactivity, tackling this issue helps build a more skilled workforce, eases pressure on public services, and ensures young Londoners have a fair chance to succeed.
- **Employment ethnicity gap:** reducing London's employment ethnicity gap is needed for creating a fairer, more inclusive economy. Despite the city's diversity, disparities in job access persist, especially among minority ethnic groups. Tackling these inequalities unlocks talent, boosts productivity, and ensures all Londoners can thrive.
- **Female employment rate (the number of women aged 16-64 in employment divided by the number of women in the population, aged 16-64):** increasing the female employment rate in London is relevant to inclusive growth and reducing inequality. Women, particularly mothers, carers, and those from ethnic minority backgrounds, face barriers like childcare costs and inflexible work. Tackling these issues boosts household incomes, expands the talent pool, and strengthens the city's economy through greater diversity and productivity.

## Data availability and reporting frequency

The ITS and GLW monitoring will draw on a diverse set of data sources, combining administrative and survey data to provide a comprehensive evidence base. In line with data availability, reporting is expected to occur annually. The list of data sources is provided below.

- **Annual Population Survey (APS):** the APS provides information on important social and socio-economic variables at local levels. The published statistics enable monitoring of estimates between censuses for a range of policy purposes and provide local area information for labour market estimates.
- **Labour Force Survey (LFS):** The LFS is a large, quarterly household survey conducted in the UK by the Office for National Statistics (ONS) to provide official measures of employment, unemployment, and other labour market statistics using internationally agreed definitions. The survey collects information on the employment circumstances and personal characteristics of individuals aged 16 and over in private households.
- **London Learner Survey (LLS):** The LLS, led by the Mayor and Greater London Authority, tracks how adult education impacts learners' lives, covering employment, health, and wellbeing. It gathers information before and after courses funded by London's Adult Skills Fund to help shape more effective, responsive skills policy.
- **Longitudinal Education Outcomes (LEO):** LEO data links education records with administrative employment and earnings information in England, helping researchers and policymakers track, for instance, how education affects long-term career outcomes and social mobility.
- **Annual Survey of Hours and Earnings (ASHE):** published by the UK's Office for National Statistics, provides detailed insights into employee earnings and working hours across sectors, regions, and demographics. Based on PAYE records, it's a key source for understanding wage trends and labour market inequalities.
- **Employer Skills Survey:** The Employer Skills Survey, run by the Department for Education, collects insights from UK businesses on recruitment challenges, skills gaps, and training needs. It helps policymakers target support to boost workforce development and productivity across the country.
- **Household Below Average Income (HBAI) data:** the HBAI data presents information on living standards in the UK based on household income measures for the financial year.

# Glossary

Term	Definition
Adult Skills Fund (ASF)	The ASF funds education and training for adults aged 19 years and over and includes qualifications such as basic English, maths and digital skills and community learning. Responsibility for the ASF (formerly Adult Education Budget) in London was devolved to the Mayor of London in the 2019/2020 academic year.
Apprenticeships	Apprenticeships are paid jobs which include at least 20% off the job training (such as classroom learning) and lead to a nationally recognised qualification. Apprenticeship levels are classified as: intermediate (NVQ2), advanced (NVQ3) and higher (NVQ 4+). Note: higher level includes degree-level apprenticeships (NVQ 6-7).
EA core or work limiting disabled	Includes those who have a long-term disability which substantially limits their day-to-day activities (EA core) or those who have a long-term disability which affects the kind or amount of work they might do (work limiting).
Economically active	People in employment (employee or self-employed) and those who are unemployed (those who were looking for work and could start within two weeks, or waiting to start a job that had been offered and accepted).
Economically inactive	<p>In this evidence base, economically inactive refers to those that meet the ONS definition of economic inactivity. This is people not in employment who have not been seeking work within the last 4 weeks and/or are unable to start work within the next 2 weeks.</p> <p>The main economically inactive groups are students, people looking after family and home, long-term sick and disabled, temporarily sick and disabled, retired people and discouraged workers.</p>
Economic inactivity rate	The economic inactivity rate is the number of who are economically inactive as a proportion of the population. The population considered in this evidence base are those aged 16 to 64.
Employment rate	<p>In this evidence base, employment rate follows the ONS definition. This is the number of people in paid work as a proportion of the population. The population considered in this evidence base are those aged 16 to 64.</p> <p>Employment is a different, but similar, concept to jobs. Employment is a measure of people and a person with more than one job would therefore be counted once in the employment estimates.</p>
Free Courses for Jobs (FCFJ)	This initiative funds a pre-defined list of Level 3 qualifications, that will support the development of new skills and improve the prospects of eligible adults in the labour market.
Hard to fill vacancies	Hard-to-fill vacancies are a subset of all vacancies, where employers report difficulties filling roles.

Higher Level Skills	Generally used to refer to qualifications at Level 4 or above (this is often a university degree but also includes higher-level technical qualifications and higher education qualifications below degree level).
Proficiency of skills	Having a high degree of skill or expertise to complete tasks relevant to existing role.
Skills gaps	Employees that are judged by their employer to lack full proficiency.
Skills shortage vacancies	Skill-shortage vacancies are a subset of hard-to-fill vacancies that employers struggle to fill due to a lack of skills, qualifications or experience among applicants.
Standard Industrial Classification (SIC)	The UK Standard Industrial Classification (SIC) of economic activities, abbreviated as UK SIC, is a five-digit classification providing the framework for collecting and presenting a large range of statistical data according to economic activity.
Skills Bootcamps	Skills Bootcamps are flexible, free training courses for adults (19+) in England that last up to 16 weeks and are designed to teach in-demand, sector-specific skills.
Sub-regional partnerships (SRPs)	<p>Sub-regional partnerships bring together London boroughs and other strategic partners for the purpose of (for example) strategic policy advice, research, advocacy and programme management. They bridge the space between local authorities and regional government in the capital. London has four borough-focused sub-regional partnerships:</p> <ul style="list-style-type: none"> <li>• West London Alliance (west London)</li> <li>• South London Partnership (south-west London)</li> <li>• Central London Forward (central London)</li> <li>• Local London (south-east and north-east London)</li> </ul> <p>A mapping of Local Authority to SRP is provided in Table 5.</p>
Unemployment rate	<p>In this evidence base, unemployment follows the ONS and the International Labour Organisation definition. This defines unemployed people as being:</p> <ul style="list-style-type: none"> <li>• without a job, have been actively seeking work in the past four weeks and are available to start work in the next two weeks</li> <li>• out of work, have found a job and are waiting to start it in the next two weeks</li> </ul> <p>Unemployment rate is the proportion of economically active people aged 16 to 64 who are unemployed.</p>

# Appendix A

Table 4: Headline borough statistics

Borough	Population	Employment rate, 16-64		Economic inactivity rate, 16-64	
		Percentage (%)	Confidence interval (pp)	Percentage (%)	Confidence interval (pp)
Barking and Dagenham	232,747	66.9%	5.4	25.5%	5.0
Barnet	405,050	74.5%	5.1	20.9%	4.7
Bexley	256,434	81.3%	5.1	15.7%	4.7
Brent	352,976	78.8%	7.3	15.6%	6.5
Bromley	335,319	76.6%	5.3	20.1%	5.0
Camden	216,943	73.0%	6.6	23.3%	6.3
City of London	15,111	!	-	!	!
Croydon	409,342	76.9%	5.4	19.8%	5.1
Ealing	385,985	80.2%	5.6	15.0%	5.1
Enfield	327,434	74.5%	6.4	22.4%	6.1
Greenwich	299,528	68.8%	6.2	24.9%	5.8
Hackney	266,758	82.9%	4.6	14.3%	4.3
Hammersmith and Fulham	188,687	72.6%	5.6	24.9%	5.5
Haringey	263,850	76.2%	5.4	20.4%	5.1
Harrow	270,724	76.4%	6.9	19.5%	6.4
Havering	276,274	76.7%	4.9	19.7%	4.6
Hillingdon	329,185	77.8%	5.7	18.9%	5.4
Hounslow	299,424	73.7%	6.9	25.3%	6.8
Islington	223,024	79.5%	5.8	15.3%	5.2
Kensington and Chelsea	144,518	61.0%	7.2	32.4%	6.9
Kingston upon Thames	172,692	79.6%	4.9	17.8%	4.7
Lambeth	316,920	80.2%	5.5	13.7%	4.7
Lewisham	301,255	75.6%	5.8	18.4%	5.2
Merton	218,539	82.9%	5.1	14.6%	4.7
Newham	374,523	65.7%	5.8	27.6%	5.4
Redbridge	321,231	70.4%	5.0	25.2%	4.7
Richmond upon Thames	196,678	74.4%	6.4	21.8%	6.1
Southwark	314,786	71.2%	6.7	23.4%	6.3
Sutton	214,525	77.3%	5.4	20.1%	5.1
Tower Hamlets	331,886	71.7%	5.7	24.5%	5.5
Waltham Forest	279,737	78.7%	5.1	16.6%	4.6

Wandsworth	337,655	80.0%	5.5	17.3%	5.2
Westminster	209,996	73.5%	6.6	24.0%	6.4

Source: ONS, Population estimates for England and Wales: mid-2024, 2025 and ONS, Annual Population Survey, April 2024 to March 2025, 2025

Note: ! indicates where data is not available due to its disclosive nature.

**Table 5: Definition of sub-regional partnerships (SRPs)**

Sub-regional partnership	Local authorities
Central London Forward	Camden, City of London, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster.
Local London	Barking & Dagenham, Bexley, Bromley, Enfield, Greenwich, Havering, Redbridge and Waltham Forest.
South London Partnership	Croydon, Kingston upon Thames, Merton, Richmond upon Thames and Sutton.
West London Alliance	Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon and Hounslow.

**Table 6: Share of resident jobs paid below the LLW, 2024**

Borough	Percentage of low-paid jobs (2024)	Number of low-paid jobs
Barking and Dagenham	23.8%	16,658
Barnet	17.6%	25,895
Bexley	20%	19,400
Brent	25.2%	29,948
Bromley	11.2%	14,735
Camden	10.5%	8,916
City of London	4%	NA
Croydon	17.6%	29,488
Ealing	20.3%	27,791
Enfield	21.4%	25,295
Greenwich	18.8%	21,797
Hackney	16%	17,554
Hammersmith and Fulham	10.7%	8,257
Haringey	18.5%	18,322
Harrow	22.5%	22,083
Havering	16.1%	15,455
Hillingdon	21.5%	24,468
Hounslow	22.9%	25,612
Islington	10%	9,400
Kensington and Chelsea	10.4%	4,358
Kingston upon Thames	18.8%	12,206
Lambeth	10.6%	14,258
Lewisham	17.3%	22,872
Merton	13%	11,687

Newham	23.5%	34,272
Redbridge	22.6%	24,907
Richmond upon Thames	13.2%	9,358
Southwark	11.5%	16,704
Sutton	16.4%	13,797
Tower Hamlets	15.1%	20,063
Waltham Forest	18.2%	19,091
Wandsworth	9.9%	13,708
Westminster	9.9%	7,254

Source: ONS, Annual Survey of Hours and Earnings, 2024. Access via Trust for London Poverty profile.

Note: Estimations produced following the methodology used by London Living Wage Foundation, which estimates the percentage of workers earning below the living wage on the basis of the wage decile distribution published in ASHE. The U18 National Minimum Wage is assumed to be the minimum possible wage received.

**Table 7: Mapping SIC to LGP sectors**

SIC 1 digit	Degree of relevance	London Growth Plan or Foundational sector
A: Agriculture, forestry and fishing	N/A	N/A
B: Mining and quarrying	N/A	N/A
C: Manufacturing	Low	Frontier Innovation
D: Electricity, gas, steam and air conditioning supply	High	Housing and Infrastructure
E: Water supply; sewerage, waste management and remediation activities	High	Housing and Infrastructure
F: Construction	High	Housing and Infrastructure
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	Medium	Experience Economy
H: Transportation and storage	High	Housing and Infrastructure
I: Accommodation and food service activities	High	Experience Economy
J: Information and communication	Medium	Financial, Professional Business Services and Technology
K: Financial and insurance activities	High	Financial, Professional Business Services and Technology
L: Real estate activities	High	Financial, Professional Business Services and Technology

M: Professional, scientific and technical activities	High	Financial, Professional Business Services and Technology
N: Administrative and support service activities	Medium	Financial, Professional Business Services and Technology
O: Public administration and defence; compulsory social security	High	Financial, Professional Business Services and Technology
P: Education	Low	International Education
Q: Human health and social work activities	High	Health and social care
R: Arts, entertainment and recreation	High	Experience Economy and Creative Industries
S: Other service activities	Medium	Financial, Professional Business Services and Technology
T: Activities of households as employers	N/A	N/A
U: Activities of extraterritorial organisations and bodies	N/A	N/A

# Appendix B

## ITS Employer Survey Results

<b>Where in London is your organisation mostly based?</b>		
<b>Value</b>	<b>Percent</b>	<b>Count</b>
South	31%	17
North	13%	7
East	7%	4
West	13%	7
Pan-London	36%	20
<b>Total</b>	<b>100%</b>	<b>55</b>

<b>How many UK based employees does your organisation employ?</b>		
<b>Value</b>	<b>Percent</b>	<b>Count</b>
1-9	6%	3
10-49	33%	18
50-249	28%	15
250-999	6%	3
1000+	26%	14
Prefer not to say	2%	1
<b>Totals</b>	<b>100%</b>	<b>54</b>

<b>Does your organisation operate within any of the following sectors?</b>		
<b>Value</b>	<b>Percent</b>	<b>Count</b>
Financial, Professional and Business Services	6%	3
Digital/ Technology (e.g., provider of digital or technological services and/or products, etc.)	4%	2
Health & Social Care	9%	5
Built Environment (e.g. construction, urban planning, engineering etc.)	11%	6
Scientific innovation (e.g., research that contributes to scientific and technological solutions to global challenges etc.)	4%	2
Retail, Hospitality, and Tourism	13%	7
Creative Industries (e.g., TV/ film, gaming, music, marketing, fashion, architecture etc.)	4%	2
International Education (e.g., Universities, colleges and those involved in provision of education to international (non-UK) students etc.)	2%	1
None of these (please share what sector your organisation operates within)	45%	24
Prefer not to say	2%	1
<b>Totals</b>	<b>100%</b>	<b>53</b>

**Which, if any, of the following vocational training initiatives and funds are you aware of?**

Value	Percent	Count
Apprenticeships	84%	32
Skills Bootcamps	47%	18
T-Levels	50%	19
BTECs	63%	24
Adult Skills Fund (formerly Adult Education Budget)	45%	17
Jobs and Skills for Londoners	37%	14
Free Courses for Jobs	32%	12
Mayors Skills Academies	26%	10
NVQs	66%	25
None of these	5%	2
Prefer not to say	5%	2

*Note: Does not sum to 100% due to multiple responses possible.*

**Which, if any, of the following training and development opportunities does your organisation currently offer to current employees?**

Value	Percent	Count
Apprenticeships	47%	18
Graduate schemes	16%	6
Skills Bootcamps	5%	2
Job rotations	11%	4
Shadowing	55%	21
Coaching or mentoring	74%	28
In-house training or development programmes	76%	29
Training leading to a formal/ recognised qualification (not including licence to practice)	50%	19
Training <b>not</b> leading to a formal/ recognised qualification	61%	23
Training leading to a licence to practice	13%	5
Attending workshops (e.g., one-day learning events etc.)	68%	26
Attending industry events (e.g., conferences etc.)	68%	26
Other (please specify)	3%	1
Don't know	3%	1

*Note: Does not sum to 100% due to multiple responses possible.*

**Over the past 5 years (since 2020), which, if any, of the following has your organisation worked with to support your own recruitment?**

Value	Percent	Count
Job Centre Plus	37%	15
Schools	20%	8
Further education colleges	29%	12
Universities	46%	19
Local authorities	22%	9
Recruitment agencies	61%	25
Charities/ voluntary organisations	37%	15
Housing associations	7%	3
Other educational training providers	12%	5
Other (please specify)	24%	10
Don't know	2%	1

*Note: Does not sum to 100% due to multiple responses possible.*

**To what extent, if at all, are the following areas a challenge for your organisation currently?**

Value	Very or fairly big challenge	Not a big challenge or not a challenge	Don't know	Prefer not to say
Recruiting enough employees	22%	73%	0%	5%
Recruiting employees with the right skills	48%	48%	0%	5%
Training existing employees	34%	61%	0%	5%
Employee retention	23%	70%	2%	5%

**Generally speaking, how prepared are your new employees in terms of having the required skills for the job?**

Value	Percent	Count
Very prepared (only minor company-specific training required, can start the job straight away with minimal support)	21%	8
Somewhat prepared (some skills training required)	74%	28
Not prepared (extensive skills training required)	5%	2
<b>Totals</b>	<b>100%</b>	<b>38</b>

<b>In the last 5 years (i.e., since 2020), which, if any, of the following new or emerging technologies has your organisation adopted?</b>		
<b>Value</b>	<b>Percent</b>	<b>Count</b>
Artificial intelligence (AI) and machine learning (MI)	44%	14
Large language models (LLMs) or generative AI (e.g., ChatGPT, Copilot, Gemini, etc.)	53%	17
5G and other advanced wireless technologies	28%	9
Blockchain and decentralised technologies	6%	2
'Internet of things' (IoT) networks/ smart devices (e.g., remote patient monitoring, automatic inventory)	13%	4
Robotics and automation	13%	4
Virtual and Augmented reality (VR/AR)	19%	6
Low carbon energy technologies	25%	8
Not applicable – our organisation has not adopted any new or emerging technologies in the last 5 years	6%	2
Don't know	13%	4

*Note: Does not sum to 100% due to multiple responses possible.*

<b>Looking ahead, how prepared, or unprepared, is your organisation for adopting new and emerging technologies?</b>		
<b>Value</b>	<b>Percent</b>	<b>Count</b>
Very prepared	3%	1
Somewhat prepared	47%	15
Somewhat unprepared	38%	12
Very unprepared	6%	2
Don't know	3%	1
Prefer not to say	3%	1
<b>Totals</b>	<b>100%</b>	<b>32</b>

<b>Do you currently provide training opportunities to employees on the use of new and emerging technologies?</b>		
<b>Value</b>	<b>Percent</b>	<b>Count</b>
Yes, we do	53%	17
No, we don't	34%	11
Don't know	13%	4
<b>Totals</b>	<b>100%</b>	<b>32</b>