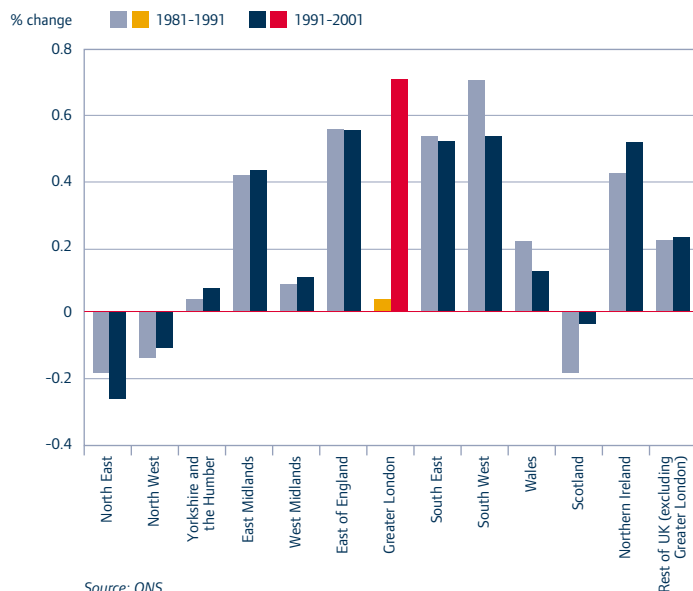


PEOPLE

3

3.1 Population growth in London was below that of most other UK regions in the period 1981–1991, but has recently accelerated and in the period 1991–2001 it was the fastest growing of any region.

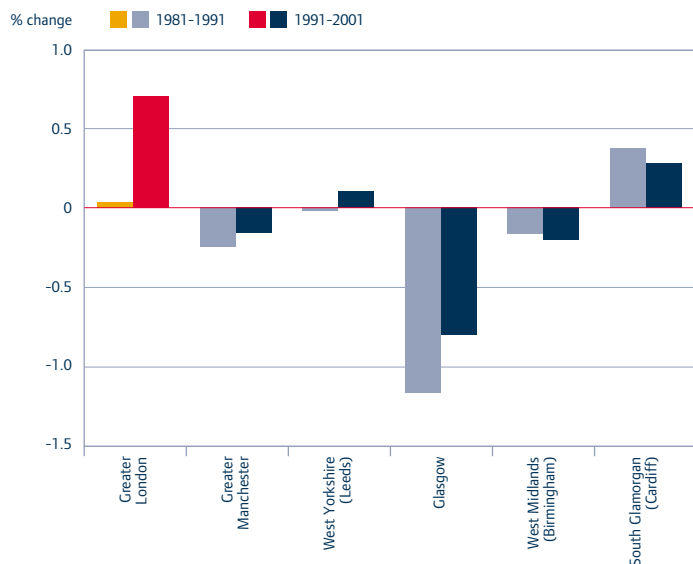
Average annual growth in total population (1981-2001)



- Population growth in Greater London between 1981 and 1991 was almost zero.
- Population growth in Greater London between 1991 and 2001 was 0.7% per annum (pa) and was approximately 0.5% above the rest of UK.

3.2 London’s recent population growth has not been replicated in other major UK cities where declines in population have been more commonplace.

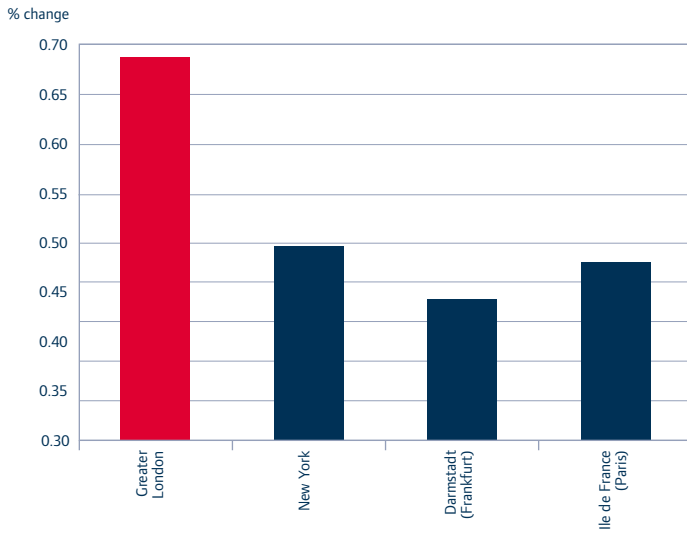
Average annual growth in population



- Between 1991-2001 population declined in both Greater Manchester and the West Midlands County (Birmingham) by 0.2% pa, and in Glasgow by 0.8% pa.
- Annual average population growth in South Glamorgan (Cardiff) between 1991 and 2001 was 0.3% pa.
- In Leeds annual average population growth was 0.1% pa over this same period.

3.3 The annual average population growth in London between 1992–2002 was above that of other major world cities.

Average annual growth in total population (1992-2002)

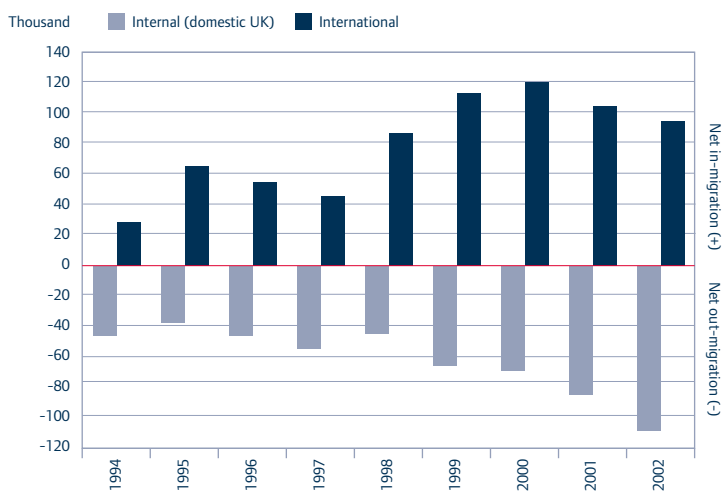


Source: Experian

- Comparable data for other world cities' population growth is available up to 2002.
- Annual average population growth in Greater London between 1992 and 2002 was 0.69% pa.
- This was above growth in New York (0.50% pa), Frankfurt (0.44% pa) and Paris (0.48% pa).

3.4 London's recent population growth has been driven largely by a combination of high natural growth and migration patterns. International net in-migration has tended to offset internal out-migration to other parts of the UK. However, underlying these figures there has also been a consistently large flow of young adults (from both within the UK and internationally) coming into the capital which has offset out-migration from older age groups to other parts of the UK. This has had a rejuvenating effect on the age structure of London.

Net internal (domestic UK) and international migration for London

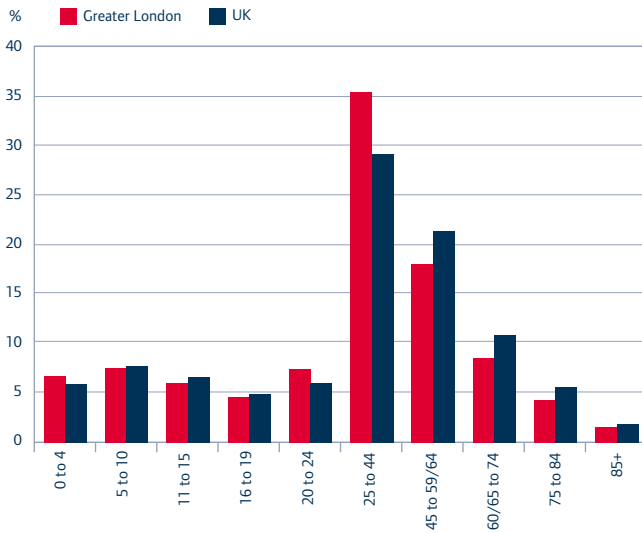


Source: ONS

- Net international migration to London more than tripled between 1994 and 2002 from 28,500 to 94,900.
- Growth has been particularly strong in the last six years when it increased from 45,500 in 1997 to 94,900 in 2002.
- Net internal out-migration from London to the rest of the UK more than doubled between 1994 and 2002 from 45,900 to 107,800.
- Nearly two-thirds of those leaving London go to either the South East or the East of England regions.
- Since 2001 international in-migration to London has slowed while the net outflow from London to the rest of the UK has accelerated. More people move out of London than move in and its population growth is dependent upon its high natural growth. However, London still gains more young adults than it loses and this has increased the natural growth of the population and its age structure is continuing to be rejuvenated and so drives the high natural growth.

3.5 London's recent pattern of domestic and international migration inflows has contributed to London's younger age structure relative to the UK.

Population by age (2001)

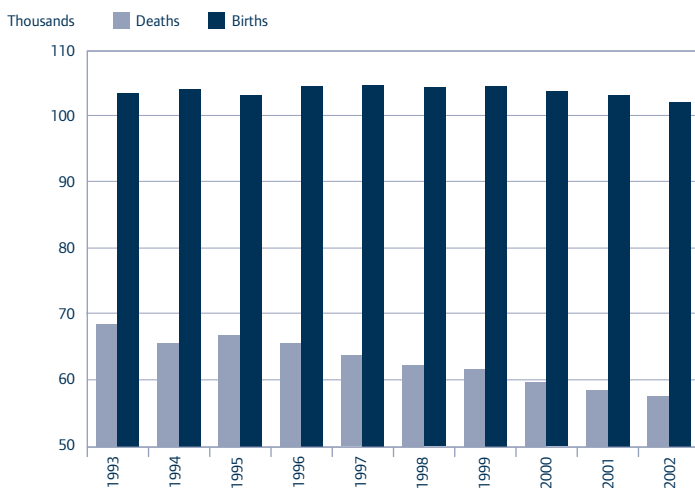


Source: ONS

- London had a higher proportion of adults aged 20-44 in the population (42.8% compared to 35.1% nationally) in 2001.
- London had a higher proportion of children under five than nationally (6.7% compared to 5.9%) in 2001.
- London had a smaller proportion of the population aged over 60 (14.4%) compared to the UK as a whole (18.4%) in 2001.

3.6 The relatively high number of young adults, particularly women in their twenties and thirties, has led to the number of births in London remaining stable in contrast to the decline seen in other UK and European cities. London's low, and falling, number of residents over state retirement age has also led to a downward trend in the number of deaths. London has a larger proportion of its residents from the reproductive age ranges compared with other parts of the UK. This, combined with the out-migration of older populations has resulted in an excess of births over deaths in the capital. This natural change plays a powerful role in London's growing population.

Number of births and deaths in Greater London



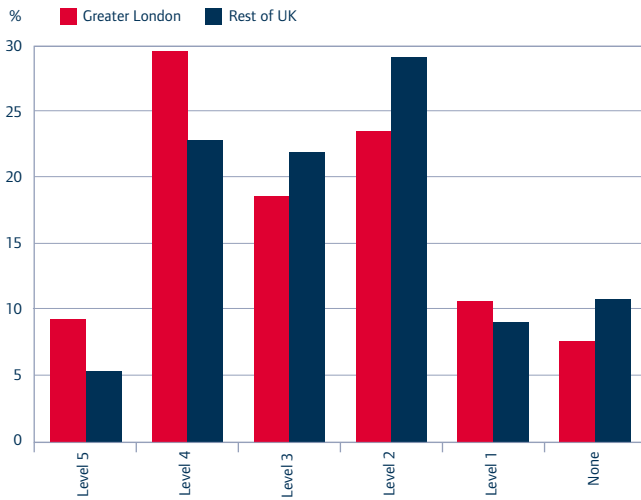
Source: ONS

- The total number of deaths in Greater London fell by 16% from 68,600 to 57,700 between 1993 and 2002.
- The absolute number of births in London has remained relatively stable in recent years, standing at just over 100,000 between 1993 and 2002.
- These demographic patterns have also contributed to London's recent rise in population.
- London's population is projected to continue to grow. The London Plan estimated that London will see an increase in the population of 800,000 by 2016. Much of this forecast growth will be 'natural' growth, due to the age structure of the population.

3.7 London has a higher proportion of its workforce in higher qualification bands (Levels 4 and 5) than the rest of the UK.

Qualification levels of the (workplace based) employed workforce (2003)

Highest NVQ or equivalent



Source: ONS – Labour Force Survey

- In 2003 9.3% of the Greater London workforce had the highest qualification level, Level 5, compared to 5.4% in the rest of the UK.
- The proportion of London's workforce with the lowest qualification level, Level 1, or no qualifications was 18.3%, slightly below the rest of the UK rate of 20.0%.

3.8 London has a higher proportion of its residents in Level 4 and 5 qualification bands as well.

Qualification levels of London's residents (2003)

Highest NVQ or equivalent



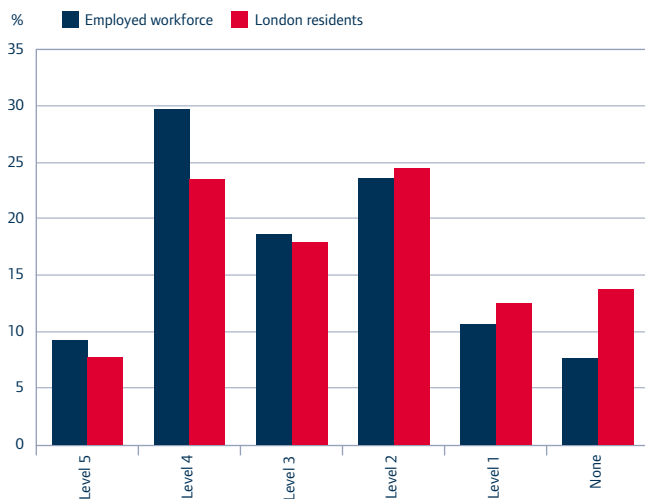
Source: ONS – Labour Force Survey

- London had a higher proportion of residents with Levels 4 and 5 in 2003 (23.5% and 7.8% respectively) when compared to the rest of the UK (20.8% and 5.0% respectively).
- The proportion of London's residents with either Level 1 or no qualifications was 26.3% – slightly above the UK rate of 24.8%.

3.9 The employed workforce in London has higher qualifications levels than London residents.

Qualification levels of employed workforce in London compared to London's residents (2003)

Highest NVQ or equivalent

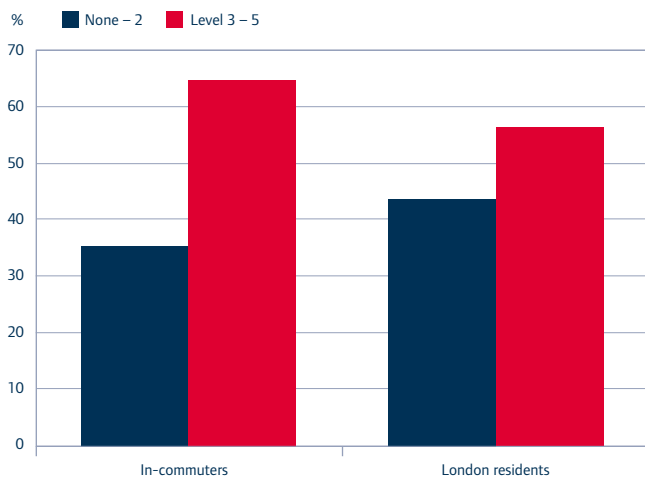


Source: ONS – Labour Force Survey

- 9.3% of the employed workforce in London have qualifications at Level 5 compared to 7.8% of London residents, and 29.6% of the employed workforce in London have qualifications at Level 4 compared to 23.5% of London residents.

3.10 As a result, London residents make up a disproportionate number of lower qualified workers in the capital (defined as none to Level 2), while in-commuters from elsewhere (mainly the wider South of England region) make up a relatively higher proportion of the higher qualified workers (Levels 3 – 5).

Qualification levels of workers in London (2003)

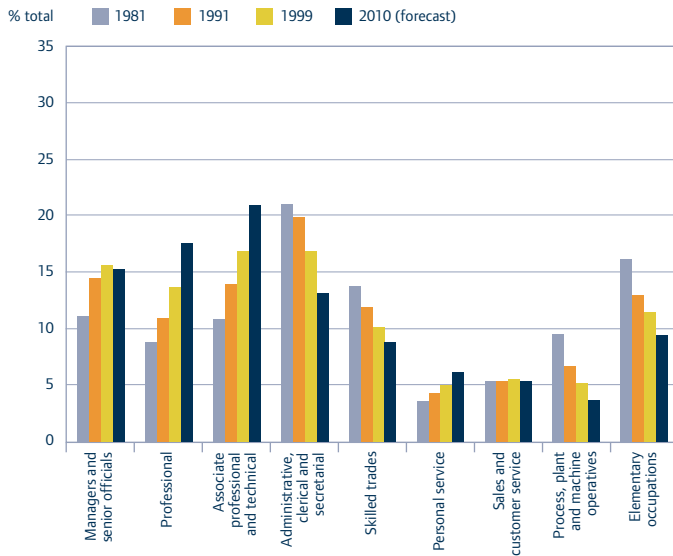


Source: ONS – Labour Force Survey

- In 2003 35.3% of in-commuters working in London had none to Level 2 qualifications compared to 43.7% of London residents working in London.
- In 2003 64.7% of in-commuters working in London had Levels 3-5 qualifications compared to 56.3% of London residents working in London.

3.11 There has been a consistent increase in managerial, professional and technical occupational employment in London over the past three decades. At the same time there has been a fall in administrative, skilled trade, manufacturing-based, and so called 'elementary' occupational employment. These trends are forecast to continue in most occupational sectors.

Employment by occupation in London



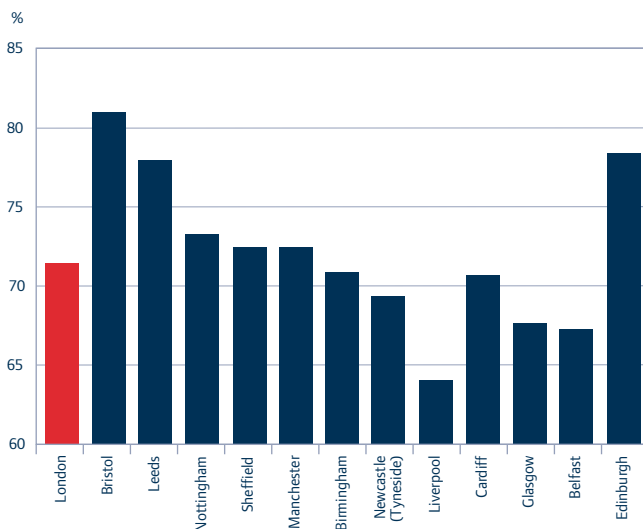
Source: Institute for Employment Research

- The proportion of employment in management and senior official occupations has increased from 11% to 16% over the past three decades and is forecast by the Institute for Employment Research (IER) to be 15% in 2010.
- Employment in associate professional and technical occupations has grown consistently over the last three decades, and is forecast by the IER to be over 20% in 2010.
- Employment change in administrative and clerical occupations is forecast to be 13% in 2010, down from 21% in 1971 and 1981.
- Employment in elementary occupations is forecast by the IER to be 9.4% in 2010, after being 16.1% in 1971.

3.12 The employment rate among London residents is lower than that in many other UK cities.

Employment rate in UK cities (2001/2002)

(% of working age population)

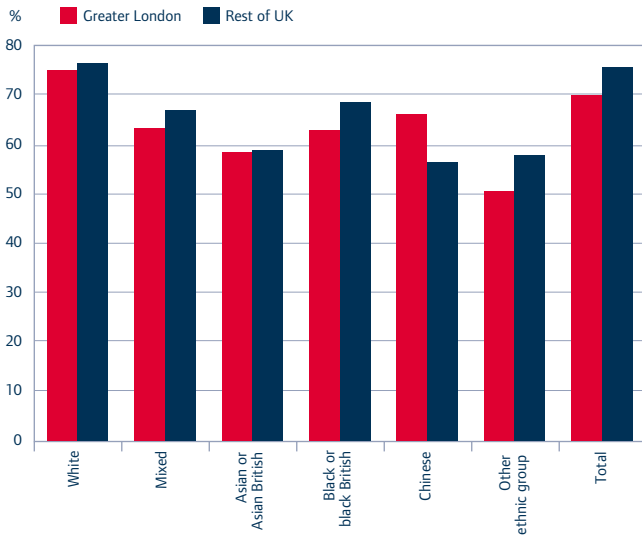


Source: ONS – Labour Force Survey Local Area Database

- London's 2001/2002 employment rate of 71.4% was sharply below the best employment performing cities of Bristol (80.9%), Leeds (77.9%) and Edinburgh (78.3%).
- London's 2001/2002 employment rate was comparable though to Birmingham (70.8%), and above Belfast (67.2%) and Glasgow (67.6%).
- These employment rates are based on Travel-to-Work Areas (TTWAs) for each city. A TTWA is a discrete area defined by the fact that most people both work and live in the area. The specific criteria used is that at least 75% of the economically active population in the area also work in the area and at least 75% of people who work in the area also live in the area. A TTWA can therefore in this case be seen as the labour market associated with a city.

3.13 Employment rates for black and other minority ethnic groups are generally lower than for the white population. However, employment rates for certain ethnic groups are even lower in London than in the rest of the UK.

Employment rates by ethnic group (2003)

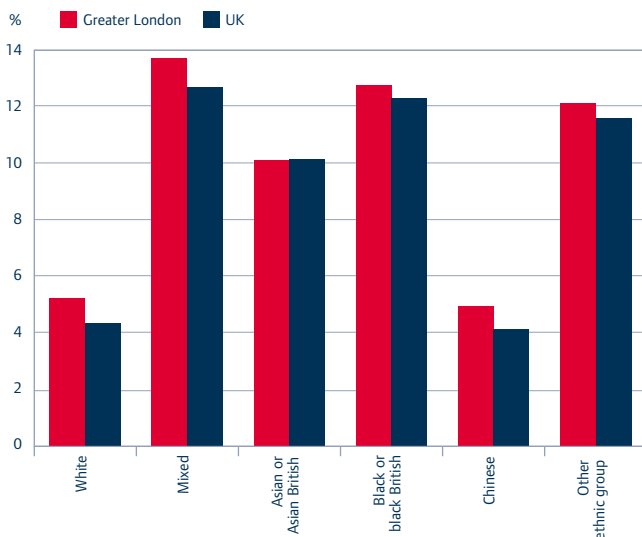


Source: ONS – Labour Force Survey

- Employment rates are particularly low for the black/black British, mixed, and 'other' ethnic groups in London. The employment rate in 2003 for the black/black British ethnic group in London was 12.2 percentage points below the rate for the white population, compared to 7.8 percentage points below in the rest of the UK. The employment rate for the mixed ethnic group in London was 11.6 percentage points below that for the white population compared to 9.6 percentage points below in the rest of the UK, and the employment rate for 'other' ethnic groups in London was 24.3 percentage points below that for the white population compared to 18.5 percentage points below in the rest of the UK. However, the employment rate for the Asian/Asian British ethnic group in London was similar to that in the rest of the UK, and the employment rate for the Chinese ethnic group in London was above that in the rest of the UK.

3.14 As in the rest of the UK, unemployment rates for most black and minority ethnic groups in London are substantially above those for the white population.

Unemployment rates by ethnic origin 2003



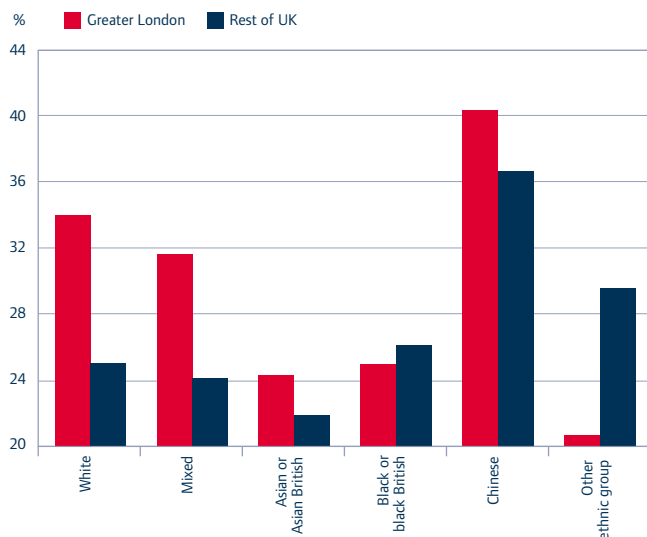
Source: ONS – Labour Force Survey

- Unemployment rates for London's Indian (+4.5%), black Caribbean (+8.7%), black African (+6.6%) and Pakistani & Bangladeshi (+5.6%) communities were all well above those for the white population.
- Unemployment rates in London were greater than the UK average for Indians, black Caribbean and Chinese groups.

3.15 London's black and minority ethnic groups generally tend to have proportionately fewer Level 4 and 5 qualifications than the white population, though they do tend to have more qualifications at this level than their communities do nationally.

Proportion with NVQ Levels 4 and 5 (2003)

Highest NVQ or equivalent



Source: ONS – Labour Force Survey

- 34% of London's white population had Levels 4 and 5 qualifications in 2003.
- This compares to 24.3% of London's Asian or Asian British community, and 25.0% for black or black British.
- London's Chinese community actually has more Level 4 and 5 qualifications than the white population, with 40.3% of the working age population having qualifications at this level.
- However in general London's main ethnic groups tend to have more Level 4 and 5 qualifications than their communities do nationally.
- White educational levels are in part driven by selective domestic in-migration of those with higher qualifications (predominantly white) and this needs to be taken into account in comparisons of white and black and minority ethnic rates. The differences in social class also need to be taken into account when comparing the levels of qualifications between ethnic groups and a significant amount of the differences in levels of qualifications is explained by this factor.
- Aggregation masks the fact that in the Asian group the Indian communities tend to be better qualified, as well as the differences across all groups according to age categories.

3.16 As in the rest of the UK, a disproportionately high number of black and minority ethnic groups have only lower level qualifications (Level 1 or none).

Proportion with NVQ Levels 1 or none (2003)

Highest NVQ or equivalent



Source: ONS – Labour Force Survey

- 23.3% of London’s white population had either only Level 1 or no qualifications in 2003.
- This compared to 34.9% of London’s Asian or Asian British community with Level 1 or none; and 27.7% for black or black British.

3.17 As is the case nationally, women have lower economic activity rates than men in London. However activity rates for both men and women in London have recently been below UK rates.

Economic activity rates by gender

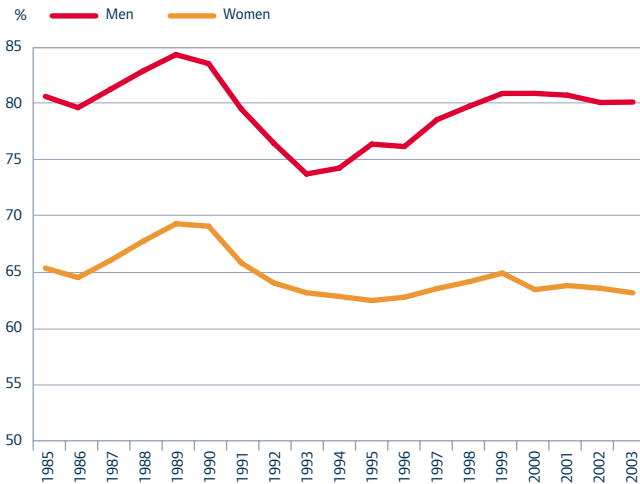


Source: ONS – Labour Force Survey

- The economic activity rate for women in London in 2003 was 67.5%, compared to 73% nationally.
- The activity rate for men in London in 2003 was 82.6%, compared to 83.8% nationally.
- The activity rate for women in London fell from 70.5% to 67.5% between 1997 and 2003, while nationally it increased from 72.3% to 73%.
- The activity rate for men in London fell from 83.8% to 82.6% between 1997 and 2003, while in the UK it fell from 84.46% to 83.8%.
- Economic activity rates measure the proportion of the working age population that are either employed or unemployed and looking for work.

3.18 There is no evidence that trend employment rates for either men or women in Greater London have been increasing over the last two decades.

Proportion of the Greater London working age population in employment



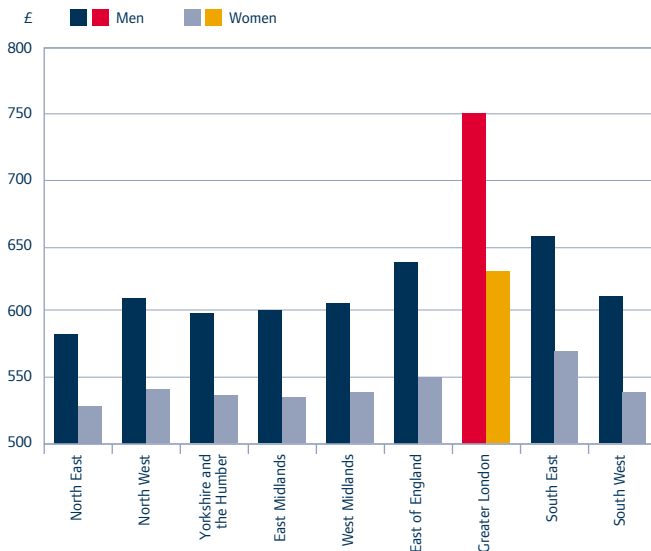
Source: ONS – Labour Force Survey

- As in the rest of the UK employment rates for women are below those for men.
- Employment rates for both men and women vary substantially across the economic cycle.
- At 63%, employment rates for women in 2003 were similar to what they were in the early 1980s, showing little discernable upward or downward trend in recent decades.
- Employment rates for men were 80% in 2003 and have shown little upward or downward trend over the last two decades.

3.19 Average weekly full time earnings for both men and women are highest in London. Recent analysis suggests that when taking into account occupation and human capital mix, the gender pay gap is smaller in London than these raw figures suggest.

Regional pay: men and women (2003)

(full-time gross weekly earnings, workplace based)

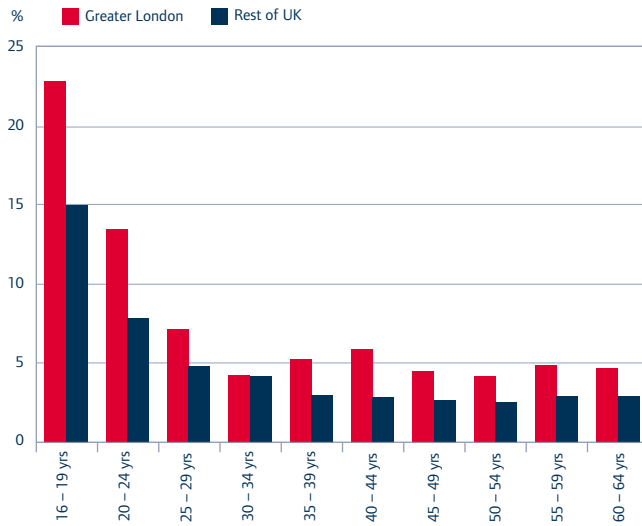


Source: ONS – New Earnings Survey, 2003

- Average full time gross weekly earnings for women in London were £516.5 in 2003, compared to a men figure for men of £716.50 (ie a 28% gap).
- Average full time gross weekly earnings for women were £396 in Great Britain in 2003, compared to a figure for men of £525.
- Average wages were lowest in the North East for both women (£347.30) and men (£437.80).

3.20 London's ILO unemployment rate was higher than nationally for all age bands in 2003, and was particularly high for 16–19 year olds.

ILO unemployment rate by age (2003)

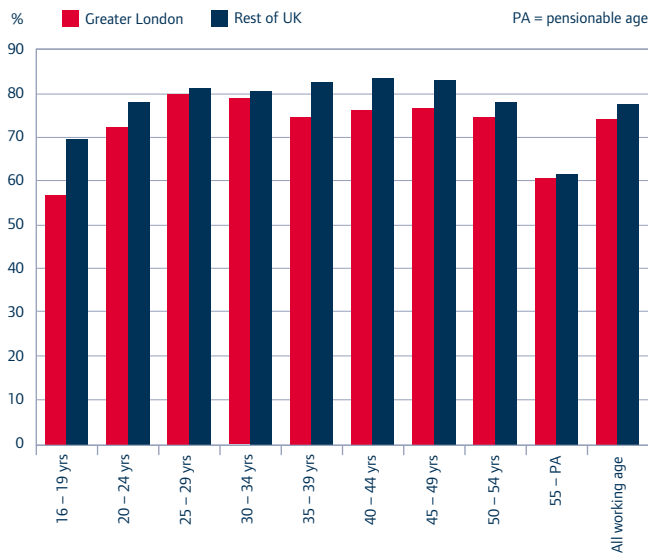


Source: ONS – Labour Force Survey

- The most significant difference between London and rest of UK unemployment rates was for the 16-19 age group (London's rate was 22.8% and for the rest of UK 15%).
- There was also a significant difference in unemployment rates (+5.6%) for the 20-24 age group.

3.21 Employment rates for each age group are lower in London when compared to the rest of the UK, particularly for 16-19 year olds

Employment rates by age, excluding full-time students (2002/2003)

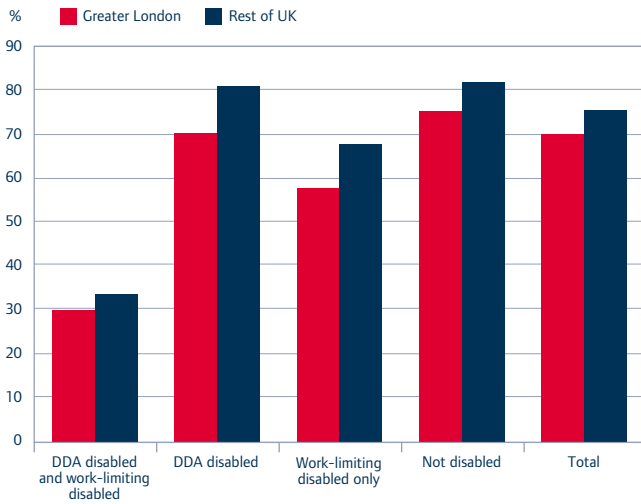


Source: ONS – Labour Force Survey

- Excluding students, the employment rate among the 16-19 year-old age group in 2003 was 57% in London compared to 69% in the rest of the UK.

3.22 Employment rates for disabled people are lower in London than in the rest of the UK

Employment rates by definition of disability (2003)

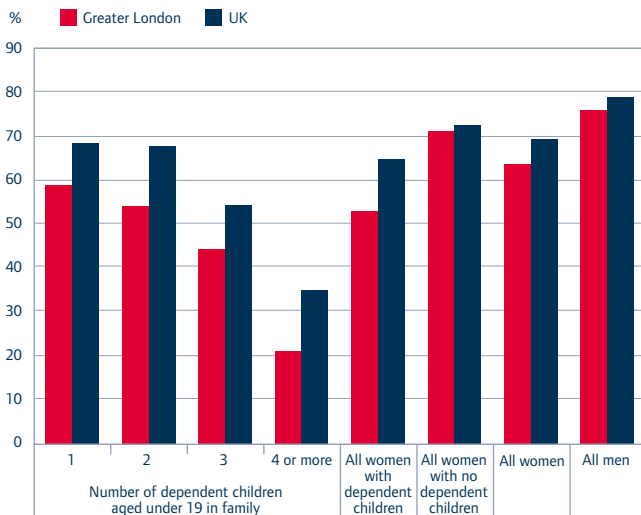


Source: ONS – Labour Force Survey

- People classified as disabled according to the Disability Discrimination Act (DDA disabled) are considered as able to work but are eligible to apply for reasonable adjustments to be made to their workplace. Their employers can obtain a grant for this purpose, although people classified as DDA disabled are not eligible to claim disability allowance. People classified as work-limiting disabled are considered to have a disability that in some way limits their ability to work and are eligible to claim disability allowance.
- Disabled people have lower employment rates than non-disabled people. However, this difference is greater in London. The employment rate in 2003 for people classified as DDA disabled in London was 4.9 percentage points below the rate for non-disabled people, compared to 0.8 percentage points below in the rest of the UK. The employment rate for people classified as work-limiting disabled in London was 17.4% below the rate for non-disabled people, compared to 14.0% in the rest of the UK.

3.23 Employment rates for women with no dependent children are similar in London to the rest of the UK, whereas for those with dependent children, rates are much lower in London.

Employment rates for women with children (2002)

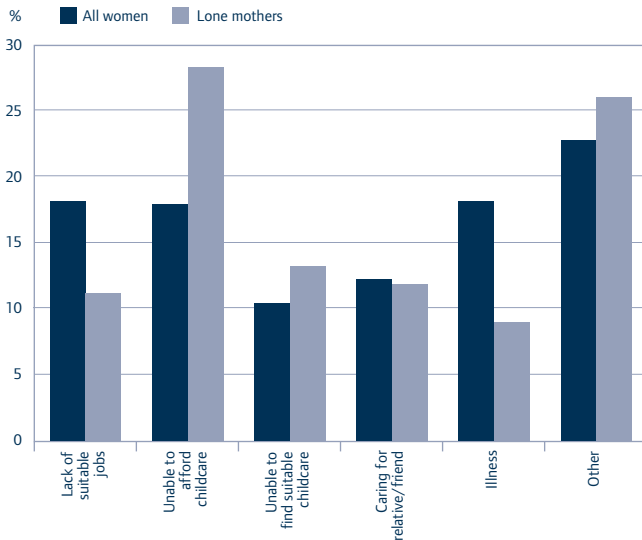


Source: ONS – Labour Force Survey

- Overall employment rates for women (with or without dependent children) are lower in London than in the rest of the UK. However, the difference is even greater for women with dependent children. An analysis of Labour Force Survey (LFS) results for 2002 shows that the overall employment rate for women was 63.4% in London compared to a UK average of 69.1%, whereas the employment rate for women with dependent children under 19 was 52.7% compared to a UK average of 64.7%.

3.24 Inability to afford childcare is a key reason for women in London not working and is particularly important for lone mothers.

Reasons why women of working age are prevented from working (2002)

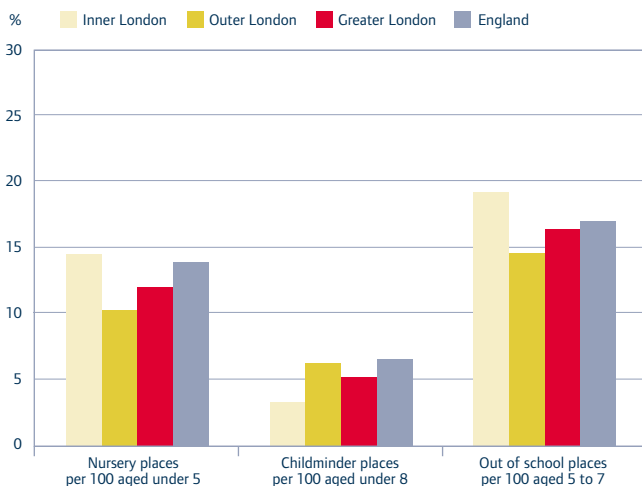


Source: GLA Household Survey

- 18.0% of London women not working cited 'unable to afford childcare' as a reason, rising to 28.3% for lone mothers.
- 10.5% of women not working were unable to find suitable childcare, compared to 13.3% for lone mothers.
- The GLA Household Survey is based on a sample of 8,000 households.

3.25 Rates of day care provision in greater London are generally below national rates, which has important implications for labour market participation. However there are important variations in childcare across London – not only in terms of provision, but also in terms of costs, demand and availability.

Rates of daycare provision (June 2003)

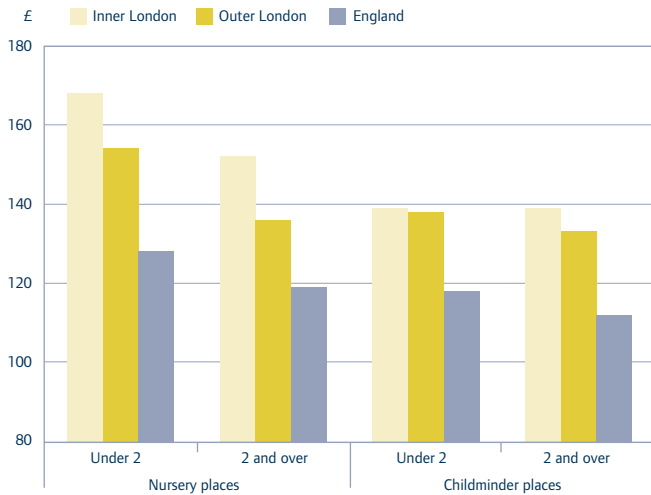


Source: GLA calculations based on OFSTED figures

- Greater London had 12 nursery places per 100 children aged under five, compared to 13.9 in England. The figure for outer London was lower at 10.3.
- Greater London had 5.2 childminder places per 100 children aged under eight compared to 6.6 in England. The figure for inner London was lower at 3.3.
- Greater London had 16.4 out of school places per 100 children aged five to seven compared to 17.0 in England. The figure for outer London was lower at 14.6.

3.26 Not only do childcare places need to be physically available, they also need to be affordable. But average childcare costs in London are nearly a quarter higher than nationally. This acts as an important barrier to employment for many women.

Average weekly childcare costs (2003)



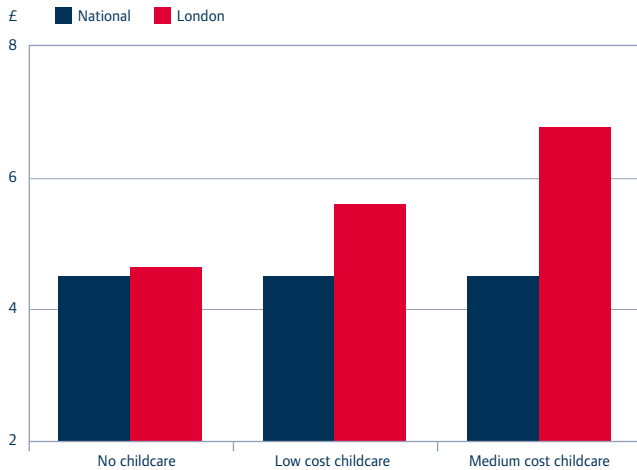
Source: Daycare Trust 2003

- The average cost of a day nursery place for a child under two in inner London now averages £168 per week, over 30% higher than the average for England.
- In outer London costs are 20% higher than the English average.
- These are average costs across all providers, including subsidised places, and so the actual cost for a parent attempting to find a private day nursery place may well significantly exceed £200 per week in parts of London.

3.27 High effective tax rates are an important element of the poverty trap, and are exacerbated in London by higher costs of living (housing, childcare and council tax), combined with national tax and benefit rates. This can mean the required hourly wage to be better off from working – particularly for lone parents – is often higher in London than nationally.

Hourly wage required to be at least £10 better off (2003)

Lone parent, one child, Local Authority rent, part time work



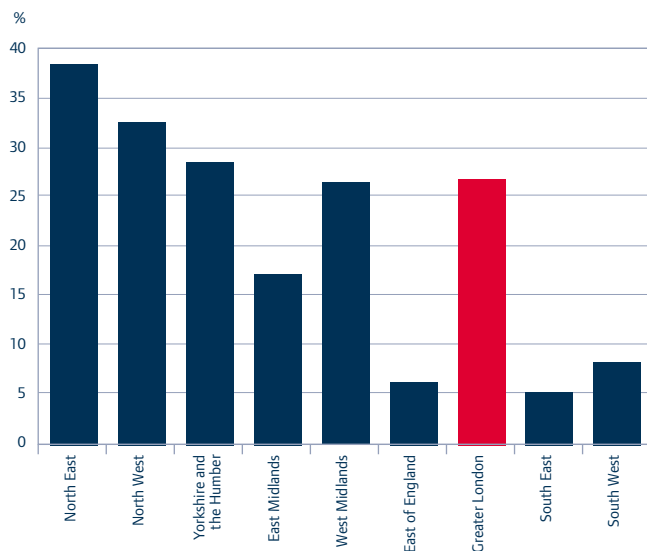
Source: Centre for Economic and Social Exclusion

- Lone parents with one child in London returning to part time work are particularly prone to the poverty trap, and this chart illustrates the problems faced by this group.
- Lone parents in London returning to part-time work with no childcare costs must earn £4.64 per hour to be at least £10 better off per week, compared to £4.50 nationally.
- Lone parents in London returning to part-time work with low childcare costs must earn £5.59 per hour to be at least £10 better off per week, compared to £4.50 nationally.
- Lone parents in London returning to part-time work with medium childcare costs must earn £6.75 an hour to be at least £10 better off per week, compared to £4.50 nationally.
- Couples are also affected by the operation of the tax and benefit system in London. Nationally, if one partner in a couple returns to work on the minimum wage of £4.50 per hour and works 35 hours per week then the couple will be £17.79 per week better off than they were when they were not working and receiving benefits. For a couple in London to be £17.79 per week better off in this situation then the partner returning to work would have to receive a wage of £6.56 per hour i.e. a wage rate 46% higher than the minimum wage.

3.28 Inequalities in income, employment, health, education skills, training and housing all mean London has significant levels of deprivation sitting close to wealth.

% of SOAs* in each region falling in the most deprived 20% of SOAs in England (2004)

*SOA = Super Output Areas



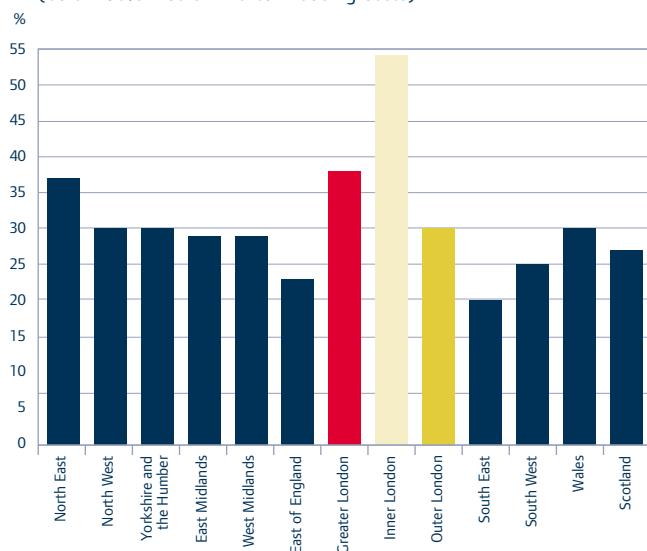
Source: ODPM, Indices of Deprivation 2004

- Super Output Areas (SOAs) are a new geography designed to improve the reporting area statistics. They aim to correct for some of the drawbacks of using ward data by including standardised and consistent sized areas for better comparison.
- Nearly 27% of SOAs in Greater London were in the most deprived 20% SOAs nationally.
- These are significantly above shares in neighbouring South West (8.4%) and South East (5.4%) regions.
- The North East region contains the highest number of SOAs in the 20% most deprived areas, 38%, followed by the North West with 32.6% and Yorkshire and the Humber 28.6%.

3.29 Child poverty is a severe problem in London and particularly acute in inner London.

Proportion of children in low income households (2002/2003)

(below 60% median – after housing costs)



Source: DWP, HBAI Series

- Measured as the proportion of children in households falling 60% below the median income after housing costs ie taking these costs into account, child poverty in London was 38% in 2002/2003. This compares to 25% before housing costs.
- The corresponding after housing costs figure rises sharply in inner London to 54%. For outer London the figure was 30%.
- The figure for England as a whole was 29% in 2002/2003 taking into account housing costs, compared to 20% before such costs.
- The corresponding 2002/2003 child poverty figures in Wales and Scotland were 30% and 27% respectively.

3.30 The incidence of child poverty is even more widespread among London's black and minority ethnic groups.

Percentage of children in poverty by ethnicity
(after housing cost). Three year sample 1998/1999 – 2000/2001

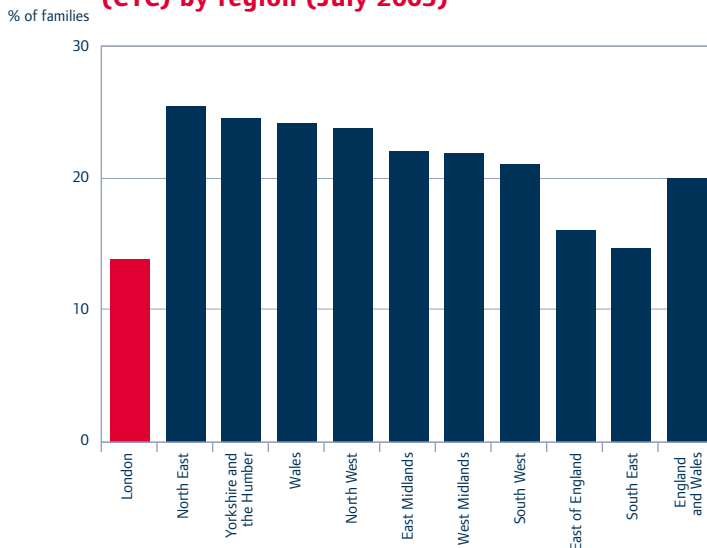


Source: Mayor of London, *London Divided* (2002)

- The proportion of black children in child poverty in London between 1998/1989 and 2000/2001 was 23% higher than for white groups.
- The proportion of London's Pakistanis/ Bangladeshis in child poverty was 40% higher than for the white population.
- Child poverty in London was 5% higher over the period for black children than for this group nationally.
- Child poverty for London's Indian community has actually been 1% below the proportion for white children.

3.31 Although child poverty, deprivation and inactivity are particularly acute problems in London, evidence so far suggests families in the capital are not benefiting from Government assistance through tax credits to the same degree they are nationally.

Percentage of families in receipt of both Working Tax Credit (WTC) and Child Tax Credit (CTC) by region (July 2003)

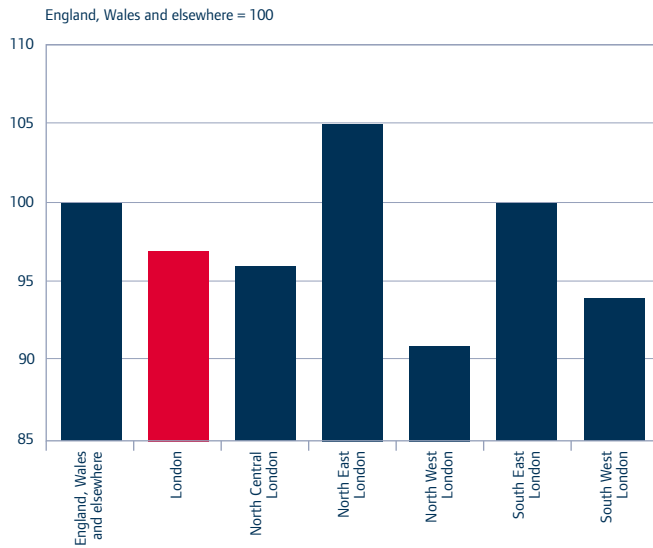


Source: GLA calculations based on Inland Revenue data

- Only 13.9% of families in London were in receipt of both Working Tax Credit (WTC) and Child Tax Credit (CTC) as at July 2003, compared to 20% in England and Wales.
- The North East had the highest receipt of these benefits at 25.5% of families, followed by Yorkshire and Humber with 24.6% of families.
- It should be noted that this is a newly introduced tax credits system and so it is difficult to determine what the full effect will be at this stage.

3.32 There are significant health inequalities in London and these are illustrated by the high variation in standardised mortality rates across boroughs.

Standardised mortality ratios (2002)



Source: ONS

- Standardised mortality rates take into account the gender and age structure of the population. London's standardised mortality rates were 3% below average England and Wales rates.
- This figure hides substantial variations in mortality rates across London boroughs.
- There was high variation in standardised mortality rates across individual boroughs, ranging from Tower Hamlets (119) to Kensington and Chelsea (73) excluding the City of London (67).