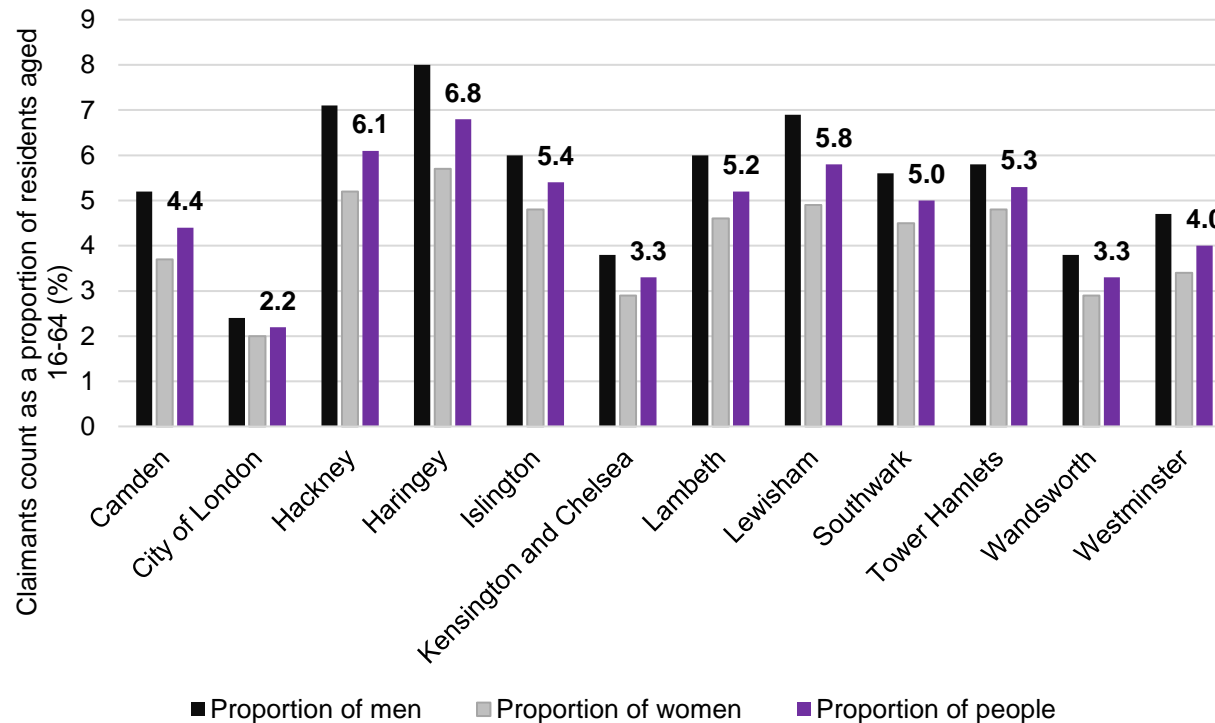


Central London RECOVERY TRACKER

July 2023

Claimant count increases in central London

Figure 1: Claimant count in central London, June 2023



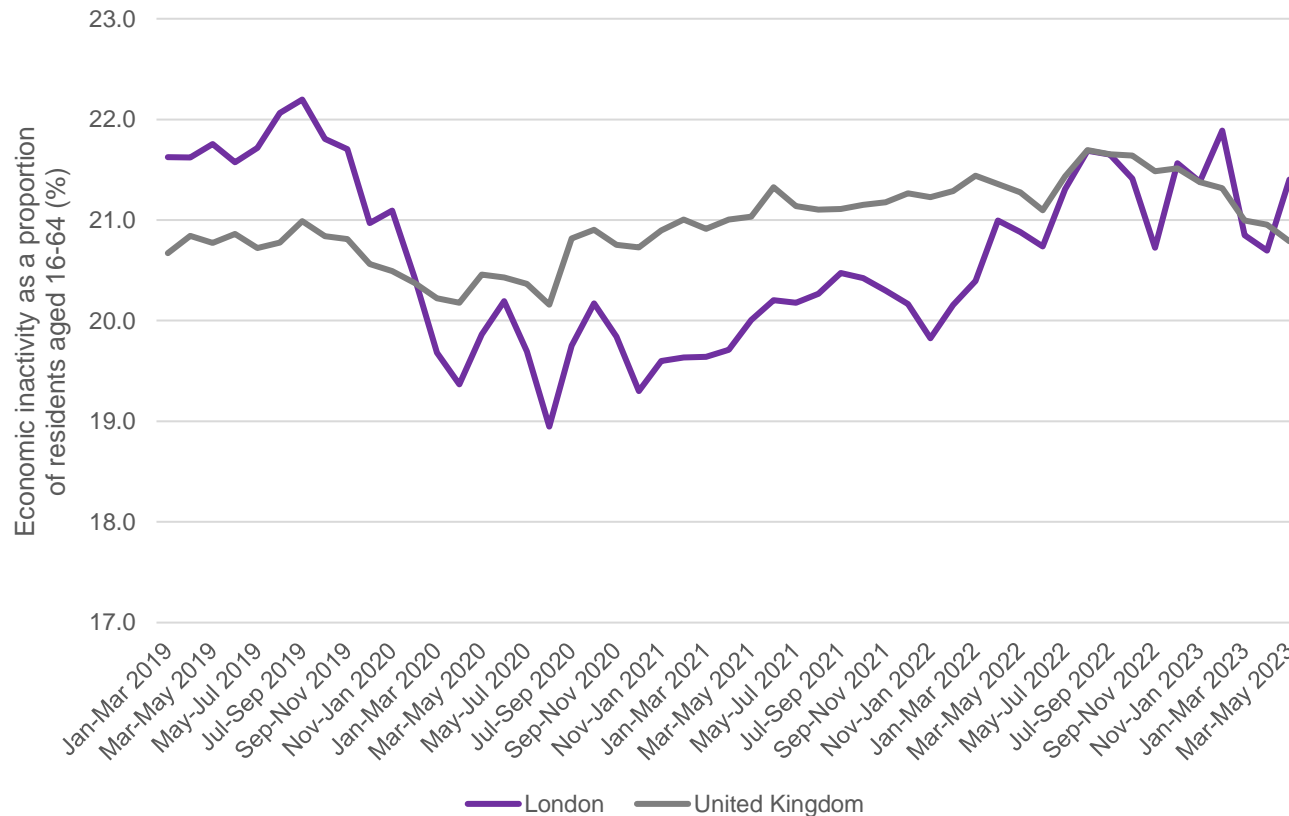
After a significant decline as the economy recovered from the pandemic, the number of residents in central London claiming unemployment-related benefits has started to increase.

The claimant count across central London increased to **5.0%** in June, compared to 4.9% across London and 3.7% nationally.

The number of payrolled employees in London decreased by 0.2% between May and June 2023, suggesting the labour market is not as tight as it was a few months ago.

Inactivity rose in London but remains volatile

Figure 2: Economic inactivity rate in London and UK, Jan 2019 – May 2023



Source: [ONS/GLA](#)

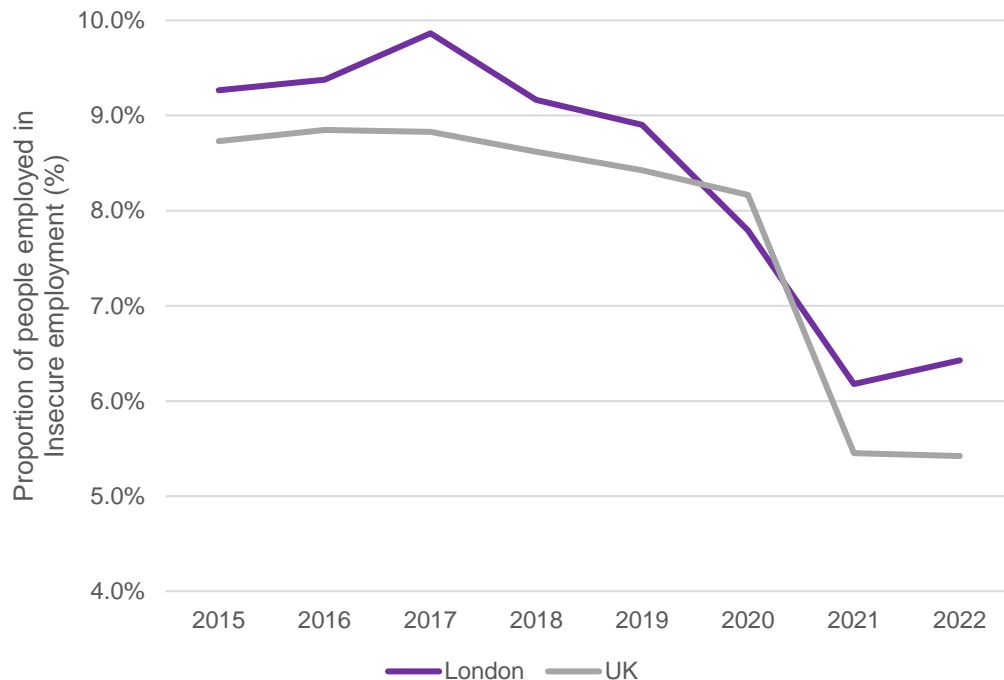
The rate of economic inactivity in the capital is volatile, but increasing.

In the latest quarter, **21.4%** of Londoners were neither in employment, nor actively looking for work, up 0.7 percentage points on the previous quarter. The rate of inactivity in London is now above the national average, having been significantly lower during the pandemic.

The Government announced a series of measures at the Spring Budget to reduce levels of economic inactivity, including the new Universal Support scheme which aims to support disabled people into employment.

Insecure employment rose after a large decline

Figure 3: People employed in insecure work in London and UK, 2015 - 2022



Source: [GLA/ONS](#)

The proportion of working Londoners who are in insecure employment* grew slightly from 6.2% in 2021 to **6.4%** in 2022. While this remains lower than the peak of 9.9% in 2017, it still represents 331,000 Londoners in insecure work, and the rate is higher than the national average (5.4%).

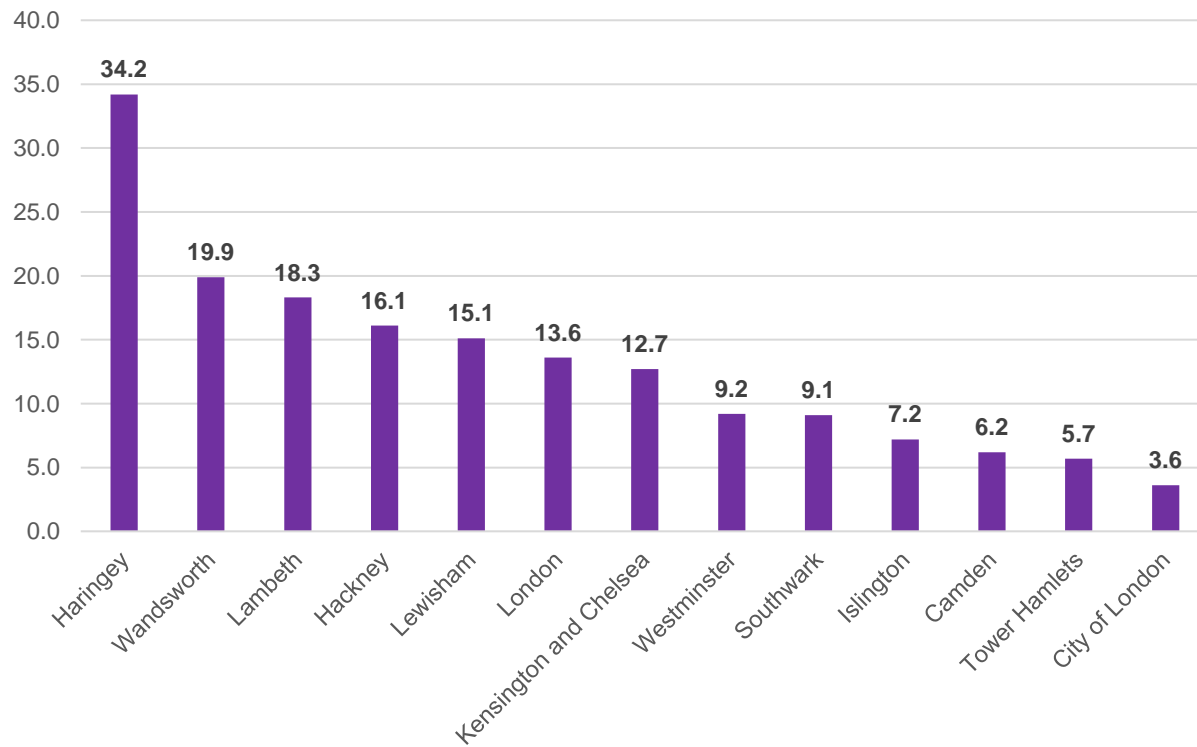
Some Londoners are more likely to be in insecure employment, including young Londoners, Black and Pakistani or Bangladeshi and mixed ethnicity Londoners, and Muslim Londoners.

A [recent report](#) by the Work Foundation shows the constraints and limited choices of many of those in insecure work, who might have to “trade security for flexibility” to balance work around other commitments.

* Insecure employment is defined as a job with a temporary contract, working through an employment agency or self-employed in occupations considered insecure

Rates of employment below the Living Wage fell, but remain higher than national average

Figure 4: People earning less than LLW per hour, percentage, place of work, CLF boroughs, 2022



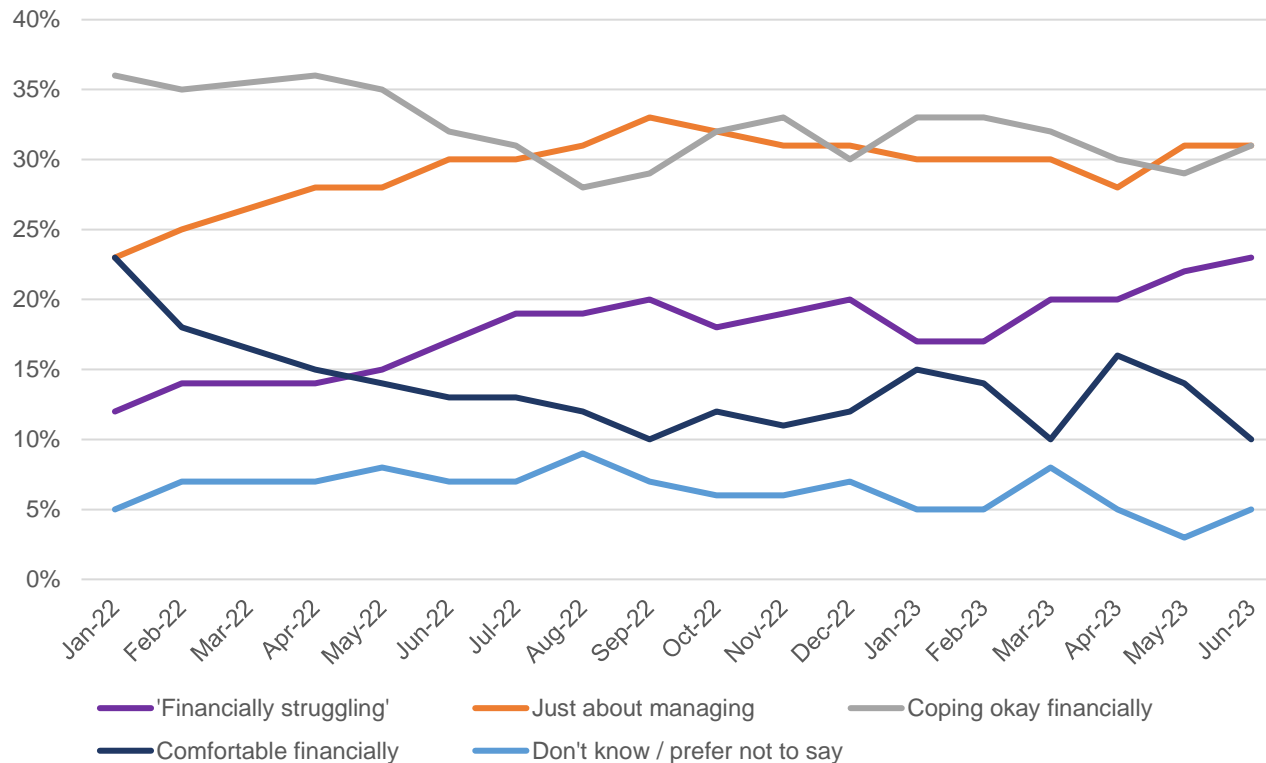
The proportion of workers in London earning below the London Living Wage in April 2022 was **13.6%**. This is down from 20.5% in 2018, though it remains higher than across the rest of the UK (12.0%).

The proportion earning below the LLW was higher for female (15.7%) than male Londoners (10.7%), and far higher for part time workers (38.1%). The proportion of workers earning below the LLW varies significantly by borough

The rate of the London Living Wage will increase significantly this year, reflecting rapid rises in the cost of living. This will likely lead to an increase in the proportion of workers earning below the LLW.

Half of Londoners are financially struggling or just about managing

Figure 5: Londoners' perceptions of their financial situation over time



Londoners are increasingly struggling in the face of the cost of living crisis.

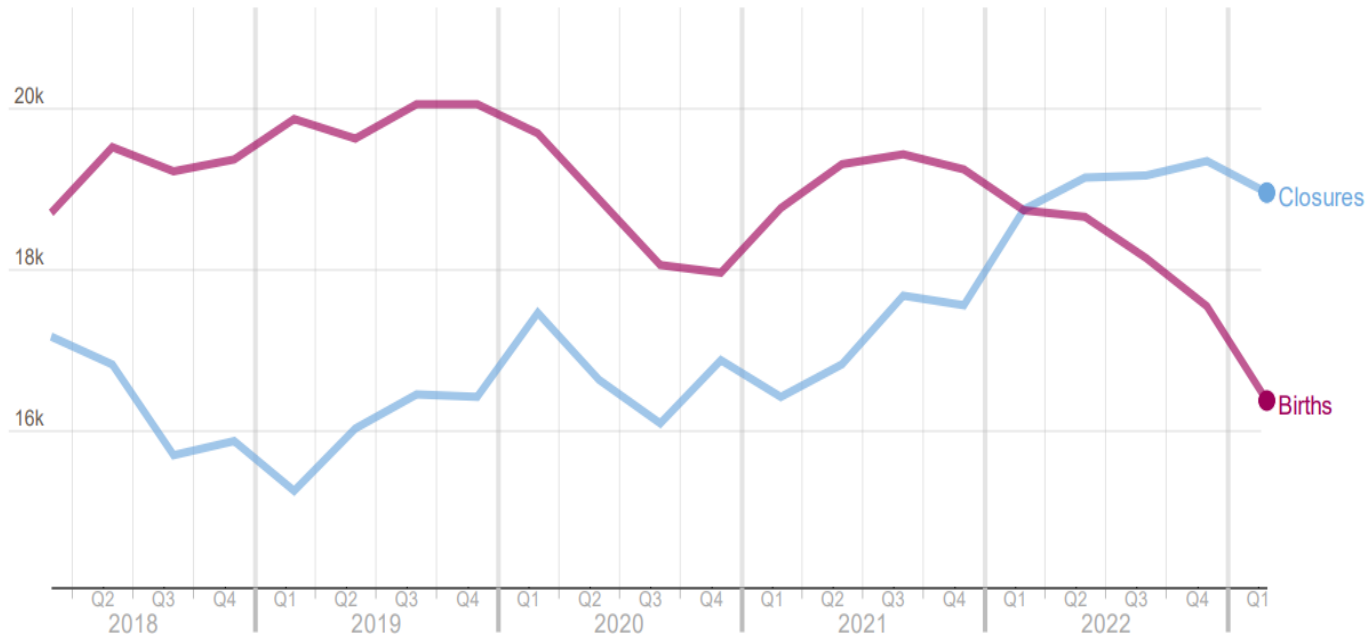
Polling commissioned by GLA shows that **31%** of Londoners say they are 'just about managing', with **23%** 'financially struggling', up from 23% and 12% respectively in January 2022.

Nominal pay across London increased by 6.9% on the year to May 2023. However, this represented a decline of 0.9% in real terms due to the high level of inflation.

There are some signs pressure will ease, with CPI standing at 7.9% in June, down from 8.7% in May.

Business deaths exceeded births in Q1 2023

Figure 6: Number of births and closures (four-quarter moving average), London, Q1 2018 – Q1 2023



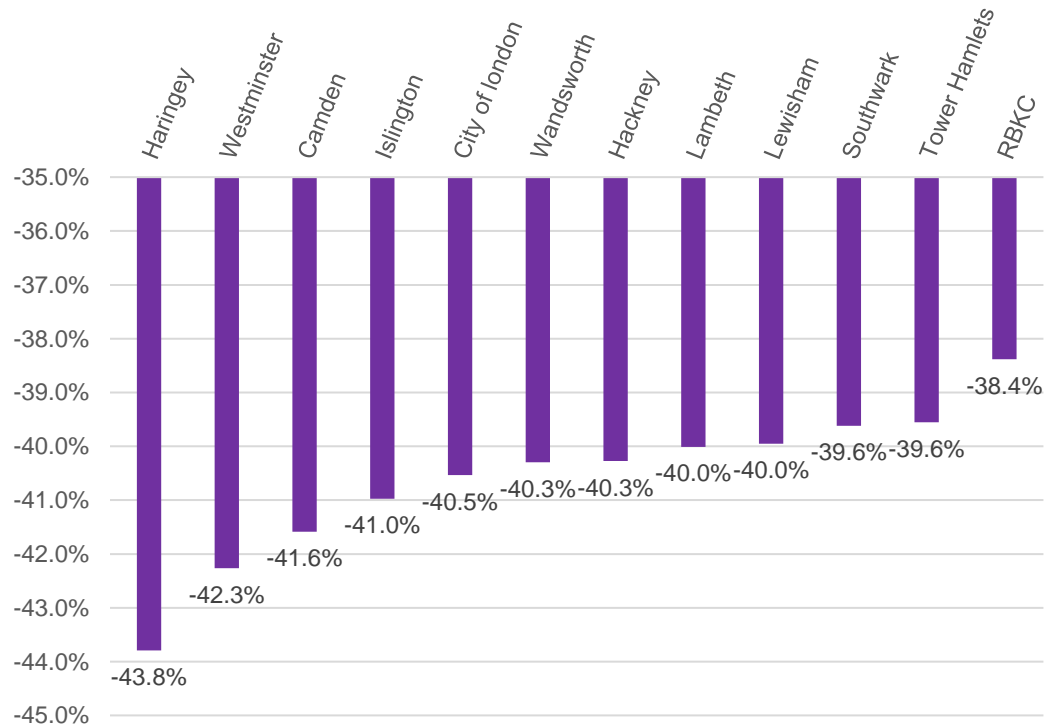
The number of business closures has increased significantly over the last two years, with the number of business births declining over the last 18 months.

Since the first quarter of 2022, the number of business closures has exceeded the number of births, with a net decline of 2,500 businesses per quarter.

The significant increase in interest rates is feeding through to higher borrowing costs for businesses, which may lead to a continuation of this trend in the coming months.

London's consumption-based emissions down by a third

Figure 7: Change in per capita consumption-based emissions, 2001-2020



Source: [London Councils](#)

Recent data from [London Councils](#) shows consumption-based emissions for London reduced by a **32%** between 2001 and 2020.

The study suggests that reductions during recession years of 2007-2009 were driven by reduction in household spend, those during 2014 and 2018 by decarbonisation of the UK electricity sector, and between 2018 and 2020 possibly by the introduction of ULEZ, and by restrictions on travel in COVID-19.

The change in per capita consumption-based emissions was largest in Haringey (-43.8%), Westminster (-42.3%) and Camden (-41.6%).

While progress has been made, consumption-based emissions will need to decrease significantly further still if we are to meet our net zero targets.