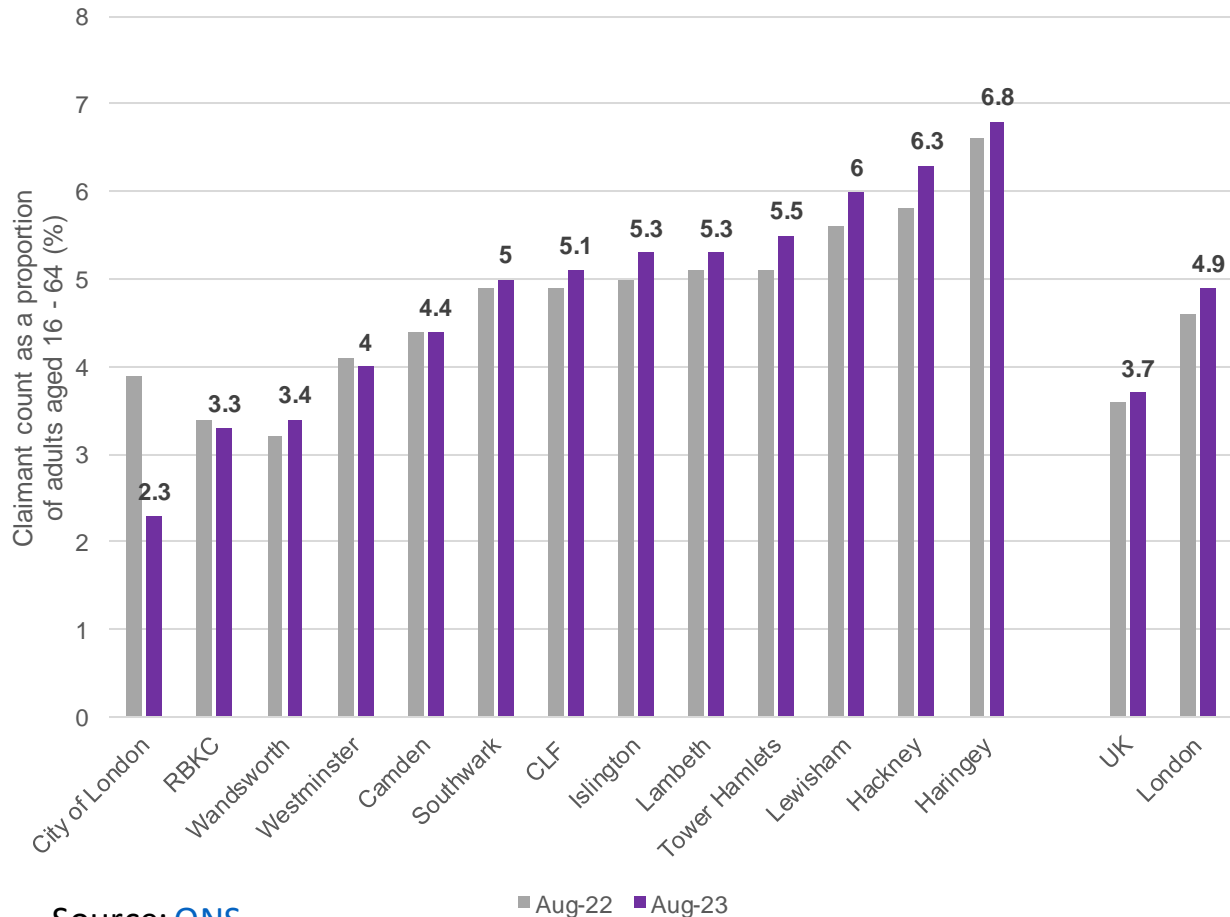


Central London
RECOVERY TRACKER

October 2023

Claimant count high in central London

Figure 1: Claimant count rate by borough, October 2022 and October 2023



Source: [ONS](#)

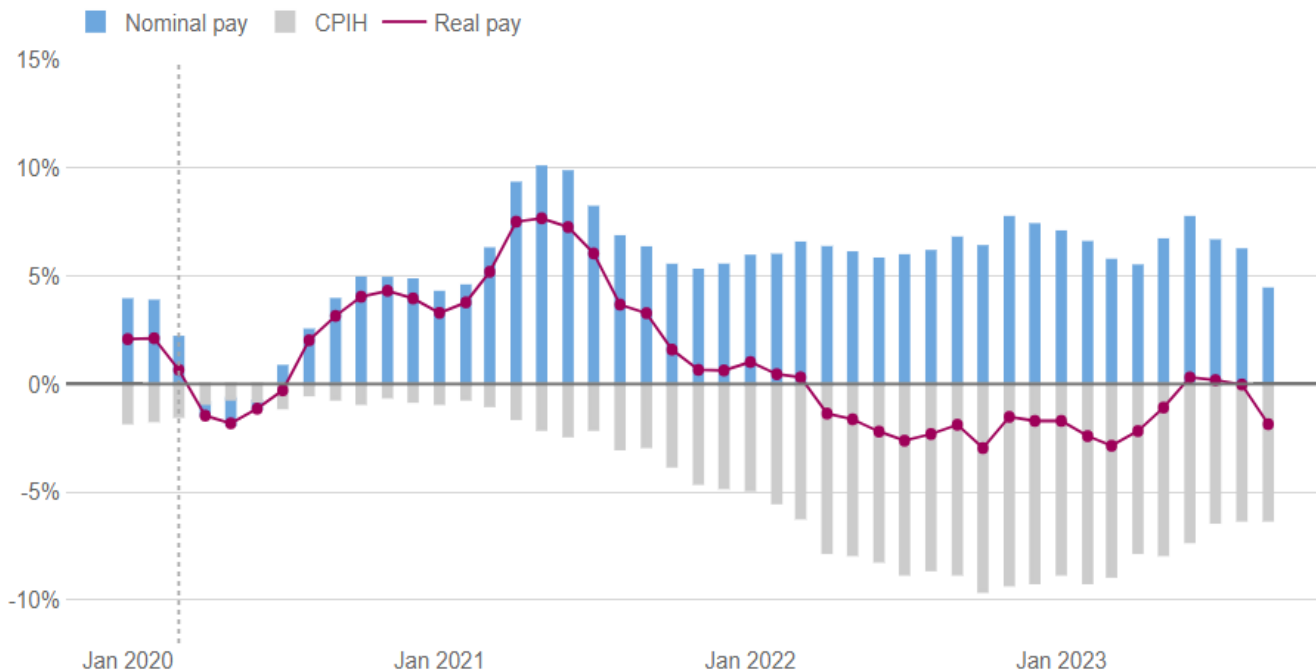
ONS changes to labour market statistics due to the fall in responses for the LFS means this month's figures are experimental and represent a break in the time series.

According to these figures, the UK unemployment rate rose to 4.2% between June and August. The employment rate went down to 75.7% - the number of people in work fell 0.3 percentage points.

Meanwhile, the Claimant Count remains a useful indicator of unemployment at the borough level. The proportion of residents claiming unemployment related benefits is higher than the national average in nine out of 12 central London boroughs. Most boroughs have seen a small increase in the claimant count over the last year. The claimant count rate is highest in Haringey (6.8%), Hackney (6.4%) and Lewisham (6.0%).

Real pay declines again as inflation remains high

Figure 2: Decomposition of real median pay in London



Source: [GLA](#)

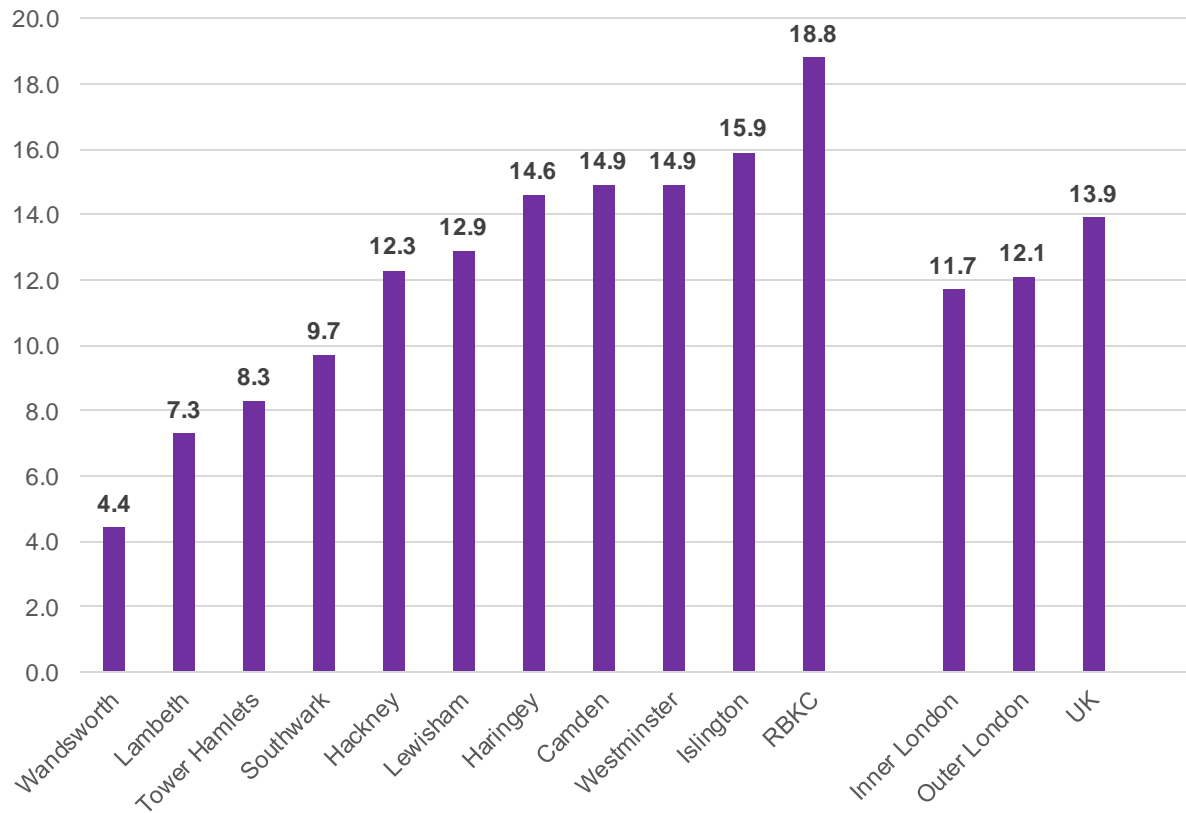
Following a small increase in recent months, real pay in the capital is falling again.

In September nominal pay for employees London was 4.4% up on the previous 12 months. However, this was significantly below inflation, with CPIH remaining at 6.3%. This represents a decline in real pay on the year of 1.9%.

London was the region with the lowest growth in median monthly pay in September. While the capital saw a real terms decline in pay, across the UK as a whole, wages are rising faster than inflation.

Significant variation in workless households

Figure 3: Percentage of workless households, by borough, 2022



Source: [GLA/ONS](#)

New analysis by GLA shows there is a significant variation in the number of workless households in central London.

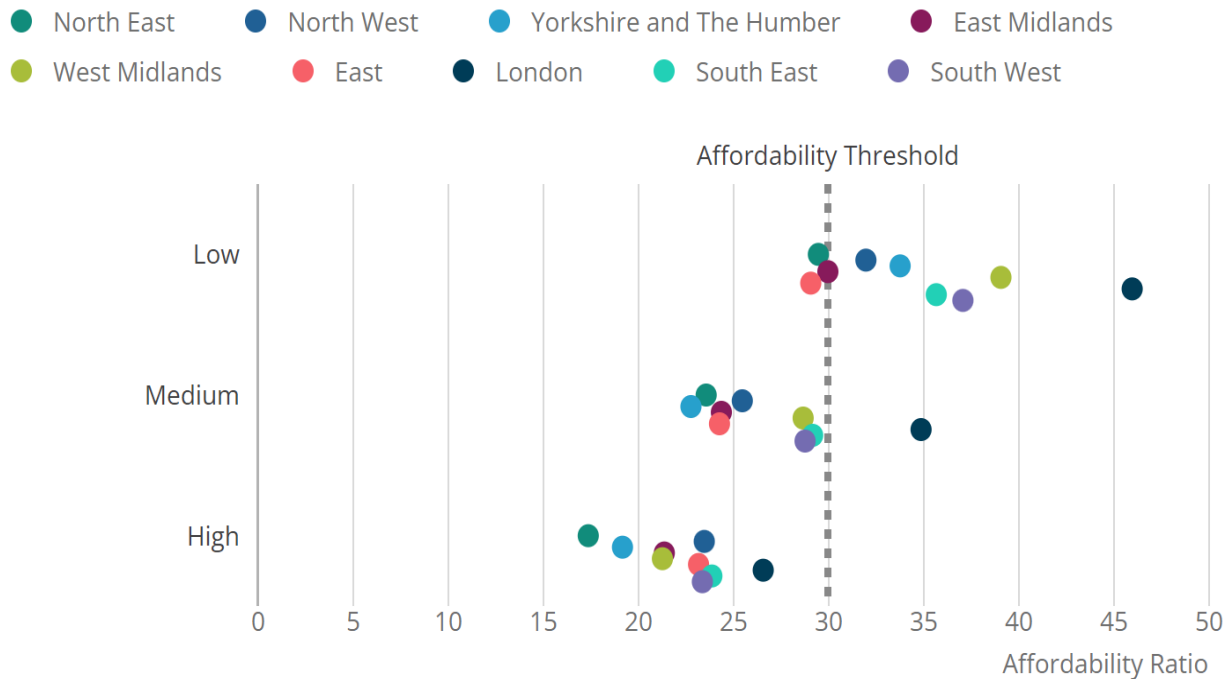
The proportion of households without anyone in work varies from 4.4% in Wandsworth, and 7.3% in Lambeth to 15.9% in Islington and 18.8% in Kensington and Chelsea.

While London as a whole has a lower percentage of workless households than the UK average, five boroughs (RBKC, Islington, Westminster, Camden and Haringey) have rates of workless households higher than the national average.

Meanwhile, recent [ONS analysis](#) shows that 8.2% of children in London are living in long-term workless households, where no adult has worked for the past 12 months.

Low-income Londoners face rent affordability crisis

Figure 4: Ratios of low/median/high rents to low/median/high income, by region, 2022



Recent housing affordability data shows that London is the only region where a median rent is more than 30% of a median household income for households who rent, standing at 35%.

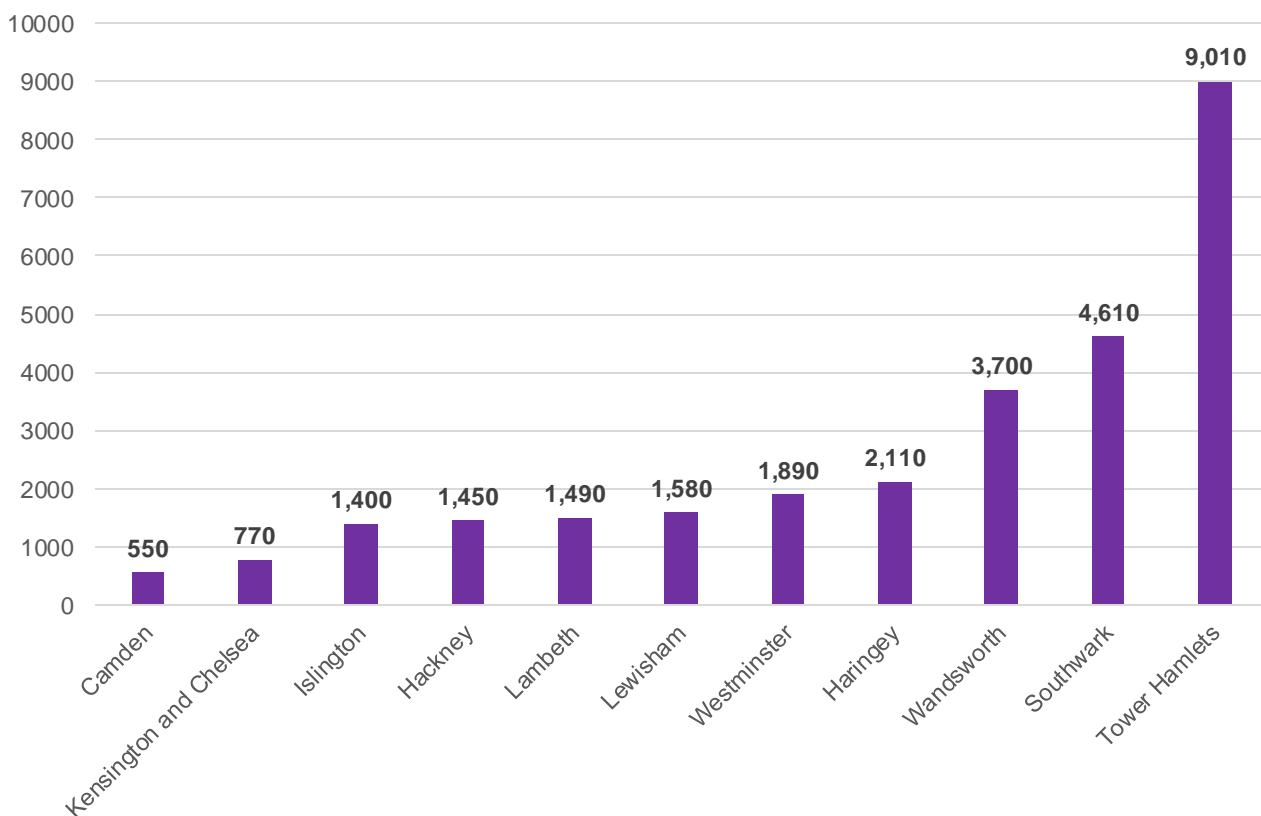
In London, rents since 2015 have been 30% and 50% of incomes for renting households, while in other regions they have rarely exceed 30%.

More worryingly, the affordability crisis is impacting lower income households more. Lower priced rents in London are equivalent to 46% of the income of lower-income households. This was a far higher proportion of income than for median earners (35%) and high earners (27%), and higher than in any other English region.

Source: [ONS](#)

Nearly 30,000 new homes delivered in 5 years

Figure 5: Number of new house completions, 2018-2019 to 2022-2023, by borough



Source: [ONS](#)

In the face of a growing housing crisis, delivering more homes, and particularly more affordable and social home, is crucial.

Figure 5 shows the total number of house completions by borough in central London in the last five years.

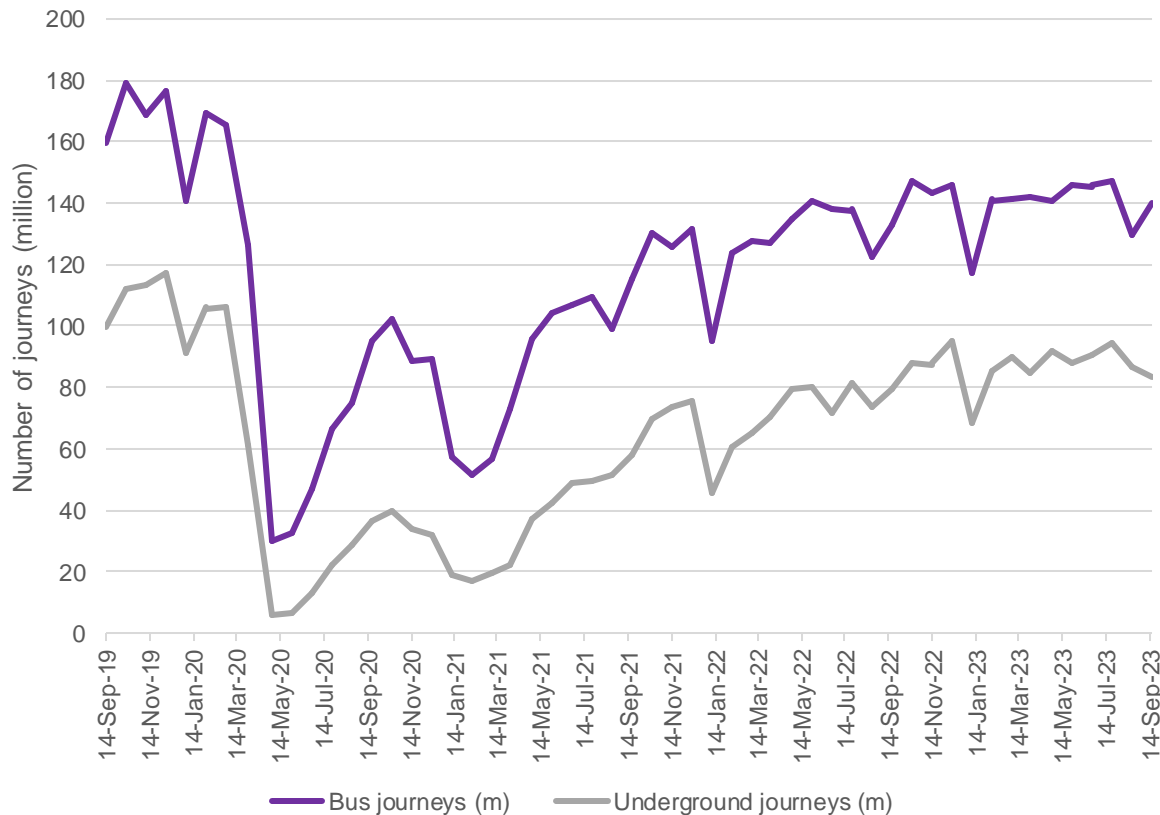
Across the 12 central London boroughs, nearly 30,000 new homes were finished over the last five years.

The largest number of homes were delivered in Tower Hamlets (9,010), Southwark (4,610) and Wandsworth (3,700).

Boroughs face growing challenges in delivering new homes in the face of inflationary pressures.

TfL passenger journeys continue to grow

Figure 6: Public transport journeys by type of transport



TfL data shows that the number of passenger journeys continues to recover post-pandemic.

Bus journeys since the start of the year are up 5.3% on the same period last year, with tube journeys up 14.7%.

The continued growth in journeys is good news for TfL revenue. TfL's funding deal with Government is due to expire at the end of March 2024, and it is due to break even by this point.

However, while TfL will be self-sufficient in terms of day to day costs, it will require continued support with capital costs, in order to maintain the network. CLF has made the case to Government for a long-term sustainable capital funding deal for [TfL](#).