Issue 6

CENTRE FOR LONDON

THE LONDON INTELLIGENCE

The sixth edition of **The London Intelligence** shows the capital's economy continues to prove resilient in the face of political uncertainty, with the rate of job growth faster in the ten years since the 2008 crash than in the ten years leading up to it, and unemployment continuing to fall. However, despite overall growth in gross earnings, wages have fallen in real terms for those on the lowest incomes.

The shape of London's workforce is also changing: the proportion of self-employed workers has increased, and the number of EU nationals registering to work in the capital has halved since its 2014 peak. With automation threatening to replace almost a third of London's jobs, some may struggle to develop the skills needed for new roles.

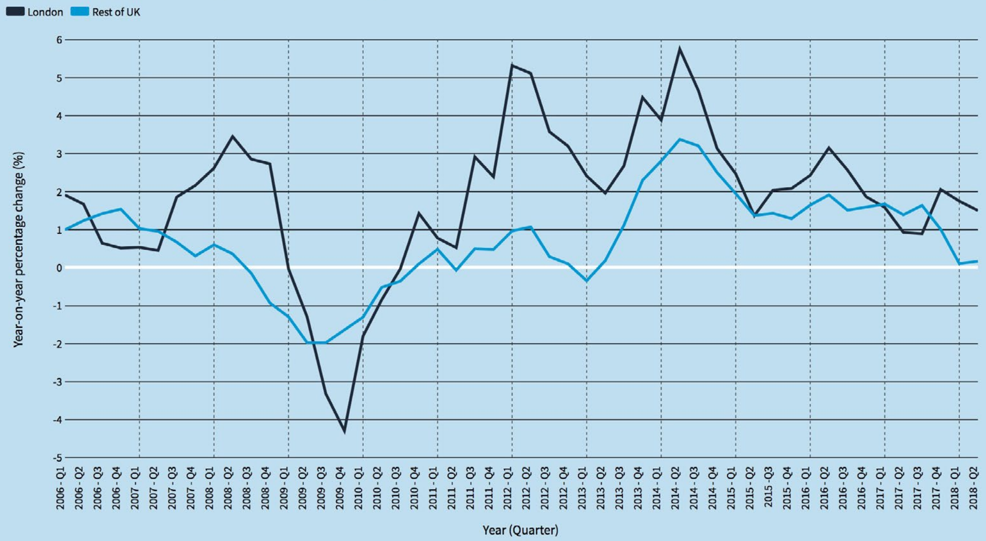
The latest education results prove that the capital's schools' success story continues, as pupils at London's state-funded schools significantly outperform the English average at GCSE level. However at the end of 16-18 education, pupils across England perform marginally better than the London cohort. With apprenticeship completion rates still low, government, schools, colleges and employers need to work together to ensure that both young people and the existing workforce have the skills required in the future.

Despite strong economic performance, London's housing market is showing signs of cooling, with modest growth in average house prices and a large drop in transaction volumes over the last quarter. Lower buyer demand has in turn contributed to a slowdown in new housing supply. In this context, recent announcements to support boroughs to deliver affordable and market housing are particularly welcome. However, while rents paid for flats have fallen, there has been an increased demand and rising rents for larger houses.

Economy

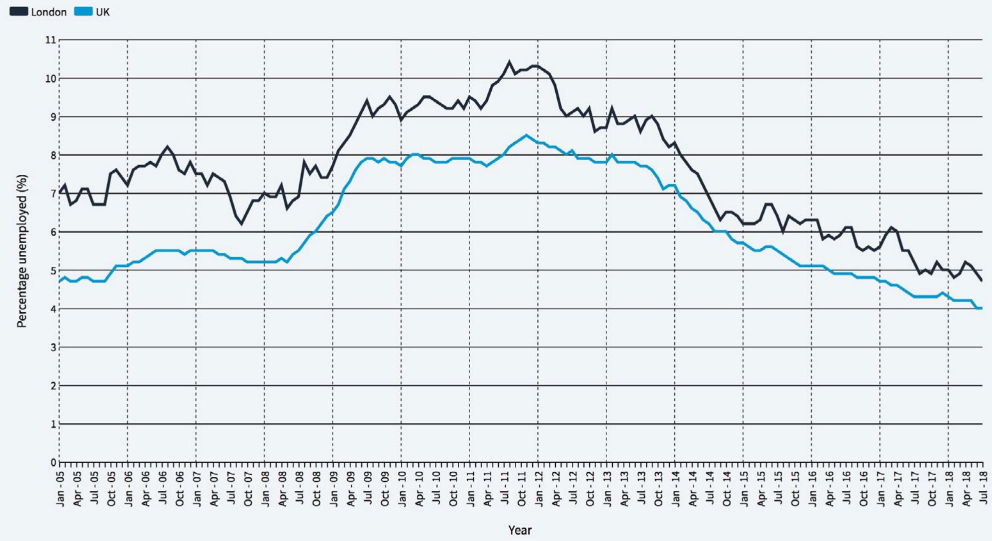
Economic performance remains strong, with higher job numbers and lower unemployment, as well as stable demand for commercial property and business activity levels. However, European migration to London (as measured by National Insurance number registrations) continues to fall, reflected by reports of skills shortages in some sectors.

Figure 1: Annual change in workforce jobs



Source: Office for National Statistics

Figure 2: Unemployment rate



Source: Office for National Statistics • Percentage unemployed among 16+ economically active population. Quarter-to-date.

In the second quarter of 2018, workforce jobs continued to increase to a total of 5.92 million – the highest jobs number since this time series started in 1996. There was an increase of 1.5 per cent on Q2 2017 – a slightly lower rate of growth than last quarter. However, this compares favourably to the rest of the UK, where job numbers grew by just 0.5 per cent over the year. Overall, the rate of job growth in London was faster in the ten years since the 2008 crash than in the ten years leading up to it.

Looking at sector breakdown, the real estate sector and the creative industries grew the most, at 17 per cent and 24 per cent respectively compared to the previous year. However, the quarterly increase in overall job numbers is entirely attributed to self-employment, as employee jobs fell by 11,000 while self-employed jobs increased by 24,000 between Q1 and Q2 2018. The number of self-employed jobs increased by 5 per cent year-on-year to June 2018 (to a total of 820,000, or 14 per cent of all jobs), while employee jobs increased by 1 per cent over the same period.

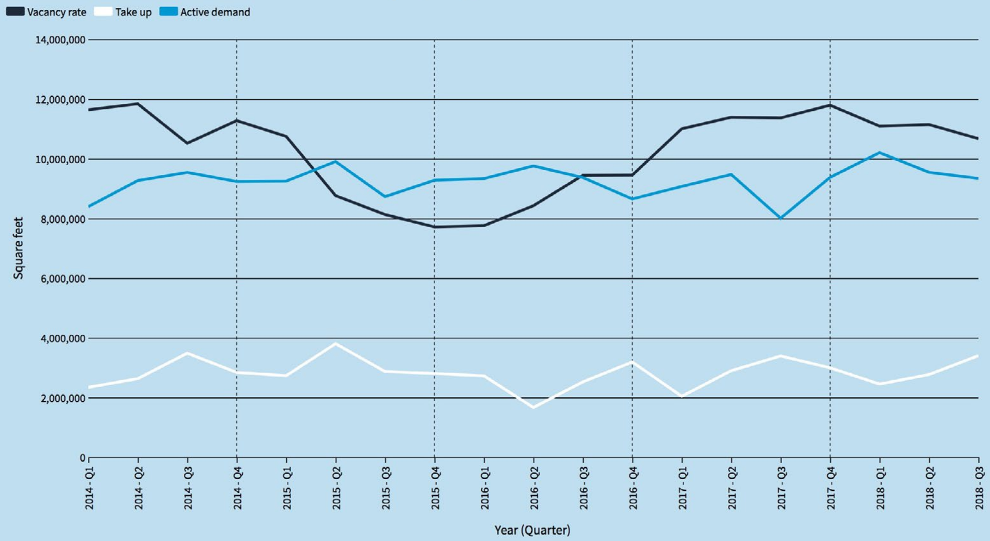
Unemployment in London continued to fall, to 4.7 per cent of the 16-64 aged population in July 2018, down from 5.2 per cent on the year previously. Though unemployment remains slightly higher than the UK average (4 per cent), the fall in unemployment continues to be steeper in London than the UK as a whole.

However, this needs to be balanced against an assessment of wages and earnings, which indicates that – despite overall growth in gross earnings – wages have fallen in real terms for those towards the lower earnings end. While London has median hourly pay rates 34 per cent higher than the UK, in certain sectors (manufacturing, wholesale and retail, administration, food and accommodation) the difference is negligible.

Despite views you hear across the UK, Londoners are well aware that the capital's riches exist side by side with poverty and real social need. The latest unemployment stats show a vast improvement on recent years. That said, London's unemployment rate has tracked above the rest of the UK throughout this year and the figures do not show the quality of the jobs entering the market – masking trends in under-employment, low pay and insecure work. Perhaps unsurprisingly, London has also experienced a slight decline in the creation of workforce jobs, potentially a reflection of business uncertainty given the political and economic backdrop.

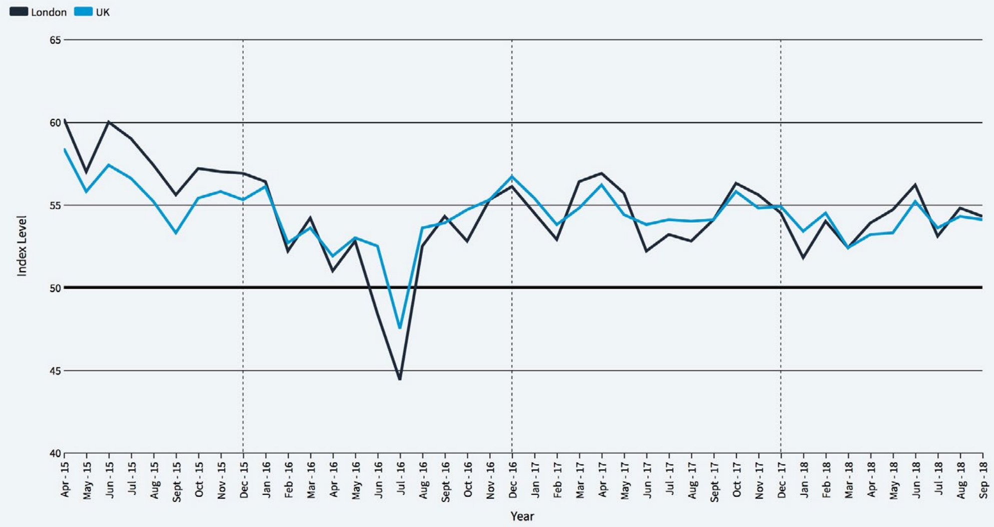
Kirsty McHugh, CEO, Employment Related Service Association | **@ersa_news**

Figure 3: Central London's commercial property market



Source: JLL

Figure 4: Purchasing Managers' Index

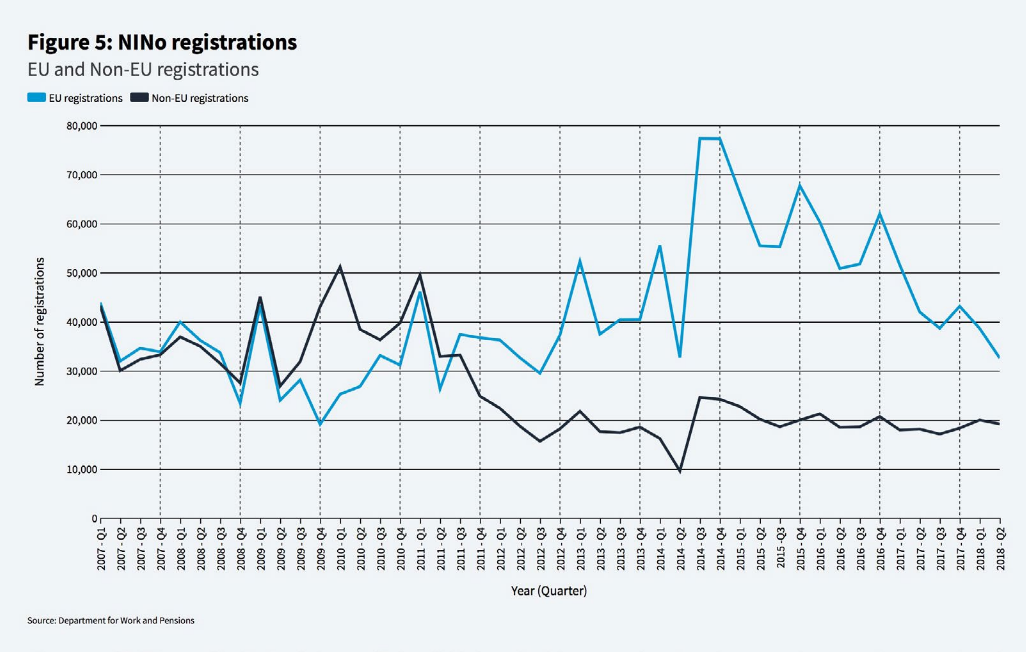


Source: Natwest/IHS Market Economics

In the third quarter of 2018, Central London's property market maintained levels of demand, despite political and economic uncertainty. Take up of offices increased to 3.4 million square feet, with a corresponding decline in vacancy rates. Active demand was slightly lower than the previous quarter, but there were still enquiries for over 9.3 million square feet of office space.

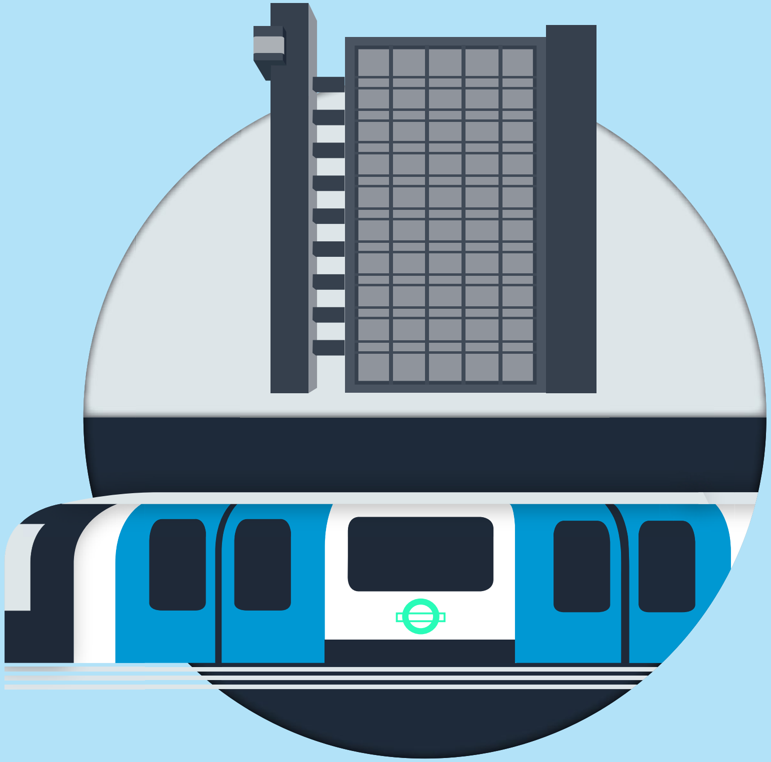
Purchasing managers' indices (PMIs) measure business activity by surveying companies on output, new orders, employment and prices; a score above 50 shows an increase in activity from one month to the next. The higher the score, the quicker the expansion.

The NatWest / HIS Marit PMI shows London business activity stood at 54.3 in September 2018. The positive number indicates an expansion, but the index is unchanged on the average of the past 12 months, and almost on par with the UK as a whole.



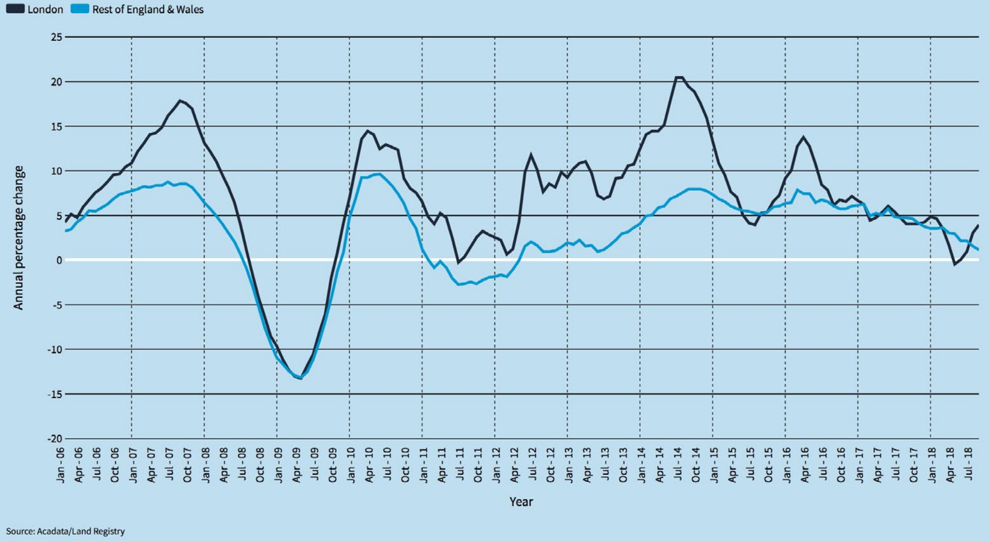
National Insurance number (NINo) registrations by foreign nationals coming to London continue to fall, with 51,717 registrations in Q2 2018, a 12 per cent decline on the previous quarter. This is a result of fewer registrations by residents of European Union member states, declining 22 per cent on the year to Q2 2018. This continues a long-term downward trend in EU registrations, with a 36 per cent decline since Q2 2016, and a 50 per cent fall since 2014. Registrations from non-EU residents remained steady, but there continue to be fewer registrations from non-EU residents than EU.

Housing



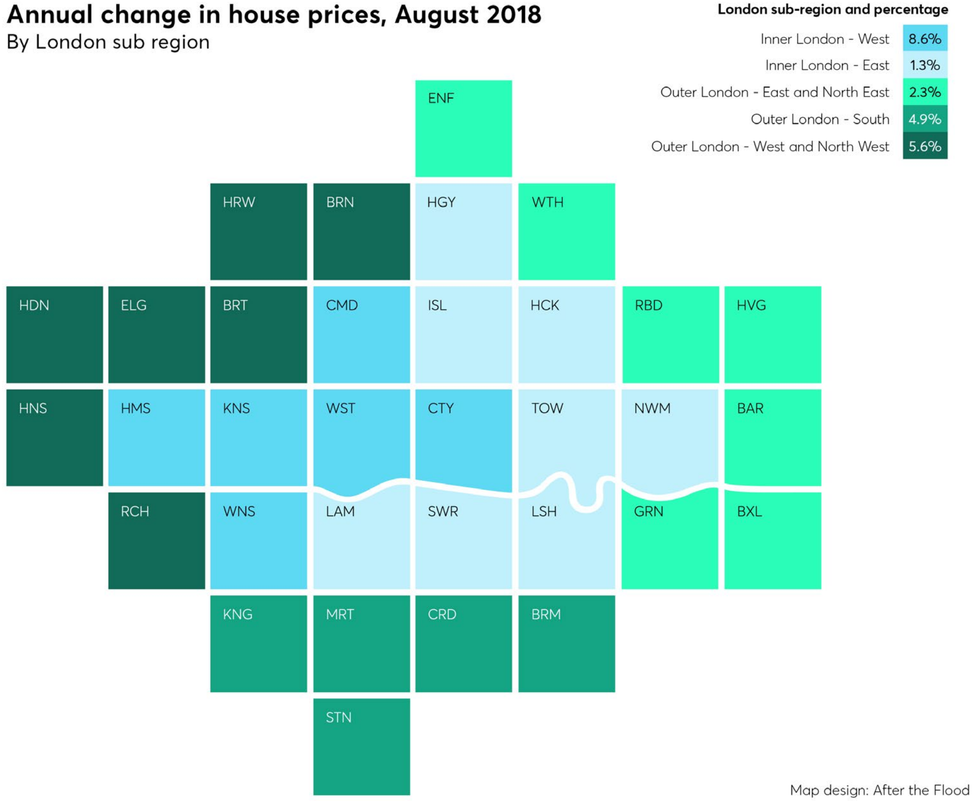
London's housing market has been in a lull, with modest growth in average house prices and a large drop in transaction volumes. There has also been an overall decline in private housing rents. However, while demand and rents paid for flats dropped, there has been an increased demand for houses and an accompanying rise in rents paid. Housebuilding has also slowed, with fewer schemes passing through planning, and new build housing supply affected by cooling of buyer demand.

Figure 6: Mean house price
Annual change

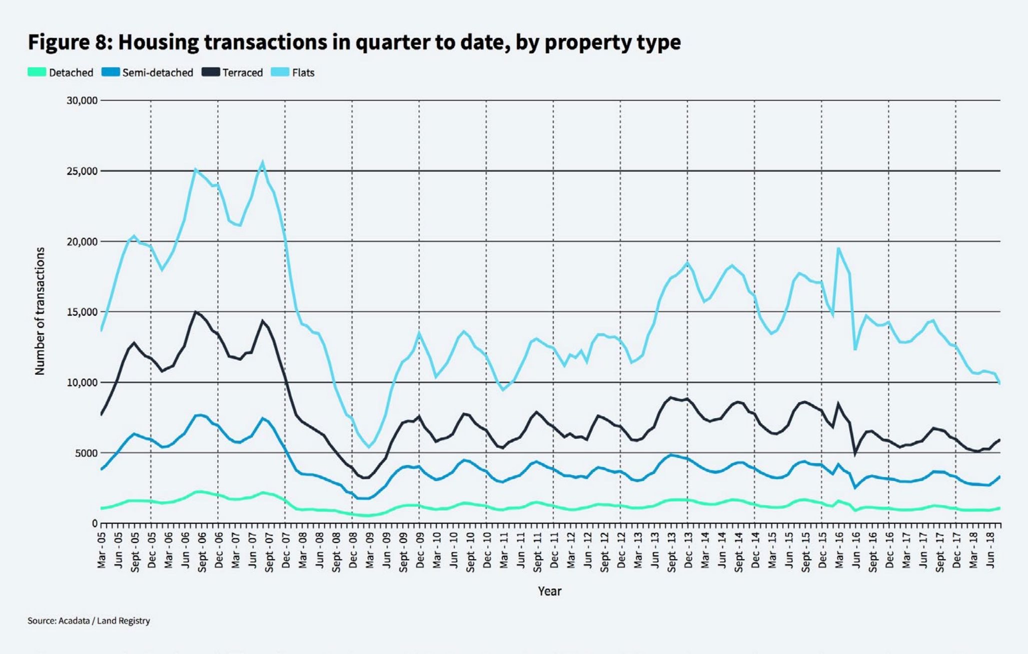


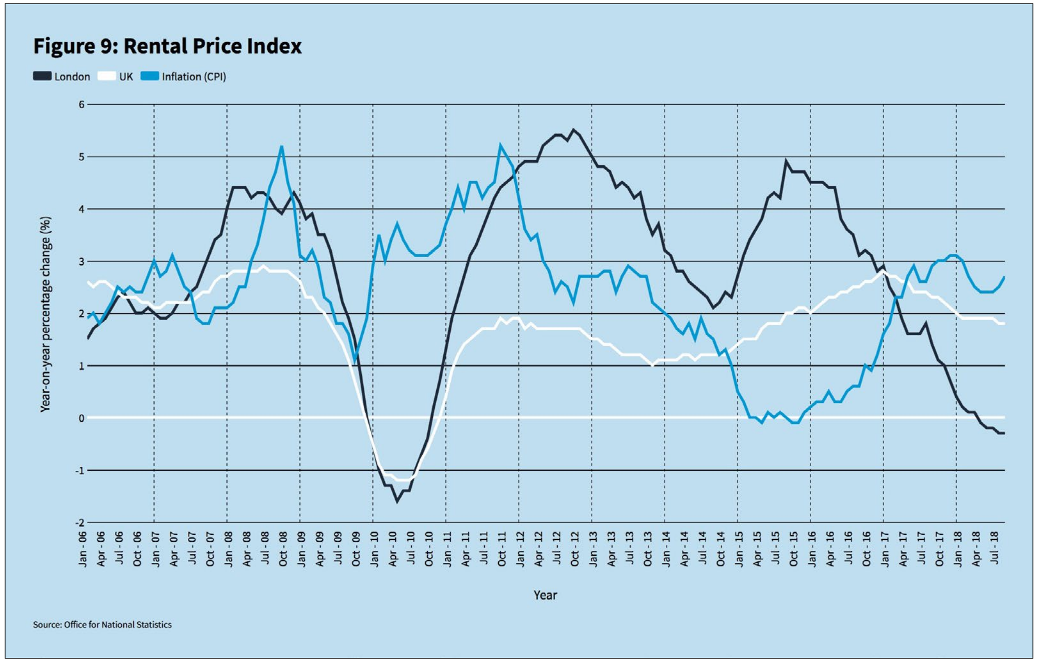
Average house prices in Greater London increased by 3.9 per cent in the year to August 2018, to £623,677, following negligible growth between March and June. This compared to a much lower rate of annual change for the rest of England and Wales, at 1.1 per cent.

Figure 7:
Annual change in house prices, August 2018
By London sub region



House prices across London are seeing slow growth, in contrast to the rapid growth that the housing market had become accustomed to. Though political uncertainty has dented buyer confidence, prime central London appears resilient, showing signs of returning confidence. Prices in inner West London appeared to grow the fastest, by 13.8 per cent in the year to August 2018, while house prices in outer West London have increased by 8.6 per cent (to £1.2 million). In inner East London the market has cooled, with a slower increase of 1.3 per cent (to £603,000) over the same period.





Transaction volumes in London fell further in the quarter to August 2018. A total of 20,000 homes were bought and sold in the capital, representing a 23 per cent drop on the previous year. There have been suggestions that this may be as a result of property speculators who buy and sell homes in quick succession shifting their focus north, while the market in London and the South cools.

Though there are noticeable signs of slowing since the 2016 EU referendum, some property types are showing slight signs of recovery. Transaction volumes over the last three months increased on the previous quarter by 15 per cent, 23 per cent and 13 per cent respectively for detached, semi-detached and terraced properties. However, the volumes for flats – the most commonly transacted property type – were down by 9 per cent on the last quarter.

The government's regional index of private housing rental prices has been negative since April 2018, indicating a decline in London rental prices. There was a 0.3 percent decline in the 12 months to August 2018, although this is less sharp than the year previously. There has been an average 0.1 per cent decline since the beginning of 2018. This is compared to an average 1.9 per cent monthly growth in the rest of England.

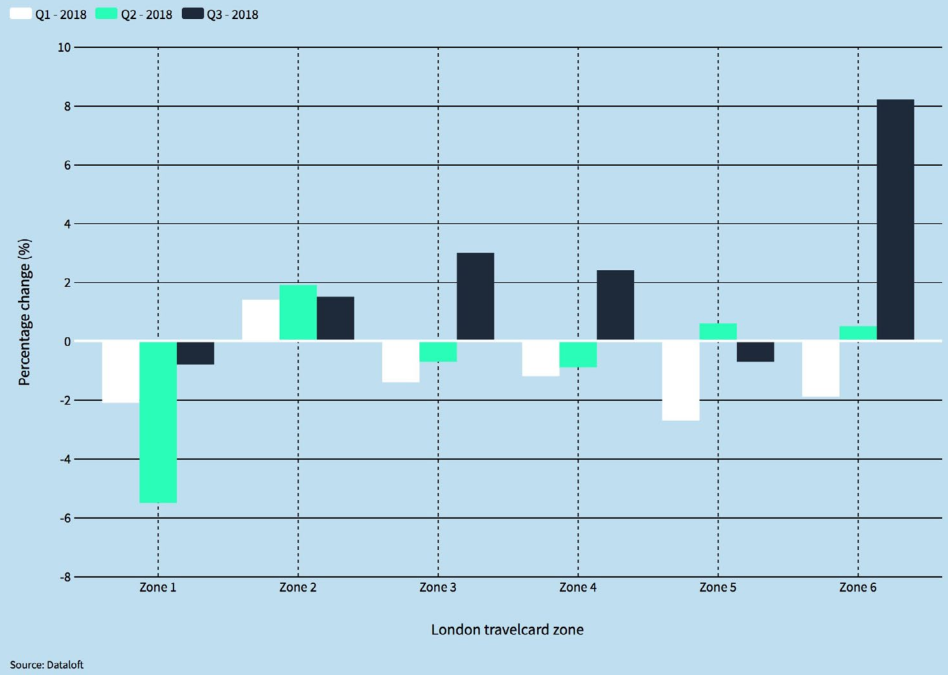
Figure 10:

Annual rental change, by property type

Year to		1 bed flats	2 beds flats	3+ bed flats	Terraced houses	Detached / Semi-detached	ALL
2015	Q4	7.1%	5.3%	5.8%	7.7%	6.9%	**7.6%**
2016	Q1	6.2%	4.1%	-2.7%	5.3%	0.5%	**3.8%**
	Q2	1.4%	1.0%	-1.2%	1.8%	-0.5%	**2.6%**
	Q3	4.4%	1.9%	2.3%	4.6%	6.9%	**3.4%**
	Q4	0.2%	0.5%	3.3%	3.0%	5.9%	**2.1%**
2017	Q1	1.5%	-1.5%	-3.3%	2.6%	1.0%	**0.8%**
	Q2	1.0%	0.3%	2.1%	1.2%	5.4%	**0.1%**
	Q3	-1.8%	-0.7%	0.4%	0.2%	2.1%	**-0.7%**
	Q4	1.1%	0.3%	-3.4%	1.3%	-4.0%	**-1.1%**
2018	Q1	-1.5%	0.7%	0.8%	-3.8%	2.0%	**-1.2%**
	Q2	-0.5%	2.3%	-0.5%	-1.5%	-5.1%	**-0.3%**
	Q3	1.9%	1.0%	-3.3%	3.5%	4.7%	**1.9%**

Data on actual rents paid in London show a slightly different picture. These figures show an improvement in London's rental market – an indicator of the wider housing market and economic activity – with average rents increasing 1.9 per cent in the third quarter of 2018 when compared to the same period last year. This bucks a previous downward trend, which saw four consecutive quarters of decline. Larger houses saw the largest year-on-year increase, with terraced and detached housing showing significant increases while rents for flats were more subdued, possibly indicating oversupply of some property types.

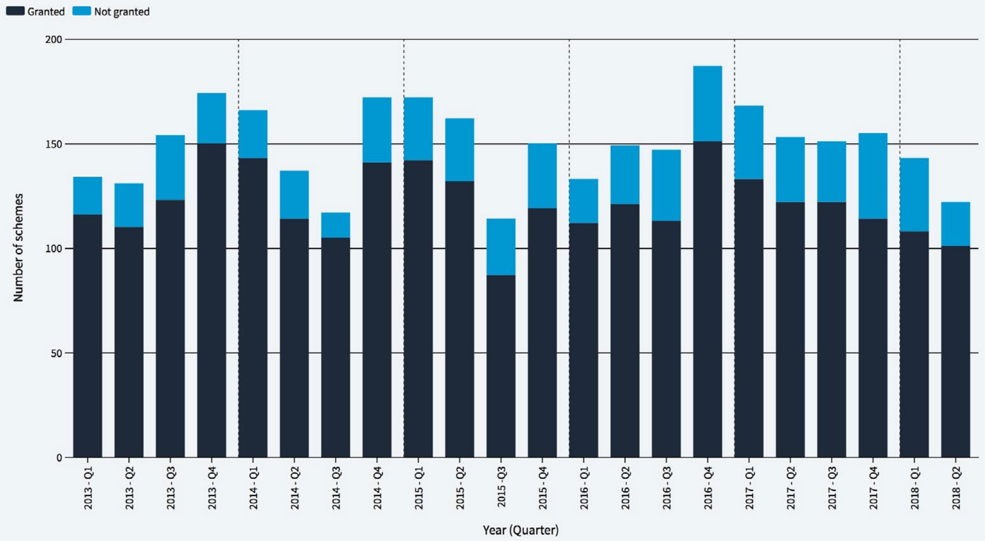
Figure 11: Annual rental change, by London travel card zone



The fall in rents paid in Zone 1 – typically used as a proxy for 'Prime Central London' – has slowed, with a 0.8 per cent decline in Q3 2018. Significant increases occurred in Zones 3 and 4 in Q3 2018, while rents paid in Zone 5 fell by 0.7 per cent in the same period.

The above average growth in Zone 6 is likely due to the profile of properties let in the third quarter, which saw a higher proportion of houses let with a higher than average rent. Overall, 50 per cent of properties let in Q3 2018 were houses, up from 36 per cent in the previous quarter, and 37 per cent in Q3 2017.

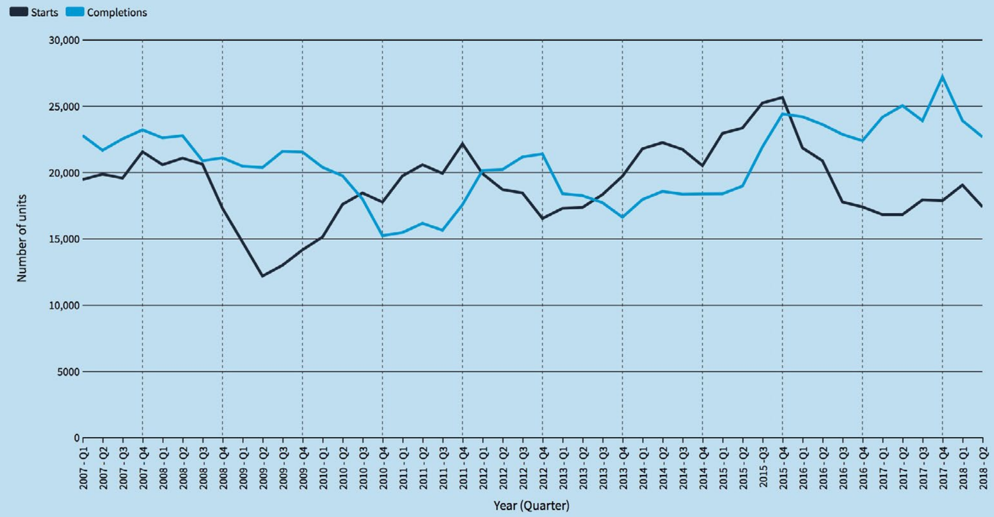
Figure 12: Residential planning decisions, major schemes



Source: Ministry of Housing, Communities & Local Government

Figure 13: New build starts and completions

Rolling annual figures



Source: Ministry of Housing, Communities & Local Government

The number of considered planning applications fell in the second quarter of 2018. Only 122 large residential schemes were decided on, down 17 per cent on the same period last year. Local elections in May of this year may help explain the slowdown in major scheme decisions, as fewer schemes passed through planning committees. However, an increased proportion of those that did were granted - 83 per cent of large residential schemes - 7 percentage points higher than the previous quarter.

Unlike major schemes, most minor scheme decisions are taken by planning officers rather than planning committees, so the elections had less effect. The number of minor scheme decisions which were granted fell by 3 per cent in the year to Q2 2018, with those not granted falling by 13 per cent.

While housing completions in the year to June 2018 slipped back below 23,000, the rate remains above the ten-year average. However, new starts remain subdued, falling below 17,400 in the year to June 2018, suggesting that new build housing supply is slowing – responding to economic uncertainty, as well as cooling of buyer demand, as indicated by lower transaction volumes.

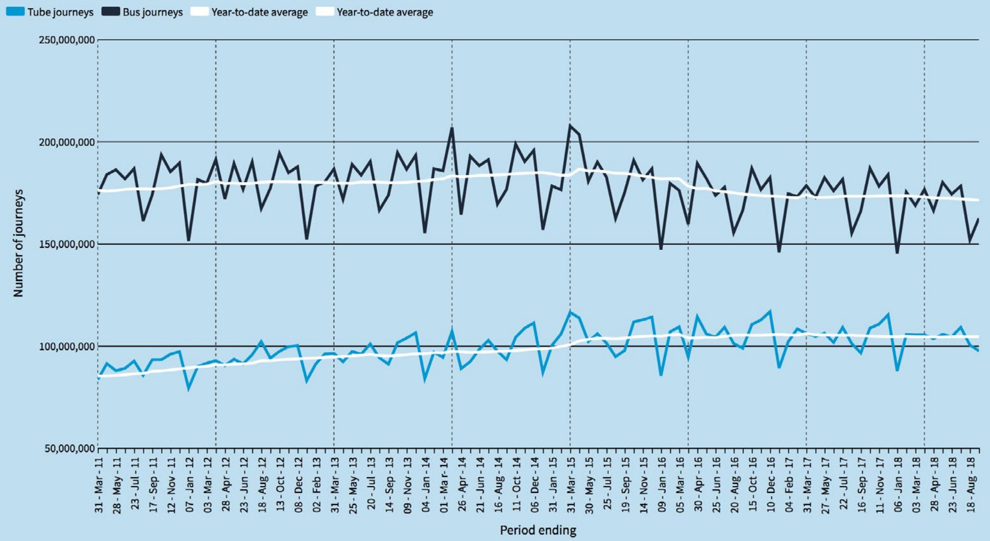
> London's housing market continues to look subdued, with low transaction levels reflecting a combination of cyclical factors, economic uncertainty and high Stamp Duty rates. In the rental market, reported rents are rising again, suggesting that the recent falls we've seen offered London's private tenants only a brief respite. With current market conditions unlikely to deliver the volume or mix of homes that we know London needs, the increased supply of affordable housing we expect to see in the next year as a result of the Mayor's investment should be timely. These issues and more are analysed by the GLA in its regular Housing Market reports and annual Housing in London report.

James Gleeson, Housing Research and Analysis Manager, Greater London Authority | **@LDN_gov**

Society

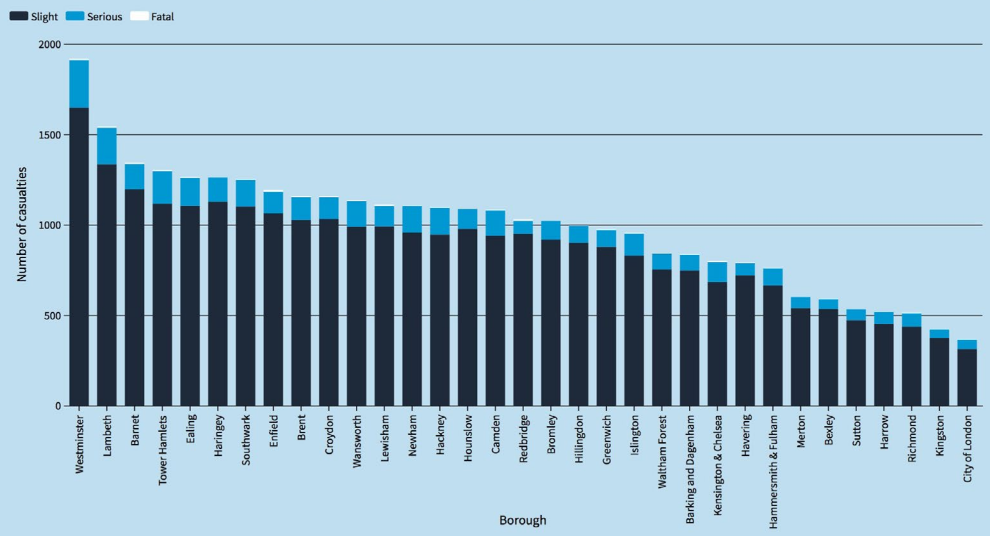
As negotiations with the European Union continue, Brexit has understandably gone up the list of Londoners' concerns. International visitor numbers, and visits to the capital's attractions, have slowed, though spending by overseas visitors has risen. While declining public transport passenger numbers present funding challenges in the long term, road casualty numbers have seen no significant change over the last year. Although crime declined as a public concern, there has been a particular increase in violent crimes.

Figure 14: Tube and bus journeys



Source: Transport for London (TfL)

Figure 15: Casualties in 2017, by borough and severity



Source: Transport for London

Growth in ridership on London's transport network continues to be stalled. While the number of tube journeys decreased in August and September, this was in line with the usual seasonal trends; the year-to-year average seems stable, and has been since 2015. In contrast, bus journeys increased in September, but the longer-term trend has been three years of decline.

The possible reasons for declining public transport patronage are manifold – including low journey speeds and reliability caused by congestion, as well as changing working patterns and consumer habits. Combined with the effect of the fares freeze, the bus hopper fare and the delay in Crossrail opening, the decline in passenger numbers could have a significant impact on Transport for London's long-term revenues. This has already led to a postponement of tube upgrade plans and a freeze on road network maintenance.

There were over 32,500 casualties on London's roads in 2017, 130 of whom suffered fatal injuries. While there are individual borough-level changes year-on-year, across London as a whole there was little change on the previous year.

The number of casualties on London's roads, and the severity of road accidents, shows variation across the capital. Westminster saw the highest number of road accidents, with 1,900 casualties in 2017, while Enfield was the borough with the most fatalities (10). The six fatalities which occurred in Westminster last year include the five victims who died during the Westminster Bridge attack.

The Mayor's Vision Zero plan aims to eliminate all serious and fatal injuries from London's roads by 2041, with new speed-limiting devices on buses and an increase in 20mph speed restrictions across the capital. The City of London, meanwhile, has proposed even lower speed limits of 15mph for the Square Mile.

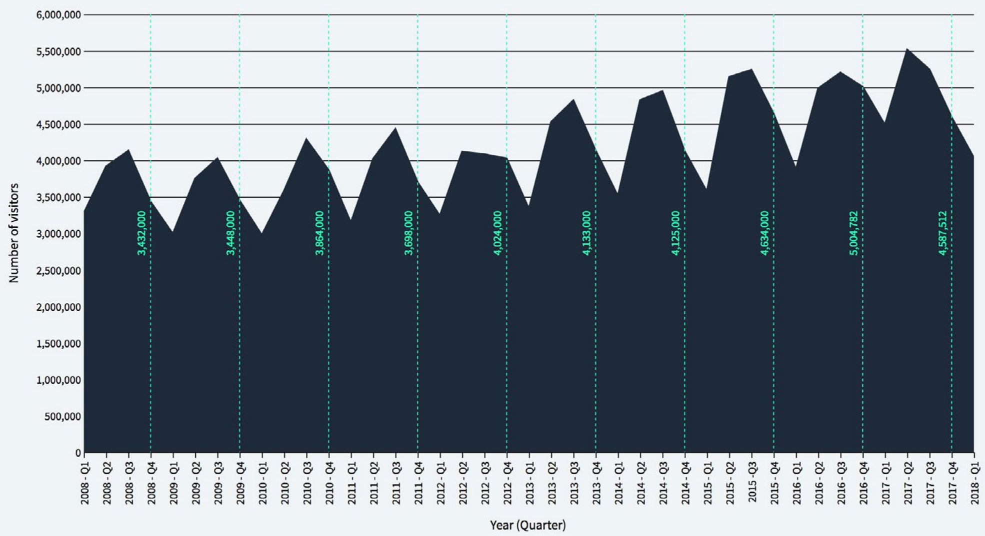
Falling passengers on tubes and buses is a worrying trend. TfL's business plan is based on its hope that ridership will increase again year-on-year. Clearly economic factors and changes in working patterns are affecting passenger numbers, but there is also a lot more TfL could do to attract people back. On the bus network in particular, we see little effort to improve the passenger experience. Plus, the failure to plan for a capacity increase in Outer London means people will keep choosing a car when they need to get somewhere.

Caroline Pidgeon MBE AM, Chair of the London Assembly Transport Committee | **@CarolinePidgeon** **@London Assembly**

The latest figures for people killed and injured in traffic collisions on London's streets highlight the challenge of delivering Vision Zero. Bold approaches to tackling road danger – such as the 15mph speed limit proposed in the draft City of London Transport Strategy – will be essential to significantly reducing, and ultimately eliminating, death and serious injuries. Safer streets will help ensure the Square Mile remains a great place to live, work and visit

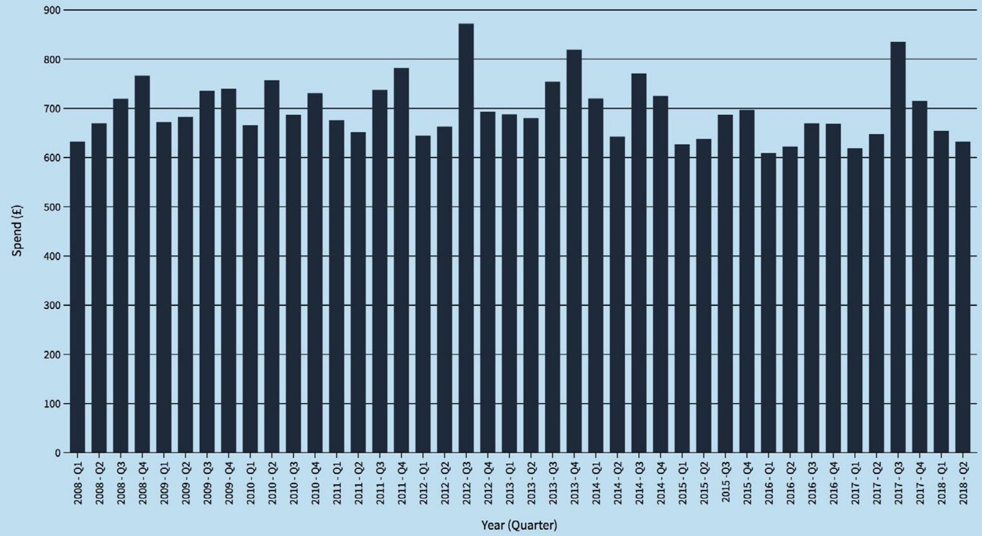
Bruce McVean, Strategic Transportation Group Manager, City of London Corporation | **@cityoflondon**

Figure 16: International visitors



Source: International Passenger Survey

Figure 17: Spend per visitor

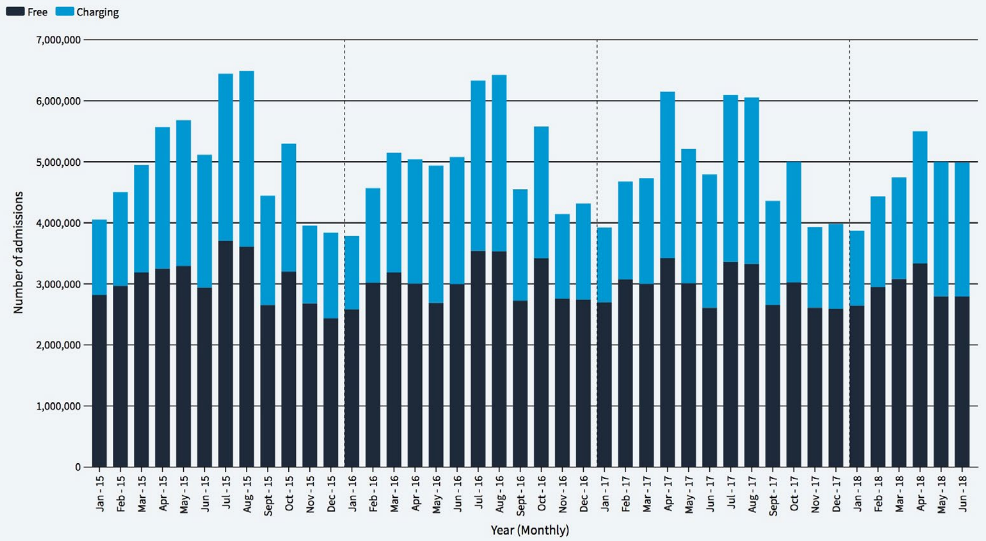


Source: International Passenger Survey • Adjusted to 2018 prices

London has struggled to regain the high number of international visitors that it is used to, with only four million visiting London in Q1 2018. Visitor numbers were down 10 per cent in the first quarter of 2018, when compared with the same period in the previous year.

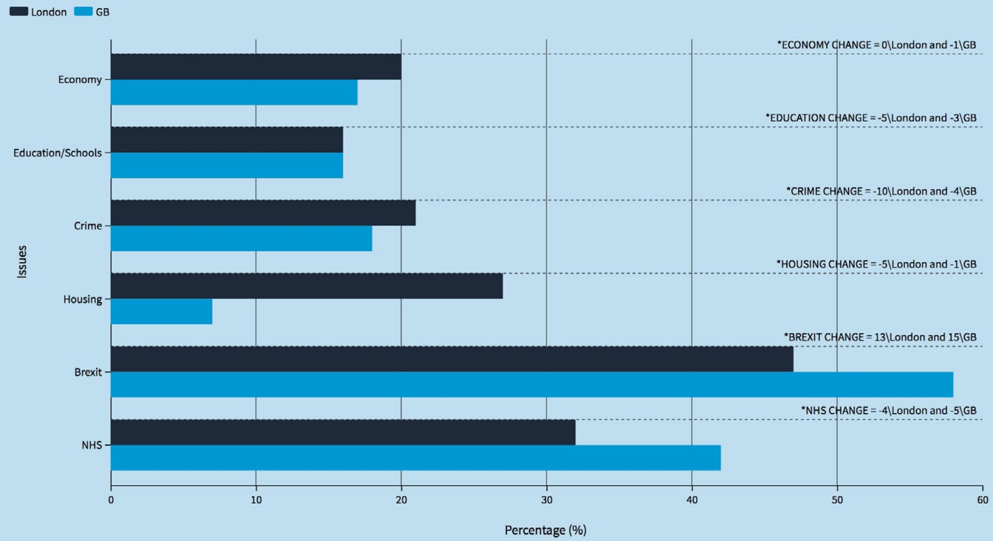
The average international visitor spends 5.5 nights in the capital, and spent just under £650. Spending by international visitors in London was bolstered by the weakening pound in the first quarter of 2018, up 6 per cent on the previous year.

Figure 18: London attractions monitor



Source: London & Partners

Figure 19: Issues index, Q3 2018 (*change from Q2)



Source: Ipsos MORI

Admissions to over 60 of London's top attractions fell 4 per cent in the quarter to June 2018, when compared with the same period last year. Visitor attractions in outer London fared worse, falling 7 per cent in the second quarter of 2018 when compared with Q2 2017, whilst those in Zone 1 saw a 4 per cent decline over the same period.

Relative to others, Brexit concerns are growing, with just under half of Londoners naming Britain's departure from the European Union as a top concern. Though concerns about Brexit are lower in London than in the rest of Britain, they grew by 13 per cent in the third quarter of 2018, and have remained the single largest issue facing the capital every quarter since the referendum in June 2016.

Concerns about the NHS remain a major concern (cited by 32 per cent of respondents) though the issue has seen a 4 per cent fall on the previous quarter. Fewer Londoners are worried about crime in the capital than in the second quarter of 2018, with a 10 per cent reduction in the proportion of respondents who mention it as an issue.

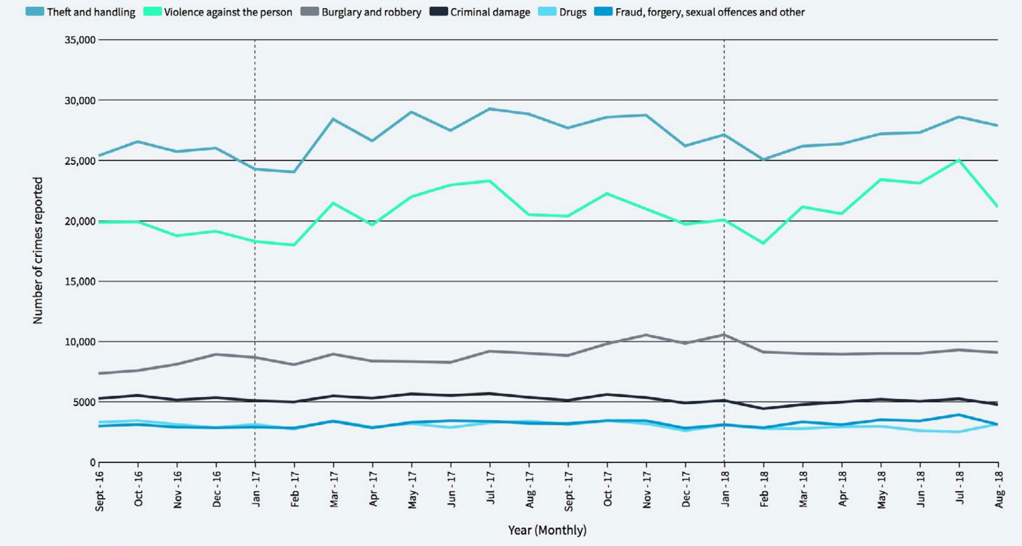
Attractions admissions for 2018 reduced year-on-year compared to 2017 when London welcomed a record number of visits from overseas. As visitor numbers reduced following the temporary boost a year earlier, attraction admissions have also reduced. Admissions reduced in April particularly as the Easter weekend moved earlier in the year, beginning at the end of March. Admissions picked up year-on-year during June, indicating towards growth during the second half of the year.

Matthew Purtill, Consumer Insight Manager, London & Partners | **@londonpartners**

The data on Brexit bear out the fact that Londoners, like everyone else in the country, are concerned about where the process is heading and what it might mean in practice. There is no doubt that leaving the EU might have a significant impact on the capital, from the ability of EU citizens to travel to and work in the city, to key sectors, notably financial services, continuing to trade smoothly with other EU member states.

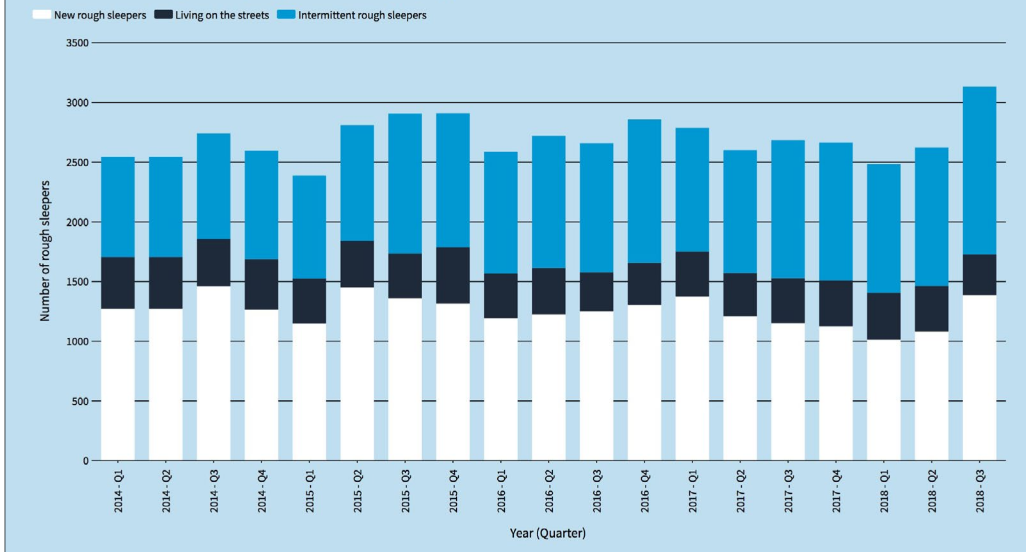
Anand Menon, Professor of European Politics and Foreign Affairs at Kings College London, and Director, UK in a Changing Europe | **@anandMenon1** **@ukandeu**

Figure 20: Total crime recorded, by type



Source: Metropolitan Police

Figure 21: Rough sleeping in London, by type



Source: Combined Homelessness and Information Network (St Mungo's)

Though some types of recorded crime show monthly fluctuations, others remain steady, with marginal change over the last two years.

While crime is less of a priority issue in opinion polls, violent crimes in particular have increased. Violence against the person has seen a 5 per cent year-on-year increase, with 21,200 offences recorded in August 2018. Of those recorded, over 500 instances of violence involved an offensive weapon, which represents a 6 per cent increase in the past year. The number of reported sexual offences increased 9 per cent in the year to August 2018, with the number of rapes increasing 14 per cent over the same period.

Attempts to measure some crimes, such as those related to drugs, may suffer from underreporting, while issues of prosecution persist. In recognition of the wider determinants of public health, the government announced a £5 million fund to support earlier interventions to tackle violent youth crime.

In the third quarter of 2018, over 3,000 individuals were recorded as sleeping rough by outreach teams in the capital, a 17 per cent increase on the same period last year. New and intermittent rough sleepers each accounted for around 45 per cent of the total, with the remainder described as living on the streets.

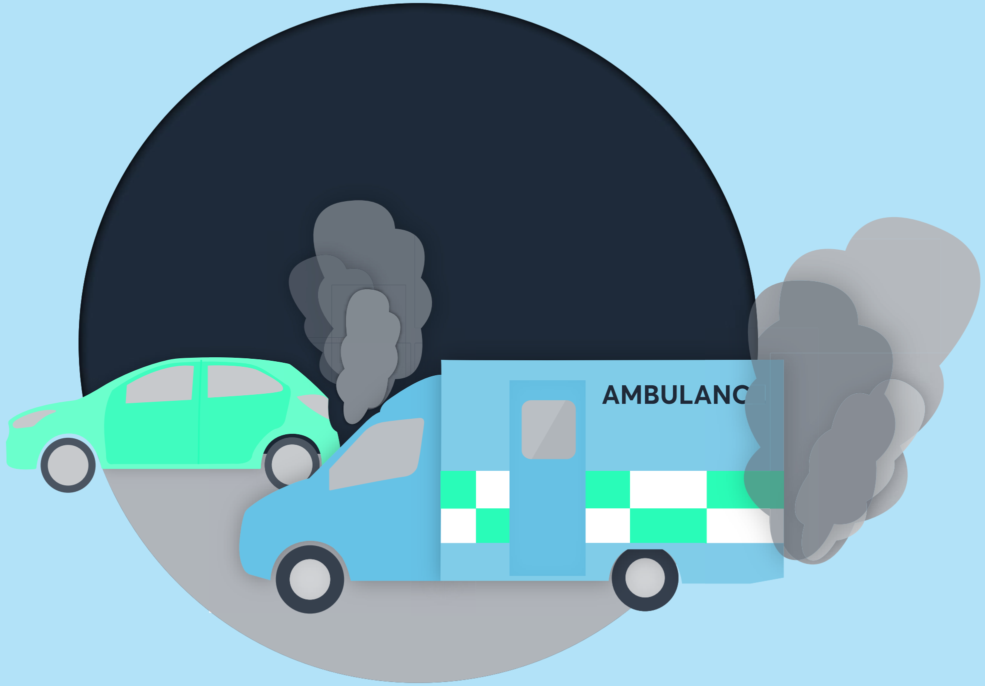
The number of people living on the streets more long-term has fallen 11 per cent on the previous quarter and is 10 per cent lower than the third quarter of 2017. In contrast, the number of new rough sleepers recorded during the third quarter of 2018 was 20 per cent higher than the same period last year.

With the winter months approaching, the cold weather raises concerns over the safety of those sleeping rough. 109 people sleeping rough died in the capital last year, with many more likely to have died unrecorded in hospital.

“ This appalling spike in the number of people forced to sleep rough in London is a disaster for every single person experiencing life on the streets. Across the capital, local authorities are struggling with increasing numbers of people new to the streets. We don’t have enough affordable housing that homeless people can access and we don’t have a strong enough welfare system to support people when they fall on hard times. Rough sleeping ruins lives and, with winter approaching, the consequences of ending up on the streets become more and more devastating.

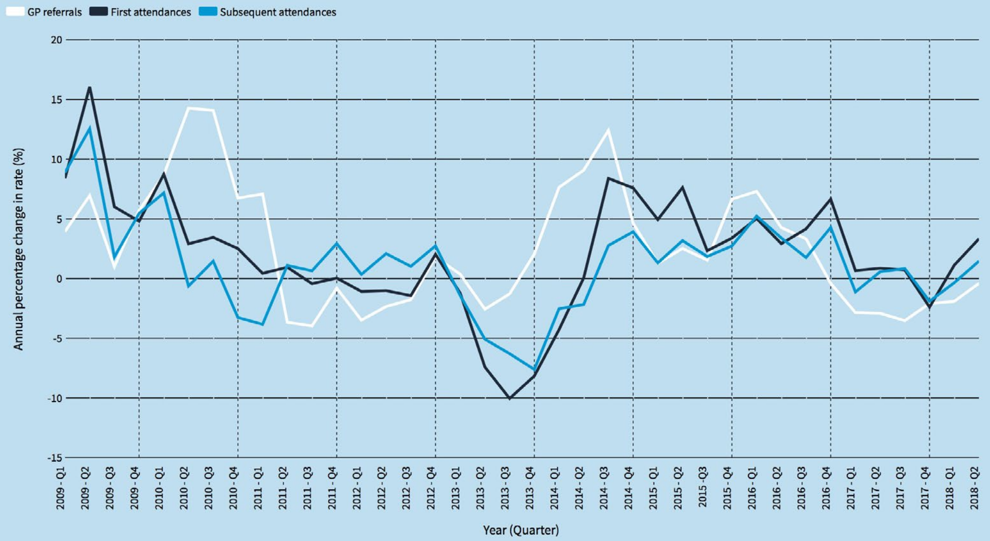
Jon Sparkes, Chief Executive, Crisis | **@jon_sparkes** **@crisis_UK**

Environment and Health



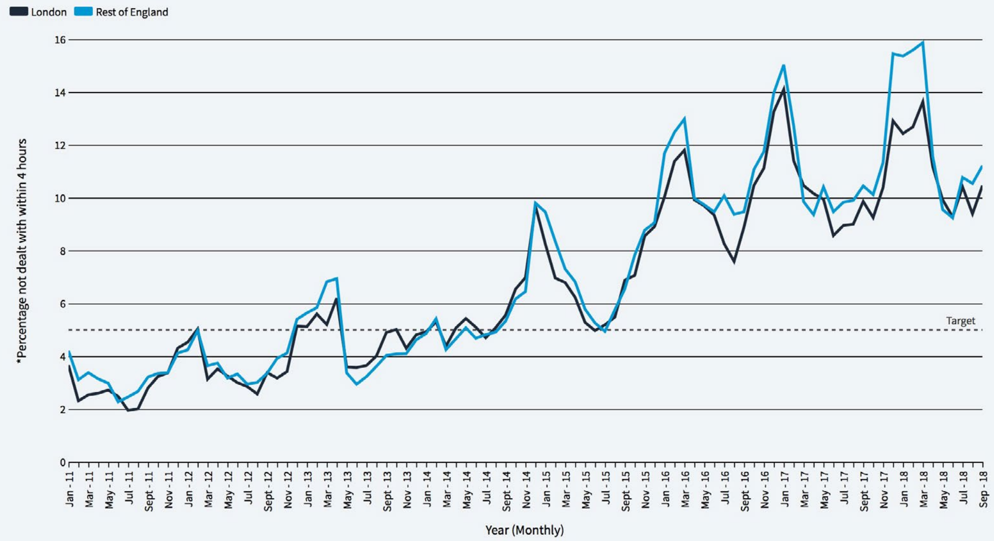
Demand pressures on London's healthcare system have grown steadily this quarter, with increased GP referrals to specialists, delays in A&E and delayed discharges due to lack of social care availability. Air pollution showed signs of improvement, with all pollutant concentrations lower than the previous year, and particulate matter dropping below WHO limits.

Figure 22: Outpatients: referral and attendance rates



Source: NHS England • Adjusted for population and working days

Figure 23: A&E performance



Source: NHS England • Percentage of attendances not admitted, transferred or discharged within 4 hours.

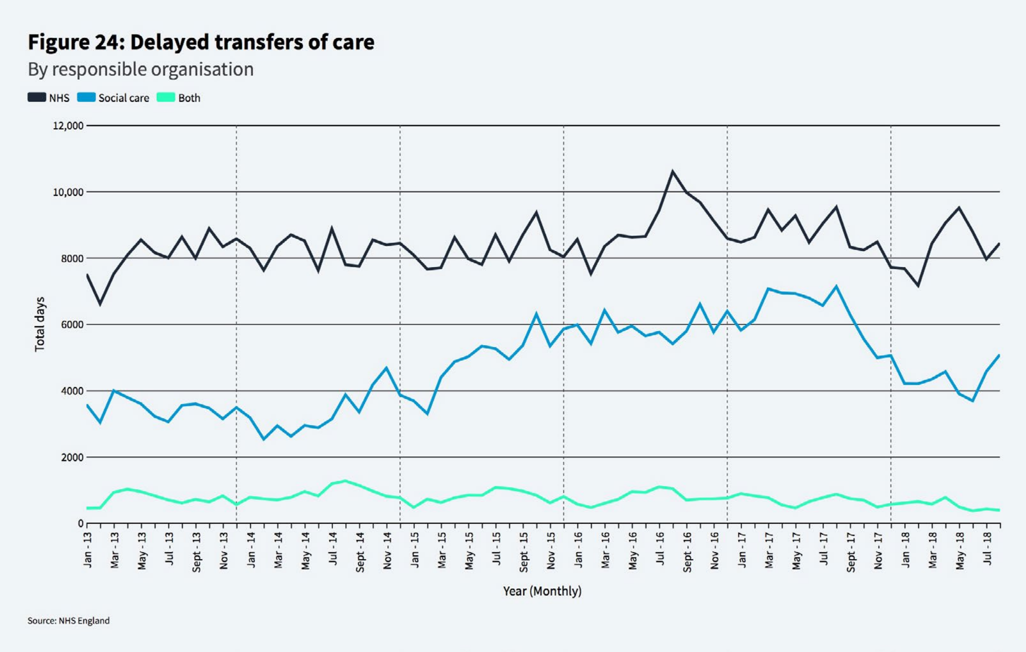
These figures show demand pressures on London's healthcare system have steadily increased in the second quarter of 2018, as the number of day case patients referred to hospital by their GP rose.

In the second quarter of 2018 there were 600,000 referrals from GPs to outpatient clinics. When adjusted for working days and population, this figure showed little change (- 0.4 per cent) on the same period the previous year.

The NHS received a £20 billion cash injection in the recent 2018 budget, with mental health spending increasing as a share of total NHS spending over five years. The announcement represents the largest boost to healthcare spending since 2010, though the extent to which it will remedy previous cuts has been questioned by industry experts.

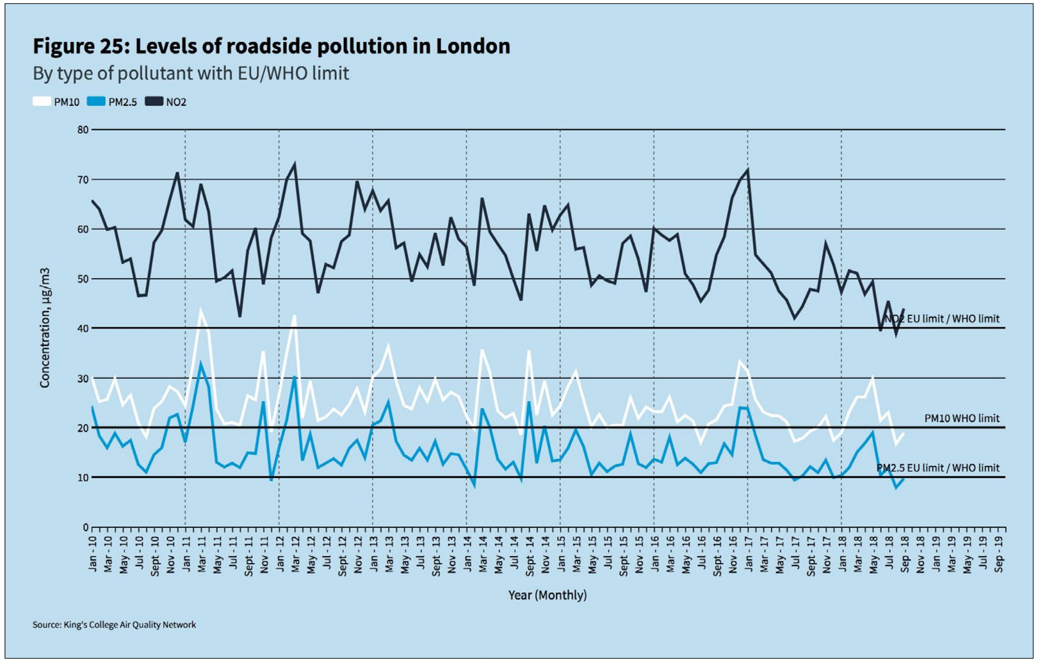
London hospitals have, on average, missed the four-hour accident and emergency attendance target for the past three years. Whilst London performed marginally better than the rest of the country in the third quarter of 2018, 125,000 patients (10.5 per cent) remained unseen within four hours of arrival. The four-hour standard was set by the government's mandate to NHS England, that pledged at least 95 per cent of patients attending A&E should be admitted to hospital, transferred to another provider or discharged within four hours.

Despite seasonal variations – with winter seeing increased demand – London hospitals failed to improve on last year's performance in the third quarter of 2018, with an increase of 0.6 per cent in the number of patients not seen within four hours on the same period in 2017. Though major emergency departments that provide a consultant-led 24-hour service accounted for just over half of attendances in Q3 2018 (55 per cent) they saw the majority of waits over four hours (95 per cent). The colder winter months expected ahead look set to increase pressure on the capacity of London's hospitals.



The number of days of 'bed blocking' resulting from delayed discharge was 20.7 per cent lower in the quarter to August 2018 than in the same period in the previous year. However, there were increases compared to the previous quarter.

Delays attributed to social services have bucked the previous downward trend, increasing 10 per cent in the three months to August 2018 when compared with the previous quarter, though remain 35 per cent below figures from the previous year.



Despite seasonal variations in the concentration of pollutants – with the colder winter months seeing the steepest increases, concentrations of particulate matter and Nitrogen Dioxide (NO2) have been decreasing overall. Though the downward trend in roadside pollution showed signs of reversal in September 2018, concentrations remain lower than the previous year.

Roadside levels of particulate matter – PM10 and PM2.5 – continue to sit below WHO limits, falling 2 per cent and 20 percent respectively, in the year to September 2018. Concentrations of NO2, however, have crept back up in the last month, though remain 3 per cent lower than last year.

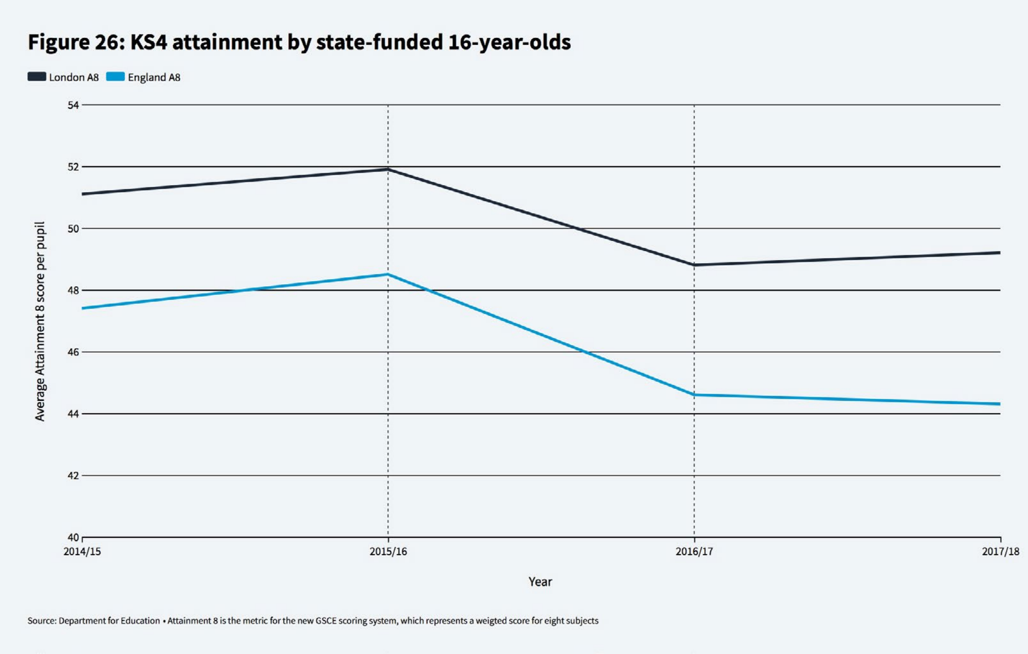
Recent research found cars and vans create £6 billion in public health costs per annum, with figures highest in central London. The capital's air quality continues to rise up the political agenda, with the introduction of the Ultra-Low Emissions Zone in April 2019, and proposals for parts of the capital to become zero-emissions zones by 2022.

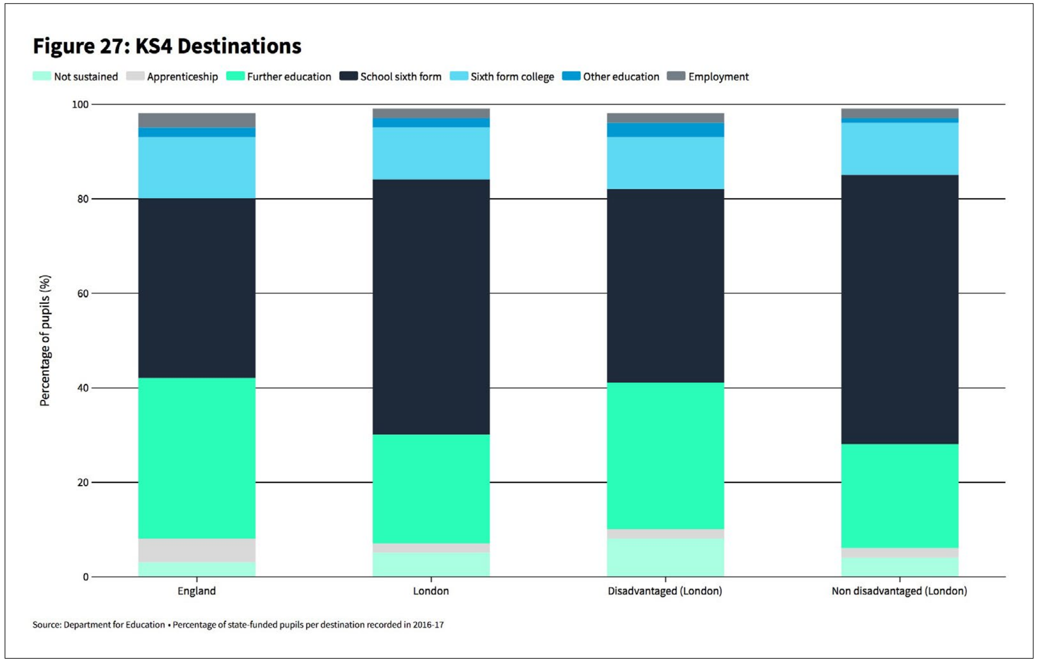
A downward trend in roadside air pollution is positive news but there is a huge amount still to do to curb the 10,000 early deaths in London each year and meet the limits laid out by WHO.
Increases in walking and cycling in the capital alongside growth of electric car clubs, 500 TX electric taxis and investment in 3,000 low emission buses can all be praised for this positive change. Increased investment plans from business and government in zero tailpipe emission infrastructure and vehicles will protect the health and wellbeing of Londoners – the ULEZ expansion cannot come soon enough! The way in which London operates, how we get our goods and services to our door, is one of the next big behavioural challenges to solve.

Bex Bolland, Head of Air Quality, Global Action Plan | **@BexBolland** **@Globalactplan**

Education

London pupils continue to outperform the England average at GCSE level, and a higher proportion choose to progress to Sixth Form instead of FE colleges, than in the rest of England. At the end of 16-18 education, English pupils perform slightly better on average than Londoners, although a greater proportion of London students go on to university than those across England. Despite overall apprenticeship numbers rising, completion rates remain low.



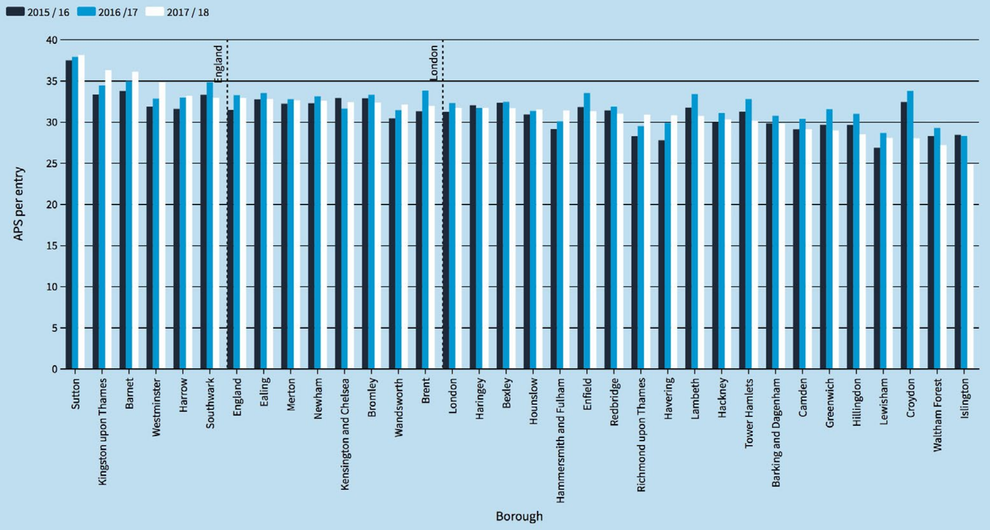


The new GCSE 1–9 point scale grading system is now in its fourth year, with the 'Attainment 8' score measuring how pupils perform in eight different subjects, and how they are progressing compared to expectations (see technical appendix). There has been a slight improvement on last year's results and London schools have marginally widened the extent to which they outperform the English average, with provisional data showing London pupils scoring 4.9 points higher than their counterparts in England as a whole (equating to over half a grade per exam).

Progress 8 statistics (where a negative score indicates below expectation and a positive indicates above expectation performance) also show London outperforming the rest of the country, with London the only region in the country in which schools are performing higher than expected. London received a score of 0.22 compared to an English average of - 0.08. Though London schools on average outperform the rest of the country, there are stark Progress 8 differences at the borough level, with - 0.23 in Lewisham compared with 0.53 in Brent, and Ealing.

The latest figures show a higher proportion of students in London state schools choose to progress to Sixth Form either in a school or college – which offer A level qualifications and a more structured learning environment – than their peers in the rest of the country. However, a higher proportion of London pupils from a disadvantaged background – measured as those in receipt of free school meals – progress into further education colleges – which offer vocational qualifications (including NVQ and BTEC), as well as A levels, and a wider range of subjects – than those from a non-disadvantaged background.

Figure 28: KS5 attainment by state-funded students aged 16 to 18, by borough



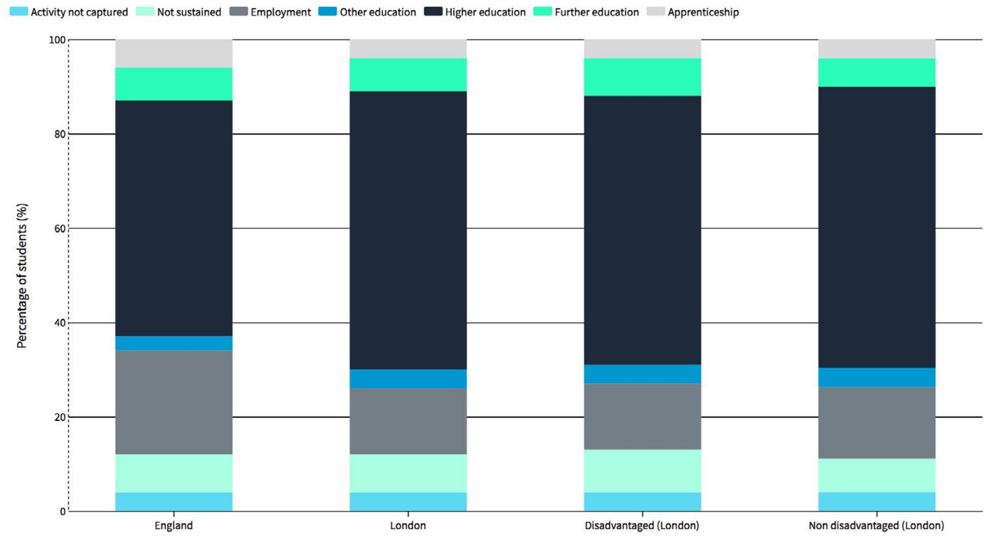
Source: Department for Education • Borough-level average point score (APS) per entry for state-funded pupils sitting A-levels and other 16-18 (level 3) qualifications. 2015/16 to 2017/18 data

In contrast to KS4 (GCSEs at age 16), at KS5 (A levels and other level 3 qualifications at the end of post-16 study), London students continue to slightly underperform the English average, scoring 31.7 APS per entry against 32.9 for the whole of England. There was also a 0.5 point drop between the 2016-17 and the 2017-18 London cohorts.

This indicates there may be persistent problems with the post-16 education provision in the capital, as well as reflecting the wider take-up of A levels in London.

There are also borough-level differences in KS5 attainment, with Sutton, Kingston, Barnet and Westminster seeing consistent improvements over the last three years, while Croydon, Islington, Hillingdon and Waltham Forest saw results worsen.

Figure 29: KS5 Destinations



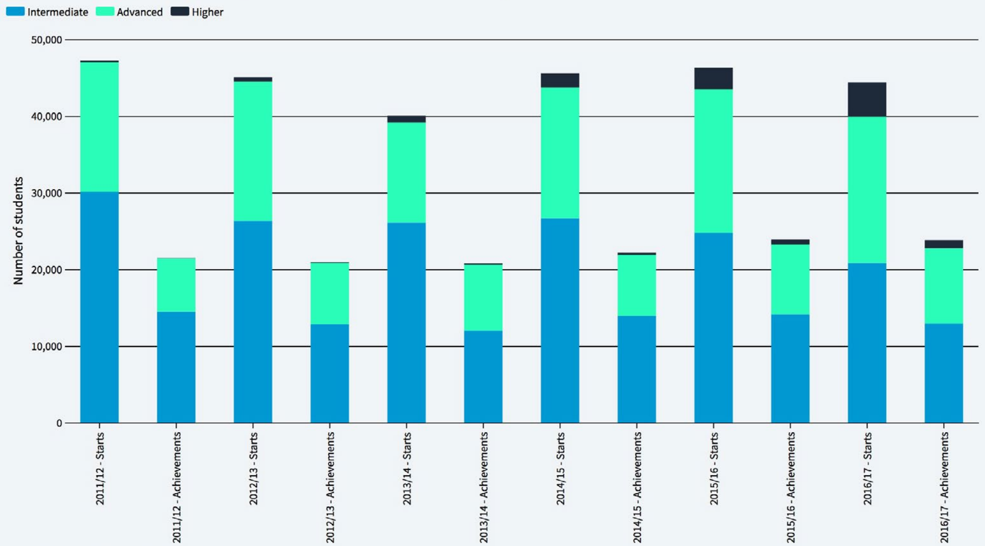
Source: Department for Education • Percentage of state-funded pupils per destination recorded in 2016-17

In terms of post-18 destinations, a greater proportion of London students go on to university than those across England, while a smaller proportion move straight on to employment. There is also a slightly lower proportion of students who move on to apprenticeships, highlighting a preference for more academic pathways in the capital.

The differences in destinations between disadvantaged and non-disadvantaged London students seem marginal, though this may be partly because these figures only include students from state schools. Nonetheless, only 19 per cent of disadvantaged students go on to study at one of the UK's top third institutions, compared with 28 per cent of state school pupils from a non-disadvantaged background.

Recent attempts have been made to narrow social inequality in higher education, such as the introduction of degree level apprenticeships and the introduction of foundational programmes at some Oxford and Cambridge colleges.

Figure 30: Apprenticeship starts and achievements, by level



Source: Department for Education

London students still lag behind the rest of England in terms of apprenticeships take-up. The decline in apprenticeship starts in 2016-17 was driven by a 16 per cent fall in take-up of intermediate level apprenticeships, to just under 21,000 starts. The proportion of students undertaking higher apprenticeships however has continued to grow, more than doubling in 2016-17 (59 per cent) in comparison to the previous year.

This increase was driven by a surge (73 per cent, 3,330) in the number of those aged 25 and over starting a new higher-level qualification. This trend looks set to continue, with 2,500 aged 25 and over having started a higher-level apprenticeship in the first three quarters of 2018. The surge in adult apprenticeships may be due to the closure of Train to Gain and the introduction of the Apprenticeship Levy in 2016, so it may not represent a real increase
in training.

Despite fluctuation in the number of apprenticeships starts, the rate of completion remains low. Just 54 per cent of apprenticeships in London resulted in completion in 2016/17 (compared to 57 per cent in England overall).

> “The education and skills data mirror our recent Youth Opportunity Index, which ranks opportunities for young people in 150 local authority areas against seven education and employment measures. In it, London’s boroughs filled ten of the top 20 spots, driven by big improvements in the education system over recent decades.
>
> Apprenticeships are less of a success story, with numbers falling significantly since the introduction of the Apprenticeship Levy and London’s take-up relatively low to start with. It’s too early to tell whether that reflects teething troubles, a rise in quality, or fundamental flaws. The lower take-up in London must be addressed, given apprenticeships are a great way to combine learning and earning and that London’s larger employers make a big contribution into the Apprenticeship Levy. We need to look at how to make the system simple, flexible and high quality. Allowing large firms to transfer up to 25 per cent of their Levy payments to small firms in their supply chain is a good start. Next year’s Levy review needs to take the next steps

Stephen Evans, Chief Executive, Learning and Work Institute | @Stephen_EvansU

Technical Appendix

Measure	Explanation
Key Stage 4 Achievements	KS4 achievement statistics are sourced from the Department for Education, and are provisional results for state school pupils who sat KS4 exams at the end of the 2017/18 academic year. Attainment 8 (A8) gives a weighted score for eight subjects according to the new grading system (from best to worst, 9 to 1). English and Maths GCSEs are graded 9-1, with further subjects changing over the coming years to 2019. Legacy GCSEs, which still use A*- G grading, have a converting points score tool to give a 9-1 score, see here. This changed in 2016/17 from 2015/16, which explains the drop in recorded attainment; see here. Progress 8 (P8) is another new measure, which indicates the relative progress of pupils over the course of secondary school, in comparison to what is expected of similar pupils (those achieving similar KS2 results) nationally. A positive score means pupils make more progress than expected, a negative score means less. More information about the KS4 marking system can be read here. In 2018, Attainment 8 had a maximum point score of 90, compared to a maximum of 87 in 2017, as a result of the phased introduction of reformed GCSE's. This difference should be considered when considering any change in Attainment 8 scores between 2017 and 2018. Disadvantage and non-disadvantaged is based on a measure of free school mean receipt.
Key Stage 5 Achievements	These statistics show the results of average points score per entry for state-funded pupils sitting A-levels and other 16-18 (level 3) qualifications, supplied by all organisations awarding any qualifications. Level 3 qualifications are defined as qualifications that are at least the size of an A level (180 guided learning hours per year), such as a BTEC subsidiary diploma level 3. If a qualification is equal in size to 2 A levels it is counted as 2 substantial level 3 qualifications. The Average Points Score (APS) per entry is the headline measure, and gives weight to different qualifications; see here. For more information on methodology, see here.
Key Stage 4 and Key Stage 5 Destinations	KS4 destination statistics from the Department for Education show the destination of school pupils at the end of KS4, or year 11, into sustained education, employment or training (at least two terms). It is for the 2015/16 cohort going into destinations for the academic year 2016/17. These figures are obtained from matched administrative datasets – the Longitude Education Outcomes dataset. Until the release of data for the 2014/15 cohort, these were classified as experimental data. KS5 destinations from the Department of Education show the destinations of school pupils after the end of Key Stage 5 into sustained education, employment or training (at least two terms). It is for the 2015/16 cohort going into destinations for the academic year 206/17. The figures are obtained from matched administrative datasets – the Longitude Education Outcomes dataset. Until the release of data for the 2014/15 cohort, these were classified as experimental data More information on KS4 and KS5 destinations can be found here.

Measure	Explanation
Apprenticeships	These statistics are from the Department for Education and Education and Skills Funding Agency, originally sourced from the Individualised Learner Record. Data for the 2017 to 2018 academic year covers figures reported up to quarter 3 of the academic year reported to date (August 2017 to April 2018).
National Insurance Number (NINo) Registrations	These statistics are a 100% extract of the volume of adult non-UK nationals registering within the UK for a National Insurance Number, which they need to work or claim benefits / tax credits. Figures are based on when the person registers on the HRMC Recording and PAYE system, which may be some time after they entered the UK. These statistics are not a direct measure of long-term inward migration, and have 'national statistics', not 'official statistics' status.
Workforce jobs	Workforce jobs is a quarterly measure of jobs in the UK by the ONS, and is the preferred measure of short term employment change by industry. A variety of outputs are produced, including industry, region, gender and full or part time status. It is a compound source from a range of employer surveys, household surveys, and administrative sources; it has a sample size of 83,400 nationally. The estimates are seasonally adjusted. More information can be found here.
Unemployment	These figures are from the quarterly regional labour market reports produced by the ONS, and are based on an ILO definition of unemployment. The figures come from a combination of surveys of households and businesses, including the Labour Force Survey. The numbers are seasonally adjusted.
Commercial Property Vacancy	The commercial property figures are sourced from JLL's Central London Office Market Report. Vacancy rates refer to the proportion of floor space that is unoccupied. Active demand relates to serious interest in commercial floor space, while take-up is the actual amount that is purchased or leased. More information can be found here.
Purchasing Managers' Index	The Regional PMI is compiled by IHS Markit for NatWest. It compiles responses from over 1,200 private sector manufacturing and services firm, which is representative of the economy's structure, and acts as a health check of business activity. The number is the seasonally adjusted proportion of those reporting positive responses, plus half of those reporting no change. A score of 50 indicates no change in activity on the previous month.
House prices and transactions	The house price and transaction figures come from the LSL/Acadata England & Wales House Price Index. It uses actual transaction volumes and prices based on Land Registry data, and is updated monthly. The most recent monthly price (September 2018) accounts for c. 38% of transactions, two months previously c. 88%, and almost all for three months previously. The recent months are supplemented by forecast results. House prices are seasonally and mix adjusted at the London, but not borough level or with property type changes.

Measure	Explanation
Rental Price Index	This index is calculated using actual rental data collected for the Valuation Office Agency, and shows the change in the price of renting residential property from private landlords. More information can be found here.
Rental Market Data	Rental market data is supplied by Dataloft, based on rent paid data supplied under contract from a leading tenant referencing company. The large and growing dataset of rent-paid transactions includes detailed information on both tenants and tenancies. It includes three years of historic data with a monthly addition of some 15,000–20,000 new records. The data has been rigorously collected by Rent4Sure. The dataset represents around 15% of all rental transactions, with up to 22% in some regions and extends across England and Wales. Line by line data allows for extensive analysis of tenant profile and market trends. The annual change in rents is based on achieved rents. Incomes analysis shows individual tenant incomes against the rent or, in the case of sharers, against their share of the rent. The distance that tenants moved compares the tenants' previous address location with the address of their current rental property. Zonal changes are based on London travelcard zones.
Planning decisions	Planning decisions are based on figures produced by the Ministry of Housing, Communities and Local Government, and published in table P135 here, sourced from General Development Control (District) PS1/PS2 returns.
New build starts and completions	Figures are sourced from administrative data as reported to the Ministry of Housing, Communities and Local Government. Starts and completion statistics for new build dwellings are taken from Table 253a from here.
Public Transport Ridership	All ridership figures are automatically collected by Transport for London for different modes within the network. Periods do not have the same number of days/weekdays, and are not adjusted accordingly. It excludes retrospective adjustments to bus journeys.
International visits	Data is from the International Passenger Survey (IPS), which collects data face to face with passengers passing through ports into and out of the UK. This determines location of stay, length of stay, and spend during stay. The London sample is around 20,000 per annum. More information about the IPS can be found here. More information on recently changes to the survey methodology can be found here.

Measure	Explanation
Road safety	The data is for road traffic collisions and casualties occurring on the public highway, involving personal injury in the Greater London area, as published in the Casualties in Greater London factsheet. Figures are reported to the Metropolitan and City of London police services during the reporting period, in accordance with the Stats 19 national reporting system. These figures are provisional estimates and subject to change. Figures for road traffic collisions from September 2016 onwards have been reported by the Metropolitan Police Service (MPS) using the new Case Overview and Preparation Application (COPA). The City of London Police Service (CoLP) adopted the Department for Transport (DfT) Collision Reporting and SHaring (CRASH) system in September 2015. COPA and CRASH systems use a new method od assessing the severity of injury sustained in collisions, whereby Police officers record the type of injury suffered rather than assumptions about the severity of the injury. The recording system then assigns an injury severity according to the type of injury recorded. This contrasts with the previous system where officers recorded whether, in their judgment, an injury was 'slight' or 'serious'. The use of these systems has resulted in improved accuracy in the recording of unjury type, with more injuries being classified as serious rather than slight.
Issues index	Ipsos MORI's Issues Index is conducted monthly and provides an overview of the key issues concerning the country. Ipsos MORI interviewed a representative quota sample of 965 adults aged 18+ across Great Britain. The questions are spontaneous – i.e. respondents are not prompted with any answers. Ipsos MORI's Capibus vehicle was used for this survey. Interviews were conducted face-to-face in-home between 3 and 14 August 2018 at 169 sampling points across Great Britain. Data are weighted to match the profile of the population.
Attractions monitor	The figures presented here are for the number of unique visits to 63 of London's top attractions: museums, stadia, galleries, monuments and more. Data is collected by the individual attractions, before being sent to and compiled by London and Partners.
Crime	These figures are for raw administrative crime data as supplied by Metropolitan Police Service and the Mayor's Office for Policing and Crime (MOPAC). Total Notifiable Offences (TNOs) refer to all statutorily notifiable offences, as per Home Office Counting rules. More detail on violent crime definitions can be found here.
Rough sleeping	Rough sleeping data is from the Combined Homelessness and Information Network (CHAIN) – a multi-agency database recording information about rough sleepers and the wider street population in London. This included both people who have been seen rough sleeping by outreach workers and people who have a 'street lifestyle' such as street drinking or begging – often referred to as 'wider street population'. Many people who have a street lifestyle are also rough sleepers, but a minority are not.

Measure	Explanation
Healthcare	GP referral figures are from administrative data submitted by NHS Trusts and Independent providers treating NHS patients for the Quarterly Activity Return. More information on these statistics can be found here. The A&E figures refer to administrative data which measures the total number of attendances in the calendar month for all A&E types, including Minor Injury Units and Walk-in Centres, and of these, the number discharged, admitted or transferred within four hours of arrival. More information on this can be found here. Delayed discharge figures are from the Monthly Situation Report, which collects data on the total delayed days during the month for all patients delayed throughout the month. More information can be found here, and here.
Air pollution	The London Air Quality Network (LAQN) was developed by King's College London in 1993. It comprises over 100 continuous monitoring sites in the majority of London's boroughs. You can see more about the LAQN here.