Executive Summary

Introduction
The London Borough of Lambeth is in the process of developing a Growth Strategy to articulate its approach for enhancing sustainable economic growth. To support this process, this document will provide a summary of the main evidence relating to the local economic context, highlighting some of the main opportunities and challenges facing Lambeth.

The economic recovery is underway but challenges remain
The UK economy is broadly in recovery though there remains significant uncertainty as to the path of growth. Labour market performance remains mixed, as illustrated by real pay decreases, high levels of youth unemployment and an increase in the number of people who are underemployed. London has grown more strongly than the UK as a whole, but despite its successes, the London economy faces challenges particularly in terms of high costs of living creating pressures on low income workers.

Lambeth is an important part of the London economy, particularly in providing homes for young, skilled workers
The north of Lambeth is an integral part of London’s Central Activities Zone (CAZ), home to significant employers and cultural and tourism assets. Further south are a series of important town centres including Brixton, Clapham, Streatham and West Norwood. Over two-thirds of working Lambeth residents are employed outside the borough.

Therefore, as well as being an important employment location, Lambeth makes a crucial contribution to London’s economy as a place where young, highly skilled people live. Lambeth’s population is one of the youngest and most diverse in London. Rapid population growth – including large numbers of workers from abroad and also younger migrants from elsewhere in the UK - has seen the population become even younger and more diverse over the past decade.

Despite large increases in property prices and rents over the last decade, Lambeth also remains more affordable in comparison with other parts of Central London. However, with housing costs increasingly an issue for those on low-to-middle incomes, it appears as though some lower income residents have moved out of the borough to less expensive locations over the past few years. Clearly, though, those residents who are furthest from the labour market and who live in social housing are less mobile, and there remain pockets of severe deprivation in some parts of the borough. There are also some significant disparities in health outcomes and life expectancy across demographic groups and in different parts of the borough.

Lambeth has relatively few jobs, but there are major plans for growth at Waterloo and Vauxhall, and in other key centres
There are 140,500 people employed in Lambeth, with a significant concentration of jobs in the north of the borough. Employment has grown more slowly in Lambeth than the London average since 2002, while the borough also has a relatively small business base. Self-employment has increased significantly since 2008, particularly among white male residents aged 35 and over, but it is not clear whether this reflects positive choice on the part of residents or a reaction to the recession.
The two biggest sectors in for employment within Lambeth are human health and social work and administrative and support services. Overall, the borough has a relatively large proportion of public sector employment, much higher than for most other Inner London boroughs. This is a concern given employment cuts in the public sector. At the same time, a lower share of local employment is found in professional and business services, which are expected to be the main driver of jobs growth in London in the next decade.

Looking forward, the opportunities for Lambeth are clear. Waterloo and Vauxhall are set to see developments of national economic significance, with capacity for 23,000 jobs and 5,400 homes to 2031. Much of the new employment in the CAZ will be in office-based sectors. This coincides with the sectors that are expected to see growth in London over the next two decades and will help to offset declining employment in the public sector in Lambeth. The Council is also committed to supporting regeneration in Brixton, using public sector land and assets as a driver.

**Lambeth’s residents are more likely to be in employment than the London average, but this masks sharp disparities across the borough**

Lambeth had the second highest employment rate in London in the year to June 2014 (78.7% of 16-64 year olds) and unemployment is at its lowest rate in the borough over the last decade. However, there is a stark gap in employment rates and incomes between white residents and those from a black and ethnic minority background. In addition, whilst unemployment has generally fallen, Lambeth has the highest rate of long-term JSA claimants in London, the second highest level of JSA claimants aged 50 and over, and young people in Lambeth are more likely to claim JSA than the London average. These differences reflect entrenched areas of deprivation in certain parts of the borough, including around Brixton, Stockwell and some parts of the south of the borough.

**Lambeth’s population is highly skilled, but those who are not risk missing out on the opportunities created by growth**

Over the past decade residents have become increasingly skilled, indicating a profound population shift with more highly skilled people moving to Lambeth. More than six out of ten working age residents were qualified at NVQ Level 4 or above in 2013, up from just over four in ten in 2004. These highly skilled people are attracted to Lambeth by its excellent transport connections which allow them to access job opportunities in the borough and in the London economy more generally.

Growth in local employment opportunities offers some potential to help lower skilled residents, who often face relatively higher commuting costs. But future employment opportunities will be overwhelmingly in high skilled occupations, with increasingly few employment opportunities in medium and lower skilled occupations. Inequalities in incomes are already high in the borough.

Therefore supporting residents in deprived areas to attain better qualifications so that they can access these opportunities must be a key priority. Lambeth’s educational performance has seen notable improvement and now outperforms the national average. However, there is a significant drop-off in performance after GCSE. It is not clear to what extent this reflects a drop-off in the performance of Lambeth students, or the dilution of success due to students coming from other boroughs to study in Lambeth. Building on the success of education improvements is important to ensure that Lambeth residents can benefit from the enormous growth expected in the borough and London over the next two decades.
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1 Economic and Policy Context

The UK economy is broadly in recovery though there remains significant uncertainty as to the path of growth. Despite rising levels of employment, labour market performance remains mixed, with falling average earnings in real terms, high levels of youth unemployment and an increase in the number of people who are underemployed.

London has grown more strongly than the UK as a whole, with an outsized share of employment and GVA in relation to its population. Jobs growth is concentrated in the Central Activities Zone (CAZ) which includes parts of Lambeth. Despite its successes, the London economy faces challenges particularly in terms of high costs of living creating pressures on low income workers.

The London LEP has been established and has secured £236m from the Government’s Local Growth Fund to support economic growth. A further €748.6m of European funding has been secured between 2014 and 2020.

Recent UK economic performance

Recovering from recession

1.1 Gross Domestic Product (GDP) in the UK grew steadily from 2000 until early 2008 led by growth in the services industries. In 2008, the economy was significantly affected by the financial crisis: from peak (Q1 2008) to trough (Q2-Q3 2009) economic output fell by 6.0%. However, GDP did not reach the pre-recession peak again until 2013, making this the longest-lasting depression of the post-war period.

1.2 As of Q3 2014, the UK economy had experienced the seventh successive quarter of growth, the longest sustained run of quarterly growth since the onset of the 2008 downturn.¹

1.3 Global economic growth is expected to moderate in 2014/15. However, the recovery is progressing in some advanced economies and it is generally agreed that the UK economy has now entered a phase of economic expansion. The Office for Budget Responsibility (OBR) revised its forecast for UK annual GDP growth from 2.7% to 3.0% over 2014 and expects the economy to grow by 2.4% in 2015.²

² Office for Budget responsibility (2014) Economic and fiscal outlook, December 2014
1.4 At the same time, despite a broad consensus that the economy will continue to recover and grow, it is important to acknowledge that growth to date has been underpinned by very low interest rates which have supported consumer spending. Should the Bank of England be forced to reverse this policy and raise interest rates to curb inflation, this would necessarily act as a brake on growth.

1.5 The recession and subsequent slow recovery have had a number of effects on the economy and employment. The services industries have performed relatively well, with total output 7.2% higher than before the recession.\(^3\) In contrast, the production and construction industries have seen some recovery since the beginning of 2013, but remain below pre-recession levels of output. Construction output remains 8.2% below pre-recession levels and production output 9.3% below.

1.6 The impact of the recession on unemployment has not been as severe as might have been anticipated. Employment has been sustained at higher levels than previous recessions and has continued to strengthen in recent months, with total employment near record levels and the employment rate close to pre-recession highs. Unemployment has declined and, on this measure, the UK is faring better than many EU countries.

1.7 However, there has been a sharp drop in labour productivity. This, combined with a notable increase in self-employment and precarious forms of employment such as ‘zero-hours’ contracts suggests an increase in rates of underemployment and those workers on low-pay. Self-employment accounts for over four-fifths (83%) of the net gains in employment since 2007.\(^4\) It is plausible that many of these people are self-employed but earning less than in their former employment roles. As a result of poor productivity growth, there has been a decline in real pay since 2008.

1.8 Young people have been disproportionately affected by tough labour market conditions while older people have done relatively better. Between 2007 and 2013, 1.2m more over-50s found work while 400,000 fewer young people were employed.

### The London economy

1.9 London continues to be the key driver for growth nationally, on both economic and demographic measures. The capital is a leading international business services and international financial centre and a global creative powerhouse.\(^5\) While the recent recession had roots in the financial sector, overall London appears the least affected area of the UK.

#### A growing and changing population...

1.10 London’s population has grown significantly in recent decades, rising from 6.8m people in 1982 to 8.4m people in 2013. This pace of growth has accelerated in recent years: from 2002-2012 the population grew by 12.6% or 931,700 people, compared to just 7.3% for the UK as a whole.\(^6\) And further growth is expected in the years ahead: projections suggest the population will reach 9.2m in 2021.

1.11 London generally sees net out-migration to other (especially neighbouring) UK regions, particularly among older, more qualified residents. This is partly offset by a net inflow of young people into the

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\(^3\) ONS (2014) Economic Review, November 2014

\(^4\) UKCES (2014) The Labour Market Story: The UK Following Recession

\(^5\) GLA The London Plan 2011

\(^6\) ONS (2014) Mid-year population estimates
capital (often young graduates). As a result, London’s resident population has become increasingly young and diverse in recent years.

1.12 Often those who move out of London (in particular to the South East or East of England regions) commute back into London for work. The capital’s workplace population is boosted by significant net in-commuting, with over half a million more in-commuters to London than out-commuters in 2011.7

…and a strong economy...

1.13 Economically, London outperforms the rest of the UK. Over the period from 2002 to 2012, London’s nominal Gross Value Added (GVA) rose by 6.0% a year compared with 4.4% for the UK as a whole.8 It also saw the highest growth in workforce jobs - 16.4%, compared to 5.6% for the UK.9 As a result, London accounted for over 16% of jobs and 22% of GVA nationally in 2012.

Figure 2: London share of UK GVA and Jobs

Sources: ONS Jobs Density and ONS GVA

1.14 London is also by far the most productive part of the county, with a GVA per hour worked of £37.10, 33% above the UK average in 2012.10 This is partly due to differences in worker characteristics (London has a higher share of graduate workers than elsewhere), and industrial structure (London is home to more high value service occupations than other parts of the country), but agglomeration economies - the benefits to economic efficiency that arise from working in a dense city environment - also help to raise productivity in the capital.

1.15 The capital now has a disproportionately high share of jobs requiring higher level qualifications (including the highest proportion of graduates in the workforce of any major city in the world)11 and specialises in a number of high skilled, high paying sectors. This includes finance and insurance; professional services; information and communication; real estate; and business support services.12

1.16 These jobs are predominantly located in the dense employment core of London’s ‘Central Activities Zone’ (CAZ). Though it is small in geographical terms (accounting for roughly 2% of London’s land area), it accounts for nearly 30% of all London’s jobs and is projected to accommodate 36% of

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7 ONS (2014) Census 2011
8 ONS (2014) Regional Economic Indicators, July 2014. GVA data are in nominal, not real, terms. In other words, the effects of inflation have not been removed.
9 ONS (2014) Jobs Density
10 ONS (2014) Regional Economic Indicators
12 GLA Economics (2013) London labour market projections
employment growth to 2026. The remaining two-thirds of London’s jobs are located outside of the CAZ, often in non-tradable service sectors that directly serve the population, such as healthcare, education and leisure.

Figure 3: Outer London, Inner London and Central Activities Zone

Source: GLA Draft Further Alterations to the London Plan

1.17 The recovery in employment since the recession has also been associated with changes in the structure of the London labour market. In 2013/14 18% of the workforce in London was self-employed, up 3 percentage points since the start of the recession. Both the overall proportion of the workforce that is self-employed and its growth was higher in London than any other UK region. The number of people in temporary work has also increased, up by 37,000 between 2008 and 2013. Much of the increase has been in the number of people taking temporary work because they could not find a permanent job (86% higher than the number in 2008).

…but persistent challenges remain

1.18 Although London’s economy has been generally successful over the past decade, not everyone has benefited. The unemployment rate has remained consistently higher than for the rest of England, particularly in Inner London areas (see chart below), with the employment chances of people with low-skills in Inner London shown to be particularly low. Deprivation is also highly concentrated, both among specific groups (including those from ethnic minorities and the disabled) and spatially.

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1.19 London’s underperformance is driven by a series of complex interdependencies, including increasingly intense competition for jobs. London attracts talent from across the UK and internationally, many of whom are happy to compete for entry level vacancies. This results in intense competition and some Londoners being ‘crowded out’ of the entry level labour market.\(^{17}\)

1.20 Moreover, while cities with stronger economies tend to register higher wages for workers at the lower end of the pay spectrum, in London this is also offset by higher costs of living. Low-pay is a major issue in the capital: the percentage of jobs paying less than the London Living Wage was around 13% between 2005 and 2010, but by 2013 it reached 18%. The number of people in in-work poverty increased by 440,000 between 2002 and 2012 and now numbers 1.1m.\(^{18}\)

1.21 Another of the clearest challenges facing the London economy, and the sustainability of future growth, is a shortage of good quality housing for people working in the capital. While London’s population has grown significantly over the last ten years, housing supply has not kept pace. As a consequence, house prices and rent levels have risen considerably, with serious impacts in terms of access and affordability.\(^{19}\)

1.22 High house prices are an important factor in the overall net outflow of internal migrants from London, particularly high among those aged 30-39.\(^{20}\) A key determinant for people in their 30s and 40s who move out of London is the cost of housing. Young couples wishing to buy their first house, or a larger one for a growing family, often find prices in London prohibitively expensive and therefore choose to live outside of London.

1.23 As such, there is a pressing need for more homes in London to meet demand - estimated at between 49,000 (2015-2036) and 62,000 (2015-2026) more homes a year.\(^{21}\) The alternative is for continuing increases in the numbers of aspiring but frustrated home owners, growth in long distance commuting, and - potentially - damage to the economy as workers leave its jobs market altogether. The problem is particularly acute when it comes to the provision of high quality affordable housing.

\(^{17}\) Krasnowski, K. and Vaid, L. (2012) Right Skills, Right Jobs: An audit of employment and skills provision in London, GLA


\(^{19}\) DCLG (2014) Live tables on housing market and house prices - the average (median) house in Inner London cost over 10 times median earnings in 2013, compared to 6.7 times nationally.

\(^{20}\) A record number of 30-39-year-olds left the capital in the year to June 2013 (-22,000) – ONS (2014) MYPE

\(^{21}\) GLA (2014) Draft further alterations to the London Plan
suitable for lower-paid workers, who often deliver the basic services essential to the running of the economy.

1.24 The result of these changes is that whilst London is a largely successful economy there are significant challenges for people at the lower end of the labour market, as well as some communities that are increasingly distant from mainstream employment. London has seen significant growth in highly skilled (and highly paid) jobs, but often those on low incomes, or without employment, remain divorced from this success.

**Policy Context**

1.25 Since the start of the recession there has been a wholesale reorganisation of the economic development landscape, with the Regional Development Organisations (RDAs) being replaced by Local Enterprise Partnerships. A London Enterprise Panel (LEP) has been established to fulfil this role for London.

1.26 The LEP is composed of five sub-regional partnership ‘zones’. Lambeth is part of Central London Forward, a partnership which has existed since 2007 and encompasses seven Central London boroughs and the City of London.

1.27 In the first round of discussions between the Government and Local Enterprise Partnerships over local growth deals, the LEP has secured £236m. This is funding from the Government’s Local Growth Fund to support economic growth with £151.5m of new funding confirmed for 2015/16, and a further provisional award of £84.6m of funding for projects in 2016 and beyond.

1.28 The London Growth Deal has three priorities:

- Building London’s skills base and supporting businesses.
- Helping Londoners into sustainable employment.
- Improving housing supply.

1.29 The programmes will include a capital infrastructure investment programme for skills providers, a digital skills pilot programme, and local projects funded through the New Homes Bonus covering priorities such as apprenticeships, skills and training, science and technology, creative and digital skills programmes.

1.30 In addition, the LEP area has been awarded €748.6m ESF and ERDF to deliver its 2014-2020 European Structural and Investment Funds (ESIF) Strategy, along with a further €37m for the Youth Employment Initiative, which provides additional support for young people through ESF, and is only available in regions with particularly high rates of youth unemployment. 75% of the funding will be ESF, and discussions are taking place currently to confirm the spend priorities for this money. It is anticipated that a prospectus will be issued early in the New Year. There will be a number of joint projects for which Lambeth, via Central London Forward, could seek funding to support skills and employment initiatives.

1.31 The Growth Deal discussions and the development of a number of pilot employment programmes across London have also incorporated a strengthening of the role of LEP zones such as Central London Forward. The zones are now acting as the conduit for bids for EU funds, New Homes Bonus,
and FE capital prior to submission through London Councils. They are also conducting negotiations on these bids with London Councils and the GLA. This increases the potential for joint strategic initiatives, recognising that the boroughs are not self-contained economic areas but are part of the wider London economy.
## Geography of Lambeth

Lambeth’s geography has an important bearing on employment and economic activity. The north of Lambeth is an integral part of London’s Central Activities Zone (CAZ), home to significant employers and cultural and tourism assets. Further south are a series of important town centres including Brixton, Clapham, Streatham and West Norwood. In general, the south of the borough is more residential than the north of the borough.

Lambeth generally has good rail and tube connections. Over two thirds of working Lambeth residents are employed outside the borough, and over 60% of workers in the borough live outside Lambeth.

### 2.1 Lambeth’s economy and demographic patterns are strongly influenced by its geography.

Lambeth lies to the south east of the City of London and south of Westminster, with a northern boundary on the Thames. It is situated mainly between Southwark to the east and Wandsworth to the west, but also shares borders with Croydon to the south and Merton to the south west.

### 2.2 The borough is 11 kilometres north to south, and 4 kilometres east to west at its maximum extent.

The relatively large north to south distance in the borough means that there is quite a wide variation between local areas within Lambeth. Specifically, parts of the north of Lambeth, including Vauxhall, Oval, Kennington and Waterloo, are located within London’s Central Activity Zone (CAZ) and host a significant amount of employment, including nearly all of the borough’s key employers. This part of the borough also contains a number of London’s key cultural and visitor attractions, such as the London Eye, the South Bank arts complex and the Oval cricket ground.
2.3 Moving further south, there are a number of distinctive urban centres in the borough, including Kennington, Brixton, Clapham, Streatham, Stockwell, and Norwood. These centres have different assets and challenges, but they are very different from the CAZ areas in the north of the borough. Importantly, large parts of the south of the borough are very residential in nature.
The following sections discuss the different areas within Lambeth.

**The Lambeth parts of the CAZ**

2.5 The Central Activities Zone (CAZ) covers London’s geographic, economic and administrative core. It brings together the largest concentration of London’s financial and globally-oriented business services, as well as the headquarters of central Government, and the range of organisations and associations linked with the legislative process.

2.6 The north of the borough lies within the CAZ. This includes two key Opportunity Areas identified in the London Plan: Waterloo and Vauxhall, Nine Elms, Battersea (parts of which are also in Wandsworth). These areas will be promoted to accommodate both new jobs and new homes with a mixed and intensive use of land.

2.7 The **Waterloo Area** provides opportunities for intensification of commercial, residential and cultural facilities associated with a major transport hub and a major office location. There is potential to enhance the South Bank and extend the cultural and entertainment offer as a major London visitor destination which can also be enjoyed by local residents and employees. In the short to medium term, re-use of the former International Station will provide significant new facilities and increased capacity for the station and the area, as well as expansion of rail services. In the long term, the station presents a major development opportunity (a master plan for Waterloo Station is in development). Alongside this development, an ambitious range of infrastructure, public realm and open space programmes are underway, including at Lower Marsh/The Cut, a designated CAZ frontage area.

2.8 The London Plan also designates the South Bank as a Strategic Cultural Area, reflecting the area’s internationally important cultural institutions, which are also major tourist attractions.

2.9 **Vauxhall, Nine Elms, Battersea**: as an integral part of the CAZ, this area has scope for significant intensification and increase in housing and commercial capacity, with a new diplomatic quarter, parkland and river crossing for pedestrians and cyclists. A large proportion of this opportunity area lies in neighbouring Wandsworth, but this is still highly relevant to Lambeth’s future growth.

2.10 To deliver the area’s full development potential will require major transport investment and construction of the Northern Line extension into the area is scheduled to commence in 2016. This investment will support uplift in employment capacity for up to 25,000 jobs and a minimum homes capacity of at least 20,000. The Battersea Power Station site has the potential to become a new CAZ Frontage with potential for strategically significant mixed use development including residential, business, leisure, retail and service uses. There is also scope for increased density and higher value activities at Nine Elms. In March 2012, the Mayor adopted a planning framework for the Area.

**Brixton**

2.11 Brixton, in the east of the borough, is a designated major town centre in the London Plan. It is the civic centre for Lambeth and a draw for creative and cultural activities. It is the second most densely

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22 As well as the City of London, most of Westminster and inner parts of Camden, Islington, Hackney, Tower Hamlets, Southwark, Kensington and Chelsea.

23 Opportunity Areas are London’s major source of brownfield land with significant capacity for new housing, commercial and other development linked to existing or potential improvements to public transport accessibility. Typically they can accommodate at least 5,000 jobs or 2,500 new homes or a combination, along with other facilities and infrastructure.
populated part of Lambeth and an important visitor destination, with its outdoor and indoor markets, venues, restaurants and shops attracting locals and tourists alike. Brixton is world famous as a centre for London’s African-Caribbean community. However, it also contains a number of areas of high deprivation, particularly in Coldharbour.

2.12 The town centre is seeing significant growth with a mixture of grass roots enterprise and high street retail. The Brixton Business Improvement District (BID) works with businesses and communities to support the local economy. Of Lambeth’s two major centres, Brixton in particular has significant potential for new commercial and residential development. The Brixton SPD directs further change to maximise benefit to local people, including:

- Somerleyton Road: around 300 new homes, a new theatre, community and employment space and the opportunity for the council to establish a housing co-operative.

- New Town Hall development: 14,000sqm of new council office space, 370 new homes and a major refurbishment of the town hall to focus on community enterprise.

- Brixton Central: a major expansion of the town core, to include a significant uplift in employment, retail and residential, alongside potential improvements to the train station and leisure offer.

**Streatham**

2.13 Streatham is also designated as a major town centre in the London Plan. It is found in the south west of the borough and is known for its busy High Road and a wealth of open spaces including Streatham Common, home to the Rookery. Streatham is generally well-connected to central London (although less so in the south). It has three London overground stations (Streatham Common, Streatham and Streatham Hill) with direct trains to London Victoria, Blackfriars, St Pancras and London Bridge and a number of bus routes serving Brixton, Croydon and the City. It also has the highest share of home owners in Lambeth.

2.14 In Streatham, the priority is to facilitate the gradual consolidation of the high street to form a denser town centre area. The Streatham Hub is the first phase in achieving this, but there is still a need to support local small businesses to achieve their aspirations.

2.15 The local BID works with businesses and communities to support the Streatham economy. The organisation, inStreatham, will invest over £1.25m in the area over the next 5 years, and will be spread across the four themed areas key to the BID’s proposals. These include aesthetic improvements to the look and feel of the high street, measures to improve security and crime prevention tactics, delivering a programme of events and markets to boost the footfall in Streatham and increased marketing and promotion to support the night time economy.

**Clapham**

2.16 Clapham contains some of the borough’s most affluent areas. Some of Lambeth’s most expensive housing is found in the Clapham Town and Clapham Common wards. These wards are relatively well-connected and were also the Lambeth wards with the highest share of white residents in 2011.

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24 Lambeth Council (2013) Draft Lambeth Local Plan February 2013
2.17 Overall, the area has undergone enormous changes in the last few years, including the development of a state-of-the-art leisure centre, a new library and NHS health facility on the high street, and investment in public spaces in Old town and the pavement. A Clapham BID was formally instituted in July 2014.

**West Norwood**

2.18 Norwood, in the south east of the borough, is the least densely populated part of Lambeth. It also has the highest proportions of residents aged 0-15 and 65 and over, reflecting its residential character. While Thurlow Park is relatively affluent, Knight’s Hill and Gipsy Hill (in south Norwood) are more deprived. South Norwood is also one of least well connected parts of Lambeth as a whole.

2.19 Major improvements to the town centres are underway with new schemes for the public realm in West Norwood. The council is supporting local businesses to explore the opportunity for a BID in West Norwood.

**Good transport links**

2.20 Lambeth has a range of important public sector transport links. There are Victoria Line stations in Vauxhall, Stockwell and Brixton, providing fast access to London Victoria and Kings Cross St. Pancras, as well as Central London. The Northern Line runs through Waterloo, Kennington, Oval, Stockwell, Clapham North, Clapham Common, and Clapham South. Waterloo is also connected to the Jubilee Line and the Bakerloo Line and provides excellent connections to Central London and Canary Wharf. The London Overground connects at Clapham High Street. Lambeth is also well served by rail links. Waterloo is the busiest passenger rail station in the UK. Thameslink stops in Lambeth and the borough is served by a number of Southern Rail services.

2.21 Public transport connectedness is measured using Public Transport Accessibility (PTAL) ratings. With an average PTAL score of 5.0 in 2012, Lambeth is relatively well connected compared to most other London boroughs. By comparison, the average PTAL score for Inner London was 4.8 in 2012 and 3.7 for London as a whole. PTAL scores are generally higher in more central areas of London. As illustrated in the map below, the City of London had the highest score in the capital in 2012 (7.6). While the only other boroughs with higher PTAL scores than Lambeth were Westminster (6.3), Kensington and Chelsea (5.8), Camden (5.6) and Islington (5.6).

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26 PTALs measure a combination of how close public transport services are from a given point and the frequency of services (i.e. walking times plus waiting times). PTALs range from levels 1 to 6 where 6 represents a high level of accessibility and 1 a low level of accessibility.
Within Lambeth, transport links are generally better in the north of the borough than in the south (see map above right), reflecting the relative concentration of London Underground connections in the north and north east. Transport accessibility was strongest in Bishop’s ward (with a PTAL score of 7.4) and Oval (6.6) in 2012. At the same time, PTAL scores were lowest in Streatham South (3.8), Gipsy Hill (3.6) and Thornton (3.2), reflecting the distance of these wards from London Underground lines.

Analysis using journey times from Google maps suggests there are few parts of the borough that are more than 20 minutes from a rail or London Underground station, and the borough is served by a number of bus routes as well.

Transport connections will be improved in Lambeth due to the Northern Line extension. Stations at Nine Elms and Battersea will be outside the borough but will facilitate movement along the riverside. Likewise the extension of the Bakerloo line whilst outside the borough will extend services to nearby Walworth and Camberwell. There is also the possibility that the London Overground will be extended to Brixton.

Commuting patterns – closely integrated in the London labour market

With a total of 87,000 people commuting to work in the Lambeth from other local authorities and 115,500 residents commuting to work outside of the local area, overall, commuting resulted in net out-commuting of 28,500 people in 2011, up from 17,600 in 2001. The chart below summarises commuting patterns in Lambeth.
Figure 6: Lambeth commuting patterns (2011)

<table>
<thead>
<tr>
<th>Workplace population</th>
<th>20,700</th>
<th>14,000</th>
<th>16,500</th>
<th>87,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Usually resident population (workers)</td>
<td>20,700</td>
<td>14,000</td>
<td>16,500</td>
<td>115,500</td>
</tr>
</tbody>
</table>

- Live and work in Lambeth
- Home workers
- No fixed place of work
- Out-commuter (other LAs)
- Outside UK or offshore
- In-commuter

Source: ONS Census 2011

2.26 The first bar of the chart shows that approximately 138,300 people worked in Lambeth in 2011. The 20,700 who commute from residences within Lambeth made up 15.0% of the workforce. The 14,000 home workers made up 10.2% of the workforce whilst the 16,500 Lambeth working residents with no fixed commute (who are assumed by the census to make up part of the borough’s workplace population) made up 11.9% of the workforce.

2.27 This means that 62.9% of the borough’s workforce (87,000) consisted of in-commuters who travelled into Lambeth from other local authorities. Over four-fifths (80.9%) of in-commuters were from areas within London – in particular the neighbouring boroughs of Southwark (10,300), Croydon (7,600), and Wandsworth (6,800).

2.28 The second bar of the chart shows that in 2011 Lambeth had 167,200 working residents. Of these 12.4% (20,700) commuted to a single workplace located within the borough, down from 28.9% of residents in 2001. Over two-thirds - 69.1% (115,500) - of resident workers were out-commuters in 2011, travelling to a workplace in a different local authority, mainly to other parts of London (94.8% of out-commuters). The main destinations were the Inner London boroughs of Westminster (41,600), Southwark (10,700), and Camden (10,000). A further 8.2% of employed residents were home workers, 9.9% did not have a fixed commute, while a small number (500) worked outside of the UK or offshore.

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28 Including the City of London.
3 The population of Lambeth

Lambeth’s population is one of the youngest and most diverse in London. Rapid population growth has seen the population become even younger and more diverse over the past decade. International migration has been an important factor in population growth over the past decade.

Different population forecasts suggest slightly different rates of population growth, but available forecasts agree that the growth rate will be similar to London as a whole. Population growth is expected to be highest in the north of the Borough.

There are significant disparities in life expectancy between wards in the borough and rates of mental health illnesses are relatively high in the borough.

3.1 This section provides a review of Lambeth’s resident population. It includes information on the local population, projected demographic change, and patterns of internal and international migration.

A large, young and diverse population

3.2 Lambeth had an estimated population of 314,200 in 2013, making it the eighth largest of 32 London boroughs and the fifth most densely populated.

3.3 The borough has one of the youngest populations in London: almost three-quarters of residents (74.4%; 233,800 people) were aged 16-64 (working age) in 2013, significantly above the London (68.4%) and England (63.8%) averages and the second highest proportion among 32 London boroughs. And the working age population itself is relatively young: 87,500 residents aged 25-34 accounted for 37.4% of working age Lambeth residents in 2013, compared to 29.2% for London and 21.4% for England.

3.4 There is also a significant Black and Minority Ethnic (BME) population in the borough, with 42.9% of residents from BME groups in 2011. This was above the London average (40.2%) and represents a much larger proportion than in 2001 when BME groups accounted for 37.6% of the population.

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29 ONS (2014) Mid-year population estimates
30 GLA (2014) Borough profiles
31 ONS (2014) Mid-year population estimates
32 ONS (2014) Census 2011
Figure 7: Resident population by ethnicity (% of population)

Source: ONS Census 2001 and 2011

As the map below shows, the share of residents from BME communities is relatively evenly spread throughout Lambeth, but is highest in Coldharbour (62.1% in 2011) and lowest in Clapham Common (24.3%) and Clapham Town (29.3%).

Figure 8: Share of residents from a black and ethnic minority (BME) background (%, 2011)

Source: ONS Census 2011

In common with other Inner London areas, Lambeth also has a high level of population turnover. Between 2012 and 2013 36,500 people moved into the borough (equivalent to 11.6% of the population) while 36,000 residents (11.5%) moved out of the borough. The rate of population turnover is above the London average for both internal and international migration.33

33 ONS (2014) Migration Indicators Tool
Rapid working age population growth

3.7 Lambeth’s population has grown by around twice the national average over the past ten years. Since 2003, the number of residents in the borough has increased by 42,000 or 15.4%, compared to 13.8% for London and 7.9% nationally.\textsuperscript{34}

3.8 The vast majority (88.3%) of growth has come from an increase in working age residents – up by 37,100 people. At 18.9%, working age population growth from 2003-2013 was high compared to the London (14.2%) and national (6.9%) averages. At the same time, the rate of increase in residents aged 0-15 was below the London average, and for residents aged 65 and over, below both the London and national averages (see chart).

Figure 9: Population growth rate by age group (%, 2003-2013)

![Bar chart showing population growth rate by age group for Lambeth, London, and England from 2003-2013.]

Source: ONS MYPE

3.9 Looking in more detail at changes in the working age population by age group, Lambeth has seen significant growth in the number of residents aged 25-34 (+15,600; 21.7%) and 45-54 (+12,500; 47.7%) in the last decade. At the same time, there has been a decline in the number of residents aged 15-24 and 35-44 over the past five years. This suggests that, although the borough is largely residential, it is more commonly a destination for young working age people, rather than families.

Figure 10: Population change by age group, Lambeth (2003-2013)

![Bar chart showing population change by age group for Lambeth from 2003-2008 and 2008-2013.]

Source: ONS MYPE

3.10 At ward level, population trends have varied widely. Between 2003 and 2013, ONS estimates for population change range from growth of 42.5% (4,800) in St. Leonard’s ward in Streatham, to a 2.1% (-300) decline in residents in Ferndale ward in Clapham.\textsuperscript{35}

\textsuperscript{34} ONS (2014 Mid-year population estimates
Drivers of population growth

3.11 Natural change (births minus deaths) and international migration are both key drivers of population growth in Lambeth. Between 2012 and 2013, natural changes increased the number of residents by 3,300; while there was also net inflow of 3,300 international migrants. Net internal migration resulted in an overall net outflow of 2,700 residents, although around 5,150 young people aged 20-29 moved into Lambeth.36

Figure 11: Components of population growth in Lambeth (2012-2013)

![Diagram showing components of population growth in Lambeth (2012-2013)]

Source: ONS MYPE

3.12 Over a longer time period, between 2004 and 2012 there was estimated to be a net inflow of 32,500 long-term international migrants into Lambeth, partially offset by an outflow of 28,500 internal migrants.37 International migrants make an important contribution to the supply of labour in Lambeth.

3.13 The chart below shows the number of National Insurance Number (NINo) registrations to adult overseas nationals per 1,000 working age residents between 2004 and 2012. A NINo is generally required by any overseas national looking to work or claim benefits/tax credits in the UK, including the self-employed or students working part time.

Figure 12: Migrant NINo Registrations per 1,000 resident population aged 16 to 64

![Chart showing migrant NINo registrations per 1,000 resident population aged 16 to 64]

Source: DWP / ONS MYPE

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35 ONS (2014) Mid-year population estimates, London wards
36 Migration within the UK - ONS (2014) Population Estimates, Mid-2013
37 ONS (2013) Migration Indicators Tool
3.14 The number of NINo allocations in Lambeth has generally been above the London and England averages since 2004. On average, there were 47.8 allocations per 1,000 working age residents per year in the borough from 2004 to 2012, compared with 45.2 for London and 16.4 for England as a whole. The rate of NINo allocations was 55.6 per 1,000 working age residents in 2007, but fell to 43.3 in 2012, the lowest level since 2004.

3.15 Since the recession there has been an increase in the number of migrants registering for National Insurance Numbers in Lambeth from EU countries, such as Spain and Italy (see table below). Factors thought to be influencing the trends in terms of NINo registrations across different nationalities / world areas are:

- Restrictions placed on non-EEA workers and students – India, Pakistan, Australia and Nigeria have all shown continued falling trends since 2010/11.
- High unemployment rates, particularly from countries most severely impacted by the euro zone crisis – e.g. Italy, Portugal, Spain.

Table 1: Leading nationalities for National Insurance Number Registrations to overseas nationals in Lambeth (pre vs. post-recession)

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Poland</td>
<td>7,750</td>
</tr>
<tr>
<td>2  Australia</td>
<td>4,730</td>
</tr>
<tr>
<td>3  France</td>
<td>2,630</td>
</tr>
<tr>
<td>4  Portugal</td>
<td>2,440</td>
</tr>
<tr>
<td>5  Italy</td>
<td>2,020</td>
</tr>
<tr>
<td>6  New Zealand</td>
<td>1,590</td>
</tr>
<tr>
<td>7  Jamaica</td>
<td>1,590</td>
</tr>
<tr>
<td>8  Nigeria</td>
<td>1,470</td>
</tr>
<tr>
<td>9  Spain</td>
<td>1,350</td>
</tr>
<tr>
<td>10 Ghana</td>
<td>1,270</td>
</tr>
</tbody>
</table>

Source: DWP

3.16 Whilst there is limited data on the characteristics of the migrant population in Lambeth, more generally across London migrants tend to share characteristics of relative youth, above average qualifications, and positive ratings by employers. 38

3.17 At the same time, the clustering of immigrants and graduates from within the UK in Lambeth also stands to make the local labour market more competitive, particularly for young people and for those with lower skills. 39 There are also sectors of the economy that have a high reliance on immigrant labour to deal with skills shortages. This remains a potential issue as the government seeks to reduce migration flows into the UK. 40

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38 LSE (2007) The Impact of Recent Immigration on the London Economy
Future population trends

3.18 The GLA produce a number of forecasts for future population change. These include forecasts based on historic trends and on housing development data from the 2013 Strategic Housing Land Availability Assessment (SHLAA). They give slightly different estimates for future population growth in Lambeth.

3.19 According to GLA trends-based population projections (central variant), the number of Lambeth residents is set to increase by 28,600 between 2013 and 2023. At 9.1%, the growth rate is expected to moderate compared to the previous decade and is forecast to be slightly below the London average (10.7%) in the next ten years.

Figure 13: Forecast population growth by age group (% 2013-2023) – trends based (central)

Source: GLA trend-based population projections (Central)

3.20 The number of people of retirement age is expected to grow at a faster rate than the rest of the population in Lambeth. However, in absolute terms growth in the working age population will continue to be most significant: the number of residents aged 16-64 is forecast to rise by around 19,200 by 2023, making up more than two-thirds (67.1%) of projected total population growth. And while working age residents are set to account for a slightly lower proportion of Lambeth residents in 2023 (73.9%) than in 2013, it is expected to remain above the London average (67.9%).

3.21 According to the GLA’s SHLAA-based population projections, the number of Lambeth residents is set to increase by 30,300 between 2013 and 2023, slightly above central trends-based projections. At 9.7% for 2013-2023, Lambeth’s population growth rate is expected to be slightly above the London average (9.5%) in the next ten years. The number of working age residents would increase by 21,100 in this scenario, accounting for 69.5% of total population growth.

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41 The central variant assumes recent migration patterns are partially transient and partially structural. Beyond 2018, domestic outflow propensities increase by 5% and inflows by 3% as compared to the High variant.
42 GLA (2014) GLA 2013 round trend-based population projections: Borough: Central
43 GLA (2014) GLA 2013 round trend-based population projections: Borough: Central
44 GLA (2014) GLA 2013 round trend-based population projections: Borough: Central
45 GLA (2014) Local authority population projections - based on 2013 SHLAA data
At ward level, population changes are again projected to vary widely. Based on planned housing development from the 2013 SHLAA, the GLA forecasts population growth between 2013 and 2023 to be most significant in the north of Lambeth, reflecting the amount of large-scale development activity expected to take place there. The population in Oval is expected to rise by over 6,000 (38.2%) by 2023, 3,000 (27.9%) in Bishop’s, and over 2,200 (15.0%) in Prince’s. While Thornton, in the Clapham area, and parts of the Brixton area are also expected to see significant growth, large part of the borough will see relatively moderate increases in the resident population.

**Health and deprivation**

**Deprivation**

The latest deprivation data is from 2010 and ranks Lambeth as the eighth most deprived borough in London and 14th most deprived in England. Overall, 36.6% of Lambeth residents lived in an area...
among the 20% most deprived in England, compared to 27.5% for London and 20.4% for England as a whole. Those living in the most deprived areas are spread throughout the borough but are particularly concentrated in Coldharbour, which was the 49th most deprived ward area in London in 2010.

Figure 16: (IMD2010) - Rank of average score (within London) – 2010

Figure showing the rank of average score (within London) in 2010.

Source: Indices of Deprivation – DCLG

3.24 Violent crime is also relatively prevalent in Lambeth. There were 5,692 recorded cases of violence against the person crimes in 2012/13. This equates to 18.7 offences per 1,000 population, compared to 10.6 nationally.

Life expectancy and adult health

3.25 Life expectancy at birth is 78.2 years for men born in Lambeth in 2010-2012 and 83.0 years for women. Female life expectancy is in-line with the national average (though below the London average), but male life expectancy is 1 year below the average (79.2 years).

3.26 There are a number of contributors to this. Mortality rates in Lambeth are above average from smoking-related deaths, and both cardiovascular (particularly heart-disease) and cancer-related (particularly lung cancer) deaths (under 75s). Lambeth also has a relatively high inequality in life expectancy related to deprivation, particularly among men. Life expectancy is 5.0 years lower for men in the most deprived areas of Lambeth than in the least deprived areas. The gap is 2.8 years for women.

3.27 In terms of health and lifestyles the picture is mixed. Lambeth has one of the highest rates of acute sexually transmitted infections in the country, with 3,210 cases per 100,000 population in 2012.

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compared to 804 per 100,000 nationally. This represented 9,700 acute sexually transmitted infections in Lambeth in 2012. And while drug misuse is also relatively high, adult obesity rates are below the national average and the share of physically active adults is above. 49

3.28 However, there is a relatively high prevalence of mental health problems in Lambeth. Within the Lambeth Clinical Commissioning Group (CCG) area, 1.03% of people of all ages reported mental health problems in 2012/13, more than double the national rate (0.48%). 50 And 5.1% of people completing a GP patient survey in 2012/13 reported suffering from a long-term mental health problem, compared to 2.5% across England as a whole. 51

Child poverty and health
3.29 Child poverty is a serious issue in Lambeth. Over a quarter of children (28.9%) in Lambeth lived in households where a parent or guardian claimed out-of-work benefits throughout the year in 2013. 52 This was the fourth highest rate in London and significantly above the London (21.5%) and national (18.2%) averages.

3.30 Before housing costs, over a fifth (22.0%) of children in Lambeth were estimated to be in poverty in the period October-December 2013, compared to 15.9% across the UK. 53 Taking into account housing costs, this rises to more than a third (34.2%) of under 16 year olds. This was significantly above the UK average (25.1%) and was the 17th highest rate of children in poverty (after housing costs) among all UK local authorities. 54

3.31 At the same time, data on children and young people’s health is relatively mixed. Almost a quarter (23.4%) of children in Year 6 were classified as obese in 2012/13, worse than the average for England (18.9%) and levels of teenage pregnancy are high. However, the rates of alcohol specific hospital stays among those under 18 was better than the average for England, as are breastfeeding and smoking at time of delivery.

51 Public Health England (2014) Community Mental Health Profiles
53 End Child Poverty (2014) Child Poverty Map of the UK – Note: the figures presented are based on tax credit data, used to estimate the percentage of children on low incomes in local authorities and wards across the UK. They also use national trends in worklessness to estimate recent changes in the number of children who are in poverty because their parents have lost their jobs, to update the local tax credit data which is more than two years old.
4 Housing

Lambeth is the fifth most densely populated borough in London. The level of home ownership has declined over the past decade whilst more households are now renting in the private sector. There are high proportions of households in social housing in Brixton and north Lambeth, with lower proportions in Streatham. There are strong correlations between social housing tenure and higher rates of economic inactivity and JSA claims.

13% of Lambeth homes are classed as overcrowded, though the rate is nearer 20% in the private rental sector. However, 40% of households also have ‘excess space’.

While Lambeth has a relatively good record of housing delivery, it is not keeping pace with demand. The London Plan (FALP) sets a target of nearly 16,000 homes between 2015 and 2025.

Median house prices have seen large increases over the past decade, though remain lower than other parts of Inner London. Housing affordability has decreased as the ratio of incomes to house prices has declined. Applications for social housing have increased significantly since 2006.

4.1 With 117.1 people per hectare, Lambeth is the fifth most densely populated London borough and one of the most densely populated places in the country. The borough had an estimated population of 314,200 in 2013 and sees high level of population turnover – with over 10% of residents arriving or leaving each year.55

Housing tenure

4.2 In 2011 the Census showed that Lambeth had 130,000 households, up from 118,400 in 2001.56 Just over a third (34.5%) of these households owned their home in 2011, down from 37.2% in 2001. 35.1% were rented from the council or social landlords (Housing Associations), down from 41.4% in 2001, and 30.4% were privately rented, up from 21.5% in 2001.

4.3 As the table below shows, the pattern of household tenure is similar in Lambeth to the average for Inner London. However, compared to London as a whole, and even more so nationally, the proportion of households renting accommodation is high, both for social and private rented accommodation. Conversely, a lower proportion of households own their homes, particularly outright.

Table 2: Households by tenure (2011)

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Lambeth</th>
<th>Lambeth - 2001</th>
<th>Inner London</th>
<th>London</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of households</td>
<td>130,000</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Owned outright</td>
<td>14,800</td>
<td>11.4%</td>
<td>37.2%</td>
<td>14.1%</td>
<td>21.1%</td>
</tr>
<tr>
<td>Owned with a mortgage or loan or shared ownership</td>
<td>30,100</td>
<td>23.1%</td>
<td>14.1%</td>
<td>21.2%</td>
<td>28.4%</td>
</tr>
<tr>
<td>Owned or shared ownership</td>
<td>44,900</td>
<td>34.5%</td>
<td>37.2%</td>
<td>35.3%</td>
<td>49.5%</td>
</tr>
</tbody>
</table>

55 ONS (2014) Mid year population estimates
<table>
<thead>
<tr>
<th>Total</th>
<th>Rented: Social rented</th>
<th>Rented: Private rented or living rent free</th>
<th>Rented or living rent free: Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>45,600</td>
<td>39,500</td>
<td>85,100</td>
</tr>
<tr>
<td></td>
<td>35.1%</td>
<td>30.4%</td>
<td>65.5%</td>
</tr>
<tr>
<td></td>
<td>41.4%</td>
<td>21.5%</td>
<td>62.8%</td>
</tr>
<tr>
<td></td>
<td>33.3%</td>
<td>31.4%</td>
<td>64.7%</td>
</tr>
<tr>
<td></td>
<td>24.1%</td>
<td>26.4%</td>
<td>50.5%</td>
</tr>
<tr>
<td></td>
<td>17.7%</td>
<td>18.2%</td>
<td>35.9%</td>
</tr>
</tbody>
</table>

Source: ONS Census 2011

4.4 In general, social rented accommodation is more prevalent among households in the northern areas of the borough, accounting for over 40% of the housing stock in Brixton (41.0%), North Lambeth (41.1%) and Stockwell (46.2%) in 2011. By comparison, just under a third of households in Clapham (30.6%) and Norwood (31.4%) are in social rented accommodation, and less than a fifth in Streatham (18.9%).

4.5 And, housing tenure is strongly associated with ethnic background in Lambeth. Almost eight out of ten white households (based on household reference person) either owned (41.8%) or privately rented (35.3%) their accommodation in 2011, up from 67.5% in 2001. This was true for under half of BME households, while 54.8% of BME households lived in social rented accommodation, above the London (31.8%) and England (25.3%) averages. This includes almost half of households from a black background (47.6%). In total, BME households accounted for six out of ten (59.7%) households in social rented accommodation in Lambeth in 2011, up from less than half in 2001 (49.2%).

Figure 17: Households by tenure and ethnic background (% by household reference person) (2011)

4.6 There is also a strong link between housing tenure and economic activity. In particular, data from the 2011 Census shows that unemployment is considerably higher among those living in social rented accommodation (16.6% of economically active household reference persons) than for those living in accommodation owned (2.1%) or private rented accommodation (3.9%). There is also a strong correlation between wards with high rates of JSA claimants and high rates of social housing in Lambeth.

57 ONS (2014) Census 2011
Overcrowding and under-occupation

Information on bedroom occupancy rating was collected in the 2011 Census. For each household, a bedroom occupancy rating is derived by subtracting the notional number of bedrooms recommended by the bedroom standard\(^{58}\) from the number of bedrooms actually available. An occupancy rating could indicate overcrowding or under-occupation within a household as follows:

- Occupancy rating of zero: implies that a household has the precise notional number of bedrooms recommended by the bedroom standard, for the number and composition of people living within the household.
- Occupancy rating of -1 or less: indicates that a household has at least one bedroom too few for the number and composition of people living in the household and is considered overcrowded by the bedroom standard.
- Occupancy rating of +1: indicates that a household has one bedroom more than is recommended for the number and composition of people living in the household and is considered under-occupied by the bedroom standard.
- Occupancy rating of +2 or more: indicates that a household has two or more bedrooms more than is recommended for the number and composition of people living in the household and is also considered under-occupied.

In 2011, 17,200 households in Lambeth were overcrowded, that is had an occupancy rating (bedrooms) of -1 or less.\(^{59}\) This equated to 13.2% of households, a higher rate of overcrowding than the London (11.3%) or national (4.6%) averages (see chart below). However, it was significantly below the rate of overcrowded households in Lambeth in 2001 (22.0%).

Overcrowding in Lambeth is most prevalent in private rented accommodation. At 18.4%, the share of private rented households with an occupancy rating of -1 or less was above the London average.

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\(^{58}\) A recommended notional number of bedrooms for each household, based on the size of the household, age, sex, marital status and relationship among members of the household.

\(^{59}\) ONS (2014) Census 2011
There is also a high incidence of overcrowding in social rented housing (17.0%), but only 4.9% of 'owner' households were overcrowded in 2011.\(^{60}\)

**Figure 19: Overcrowding by tenure (% of households with an occupancy rating of -1 or less) (2011)**

<table>
<thead>
<tr>
<th>Occupancy rating (bedrooms)</th>
<th>All tenures</th>
<th>Owned or shared ownership</th>
<th>Social rented</th>
<th>Private rented or living rent free</th>
</tr>
</thead>
<tbody>
<tr>
<td>+2 or more (under-occupied)</td>
<td>20,050</td>
<td>15.4%</td>
<td>13,706</td>
<td>30.5%</td>
</tr>
<tr>
<td>+1 (under-occupied)</td>
<td>33,355</td>
<td>25.7%</td>
<td>15,599</td>
<td>34.8%</td>
</tr>
<tr>
<td>0 (zero occupancy)</td>
<td>59,405</td>
<td>45.7%</td>
<td>13,380</td>
<td>29.8%</td>
</tr>
<tr>
<td>-1 or less (overcrowded)</td>
<td>17,207</td>
<td>13.2%</td>
<td>2,187</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

Source: ONS Census 2011

There were also a number of ‘under-occupied’ households in Lambeth in 2011, including 20,100 households with an occupancy rating (bedrooms) of +2 or more. The incidence of ‘under-occupancy’ is highest among owner occupied households.

**Table 3: Occupancy rating (bedrooms) by tenure**

**Housing targets**

Lambeth’s housing target is set in the London Plan 2011. In January 2014, the Mayor published Draft Further Alterations to the London Plan (FALP). These include new borough-level housing targets based on updated evidence of housing need and housing capacity in the borough.

The new proposed target for Lambeth from the FALP is to deliver a minimum of 15,594 houses over the ten year period 2015-2025. The annual monitoring target is for 1,599 net additional dwellings per year over this period.\(^{61}\) By comparison, the previous London Plan target (2008) for Lambeth was for 1,100 net additional dwellings per annum over the period 2007/08 to 2016/17.

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\(^{60}\) ONS (2014) Census 2011  
**Record of housing delivery**

4.13 Lambeth has a good record of delivery against its housing target over the last seven years, despite a shortfall in 2011/12 and 2012/13, likely as a result of the economic downturn.\(^{62}\) This is summarised in the table below.

**Table 4: Record of housing delivery against targets, Lambeth**

<table>
<thead>
<tr>
<th>Year</th>
<th>London Plan Target</th>
<th>Net additional dwellings completed</th>
<th>Performance against target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006/07</td>
<td>1,100</td>
<td>1,288</td>
<td>+188</td>
</tr>
<tr>
<td>2007/08</td>
<td>1,100</td>
<td>1,495</td>
<td>+395</td>
</tr>
<tr>
<td>2008/09</td>
<td>1,100</td>
<td>1,412</td>
<td>+312</td>
</tr>
<tr>
<td>2009/10</td>
<td>1,100</td>
<td>1,489</td>
<td>+389</td>
</tr>
<tr>
<td>2010/11</td>
<td>1,100</td>
<td>1,602</td>
<td>+502</td>
</tr>
<tr>
<td>2011/12</td>
<td>1,195</td>
<td>912</td>
<td>-283</td>
</tr>
<tr>
<td>2012/13</td>
<td>1,195</td>
<td>725</td>
<td>-470</td>
</tr>
<tr>
<td>Total</td>
<td>7,890</td>
<td>8,923</td>
<td>+1,033</td>
</tr>
</tbody>
</table>

Source: Lambeth Housing Implementation Strategy 2014

4.14 Lambeth has also built over 1,300 affordable homes in the three years to April 2013 (net).\(^{63}\) This represents around 95% of the target for building affordable homes and is the second highest number of affordable homes built among London boroughs.

**Need and demand for housing**

4.15 However, evidence from recent housing delivery and household projections in Lambeth indicates that the number of households has been growing more quickly than the number of dwellings which have been delivered, particularly in the private renting sector.\(^{64}\)

4.16 Lambeth also has a high number of applicants for social housing. In May 2012 there were 27,000 applicants registered on the mainstream housing register. The number of people who have applied for social housing (excluding transfers from Lambeth/housing association stock) has increased by over 75% since 2006.\(^{65}\) At the end of 2011, there were over 9,000 households receiving support to live in the private rented sector.

4.17 In 2013, the median price for a house in Lambeth was £345,000. This was below the median price for Inner London as a whole (£400,000), but above the average for London (£321,000) and far above the median house price nationally (£183,500).\(^{66}\)

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\(^{64}\) London Borough of Lambeth (2012) Lambeth Housing Strategy 2012-16


\(^{66}\) DCLG (2014) Live tables on housing market and house prices
4.18 However, there is considerable variation within the borough. For example, median house prices in Clapham Common (£535,000 in 2013) are more than double those in Streatham Wells (£250,000). House prices tend to be higher in the north of the borough, particularly in Clapham, North Lambeth, and parts of Brixton (particularly Ferndale).

4.19 Median house prices in Lambeth rose by a quarter (25.5%) from 2008-2013. This was slightly below the Inner London average (27.4%) and broadly in-line with the London as a whole (24.9%) but far above the rate of growth nationally (7.5%). Again, there was significant variation in median house price rises between areas within the borough.

4.20 At the same time, private sector rents have also risen sharply by around 20% in the last three years. The median rent for a ‘room’ in Lambeth was £530 in the year to September 2014. This was below the Inner London median ‘room’ rent (£575) but above the London average (£525) and significantly higher than nationally (£347).

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67 DCLG (2014) Live tables on housing market and house prices
68 VOA (2014)
As a result, affordability is increasingly an issue for people living in Lambeth, both for home ownership and renting. The average (median) house costs 9.8 times average annual earnings. While this was below the average ratio for Inner London (10.4 times), it is far higher than the national average (6.7) and has risen significantly since 2009. At 10.2, the ratio of lower quartile house prices to lower quartile earnings in Lambeth is higher still, suggesting that affordability is even more of an issue for residents on lower incomes.

Source: VOA

Figure 22: Private sector rents, Lambeth

Source: DCLG

Figure 23: Ratio of median house price to median earnings

Source: DCLG
5 Employment in Lambeth

There are 140,500 people employed in Lambeth, with a significant concentration in the north of the borough. This represents less than half the rate of jobs per resident compared to the Inner London average. Employment has also grown more slowly in Lambeth than the London average since 2002. The level of workplace earnings suggests that employment in Lambeth has a similar level of productivity to the London average.

The two biggest sectors in Lambeth are human health and social work, and administrative and support services. The former reflects a large amount of employment in the health sector (particularly Guy’s and St. Thomas’ Hospital, and Kings College Hospital) and the charities sector. The borough also has a relatively large proportion of public sector employment, which is a concern given employment cuts in the public sector. Lambeth has relatively few people employed in professional and business services, although the number of jobs in knowledge intensive activities has been growing. Tourism is also an important sector for the borough.

The London economy is expecting to see greatest growth in professional services to 2021, followed by growth in a range of other service sectors.

Lambeth is expected to see lower growth than other parts of London. However, Lambeth will also see development in two opportunity areas: Waterloo and Vauxhall, Nine Elms, Battersea. Together these two developments will lead to 23,000 jobs and 5,400 homes in Lambeth, with many other employment opportunities in neighbouring areas.

The Council is also strongly supporting development in Brixton using its own assets to do so. The Key Industrial and Business Areas (KIBAs) are also areas for potential employment growth.

5.1 There are 140,500 people employed in jobs in Lambeth. This is equivalent to 0.66 jobs for every working age resident, which is significantly below the national average of 0.79 and the London average of 0.92. It is less than half the rate of Inner London as a whole.

Figure 24: Jobs per working age resident

Source: ONS Jobs Density

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69 ONS (2014) Business Register and Employment Survey (edited for 2013 – for more detail, see the note on the data at the end of the document)
70 ONS (2014) Jobs Density
71 ONS (2014) Jobs Density
5.2 As discussed above, there is considerable variation in jobs density within the borough. The number of jobs per resident is much higher in the north of the borough than the south of the borough, reflecting proximity to London’s Central Activities Zone (CAZ) and the more residential character of the southern parts of the borough.

Figure 25: Employment per working age resident by ward, Lambeth (2012)

5.3 Between 2009 and 2013, employment in the borough increased by 10,600 or 8.2%. This was below the rate of growth for London as a whole (10.7%) and Inner London (13.0%), although above the national average (2.0%)\textsuperscript{72}.

Figure 26: Index of employment (2009 = 100)

Source: ONS BRES (edited for 2013)

\textsuperscript{72} ONS (2014) Business Register and Employment Survey (edited for 2013)
5.4 Looking over a longer time-frame, the total number of jobs in the Lambeth economy (including self-employed) increased by 15,000 or 10.6% between 2002 and 2012. By comparison, Inner London saw a 22.7% increase in total jobs during this period and London as a whole saw a 16.4% increase.\textsuperscript{73} Between 2001 and 2011, one third of net jobs growth in the borough was in North Lambeth, while the Brixton area also saw a high level growth in the workplace population.\textsuperscript{74}

**Figure 27: Change in workplace population (jobs) by area (2001-2011)**

![Bar chart showing change in workplace population by area (2001-2011)](source: ONS Census 2001/2011)

\textsuperscript{73} ONS (2014) Jobs density - Total jobs is a workplace-based measure of jobs and comprises: employees, self-employment jobs, government-supported trainees and HM Forces.

\textsuperscript{74} ONS (2014) Census 2001 and 2011 - the workplace population in Lambeth is the population working in the area.
5.5 Therefore Lambeth has a relatively low number of jobs compared to the size of its population and in comparison to other Central London boroughs. As the map below shows, the areas with the most significant rates of jobs growth in London were Tower Hamlets and Southwark. During this time, the total number of jobs in Tower Hamlets increased by 93,000 or 58.1% and the number of jobs in Southwark increased by 104,000 or 62.7%. In comparison Lambeth’s employment growth has been relatively and persistently low over the past decade.

Figure 28: Total jobs growth by London Borough, 2002-2012 (%)

Source: ONS Jobs Density

5.6 Unfortunately there are no statistics on economic output – measured by Gross Value Added (GVA) – for individual boroughs. In the absence of detailed statistics on GVA, median annual incomes for those working in the borough are a useful comparator of the relative economic performance of Lambeth compared to the rest of London. Median incomes among workers in Lambeth are £34,500, which is broadly in-line with median incomes for London as a whole (£35,100), and significantly above the national average (£27,500). This is also broadly in line with other comparable parts of Central London, such as Southwark (£34,700), though lower than areas of London with more employment in financial sectors such as the City (£54,600) and Tower Hamlets (£48,600).

5.7 Workplace earnings increased by 12.7% between 2008 and 2014, compared to 7.0% for London overall and 7.8% nationally. However, as we shall show in Section 8, this is likely to reflect the significant change in the profile of the borough’s workforce rather than higher growth in Lambeth. Whilst the use of median workplace incomes as a proxy for output figures provides only a partial view, it does suggest that productivity in Lambeth is comparable to other areas of Central London.

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75 ONS (2014) Annual Survey of Hours and Earnings. Note: All figures are for full time workers only.
76 ONS (2014) Annual Survey of Hours and Earnings
77 ONS (2014) Annual Survey of Hours and Earnings
Employment by sector

5.8 The composition of employment in Lambeth differs somewhat from other Central London boroughs. The proportion of employment in non-market services (education; health; public administration) is relatively high, accounting for around a third (33.5%) of employment in the borough compared with less than a quarter (22.3%) for London as a whole.\(^78\) As the chart below shows, employment in Lambeth is highest in health and social work (29,100 jobs; 20.7% of employment).

5.9 Employment in business, professional and financial services accounts for 37.4% of jobs in Lambeth compared to 44.3% of jobs in London and just under half of jobs in Inner London (48.1%). Employment is below the London and national averages in a number of areas, notably in wholesale and retail, construction, manufacturing and financial and insurance activities.

Figure 29: % of employment by sector (2013)

Source: ONS BRES (edited for 2013)

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\(^78\) ONS (2014) Business Register and Employment Survey (edited for 2013)
Health and social work

The high number of health-related jobs is linked to a number of large employers located in the borough. This includes a number of significant health-related charities (Marie Curie Cancer Care and Macmillan Cancer Support) and two major hospitals (King’s College and Guy’s and St. Thomas’). The latter is of particular importance: employment in hospital activities accounted for around 16,000 jobs in Lambeth in 2013, over half (53.7%) of the borough’s jobs in health and social work.

Administrative and support services

Administrative and support service activities cover activities that support general business operations and do not focus on the transfer of specialised knowledge. Employment in Lambeth is found across a range of sub-sectors. Security, services to buildings and landscape activities is the most significant, comprising 12,500 jobs, almost two-thirds (64.0%) of employment in the broad sector. The remaining jobs are found in travel agency, tour operator and other reservation service and related activities (900 jobs); rental and leasing and employment activities (2,600); and, office administrative, office support and other business support activities (3,500).

Looking in more detail at sector performance, the table below identifies particular sector strengths in Lambeth in relation to both London and England. These are calculated as ‘location quotients’ (LQ), which compare the proportion of employment by industrial section in the local area with London and England. The higher the location quotient the more a local area has a relative concentration of employment in that industry compared to London and/or England. An LQ of greater than one implies relative concentration of employment. An LQ of less than one implies a relative lack of concentration in a given sector. The table below also shows employment growth since 2009 to provide more context.

Figure 30: Sector concentration and employment growth in Lambeth
(Green shading indicates a higher LQ / jobs growth; red indicates a lower LQ / rate)

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<tr>
<td>Health &amp; social work</td>
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<td>2.0</td>
<td>1.6</td>
<td>400</td>
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<tr>
<td>Administrative &amp; support</td>
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<td>1.4</td>
<td>1.7</td>
<td>1,700</td>
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<td>Accommodation &amp; food</td>
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<td>1.2</td>
<td>1.3</td>
<td>3,200</td>
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<tr>
<td>Information &amp; communication</td>
<td>11,700</td>
<td>1.1</td>
<td>2.0</td>
<td>900</td>
</tr>
<tr>
<td>Wholesale &amp; retail trade</td>
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<td>0.6</td>
<td>0.5</td>
<td>1,000</td>
</tr>
<tr>
<td>Professional, scientific &amp; technical</td>
<td>11,400</td>
<td>0.6</td>
<td>1.0</td>
<td>2,000</td>
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<tr>
<td>Education</td>
<td>10,100</td>
<td>1.0</td>
<td>0.8</td>
<td>1,700</td>
</tr>
<tr>
<td>Public administration &amp; defence</td>
<td>7,900</td>
<td>1.3</td>
<td>1.3</td>
<td>-2,500</td>
</tr>
<tr>
<td>Transportation &amp; storage</td>
<td>5,400</td>
<td>0.8</td>
<td>0.8</td>
<td>1,000</td>
</tr>
<tr>
<td>Arts, entertainment &amp; recreation</td>
<td>4,900</td>
<td>1.3</td>
<td>1.4</td>
<td>700</td>
</tr>
<tr>
<td>Other service activities</td>
<td>4,100</td>
<td>1.1</td>
<td>1.4</td>
<td>100</td>
</tr>
<tr>
<td>Construction</td>
<td>3,600</td>
<td>0.8</td>
<td>0.6</td>
<td>0</td>
</tr>
<tr>
<td>Real estate activities</td>
<td>3,300</td>
<td>0.8</td>
<td>1.2</td>
<td>1,000</td>
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<td>2,100</td>
<td>2.5</td>
<td>0.6</td>
<td>200</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,300</td>
<td>0.4</td>
<td>0.1</td>
<td>-400</td>
</tr>
<tr>
<td>Finance &amp; insurance</td>
<td>800</td>
<td>0.1</td>
<td>0.2</td>
<td>-200</td>
</tr>
</tbody>
</table>

Source: ONS BRES (edited for 2013)

5.11 Key points to note from the table are:
• Compared to both London and England, the concentration of employment in Lambeth is particularly high in both health and social work and administration and support sectors and relatively high in accommodation and food activities.

• In comparison, employment in wholesale and retail, manufacturing, and finance and insurance sectors is relatively low in relation to both London and England. Employment in professional, scientific and technical sectors is relatively low compared to London.

• Since 2009, the biggest absolute increases in employment have been in accommodation and food (+3,200) and professional services (+2,000). The largest relative change has been in real estate activities, which has increased by 43.5% since 2009.

• Growth in employment in health and social work has been comparatively moderate (+500), although this partly reflects a significant drop in employment between 2009 and 2010. Employment in construction and in other service activities has remained essentially static.

• Employment has declined in public administration and defence (-2,500), manufacturing (-400) and finance and insurance activities (-200). With the exception of public administration and defence, these sectors are not highly concentrated in the Lambeth economy.

**Public sector employment**

5.12 Altogether, there were around 33,000 public sector jobs in Lambeth in 2013. At 23.5%, the share of employment in the public sector is significantly above the London (16.0%) and national (18.1%) averages.79

**Figure 31: % of employment in the public sector**

![Figure 31: % of employment in the public sector](image-url)

Source: ONS BRES (edited for 2013)

5.13 Budget cuts arising from government austerity measures are having a direct impact on the scale of employment in public sector jobs. Since 2009 the number of public sector jobs in Lambeth has decreased by 1,700 (or 4.9%), compared to a 1.4% decline across London as a whole.80 This reflects reductions in employment at Lambeth Council, as well as closures of agencies such as the Forensic Science Service, which was previously headquartered in Lambeth and closed in 2012.

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79 ONS (2014) Business Register and Employment Survey
80 ONS (2014) Business Register and Employment Survey
5.14 Public sector dependency and the effects of public sector job cuts may be issues for the future prosperity of Lambeth in the short-to-medium term. Although prospects for the health sector appear more positive, it will be important to continue to promote opportunities for private sector jobs growth in the future.

**Knowledge economy**

5.15 The knowledge economy is of particular interest as it is seen as a key driver for economic growth in the UK and particularly for London. The industries that fall within this sub-set of the economy are the ones that deal extensively with the processing, exchange and communication of information and knowledge. They employ large numbers of highly skilled people and make an important contribution to economic output. A breakdown of the industries that comprise the knowledge economy in this report is included in Appendix 1.

5.16 The knowledge economy accounted for 27,400 jobs in Lambeth in 2013. At 21.6% of total employment, this was above the rate nationally (19.7%) but far below the London average (32.4%). Tower Hamlets was the London borough with the largest share of knowledge economy employment in 2013 (54.7%), followed by Islington (46.0%) and Camden (42.0%).

5.17 Employment in knowledge intensive activities has increased by almost a quarter in Lambeth since 2009 (6,000 or 24.6%) - above the rate of growth for London (15.8%) and more than double the rate of employment growth for the Lambeth economy as a whole (10.2%).

**Figure 32: Index of knowledge economy employment (2009 = 100)**

Source: ONS BRES

**Creative industries**

5.18 Using the DCMS definition, the creative industries accounted for 12,700 jobs in Lambeth in 2013, 9.0% of total employment, in line with the average for London (9.1%) and significantly above the national average (4.4%). Hammersmith and Fulham was the London borough with the largest share of employment in the creative industries in 2013 (18.5%), followed by Hounslow (17.0%) and...
Camden (16.9%). Lambeth ranked as the 10th highest borough in London for creative industries share of employment.

5.19 In employment terms, computer consultancy is the most significant creative sub-sector in Lambeth, accounting for almost a fifth of creative industry jobs in 2013 (18.9% or 2,400), followed by motion picture, video and television programme production activities (18.5% or 2,300) and performing arts (14.2% or 1,800). The strengths of these subsectors reflect the presence of Lambeth’s large employers, specifically IBM, ITV and the Southbank Arts centre and National Theatre.

5.20 Creative industries employment grew by 1,500 or 13.4% between 2009 and 2013, above the rate of employment growth in the Lambeth economy as a whole (10.2%), but significantly below the rate of growth for the creative industries across London (26.2%).

**Figure 33: Index of creative industries employment (2009 = 100)**

![Index of creative industries employment (2009 = 100)](image)

Source: ONS BRES

5.21 The relatively low rate of employment growth is in part a reflection of a sharp fall in employment in newspaper publishing (-1,500) between 2009 and 2010, but also reflects slow growth since 2011. The main areas of employment growth since 2009 were in motion picture, video and television programme production activities (+600), performing arts (+600) and computer programming activities (+500).

Tourism/visitor economy

5.22 Tourism is an important sector for London. The capital is one of the most visited cities in the world in terms of international visitor numbers. Total international visitor numbers to London were nearly 15.5 million in 2012 and visitor spend was over £10 billion. Domestic visitors – both day and overnight visitors – add to this total.

5.23 The sector is also important to the Lambeth economy. The South Bank, a designated Strategic Cultural Area, contains a number of key cultural attractions with significant economic impact. For example, the Southbank Arts Centre received more than 25m visits in 2012/13 and directly employs some 470 members of staff. The National Theatre earned £87m in income in 2012/13 from a paying audience of 3.6m worldwide, employing 444 actors and musicians. Other notable sites

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85 ONS (2014) Business Register and Employment Survey
86 GLA Economics (2013) Understanding the demand for and supply of visitor accommodation in London to 2036
87 Southbank Centre Annual Review 2012/13
88 National Theatre Annual Report 2012-2013
include the London Eye and the Oval Cricket Ground, and Brixton, with its market and music venues, is a visitor destination in its own right.

5.24 Indeed, the borough has significant employment in tourism-related sectors, with 12,900 people employed in the accommodation and food sector and 4,900 people employed in arts, entertainment and recreation. Combined these sectors account for 12.7% of jobs in the local economy, compared to 10.1% for London overall and 9.4% nationally. Together, they have seen strong relatively strong employment growth in recent years (see below).

Figure 34: Lambeth, employment in tourism-related sectors (Index, 2009=100)

Source: ONS BRES

5.25 Going forward, the Mayor’s Tourism Vision sets out key objectives to develop the quality of accommodation; enhance visitor perceptions and improve the inclusivity and accessibility of the visitor experience. It also seeks to promote the role of culture in new development activity, including regeneration projects.

5.26 To ensure adequate hotel provision the London Plan sets a target of 40,000 net additional hotel rooms by 2036. This has important implications for Lambeth. By London borough, Lambeth is expected to have seen the highest number of completed new hotel rooms in 2013 (between 760 and 930). A further 2,700 additional rooms (including 2,000 serviced rooms) are expected to be provided in the borough by 2036. In this way Lambeth will play an important role in supporting London’s visitor economy.

Low Carbon and Environmental Goods and Services

5.27 The Low Carbon and Environmental Goods and Services (LCEGS) sector is worth £25.4bn to London’s economy, accounting for a fifth (20.0%) of the UK total. The sector contained over 9,200 companies and employed over 163,500 people in the capital in 2011/12.

5.28 The value of the London’s LCEGS sector has increased by over a fifth in the last five years from £20.9bn in 2007/08. It is forecast to continue to grow until the end of the decade by over 6%.

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89 ONS (2014) Business Register and Employment Survey
91 GLA Economics (2013) Understanding the demand for and supply of visitor accommodation in London to 2036
92 GLA Economics (2013) Understanding the demand for and supply of visitor accommodation in London to 2036
both absolute terms and when compared to other UK regions London holds a leading position in the following sub sectors:

- carbon finance
- solar OV
- geothermal
- waste management

5.29 London’s boroughs are mainly urban in nature and as such there is little variation in the geographical advantages that individual boroughs might have. However, in terms of market value, research indicates that Lambeth had strengths in the following areas in 2009/10:\textsuperscript{95}

- Environmental:
  - waste management (ranked 9\textsuperscript{th} among London boroughs)

- Renewable energy:
  - geothermal (8\textsuperscript{th})
  - biomass (9\textsuperscript{th})

- Low carbon:
  - building technologies (7\textsuperscript{th})
  - energy Management (7\textsuperscript{th})
  - geothermal (8\textsuperscript{th})

**Future employment growth**

5.30 Lambeth’s future sectoral growth will be closely linked to changes in the London economy. In recent years the London economy has experienced continuing shifts away from the primary sector and traditional manufacturing industries towards services and knowledge-intensive sectors. The economic crisis has not altered this trend and sectoral employment trends are expected to be consistent in the next decade, namely employment growth in the service sectors and a decline in manufacturing and some other activities.

5.31 Based on GLA projections, the sectors identified with the highest potential for employee growth in London between 2011 and 2021 are:

- Professional services (+154,200; 23.0%)
- Administrative and support services (81,100; 17.5%)
- Information and communication (+64,700; 18.0%)

\textsuperscript{95} Innovas Solution (2011) The London Low Carbon Market Snapshot
5.32 With the exception of professional services, these sectors are already relatively strong in the Lambeth economy (in particular health, administration and support services and accommodation and food). Moreover, there has been strong employment growth in the professional services sector in Lambeth in recent years. However, it is also anticipated that the number of public administration jobs will decline (falling by 18,300 jobs from 2011-2021 across London as a whole), which poses a challenge to Lambeth given the relatively high proportion of employment in public services.

Figure 35: Projected change in number of employees by industry, London (2011-2021)

Source: GLA Economics based on ONS data

5.33 GLA Economics undertook a number of projections of employment to inform the London Plan. Based largely on the continuation of past trends, Lambeth is forecast to see the number of jobs in the borough increase by 23,000 between 2011 and 2036. Employee jobs are set to rise by 16,000 (12.9%) and self-employment by 6,300 (29.0%).

Figure 36: GLA trend-based employment projections, Lambeth (2011-2036)

Source: GLA

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96 GLA (2013) GLA Employment Projections, 2013 projections data
At 16.0% overall, projected jobs growth is below the London average (17.6%). In this scenario the borough’s share of London’s jobs would fall from 3.0% to 2.7% in 2036. By comparison, the neighbouring boroughs of Southwark (+61,900 or 25.6%) and Wandsworth (+33,000 or +26.8%) are set for significantly higher jobs growth during this period.

Another forecast carried out by the GLA, this time focussed on key sites, estimated a slightly higher jobs growth figure – 25,700 new jobs to 2036. Of this, over 22,000 jobs (86% of the total jobs forecast) were in the CAZ area, demonstrating the importance of these sites to the borough’s growth prospects. The same forecast estimated that 74% of employment growth to 2036, or 19,100 jobs, would be in office employment.

**Capitalising on strategic opportunities**

Of particular importance for Lambeth’s growth over the next two decades are the areas of the borough with opportunities for significant growth or intensification of employment uses. In particular, the London Plan Opportunity Areas of Waterloo and Vauxhall, Nine Elms, Battersea present two of the most significant areas for jobs growth in the capital, reflecting their proximity to the central London economy.

**Figure 37: London Plan Opportunity Areas**

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97 GLA (2013) London Employment Sites Database
**Waterloo**

5.37 Waterloo is already a key tourist and commercial area, supported by major transport links. The area presents substantial opportunities for intensification of commercial, residential and cultural facilities. The emphasis will be on developing vibrant, mixed use areas. At the heart of the opportunity area will be a new business district for London with a new high quality ‘City Square’. This includes the development of landmark tall buildings in Waterloo. The redevelopment of some of the existing office buildings will improve the efficiency of the commercial space in the area as well as improving the quality of the public space.

5.38 Further, there is potential to enhance the South Bank and extend the local cultural and entertainment offer as a major London visitor destination which can also be enjoyed by local residents and employees. Developments in the opportunity area will aim to improve public realm and pedestrian connections in order to improve the accessibility and image of Waterloo to visitors. This will be supported by reconfiguration of the existing station in order to provide greater rail capacity. Overall, it is estimated that the area has the capacity for at least 15,000 additional jobs and 1,900 new homes by 2031. The emphasis will be on developing vibrant, mixed use areas.

5.39 The key sites in the Waterloo opportunity area are:

- **Waterloo Station**: Waterloo station is the busiest railway station in the UK. A short term goal for redevelopment is to increase platform capacity to enable ten-carriage trains, with a longer term goal to enable twelve-carriage trains. Work is being carried out to bring the former international terminal back into use for domestic rail services, enabling the train station to be reconfigured to improve passenger flow and accessibility. Access to the underground station will also be improved. The space beneath the international platforms will be reconfigured for commercial space, complementing existing retail uses in Lower Marsh.

- **Shell Centre**: Shell is one of Lambeth’s largest employers and the Shell Centre represents one of the borough’s largest development opportunities. Shell intends to develop the Centre for mixed uses and has appointed a development partner. The new building will have the potential to accommodate between 1,250 and 1,500 new jobs as well as residential units. Supporting leisure and community uses are also part of the current planning permission.

- **Hungerford Car Park**: The Hungerford Car Park sits between Hungerford Bridge and Jubilee Gardens. In 1951 the site housed the Festival of Britain’s Dome of Discovery. Planning permission was granted in 1990 for new gardens that stretched across Hungerford Car Park but were never completed. Instead, the gardens and car park were used in the 1990s as a construction site for the Jubilee Line Extension works. The recent re-landscaping of Jubilee Park has proved immensely successful and this project seeks to extend the Park onto the land occupied by the car park, thus supporting the attractiveness of the area to visitors and providing a valuable amenity for London.

- **South Bank Arts Complex**: The South Bank is Europe’s largest arts centre comprising the Royal Festival Hall, the Queen Elizabeth Hall, Purcell Room, the Hayward Gallery, the British Film Institute and the National Theatre. New investments will aim at improving the quality of connections between the South Bank itself and surrounding roads to improve walking routes for visitors. Where possible, supporting retail and shopping spaces - that are complementary
to the area’s focus on arts – will be developed. A masterplan for the National Theatre also proposes substantial development of new facilities to the rear of the site.

- **Elizabeth House**: Elizabeth House is a large, 1960’s office block adjacent to Waterloo Station, currently let on a short-term basis. A previous scheme to replace Elizabeth House with two office buildings at 28 and 22 storeys and one 33-storey residential tower was refused by the Secretary of State. However, Lambeth Council have since resolved to grant planning permission for comprehensive redevelopment of the site. It is envisaged that a redeveloped site could accommodate between 7,000 and 8,000 jobs – significantly more than the current 2,500 jobs at the site. The development of a major City Square public space is an important part of this development, as are improved pedestrian connections with the surrounding area.

- **Union Jack Club**: The Union Jack Club building was built in 1976 and consists of three towers built atop a low-rise base. The building itself and the surrounding public realm are poor, and do not integrate well with the surrounding area. There is no outstanding planning permission at this site, but there is considerable opportunity to redevelop the site for mixed use, with residential use and office space.

- **Lower Marsh**: Lower Marsh follows one of the earliest routes through the Waterloo area, originally connecting the Westminster and Blackfriars Bridges across the Lambeth Marsh. The quality of the streetscape and the links to surrounding areas are poor. Vacancies in retail units are high and there is opportunity to improve links so as to improve the viability of local retail in this area. Redevelopment of this area might involve redevelopment of the existing Job Shop and Library site. Some office and residential development above retail units might also be accommodated.

- **Cornwall Road Bus Garage**: The location of this bus garage negatively impacts on the amenity of surrounding residences and could be better located elsewhere, freeing up space for retail or community frontages, potentially some more residential units and improved pedestrian and cycle links.

5.40 As well as the above there are also a number of smaller sites with opportunity for smaller-scale in-fill development.

5.41 The presence of the South Bank Centre tends to obscure the relative lack of local community amenities. An approved scheme at Doon Street will provide a new swimming pool and indoor leisure centre for North Lambeth, but more generally additional open space and amenity space is needed across the Waterloo area.

5.42 A new, permanent library facility is needed for Lambeth, perhaps as part of a new development. There are also pressures on local school spaces. Whilst there is potential to expand Johanna Primary School, secondary school places may need to be provided elsewhere in the borough due to lack of space for expansion locally. There is likely to be a partnership with Southwark PCT to consolidate other primary health care facilities for Waterloo in or near Lower Marsh/ Waterloo Road.
Vauxhall, Nine Elms, Battersea

5.43 Vauxhall, Nine Elms, Battersea opportunity area is located in the north of Lambeth and neighbouring Wandsworth. The area has scope for significant intensification and increase in housing and commercial capacity, including mixed use development at the Battersea Power Station site. Much of the existing industrial uses at Nine Elms will be rationalised to enable development of 160,000 sq. metres of new office space, 60,000 sq. metres of CAZ frontage and 80,000 sq. metres of other employment uses at Battersea Power Station. Development might include tall buildings subject to the London Plan. Development will be supported by investment in public realm and transport links. By 2031, it is possible for up to 25,000 additional jobs and 20,000 new homes to be accommodated in the area if local transport capacity is enhanced. Development is scheduled to commence in 2016.

5.44 In Vauxhall itself it is anticipated that a sustainable mix of high density development will provide at least 8,000 new jobs, and construction of 3,500 new homes as part of a diverse and balanced community. This will include the development of a modern district centre which will be a vital focus for activity and amenity for new and existing communities; a place for shopping, meeting people, working, living and spending time. The existing bus station will be replaced with a new and distinctive high street and new public spaces. The northern line extension to Nine Elms and Battersea will help improve local connectivity. To ensure diversity and innovation, a range of niche spaces will be provided to encourage occupation by small independent operators, supported by affordable rents and flexible leases.

5.45 A key element of development at Vauxhall will be improving local pedestrian and cycle connections to ensure accessibility between local areas and the riverside. Improvements in public realm will help reinforce these connections, improve the sense of place and the attractiveness of these areas. More imaginative use of the area’s railway arches for public art and design is one example of how this will be achieved. Another is improving and connecting green space in the district centre and along the riverside.

5.46 The developments are anticipated to require the following investments in community infrastructure:

- A new primary school, and expansion of existing secondary schools
- Two new health facilities, potentially co-delivered with Wandsworth Council
- A new community / children / adult learning centre – thought the specification for this is still to be determined
- Potential re-provision of a hostel to replace the Graham House Hostel which will be lost due to comprehensive redevelopment
- Potential provision of multicultural faith facilities if deemed appropriate

5.47 The potential for a Community Development Trust (CDT) is currently being explored to support the community aspirations for the developments. This would be a financially self-sufficient organisation trading for social purposes with profits reinvested rather than going to shareholders providing benefits to the local neighbourhood of Vauxhall. To ensure the sustainability of the CDT over the long term, a revenue stream – possibly some form of ongoing Section 106 levy – would need to be established.
5.48 Another broader aim is to use development to support the economic aspirations of local residents. Each development will require its own Employment and Skills Plan which will measure:

- work experience opportunities
- apprentices
- progression into employment of unemployed people
- student site visits for local schools and colleges
- school workshops
- research projects

5.49 Further, community partners will be guaranteed first look at local development-related employment vacancies. Developer contributions will be collected and invested in local skills and work experience initiatives.

5.50 In both opportunity areas there will be significant growth in professional and business services employment due to the development of large-scale, modern office space. This will help Lambeth capitalise on the growth potential of these sectors. It is also important to recognise that Lambeth is also near to opportunity areas in Elephant and Castle, London Bridge & Bankside, and Victoria, which are all expected to see major development.

Brixton

5.51 Brixton has significant potential for new commercial and residential development, supported by the area’s unique independent retail and cultural offer. Brixton is fundamentally different from the CAZ areas in that the Council is a major landowner in the area and must act as a driver of regeneration. Accordingly, the Council’s strategy is intended to achieve regeneration through utilising public sector assets. The Future Brixton programme focuses major land use change and intensification in the Pope’s Road, Somerleyton Road and SW2 areas.

5.52 The key sites for regeneration in Brixton are:

- **Temporary Ice Rink site**: this site is owned by the Council and will become available for development following the opening of the Streatham Leisure Centre. The Core Strategy supports development on this site to provide mixed use residential, retail, food and drink, town centre car parking, cycle storage and community uses and public realm improvements. The site is suitable for commercial and community uses appropriate in this town centre location, potentially including larger format retail uses.

- **Land between the railway viaducts east of Pope’s Road**: this is privately owned with active leases, but considered underused and a major opportunity for the town centre. In particular, the opening up of this site would allow for a new north-south connection to Brixton Station Road, improved access to the Brixton markets experience and creation of new opportunities for small and independent traders. Above this ground floor level activity, there is scope for a mix of commercial uses. In such a prominent location new development would need to be of the highest quality design, and provide a useful and attractive new landmark in the town centre. Subject to demand, this central location would also be appropriate for education uses.
• **Sites along the west side of Somerleyton Road**: these sites are in mixed ownership and include some Council-owned land. Again, these areas are considered underused. New development and land uses will ensure this area is better integrated into the wider area with housing-led redevelopment complemented by new cultural and community uses providing new local employment opportunities. Other appropriate uses include small scale commercial units and affordable workspace.

• **Land in the Town Hall area**: this site is predominantly Council-owned and already identified as a location for mixed use development.

• **International House**: this site is owned by the Council and part of the SW2 Enterprise Centre initiative. In view of the site’s location, the character of Canterbury Crescent and activities found along it, a residential scheme with town centre uses at lower levels are considered the most appropriate new uses for the site.

• **Brixton Railway Station site**: this site would benefit from a major redevelopment scheme. Significant improvements to the station entrances and access arrangements are needed to support safer and more attractive use. The station site presents a long term opportunity for a much improved environment, including new retail floorspace that would take advantage of the high levels of footfall. The long-held local aspiration for a stop on the new East London Line extension linked to the Overground station will be pursued through partnership working with Transport for London.

5.53 In addition there are a large number of smaller sites in and around Brixton identified in the Brixton Conservation Area Statement (2012) which could support the wider regeneration of the town.

5.54 Whilst Brixton benefits from a number of key landmarks that contribute to the town’s character, there are a number of issues with connectivity and the visual quality of connections to and from the town centre. At the same time it is vital that regeneration respects and enhances the things which make Brixton a distinct and vibrant place to live and work.

**Other areas for development and regeneration**

5.55 The vast majority of opportunities for jobs growth in Lambeth are projected in the borough’s CAZ areas. However, there are other possible areas for redevelopment which may offer further opportunities for jobs and housing growth. For example, at the Kennington Oval Gasworks Site, the decommissioning of the gas holders presents a significant opportunity to develop employment space and housing. There are also strong prospects for jobs and economic growth in the borough’s town centres.

5.56 In addition, Lambeth’s 28 Key Industrial and Business Areas (KIBAs) represent the borough’s strategic reservoirs of land for business use. They are well-occupied and provide land for lower value uses, support functions and the growing low-carbon economy.
6 Employers in Lambeth

Lambeth has a relatively small business base. The rate of growth in businesses has also been slower in Lambeth than in other parts of London, though business survival rates have been good. Nonetheless, the borough is home to some nationally and internationally significant companies, as well as valuable cultural, educational, health and tourism assets.

Self-employment is more common in Lambeth than in other parts of London. Self-employment varies significantly by age, gender and ethnicity. Residents who are self-employed are more likely to be white, male, and of middle age.

6.1 Strong entrepreneurial activity is an important factor for the long-term competitiveness and overall success of a local economy. Increasingly, there is also a link between business activity and the amount of money councils have to spend on local people and local services.

6.2 For an Inner London borough, Lambeth has a relatively small business base, partly a reflection of the residential nature of significant parts of the borough. There were 9,580 registered businesses in Lambeth in 2013, up from 9,315 in 2011. This equates to 30.5 businesses per 1,000 population, below the rates for London (44.2) and nationally (34.6).99

Figure 38: Active enterprises per 1,000 population100

Source: ONS Business Counts (edited for 2013)

6.3 Lambeth has a similar proportion of microbusinesses and SMEs compared to London. 89.9% of Lambeth businesses employed fewer than 10 people in 2013101 compared to 89.6% for London.102 Overall 99.7% of the local business base was made up of small and medium sized enterprises, in-line with London as a whole.

100 An enterprise can be thought of as the overall business, made up of all the individual sites or workplaces. It is defined as the smallest combination of legal units (generally based on VAT and/or PAYE records) that has a certain degree of autonomy within an enterprise group.
101 ONS (2013) Inter Departmental Business Register (edited for 2013)
102 ONS (2013) Business Counts (edited for 2013)
6.4 SMEs accounted for over half (57.9%) of employment in Lambeth in 2013, with 13.1% of employment in micro (0-9), 21.0% in small (10-24), and 23.7% in medium-sized (50-249) enterprises.\textsuperscript{103} National evidence suggests that SMEs (particularly young SMEs) accounted for over 60% of UK job creation in the period between 2001 and 2011.\textsuperscript{104} There is also considerable variation in the proportion of employment in SMEs by sector.

**Key employers**

6.5 There were around 60 large enterprises with 250 or more employees based in Lambeth in 2013.\textsuperscript{105} These large enterprises accounted for 42.1% of total employment in Lambeth in 2013. Larger employers are predominantly clustered in the north of the borough, close to London’s CAZ.\textsuperscript{106} A significant proportion of these are based in non-market sectors, including public administration (e.g. Department for Health, Lambeth Council), education (Lambeth College) and human health and social work activities (King’s College London and Guy’s and St. Thomas’).

6.6 There is also an important cluster of large health-related charity/third sector organisations located at Vauxhall, including Marie Curie Cancer Care, Macmillan, Comic Relief and Care International. And the borough’s significant collection of cultural facilities at the South Bank contains a number of important employers, such as the Southbank Centre and National Theatre.

6.7 The main business clusters in Lambeth are in information and communications (e.g. IBM, ITV, Capgemini) and business administration and support. The latter includes a number of firms in facilities management, security services and employment agencies. Shell International (professional services) is also located at Waterloo. The Centre represents one of the borough’s largest development opportunities. Shell intends to develop the Centre for mixed uses and has appointed a development partner. The new building will have the potential to accommodate between 1,250 and 1,500 new jobs as well as residential units.

**Business growth and self-employment**

6.8 The number of VAT/PAYE registered businesses in Lambeth has increased slowly in recent years. From 2011-2013 the number of registered enterprises in the borough increased by 265 or 2.8%.\textsuperscript{107} This was far lower than the rate of growth seen across London (11.4%) or nationally (4.6%).

6.9 As the table below shows, this has largely come from an increase in small businesses. The number of businesses employing between ten and 49 people increased by 23.6% during this time, compared to 1.2% growth in micro businesses (employing fewer than ten people), 3.8% growth in medium-sized businesses (employing between 50 and 249 people) and 12.5% growth in large enterprises (employing 250 or more people).

\textsuperscript{103} ONS (2013) Business Register and Employment Survey (edited for 2013)
\textsuperscript{104} OECD (2014) Young SMEs, growth and job creation
\textsuperscript{105} ONS (2013) Inter Departmental Business Register
\textsuperscript{106} 20 large businesses are located in Bishop’s, 10 in Oval and 10 in Prince’s – source: ONS (2014) IDBR
\textsuperscript{107} ONS (2013) Business Counts
Table 5: Business growth 2011-2013, by employment size band

<table>
<thead>
<tr>
<th>Employment Size band</th>
<th>Lambeth</th>
<th>London</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Micro (0 to 9)</td>
<td>1.2%</td>
<td>10.8%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Small (10 to 49)</td>
<td>23.6%</td>
<td>17.3%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Medium-sized (50 to 249)</td>
<td>3.8%</td>
<td>12.1%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Large (250+)</td>
<td>12.5%</td>
<td>3.4%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Total</td>
<td>2.8%</td>
<td>11.4%</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

Source: ONS Business Counts (edited for 2013)

6.10 Over a longer time frame, it is evident that, between 2004 and 2009 the rate of business deaths (closures) was consistently higher than business births in Lambeth, causing the borough’s business base to contract during this period. However, since 2008 the rate of business start-ups has increased significantly, while business deaths have declined since 2009, leading to growth in Lambeth’s businesses base in recent years.\(^\text{108}\)

Figure 39: Lambeth, business birth and death rates (% of active enterprises)

New businesses as a % of active businesses; businesses that ceased trading as a % of active businesses

6.11 In 2004 only 9.3% of active businesses in Lambeth were start-ups, compared with 11.5% nationally and 13.4% for London as a whole.\(^\text{109}\) By 2011, however, 16.9% of enterprises active in the borough were registered in that year, compared to 14.6% for London and 11.4% for England.\(^\text{110}\)

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\(^\text{108}\) ONS (2014) Business Demography - Note: the definition of an active business in Business Demography is based on activity at any time in the year, whereas ONS Business Counts is based on an annual snapshot at a point in time.

\(^\text{109}\) ONS (2014) Business Demography

\(^\text{110}\) ONS (2014) Business Demography
Self-employment

6.12 Self-employment is more prevalent among Lambeth residents than other parts of London and nationally. There were around 29,500 working age residents who were self-employed in the 12 months to June 2014, compared to 138,000 who were employees. At 13.7% of 16-64 year olds, the rate of self-employment is relatively high when compared with London as a whole (12.4%) and nationally (10.2%). This was also the ninth highest rate of self-employment of the London boroughs.

Rates of self-employment differ dramatically across population groups in Lambeth. As is the case elsewhere, self-employment in Lambeth is more prevalent among male than female residents and older than younger people (see chart above). The rate of self-employment was also lowest among residents from a black background in 2011 (6.3% of residents aged 16 and over) and highest among white residents (13.1%).

Source: ONS Business Demography

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Source: ONS Census 2011

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111 ONS (2014) Annual Population Survey
113 ONS (2014) Census 2011
6.14 The rate of self-employment among Lambeth residents has increased significantly since 2008 - rising from 7.6% to 13.7% in the 12 months to June 2014. The number of workers who were self-employed in their main job almost doubled (+13,800 or 87.9%) between 2008 and 2014. This is in-keeping with trends nationally, although more pronounced.\textsuperscript{114}

**Figure 42: Self-employment (% aged 16-64)**


Source: ONS APS

6.15 It is not clear the extent to which increases in self-employment are being driven by necessity (i.e. people becoming self-employed due to redundancy or inability to find a job elsewhere) or choice (i.e. people choosing to start businesses that expect to grow). A report by the Chartered Institute of Professional Development (CIPD) in 2012 concluded that the ‘recent rise in self-employment is due to weak demand in the jobs market rather than a sign of resilience or emerging strength in the economy’.\textsuperscript{115}

6.16 A report by the ONS in August 2014 noted that self-employment in the UK was at its highest level for 40 years.\textsuperscript{116} The same report noted that the rise in self-employment was largely due to people not leaving self-employment, presumably due to lack of employment opportunities. This suggests, at the UK level at least, that necessity is driving much of the increase in self-employment. As we shall see in Section 8, Lambeth has a very highly skilled population, and this segment of the population is increasing, so growth in self-employment may be due to a more entrepreneurial population. However, without further research it is difficult to conclude the exact balance between necessity and choice which is driving increases in self-employment.

**Impact of the recession on local businesses survival**

6.17 Business survival rates have generally improved since the recession. The 24 month business survival rate in Lambeth is high by London and national standards. Of all of the VAT registered businesses in 2011, over three-quarters (75.8%) were still trading in 2012. This compares to 73.6% for London and 73.9% nationally and is the 11\textsuperscript{th} highest 24 month survival rate among 32 London boroughs. It is also significantly higher than in 2008 (68.5%), having increased year-on-year since then. One-year survival rates have also improved markedly in Lambeth in recent years. Although this improvement in performance is yet to be seen in longer-term (4-5 year) survival rates. For example, at 34.8% the five year survival rate for businesses born in 2008 is below that for businesses born in 2007 (39.6%).

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{114} Stronger self-employment cushioned the fall in the level of employees during the economic downturn – ONS (2014) Economic Review, May 2014
\item \textsuperscript{115} CIPD (2012) The Rise in Self-Employment
\item \textsuperscript{116} ONS (2014) Self-employed workers in the UK
\end{itemize}
\end{footnotesize}
Table 6: Survival rates of businesses born since 2008, Lambeth and London (%)

<table>
<thead>
<tr>
<th>Years of birth / age in years</th>
<th>Lambeth</th>
<th>London</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>88.9</td>
<td>93.1</td>
</tr>
<tr>
<td>2 year</td>
<td>68.5</td>
<td>72.7</td>
</tr>
<tr>
<td>3 year</td>
<td>50.4</td>
<td>58.1</td>
</tr>
<tr>
<td>4 year</td>
<td>41.8</td>
<td>46.0</td>
</tr>
<tr>
<td>5 year</td>
<td>34.8</td>
<td>--</td>
</tr>
</tbody>
</table>

Source: ONS Business Demography
7 The Lambeth Labour Market

Lambeth has relatively high rates of employment across all groups except the over-50s. Part-time work has increased since the recession, though it still accounts for a relatively low proportion of employment for Lambeth residents relative to the London average.

Unemployment has declined over the last few years and is below the London average. However, the proportion of residents on Job Seekers Allowance (JSA) is relatively high. Unemployment is higher for BME groups, particularly black residents. The youth JSA claimant rate is higher than for London as a whole. Rates of long-term JSA claims are also higher in Lambeth than in other parts of London.

Economic inactivity – those of working age not looking for work – is relatively low in Lambeth, though the rates of those claiming Employment Support Allowance (ESA) in Lambeth are about the same as for London and England. Rates of benefits claimants are higher around Brixton and the south of the borough. Mental and behavioural disorders account for nearly half of all ESA, Incapacity Benefit, and Severe Disablement Allowance claims.

7.1 This section reviews the main indicators on Lambeth’s labour market. It includes analysis of employment, unemployment and economic inactivity.

High rates of employment

7.2 Lambeth has a strong labour market. The local employment rate has been above the London and England averages since 2009. During the economic downturn, the borough’s employment rate fell less sharply than in London or nationally and has recovered to reach its highest level on record.

7.3 In the 12 months to June 2014, there were 170,100 Lambeth working age residents in employment. This is equivalent to 78.7% of residents aged 16-64 - one of the highest employment rates in the borough since ONS APS records began and the second highest employment rate out of 32 London boroughs for this period.117

Figure 43: Employment rate (% aged 16-64)

![Employment rate graph]

Source: ONS APS

117 At 78.8% of working age residents, Lambeth’s employment rate was marginally higher in January-December 2013.
7.4 There were 28,300 (or 20%) more working age Lambeth residents in employment in the year to June 2014 than in the 12 months to December 2008. The number of women in employment increased by 16,200 (26.4%) and the number of men in employment by 12,100 (15.0%).

7.5 With 82.2% of male residents aged 16-64 in employment in the 12 months to June 2014 and 74.9% of female residents (both above the London average, see chart below), the gender employment gap in Lambeth (7.3 percentage points) is significantly lower than that for London (14.7 percentage points) or nationally (10.5 percentage points). Lambeth had the second highest female employment rate in London in the year to June 2014.

Figure 44: Employment rate by gender (% aged 16-64)

7.6 Employment rates differ considerably by age group. As is the case elsewhere, the employment rate in Lambeth is higher for residents aged 25-49 than among younger (16-24) or older (50-64) people.

Figure 45: Employment rate by age group (% 12 months to June 2014)

7.7 Youth employment fell sharply as a result of the economic downturn. In Lambeth, the rate of employment among 16-24 year olds fell from 51.8% in the 12 months to December 2007 to 43.9% in

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118 ONS (2014) Annual Population Survey
2008. However, it has increased since - reaching 53.3% in the 12 months to June 2014, above the London (43.1%) or England (50.9%) averages (see chart above).

7.8 At 86.7%, Lambeth also has a relatively high rate of employment among 25-49 year olds. However, a relatively low proportion of residents aged 50-64 were in employment (66.0%) in the year to June 2014 compared to the London (68.1%) and England (68.3%) averages. This has been the case for much of the past decade.120

Employment rate by ward

7.9 Within Lambeth, the employment rate varies significantly between wards throughout the borough. Using 2011 Census data, the highest rates of employment were among residents in the Clapham area in 2011 (80.3% in Clapham Common; 80.0% in Clapham Town), while the lowest rates of employment were found in wards in North Lambeth (66.2% in Bishop’s) and Brixton (64.9% in Coldharbour and 67.6% in Vassal).121

**Figure 46: Employment rate by ward (% aged 16-64) (2011)**

Source: ONS Census 2011

Employment by ethnicity

7.10 The differences in employment rates for areas within Lambeth are closely linked with the ethnic profile of these areas. Overall, employment rates are significantly higher for white Lambeth residents than for those from Black and Minority Ethnic (BME) backgrounds. In the year to June 2014

120 ONS (2014) Annual Population Survey
121 ONS (2014) 2011 Census
84.8% of white working age residents were in employment compared to 62.4% of BME working age residents. \(^{122}\)

### 7.11 Employment by Ethnic Background and Birthplace

As the chart below shows, employment rates tend to be higher for white residents, both UK born (85.3%) and not UK born (83.6%). While employment rates tend to be lower for BME residents, both UK born (62.6%) and not UK born (62.2%). It suggests that the relatively strong labour market performance in Lambeth is largely a result of higher employment rates for white residents, particularly for those born in the UK.

**Figure 47: Employment rate by ethnic background and birthplace (Jul 2013-Jun 2014)**

![Employment by Ethnic Background and Birthplace](image)

Source: ONS APS

#### 7.12 Full time and part time employment

The rate of part-time working in Lambeth is below the national average and marginally below the rate for London as a whole. There were 33,300 residents working part-time in the 12 months to June 2014 and 135,500 working full-time. \(^{123}\) At 19.6% of residents in employment, the rate of part-time working is marginally below the rate for London (20.7%) and particularly England (25.2%). \(^{124}\)

#### 7.13 By age group, part-time working is generally more prevalent among older than younger workers and more than twice as common among residents from a BME background as among white residents. For example, 29.3% of black employees were working part-time in 2011 compared to 12.5% of white employees. \(^{125}\) This is partly driven by high rates of part-time working among younger employees from BME groups – nearly half (46.4%) of black employees aged 16-24 worked part-time in 2011, compared a fifth (19.9%) of young employees overall.

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\(^{122}\) OS (2014) Annual Population Survey  
\(^{123}\) ONS (2014) Annual Population Survey  
\(^{124}\) ONS (2014) Annual Population Survey  
\(^{125}\) ONS (2014) Census 2011
Table 7: % of employees working part-time by ethnic background and age, Lambeth (2011)

<table>
<thead>
<tr>
<th>Ethnic background</th>
<th>16-24</th>
<th>25 to 49</th>
<th>50 and over</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>12.7%</td>
<td>10.4%</td>
<td>24.4%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Mixed/multiple</td>
<td>28.5%</td>
<td>19.8%</td>
<td>28.5%</td>
<td>21.9%</td>
</tr>
<tr>
<td>Asian/Asian British</td>
<td>27.9%</td>
<td>17.9%</td>
<td>31.5%</td>
<td>20.7%</td>
</tr>
<tr>
<td>Black/African/Caribbean/Black British</td>
<td>46.4%</td>
<td>28.4%</td>
<td>25.7%</td>
<td>29.3%</td>
</tr>
<tr>
<td>Other ethnic group</td>
<td>39.7%</td>
<td>31.1%</td>
<td>36.1%</td>
<td>32.5%</td>
</tr>
<tr>
<td>Total</td>
<td>19.9%</td>
<td>14.9%</td>
<td>25.6%</td>
<td>17.0%</td>
</tr>
</tbody>
</table>

Source: ONS Census 2011

7.14 Part-time working among Lambeth residents has increased significantly following the recession, although this has not been a straightforward increase. The proportion of residents working part-time increased from 16.7% of those in employment in the 12 months to December 2008 to 22.0% in the 12 months to June 2011.\(^{126}\) The number of residents working part-time fell sharply in 2012-2013, before increasing again in 2014 (see chart below). Overall, there were 9,700 (41.1%) more residents working part-time in 12 months to June 2014 than in 2008, compared to 17,600 (14.9%) more residents working full-time.\(^{127}\)

Figure 48: Number of Lambeth residents working full-time (LHS) vs. part-time (RHS)

7.15 The availability of part-time (and temporary) work can be a positive, especially for young people who wish to combine work with learning,\(^{128}\) or for single parents or carers. However, at a national level, the rise in part-time working has also been associated with increased levels of underemployment.\(^{129}\)

7.16 One in ten London workers (10.0%) were underemployed in 2014, up from 7.0% in 2008.\(^{130}\) In Lambeth, over half (56%) of establishments reported having underutilised staff in 2013.\(^{131}\)

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128 UKCES (2011) The Youth Inquiry - employers’ perspectives on tackling youth unemployment
130 ONS (2014) Underemployment and Overemployment in the UK, 2014
Underemployment tends to be high among part-time workers and increasingly among the self-employed.\textsuperscript{132}

7.17 It is not entirely clear what is driving the erratic level of part time employment in Lambeth, but it is more likely that this reflects labour market instability than personal choice.

**Unemployment**

7.18 There are two ways of looking at data on unemployment. Unemployment is measured using the Office for National Statistics’ (ONS) Annual Population Survey (APS) and measures the proportion of the labour market who have sought work within the last four weeks. As this data is based on a survey there are issues with accuracy and timeliness. In contrast, the Job Seekers Allowance (JSA) claimant count provides an accurate and up-to-date count of JSA benefit claimants, but a partial picture of unemployment insofar as it does not include those unemployed people who are not on JSA. In the following, we discuss first unemployment as measured by the APS, and then the JSA claimant figures.

7.19 As the chart below shows, the unemployment rate in Lambeth has been above the London and England averages for most of the past decade. The unemployment rate in the borough rose sharply after the onset of the economic downturn in 2007/08, peaking at 12.6\% of economically active residents in the 12 months to June 2011. But, since then, Lambeth’s unemployment rate has fallen significantly faster than for London or nationally.

7.20 Whilst this accords with the wider London and England trends, the depth of the decline suggests that this may be related to the large shift in the population which we will discuss further in Section 8.

**Figure 49: Unemployment rate (% economically active 16+)**

In the 12 months to June 2014 the unemployment rate in Lambeth dropped to just 6.7\% of economically active residents. This was below the unemployment rate across London (7.4\%) or nationally (6.8\%) and is the lowest rate of unemployment in the borough over the last decade. While

\textsuperscript{132} Over a fifth of UK part-time workers were underemployed in 2014, 6.2 percentage points higher than in 2008. The percentage of self-employed workers being underemployed has increased during this time, rising from 6.3\% to 9.7\%.
the unemployment rate remains higher for women (7.1%) than men (6.3%), unemployment has fallen for both genders in the last three years.

7.22 However, unemployment is notably higher for people from black and minority ethnic (BME) groups. In the 12 months ending June 2014 there were around 7,300 people from BME groups that were unemployed in Lambeth. At 16.5% of economically active BME residents, the rate of unemployment was significantly higher than the Lambeth (6.7%) average for this period, as it has been over the last decade. The BME unemployment rate in Lambeth is also higher than the London (11.8%) or national (12.2%) averages.

7.23 As the chart below shows, unemployment varies significantly among Lambeth residents from different ethnic backgrounds. The unemployment rate is particularly high among Lambeth residents from a black background. Excluding full-time students, 16.5% of economically active black residents were unemployed in 2011, above the London (14.2%) and England (13.5%) averages for this group and almost four times higher than the unemployment rate for white residents in Lambeth (4.6% in 2011). Unemployment among residents from mixed ethnic backgrounds was also relatively high, while unemployment was lower than the London and England averages for white residents, as well residents from an Asian background or other ethnic groups.

Figure 50: Unemployment by ethnic background (% economically active aged 16+) (2011) (excluding FT students)

Source: ONS Census 2011

7.24 Looking in more detail, the chart below illustrates the differences between Lambeth and London unemployment rates by age and ethnicity for 2011 (a further breakdown, including by gender, can be found in Appendix 2).

---

133 ONS (2014) Annual Population Survey
135 ONS (2014) Census 2011 – unemployment was high across the more specific ethnicities within that group in 2011: other black (18.6%), black Caribbean (17.4%) and black African (15.0%).
Figure 51: Percentage point difference between Lambeth and London unemployment rates by ethnicity and age (2011) (excluding FT students)

Source: ONS Census 2011

7.25 **Key points to note are:**

- Overall, the unemployment rate in Lambeth was below the London average for white residents in 2011. This was due to below average unemployment for white residents aged 25-49 (-0.9 percentage points) and especially those aged 16-24 (-3.5pp). However, it was not the case for white residents aged 50 and over.

- For residents from most ethnic backgrounds unemployment was above the London average among residents aged 50 and over, especially for residents from mixed/multiple ethnic backgrounds (+4.4 percentage points).

- Compared to the London average, Lambeth had a higher unemployment rate for black residents for all age groups. The gap was highest for those aged 16-24 (3.0 percentage points) and 25-49 (+3.3 percentage points).

- Compared to the London average, Lambeth had a lower unemployment rate for residents from other ethnic groups in 2011 for all age groups.

7.26 Labour market disadvantage for individuals from ethnic backgrounds may be attributed to a number of factors including differences in human capital and family formation\textsuperscript{136} and interactions with other factors such as gender and social class (e.g. differences in patterns of care-giving). There is also evidence of racial discrimination in the initial stages of recruitment processes (particularly where this is not standardised).\textsuperscript{137} This is more likely to be prevalent in lower-skilled roles.

\textsuperscript{136} Rafferty, A. (2012) Ethnic penalties in graduate level over-education, unemployment and wages

JSA Claimant Count

7.27 There were 7,100 people claiming Jobseekers Allowance (JSA) in Lambeth in October 2014. The claimant count rate (the share of working age people claiming JSA) has steadily fallen from its peak of 5.4% in October 2011 to 3.0% in the most recent period. However, as the chart below illustrates, the JSA claimant rate has been consistently above the London and national averages over the past decade.

Figure 52: Claimant count rate (% aged 16-64)

Source: ONS Claimant Count

7.28 Given that overall unemployment is lower than the London average, but the JSA claimant rate is higher, this implies that a high proportion of unemployed people in Lambeth claim JSA. This may suggest that unemployed people in Lambeth have fewer assets / savings and so are more reliant on JSA. Or it might suggest that unemployed people in Lambeth have been unemployed for longer and so what savings they had have been depleted, forcing them to rely on JSA.

7.29 Although the overall unemployment rate is higher for women than men, the claimant count rate is higher for men. In October 2014, 3.6% of working age men were claiming JSA, compared to 2.5% of women. This partly reflects the tendency for unemployed women to be ineligible for JSA more often than unemployed men.

Claimant count by age

7.30 The claimant count rate in Lambeth is above the London and England averages across age groups, but especially for older residents. In October 2014 there were 1,715 residents aged 50-64 claiming JSA, accounting for 4.4% of people in that age group. This was significantly above the London average (2.3%) and the second highest claimant rate for 50-64 year olds among London boroughs. By comparison, 2.6% of Lambeth residents aged 25-49 (4,215 people) were claiming JSA and 3.0% of young people aged 18-24 (1,170 people).

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138 ONS (2014) Claimant Count
139 The Claimant Count measures the number of people claiming benefits principally for the reason of being unemployed. Since October 1996 it has been a count of the number of people claiming JSA.
140 E.g., unemployed people with a partner in work are not entitled to claim income-based JSA.
7.31 Since October 2008, the number of claimants aged 18-24 is down by over a third (-34.6%), while the number of claimants aged 50-64 remains 56.6% higher.

**Figure 54: Claimant count rate by age group in Lambeth (% of age group)**

Source: ONS Claimant Count

**Claimant count by duration**

7.32 Long-term unemployment has increased significantly following the economic downturn. Despite a fall in 2014, the long-term unemployment rate remains relatively high in Lambeth. In October 2014 1.6% of residents aged 16-64 (3,705 people) had been claiming JSA for over 6 months. This was far higher than in 2008 (1.1% or 2,305), but is below the rate in October 2013 (2.3% or 5,370). Similar trends are apparent for claimants for over 12 months and over 2 years. As above, this may be one of the reasons why the proportion of JSA claimants in the unemployed population appears to be higher in Lambeth than in other parts of London.
In total, working age residents claiming JSA for over 12 months accounted for over two-thirds (37.0%) of all claimants in Lambeth in October 2014. As the chart below shows, long-term unemployment is significantly above the averages for London and England. For all these durations, Lambeth has the highest rate of long-term unemployment among London boroughs.

The JSA claimant count rate varies considerably by ward. In August 2014 the highest claimant count rates were in Coldharbour (5.4% of residents aged 16-64) and Tulse Hill (5.0%), both in the Brixton area of the borough. The lowest rates were found in Clapham (2.1% in Clapham Common and 2.5% in Clapham Town and Thornton) and Bishop’s ward in Lambeth North (2.6%). Local concentrations of unemployment may be linked to a number of factors, including varying access to information on opportunities, access to transport, as well as the availability of local support services.

There were estimated to be 220 16-18 year olds not in employment, education or training (NEET) in Lambeth at the end of 2013. At 2.7% of 16-18 year olds, this was below the rate for London as a whole.
whole (3.8%). However, there was a large proportion of 16-18 year olds whose activity was unknown in 2013. At 7.5%, the rate of young people NEET was far higher in Lambeth in 2012, and significantly above the London average for that year (4.7%). The data for 2012 was more reliable and it is difficult to know for certain the extent to which the rate of young people NEET has fallen in this time.

**Economic Inactivity**

7.36 People who are neither in employment nor actively seeking work are classed as economically inactive. There were 34,000 working age people in Lambeth who were economically inactive in the 12 months to June 2014. This equated to 15.7% of the population aged 16-64, significantly below the London (22.7%) and England (22.0%) averages.

7.37 There are many reasons why people may be inactive. As the table below shows, the economically inactive population in Lambeth includes a comparatively high proportion of students (including full-time students) and people who are long-term sick or disabled. At the same time, a smaller share of the economically inactive population were looking after home or family, or retirees, in 2011.

<table>
<thead>
<tr>
<th>Reason for being economically inactive</th>
<th>Lambeth</th>
<th>London</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retired</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Student (including full-time students)</td>
<td>16,000</td>
<td>16,000</td>
<td>16,000</td>
</tr>
<tr>
<td>Looking after home or family</td>
<td>8,300</td>
<td>8,300</td>
<td>8,300</td>
</tr>
<tr>
<td>Long-term sick or disabled</td>
<td>8,700</td>
<td>8,700</td>
<td>8,700</td>
</tr>
<tr>
<td>Other</td>
<td>7,400</td>
<td>7,400</td>
<td>7,400</td>
</tr>
<tr>
<td>Total</td>
<td>44,400</td>
<td>44,400</td>
<td>44,400</td>
</tr>
</tbody>
</table>

Source: ONS Census 2011

7.38 However, the labour market is not static and it is important to consider inactivity figures as a potential part of the labour supply in the future. 40.8% of those who were economically inactive in Lambeth in the 12 months to June 2014 – around 13,900 people – did want a job. This was above the equivalent rate for London (26.9%) and the proportion of economically inactive residents (59.2%; 34,000 people) who did not want a job has declined in recent years, from 74.9% in 2008.

**Benefit claimants**

7.39 Overall, Lambeth has a relatively high rate of out-of-work benefits claimants. In May 2014 25,600 people, 11.0% of residents aged 16-64, were claiming key out-of-work-benefits, compared with the London average of 9.6%. These claimants include recipients of Employment and Support Allowance and Incapacity Benefits (5.7% of working age residents), Jobseekers Allowance (3.5%), lone parents (1.5%) and others on income related benefits (0.4%).

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141 Department for Education (2014) NEET data by local authority (2012/2013)
142 For Lambeth, the proportion of 16-18 year olds whose current activity is not known was more than 50% above the England average of 9.2%. As a result, it is possible that the number and proportion NEET will be inaccurate for 2013.
143 Specifically economic inactivity covers people without a job who have not actively sought work in the last four weeks and/or are not available to start work in the next two weeks.
144 ONS (2014) Annual Population Survey
146 ONS (2014) DWP benefit claimants - working age client group
Table 9: Working-age client group - key benefit claimants (May 2014)

<table>
<thead>
<tr>
<th></th>
<th>Lambeth</th>
<th>London</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total claimants</td>
<td>29,450</td>
<td>12.6%</td>
<td>11.6%</td>
</tr>
<tr>
<td>By statistical group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>job seeker</td>
<td>8,090</td>
<td>3.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>ESA and IB</td>
<td>13,210</td>
<td>5.7%</td>
<td>5.5%</td>
</tr>
<tr>
<td>lone parent</td>
<td>3,450</td>
<td>1.5%</td>
<td>1.3%</td>
</tr>
<tr>
<td>carer</td>
<td>1,830</td>
<td>0.8%</td>
<td>1.1%</td>
</tr>
<tr>
<td>others on income related benefit</td>
<td>850</td>
<td>0.4%</td>
<td>0.3%</td>
</tr>
<tr>
<td>disabled</td>
<td>1,800</td>
<td>0.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>bereaved</td>
<td>230</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>Key out-of-work benefits</strong></td>
<td><strong>25,600</strong></td>
<td><strong>11.0%</strong></td>
<td><strong>9.6%</strong></td>
</tr>
</tbody>
</table>

Source: DWP benefit claimants - working age client group

7.40 The percentage of out-of-work benefits claimants has decreased slightly faster than the national average since the economic downturn. Between May 2008 and May 2014 the proportion of key out-of-work benefits claimants declined by 2.9 percentage points. This was a higher rate of decline than for London (-1.8 percentage points) or England (-0.8pp) as a whole.

7.41 This was largely because of a significant decline in the number of lone parents claiming benefits - down by 4,050 or 2.0 percentage points between 2008 and 2014. The number of residents claiming other incomes related benefits (-700 or -0.3 percentage points) and ESA and IB (-150 or -0.6pp) also fell during this time, while the number of jobseekers (+1,220 or 0.3pp), carers (+790 or +0.3 percentage points) and disabled claimants (+490 or +0.2pp) increased.

Out of work benefits by ward

7.42 As with the claimant count, the highest rate of out-of-work benefits claimants are in the Brixton area of the borough. In May 2014, the highest rate of out-of-work benefits claimants was in Coldharbour (16.4% of residents aged 16-64), followed by Vassall (15.9%). And again, the lowest rates were found in Clapham (8.0% in Clapham Common and 9.3% in Clapham Town) and Bishop’s (9.4%).
Figure 57: Out of work benefit claimants by ward (% aged 16-64) (August 2014)

Source: DWP benefit claimants - working age client group

**ESA and predecessor benefits**

7.43 Employment and Support Allowance (ESA) is the benefit specifically aimed at those who are unable to work due to incapacity, along with the incapacity-related benefits (IB) which ESA superseded upon its introduction in October 2008, but which are still payable to people whose claims began before this date.

7.44 In May 2014 there were 13,210 people of working age in Lambeth claiming an incapacity-related benefit, accounting for over half (51.6%) of all key out-of-work benefit claimants in Lambeth. At 5.7% of the population aged 16-64, the rate of ESA/IB claimants in Lambeth was above the London average (5.5%) but below that for England as a whole (5.9%).

7.45 The rate of ESA/IB claimants in Lambeth has declined slightly over the past decade – falling from 7.0% in May 2004 (see chart below). The number of claimants has remained relatively steady during this time (there were 13,810 claimants in 2004).

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147 DWP (2014) Benefit claimants
The table below looks at the main conditions which underlie claims for incapacity-related benefits in Lambeth. Key points to note are:

- 47.7% of Lambeth claimants have mental/behavioural disorders as their primary condition (6,310 residents). This is above the rate nationally (46.4%).

- A further 12.2% of claimants have symptoms, signs and abnormal clinical and laboratory findings, not elsewhere classified.

- 10.3% of claimants suffer primarily from musculoskeletal or connective tissue disorders, lower than the rate nationally (14.2%).

Table 10: ESA and incapacity benefits - claimants by main disabling condition, Lambeth (May 2014)

<table>
<thead>
<tr>
<th>ICDGP Condition</th>
<th>ESA</th>
<th>IB / SDA</th>
<th>Total</th>
<th>% of total</th>
<th>% of total - England</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mental and behavioural disorders</td>
<td>5,160</td>
<td>1,150</td>
<td>6,310</td>
<td>47.70%</td>
<td>46.40%</td>
</tr>
<tr>
<td>Symptoms, signs and abnormal clinical and laboratory findings, not elsewhere classified</td>
<td>1,330</td>
<td>280</td>
<td>1,610</td>
<td>12.20%</td>
<td>10.30%</td>
</tr>
<tr>
<td>Diseases of the musculoskeletal system and connective tissue</td>
<td>1,270</td>
<td>220</td>
<td>1,490</td>
<td>11.30%</td>
<td>14.20%</td>
</tr>
<tr>
<td>Injury, poisoning and certain other consequences of external causes</td>
<td>580</td>
<td>60</td>
<td>640</td>
<td>4.80%</td>
<td>5.10%</td>
</tr>
<tr>
<td>Diseases of the nervous system</td>
<td>460</td>
<td>150</td>
<td>610</td>
<td>4.60%</td>
<td>6.50%</td>
</tr>
<tr>
<td>Diseases of the circulatory system</td>
<td>400</td>
<td>70</td>
<td>470</td>
<td>3.60%</td>
<td>3.90%</td>
</tr>
<tr>
<td>Certain infections and parasitic diseases</td>
<td>290</td>
<td>90</td>
<td>380</td>
<td>2.90%</td>
<td>1.10%</td>
</tr>
<tr>
<td>Neoplasms</td>
<td>250</td>
<td>20</td>
<td>270</td>
<td>2.00%</td>
<td>2.10%</td>
</tr>
<tr>
<td>Other</td>
<td>1,130</td>
<td>220</td>
<td>1,350</td>
<td>10.4%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Total</td>
<td>10,920</td>
<td>2,300</td>
<td>13,220</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: DWP
8 Education, Skills and Occupations

Educational outcomes are better in Lambeth than the national average up to GCSE level. After GCSE level outcomes are worse than the national average, though it is not clear if this reflects a decline in performance of Lambeth students or a change in the cohort, with more students coming in from other boroughs to study in Lambeth.

Lambeth has more apprenticeship starts and achievements than the London average. As with the rest of London, the majority of these are for those who are 25 years old and above.

A high proportion of Lambeth residents hold higher level qualifications. Due to the high skill levels of residents, a high proportion of residents are employed in higher skilled occupations. The proportion of residents in the borough holding higher level qualifications and undertaking higher skilled occupations has increased dramatically, to such an extent that this suggests an underlying shift in the population rather than simply upskilling.

Employers in Lambeth report a high number of vacancies. Where positions are hard to fill, the main reason given is a lack of suitably skilled or experienced workers. Nearly 60% of firms report wanting to provide more training for staff.

Future employment growth will be concentrated in higher skilled occupations. Demand for lower skilled workers will be lower, creating increased competition and depressing wages without initiatives like the London Living Wage. This will be a challenge for Lambeth residents who do not have higher level skills.

Human capital plays a vital role for a successful knowledge economy and for local residents to progress in the labour market. At the same time, the resident workforce should be characterised by a good balance between academic and vocational skills to meet skills demands.

8.2 Education

In general, London’s education system produces good outcomes for young people, and this is true for young people in Lambeth. As the charts below show, Lambeth primary school pupils at Key Stage 2 performed above the national average in both maths and reading in 2013 – the result of strong improvements in KS2 performance in recent years. Moreover, the borough has consistently outperformed the national average since 2010.
8.3 The average GCSE attainment for Lambeth residents is above the average for England overall and marginally above that for London. In 2013 65.9% of pupils achieved 5+ A*-C GCSEs (or equivalent) including English and maths GCSEs at Key Stage 4. This was above the national average of 52.9% for all schools and above the London average of 65.1%. Similarly to KS2, the relatively strong KS4 results in Lambeth follows significant improvements in attainment in recent years (see chart below).

Figure 60: % achieving 5+ A*-C GCSEs (or equivalent) including English and maths

Source: DfE

8.4 Pupils for whom English is an additional language perform particularly well at KS4 in Lambeth, with 67.9% achieving 5+ A*-C GCSEs (or equivalent) including English and maths GCSEs in 2013.

8.5 Disadvantaged pupils in Lambeth are also performing relatively well. Based on a three year average, 57.0% of pupils from disadvantaged backgrounds achieved 5+ A*-C GCSEs (or equivalent) including English and maths GCSEs at Key Stage 4 from 2011-2013. This was above the national average of 38.7% of pupils from disadvantaged backgrounds (state-funded schools). At 13.8pp, the percentage point gap between disadvantaged and other pupils is relatively low in Lambeth. Moreover, for Lambeth’s 2010/11 pupil cohort, 89% continued in a sustained education destination after Key Stage 4, compared to 86% nationally.

148 Department for Education (2014) School performance tables
149 Department for Education (2014) School performance tables
150 Department for Education (2014) School performance tables
However, as the table below shows, there are important differences in GCSE attainment by ethnic background. In 2013 African pupils were generally the highest achievers in terms of achieving 5+ A*-C GCSEs (or equivalent) including English and maths. The lowest achieving groups were Portuguese and Caribbean pupils, being 11 percentage points and 10 points respectively below the borough average in 2013. Closing the gap in educational attainment between different ethnic groups is a pressing concern. At the same time, it is not clear why the relatively strong performance by black pupils has not translated into better employment opportunities.

Table 11: KS4 attainment by ethnic background (% 5+A*-C including English and maths)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>65</td>
<td>66</td>
<td>71</td>
<td>66</td>
<td>75</td>
<td>10</td>
</tr>
<tr>
<td>Somali</td>
<td>48</td>
<td>50</td>
<td>61</td>
<td>61</td>
<td>67</td>
<td>19</td>
</tr>
<tr>
<td>Black other</td>
<td>60</td>
<td>41</td>
<td>51</td>
<td>52</td>
<td>57</td>
<td>-3</td>
</tr>
<tr>
<td>White other</td>
<td>62</td>
<td>49</td>
<td>62</td>
<td>72</td>
<td>72</td>
<td>10</td>
</tr>
<tr>
<td>Caribbean</td>
<td>43</td>
<td>45</td>
<td>49</td>
<td>53</td>
<td>56</td>
<td>13</td>
</tr>
<tr>
<td>Portuguese</td>
<td>39</td>
<td>42</td>
<td>52</td>
<td>56</td>
<td>55</td>
<td>16</td>
</tr>
<tr>
<td>White British</td>
<td>45</td>
<td>46</td>
<td>57</td>
<td>60</td>
<td>69</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>53</td>
<td>60</td>
<td>63</td>
<td>66</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: 2012/13 annual Lambeth Chief Inspector’s Report

8.7 At Key Stage 5 attainment has been below average in recent years. 71.3% of pupils in Lambeth schools/colleges achieved at least 3 A levels at A*-E in Lambeth in 2013, lower than the national average (80.5% for all schools and colleges). The average point score for Level 3 qualifications for students aged 16-18 (613.0 per student) was also relatively low when compared to the London (682.7) and national (683.9) scores. This drop in educational attainment is a significant concern for the borough. Although, it is not clear the extent to which it reflects falling performance of Lambeth residents or if students are moving more between boroughs at this stage.

8.8 In terms of FE infrastructure in the borough, the Lambeth College is now branded the Careers College, with a clearer focus on vocational skills. This complements the Secondary Schools approach to focussing on A Levels. The College is planning to expand and develop its Vauxhall campus to provide additional provision in the area of construction, digital and hospitality. There is current and planned specialist 14-19 provision, including a UTC in development – Engineering for health and construction, a Powerlist Leadership 6th form college, and a specialist Kings College London Maths school.

Apprenticeships

Apprenticeships are jobs with on-and off-the-job training designed around the needs of employers and lead to national recognised qualifications. The number of apprenticeship starts and achievements in Lambeth have been increasing for several years, although with a slight fall in 2012/13 from 2011/12.

151 Department for Education (2014) School performance tables
152 Department for Education (2014) A level and other level 3 results, academic year 2012 to 2013 (revised)
As the chart above shows, there were 1,520 apprenticeship starts in Lambeth in 2012/13. This was 180 lower than in 2011/12, but over 1,200 higher than in 2005/06. Between 2005/06 and 2012/13 the number of apprenticeship starts increased by just under 407% in Lambeth, compared to 309% for London as a whole. The rate of apprenticeship starts among young people in Lambeth was above the London average in 2012/13, but below the rate nationally. Overall, 3% of Lambeth’s key stage 5 leavers are accessing apprenticeships, above the London average (2%) but, in the rest of the country, an average of 4% are accessing this form of training.

In the same year there were 730 apprenticeship achievements in Lambeth. This was 40 lower than in 2011/12, but 600 higher than in 2005/06. Between 2005/06 and 2012/13, the number of apprenticeship achievements increased by 462% in Lambeth compared to 296% for London. As the chart below shows, the number of apprenticeship achievements in Lambeth has been above the London average in the last two years.

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153 3.8% of 16-24 year olds started an apprenticeship in Lambeth in 2012/13, compared to 2.5% for London as a whole but 4.4% across England - ONS (2014) Mid-year population estimates (2013)

154 Department for Education (2014) A level and other level 3 results, academic year 2012 to 2013 (revised)
8.12 Looking at apprenticeship starts in Lambeth by age group, there were 210 apprenticeship starts by people aged 19 and under in 2012/13, accounting for 13.8% of total starts. 19-24 year olds accounted for 470 (30.9%) apprenticeship starts in Lambeth in 2012/13. Starts in this age group have increased by 310 since 2005/06. People aged 25 and over did not account for any apprenticeship starts in 2005/06, but 840 people in that age group started apprenticeships in 2012/13, accounting for over half (55.3%) of total starts.

Figure 63: Apprenticeship starts in Lambeth by age group

Source: SFA / BIS

8.13 By level, there were 930 apprenticeship starts at intermediate level (level 2) in Lambeth in 2012/13, accounting for over half (60.8%) of all starts and up by 710 since 2005/06. There were 4,110 advanced level (level 3) apprenticeship starts in 2012/13, accounting for 38.6% of total starts, up from 26.7% in 2005/06. Higher level apprenticeships (level 4-5) accounted for 10 starts in 2012/13, 0.7% of total starts, compared to 1.3% across London. Higher Level apprenticeships did not exist before 2006/07.

8.14 The majority of people starting apprenticeships in Lambeth choose frameworks in the service sectors, particularly health and care, business administration and retail. Together these accounted for almost four-fifths (78.9%) of apprenticeship starts in Lambeth in 2012/13, compared to 76.8% for London as a whole. Between 2005/06 and 2012/13, the most significant increases in starts have also been in health and social care (+370), business administration (+510) and retail (+180).
**Profile of London apprentices**

8.15 Across London apprenticeships are meeting the majority of learner needs. A recent evaluation of London learners based on 2012/13 data found satisfaction with apprenticeships to be very high (88% satisfaction).\(^{155}\) Learners generally report a positive impact of apprenticeships on their skills and working life.

8.16 The gender profile of apprentices in London matches the national one, with 46% male and 54% female. Around 12% of London learners are from black and minority ethnic groups.\(^{156}\) While this is higher than the national average (7%), it is low compared to the overall proportion of BME residents in London (40.2% in 2011). The level of competition for apprenticeships in London is also very high, with an average of 17 applicants per vacancy in London in 2012/13, and progression to Level 3 and beyond is also limited.\(^{157}\)

**Profile of London apprentice employers**

8.17 A recent evaluation of apprentice employers based on 2012/13 data found that the majority of London apprentice employers are satisfied with the apprenticeship programme (79%).\(^{158}\) However, this was lower than across England and London employers were less likely to recommend apprenticeships than nationally. In general London apprentice employers closely reflects the national profile in terms of business size, although there is a lower proportion of medium-sized organisations (25-99 employees) taking-on apprentices than nationally (19% versus 24%). Employers in London are also more likely to source their apprentices from existing employees (54%) than to recruit new staff specifically as apprentices (39%).

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\(^{155}\) BIS (2012) Evaluation of Apprenticeships: London Region Findings - almost nine in ten learners (88%) report being ‘satisfied’, including 68% who were ‘very satisfied’ with their apprenticeship.


Apprentice employers were found to operate across a range of sectors, the most common being human health and social work (29%), wholesale and retail trade, and motor repair (15%) and accommodation and food (12%). In 2012, only 17% of London employers reported being aware of higher level apprenticeships (19% nationally).\(^{159}\)

**Skills of the adult population**

Lambeth’s adult residents are highly qualified. 62.8% of the borough’s residents aged 16-64 were qualified at NVQ Level 4 or above in 2013, compared to 55.6% for Inner London and just under half (49.1%) for London as a whole. Only 6.4% of Lambeth working age residents had no formal qualifications in 2013.

![Figure 65: Highest qualification of working age population (% aged 16-64) (2013)](chart)

Source: ONS APS

The borough has seen significant improvements in residents’ qualifications over the past decade. In 2004 only 41.2% of working age Lambeth residents were qualified at NVQ Level 4 or above, and 18.0% of residents aged 16-64 had no qualifications. Since then, the proportion of working age residents qualified at NVQ4+ has increased by 21.6 percentage points and the proportion without qualifications has declined by 11.6 percentage points.

In both cases, improvements in qualifications compare favourably to the averages for Inner London, London, or England (see charts below). Estimates indicate that the number of working age residents without formal qualifications declined by a third (35.8% or 7,700) between 2012 and 2013 alone. This is strongly suggestive of significant changes in the population of the borough, indicating that better qualified residents have moved into the borough whilst residents with lower or no qualifications have moved out of the borough.

Qualifications attainment varies significantly by ethnic group in Lambeth and this is an important factor in the labour market disadvantage faced by residents from BME groups. 58.6% of white working age residents were qualified at Level 4 or above in 2011, compared to just 29.5% of residents aged 16-64 from a black background. At the same time, 29.1% of black residents were qualified at Level 1 or below (including 13.0% with no formal qualifications), compared to 14.9% for white residents.

Qualifications levels are strongly associated with employment rates, and particularly so in Lambeth. The employment rate for residents with higher qualifications has increased over the past decade and, in 2013, over nine out of ten (90.1%) working age residents with Level 4 qualifications or above were in employment. At the same time, residents with lower level skills have poorer employment prospects. The result is that working age Lambeth residents who are qualified to Level 4 Level or above are almost twice as likely to be in employment compared to those with lower level, or no, qualifications.\textsuperscript{160} This underlines the increasing importance of higher level qualifications for accessing

\textsuperscript{160} ONS (2014) Annual Population Survey
employment opportunities. While it is clear there remains a significant body of lower skilled people, disadvantaged in the labour market.

Figure 68: Employment rate by qualification level (2013)

Source: ONS APS

8.24 As the chart above shows, this applies across England, but the distinctive characteristics of the Lambeth workforce – the ready supply of a large number of young highly skilled people – is likely to put residents with low skills at a particular disadvantage. One reason for this is that people moving to Lambeth may be willing to accept lower wage jobs in the short-term as they establish themselves or develop other skills, reducing the number of ‘entry-level’ jobs available to young people. There is also evidence that in the context of recession and difficult economic circumstances, some migrants and some British people with higher skills and experience of higher skilled employment ‘bumped down’ to seek lower-skilled roles in recent years.¹⁶¹

Occupations

8.25 In the year to June 2014, Lambeth had a higher percentage of people employed in the three highest paid occupations¹⁶² (managers/directors/senior officials, professionals, and associate professional/technical roles) than the London average. Over two-thirds – 69.4% - of residents were employed in these occupational groups in Lambeth during this period, compared to 62.1% for Inner London and 54.3% for London as a whole.¹⁶³

8.26 The borough had a lower-than-average percentage of residents working in all other occupation groups in the year to June 2014. This reflects the area’s better-than-average qualifications profile.

¹⁶¹ A Green, G Atfield, D Adam, and T Staniewicz, Warwick Institute for Employment Research (2013) Determinants of the composition of the workforce in low skilled sectors of the UK economy
¹⁶² According to national average pay by occupation from the Annual Survey of Hours and Earnings
¹⁶³ ONS (2014) Annual Population Survey
8.27 Over the past five years, the jobs profile has been changing towards more highly skilled occupations. The most significant change in Lambeth residents’ occupational profile between 2008 and 2013 was an increase in the share of residents employed in professional (+9.7 percentage points) and associate professional and technical (+7.7 percentage points) roles. There has also been a smaller increase in the percentage of people employed who are working as managers, directors and senior officials (+1.8 percentage points). Again, this corroborates the idea that the borough has seen a significant shift in population, with many higher skilled people moving in who are employed in higher skilled jobs.
During the same period, there was also a decline in the proportion of residents working in a range of medium-skilled occupations, including administrative and secretarial jobs (-2.9 percentage points) and skilled trades (-1.6 percentage points), and a significant decline in the share of residents working in lower skilled occupations, particularly elementary roles (-7.2 percentage points).\textsuperscript{164}

**Evidence of skills issues**

The Employer Skills Survey (ESS)\textsuperscript{165} is undertaken by the UK Commission for Employment and Skills (UKCES) and is one of the largest surveys of employers in the world. It gives a picture of local skills needs and training investment, including vacancies and skills shortages, employee skill gaps and the recruitment of education leavers and young people. The most recent survey was conducted in March-July 2013; 286 establishments in Lambeth were surveyed.

**Employers’ experience of skills shortages**

Employers in Lambeth reported a high number of vacancies: 28% of establishments had at least one vacancy in 2013 compared to 19% for London as a whole. On average, there were 0.9 vacancies per employer, up from 0.3 in 2011, supporting a picture of a growing economy.

In most cases demand for skills is met through successful recruitment. Just one in ten vacancies (11%) in Lambeth were reported to be hard-to-fill in 2013. Shortages in suitably skilled, qualified and/or experienced workers were the main reason for having hard-to-fill vacancies. So-called skill-shortage vacancies made up a third (31%) of all vacancies in 2013, up from 20% in 2011. Across London and nationally only a fifth (22%) of vacancies were due to skills shortages in 2013.

![Figure 71: Skills found difficult to obtain (% establishments with SSVs) (2013)](chart)

And, while many employers in Lambeth had a capable workforce with no skill gaps, more than a fifth (21%) reported that some of their staff were not fully proficient (14% nationally). And over four-fifths (85%) of employers with skills gaps said it had an impact on performance, up from 57% in 2011.\textsuperscript{166}

\textsuperscript{164} ONS (2014) Annual Population Survey
\textsuperscript{165} UKCES (2014) Employer Skills Survey 2013
\textsuperscript{166} Mainly increased workload for other staff (48%) - UKCES (2014) ESS 2013
8.33 Skills gaps are most acute in Sales and Customer Services staff and Elementary staff, two of the occupations with the lowest densities of skill shortages. In most cases skills gaps were at least partly caused by staff being new to a role and/or still in training for a role (72% of establishments with skills gaps). These factors are both largely transient. However, lack of improvement following training (36%) and/or lack of motivation among staff (41%) were also reported as issues.

**Figure 72: Skills that need improving in occupations with skills gaps (% establishments with skills gaps) (2013)**

![Skills Gap Chart](chart.png)

Source: UKCES ESS 2013

**Training and workforce development**

8.34 In most cases action was taken to improve the proficiency of staff with skills shortages. In 2013 78% of employers in Lambeth had funded or arranged training for their staff in the previous 12 months, above the London (65%) and national (66%) averages. While this was a higher proportion of employers than in 2011 (66%), at 3.8 days, the number of training days per trainee dropped significantly during this time (6.6 in 2011). And only 39% of Lambeth establishments had trained staff towards nationally recognised qualifications, compared to 47% nationally.

8.35 Despite the high rate of employers providing training, in 2013 most Lambeth employers were unable to provide all the training that they wanted over the previous 12 months. Over half of all establishments - 58%, including non-trainers - wanted to provide more training than they had been able to. This is contrary to the London and national picture, where the majority of establishments provided all the training they wanted (53% for London and 58% for England).

8.36 Lack of funds and the cost of training were problems for the majority of employers that did provide training (63%), as well as some non-trainers (11%). With over two-thirds (69%) of Lambeth employers predicting a need for upskilling of staff in the next 12 months, the demand for training is likely to increase.

**Recruitment of young people**

8.37 Nearly three-quarters (73%) of Lambeth businesses reported having recruited someone in the last 2-3 years compared to 68% for London and 64% nationally. This included 34% of employers that recruited an education leaver during this period; a relatively high proportion compared to the
London (312%) and England (27%) averages. This was usually young people from university or HEIs, and less frequently school or college leavers.

**Figure 73: Recruitment of education leavers (% of establishment that have recruited in the last 2-3 years) (2013)**

The majority of Lambeth employers consider young people well-prepared for work. Where young people do lack skills or abilities, the most common issue is a lack of working world/life experience or maturity.

**Future demand for skills**

Sectoral changes across the London economy will have significant implications for occupational skills needed in the future, as will ongoing technological, regulatory and organisational changes. The main implications are for continuing growth in occupations which require higher level skills and only some increases in occupations which require lower skills.

Managers, professionals and associate professional roles will provide the most significant increases in employment. Professional occupations are expected to have the highest potential for job creation to 2022 (+262,000), followed by associate professional & technical occupations (+130,000), and managers, directors & senior officials (+109,000).

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Figure 74: Net change in employment by occupation, London (2012-2022)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Change (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional occupations</td>
<td>250</td>
</tr>
<tr>
<td>Associate prof and technical</td>
<td>200</td>
</tr>
<tr>
<td>Managers, directors and senior officials</td>
<td>-150</td>
</tr>
<tr>
<td>Caring, leisure and other service</td>
<td>-100</td>
</tr>
<tr>
<td>Sales and customer service</td>
<td>-50</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>-10</td>
</tr>
<tr>
<td>Process, plant and machine operatives</td>
<td>-5</td>
</tr>
<tr>
<td>Skilled trades</td>
<td>-10</td>
</tr>
<tr>
<td>Administrative and secretarial</td>
<td>-50</td>
</tr>
</tbody>
</table>

Source: UKCES Working Futures)

8.41 Continuing sharp declines in employment are anticipated for skilled and semi-skilled manual roles, particularly in administrative and secretarial roles. Mid-skilled jobs will, however, remain an important component of the labour market and jobs in caring, personal and other services are expected to increases by 59,200 jobs.

8.42 As employment in London moves further towards higher skilled occupations, demand for qualifications is also set to increase. Between 2012 and 2022, employment projections show an increase of almost 817,000 jobs requiring at least a bachelor’s degree, largely first degrees or other higher degrees. Projections also show an increase in employment for individuals with higher education qualifications below degree level (QCF Level 4).

8.43 However, employment will remain the same or decline for other qualification levels. Most notably, it is expected that there will be 96,400 fewer jobs requiring no qualifications and a total of 493,900 fewer employment opportunities for individuals whose highest qualification is at A Level and below.

8.44 Even when taking into account replacement demand arising from people leaving employment, over four-fifths (81.9%) of total job openings in London between 2012 and 2022 are projected to require higher level qualifications of some kind (QCF4 and above). Moreover, competition for lower skilled work is set to increase – only 0.5% of job openings over the decade are likely to require no formal qualifications. Less than a fifth (18.1%) of job openings over the decade are likely to require only A-level qualifications or below. A more detailed breakdown of skills demands by sector is also included in Appendix 3.
8.45 As with many other parts of the UK, this poses a stark challenge for Lambeth. Without major change to ensure that residents have the appropriate skills, many residents will be forced or kept out of the labour market. Moreover, intense competition for low skilled jobs will hold down wages in these positions, making such low wage positions highly precarious.

8.46 We have already seen that there has been a strong demographic change in Lambeth, with higher skilled people moving into the borough, forcing rental and sale prices up and therefore forcing many lower skilled people out of the borough. Without concerted action, this trend will continue.
9 Income and Inequality

Median earnings for residents are broadly in line with the London average. Median earnings have seen a significant increase since 2008 compared to London, providing further evidence of an underlying shift in the population, with more higher skilled people moving to the borough.

However, nearly a fifth of working residents in Lambeth were paid below the London Living Wage and there is a large gap between upper and lower quartile earnings in the borough. A survey of residents suggests that in the past year financial circumstances have improved for younger, white residents and those renting in the private sector, but worsened for black and mixed ethnicity residents, and older residents, as well as those in social housing. Lambeth also scores relatively poorly on happiness and wellbeing measures.

Resident earnings are in-line with the London average

9.1 Median earnings among residents in Lambeth are broadly in-line with the London average. In 2014 the annual gross median salary for residents was £32,800, the same as for London as a whole and above the national average of £27,500.\footnote{ONS (2014) Annual Survey of Hours and Earnings} Median earnings increased significantly between 2008 and 2014, rising by 11.2% among Lambeth residents compared to 5.5% for London overall and 7.4% nationally.\footnote{ONS (2014) Annual Survey of Hours and Earnings}

Figure 76: Median full-time annual earnings (gross, residence based)

[Graph showing median full-time annual earnings for Lambeth, London, and England from 2004 to 2014]

Source: ONS ASHE

But low pay is an issue in Lambeth

9.2 The London Living Wage is calculated to reflect an adequate wage for London. An estimated 19% of employees living in Lambeth were paid below the London Living Wage, only slightly below the London average (20%) and in-line with the average for Inner London.\footnote{London Poverty Profile (2014) ONS ASHE. Note: the figure is an average for 2011 to 2013.} This was the 12\textsuperscript{th} lowest proportion among 32 London boroughs.

9.3 Low pay in London is concentrated in a number of sectors. There is a high concentration in some private sector services. Jobs in retail, hotels and restaurants account for 49% of all low-paid jobs in
London. However, there are high numbers of low-paid jobs in some parts of the public sector or industries that receive public funding, for example in social care or cleaning.

9.4 Low pay is also concentrated by ethnicity: 41% of employees of black African origin in London were on low pay between 2011 and 2013, more than double the rate for white British employees (17%). Across London, the low pay gap by ethnicity is wider than for unemployment.171

**Pay inequality is also a challenge**

9.5 The difference in incomes of the top quarter and the bottom quarter of employed residents is greater in Lambeth than nationally. Between 2010 and 2012, the top quarter of employed residents were paid around £22.20 per hour.172 For those in the bottom quarter pay was £9.95 per hour, less than half of the level for the highest paid. At £12.30, the difference in hourly pay was above that for England (£9.60) and the same as for London, but below the Inner London average (£13.50).173

**Figure 77: Pay inequalities (2010-2012) – upper quartile vs. lower quartile income per hour**

![Income per hour chart](chart.png)

Source: London Poverty Profile / ONS ASHE

9.6 As the chart above shows, the high degree of pay inequality is largely related to higher pay at the top of the income scale. While it is also important to raise the incomes of lower wage workers, evidence suggests that once basic needs are met relative income matters at least as much to wellbeing as absolute income.174

**Residents survey**

9.7 As the chart below shows, financial circumstances have improved for many residents in Lambeth over the past year. From November 2010 to April 2013, a far higher proportion of Lambeth residents reported that their financial circumstances were worsening than improving. However, in May 2014 there was a significant reduction in the proportion of residents saying their financial circumstances had worsened in the last year, falling from 41% in April 2013 to 20% in May 2014. At the same time, there was an increase in those saying their financial circumstances had improved, rising from 13% in 2013 to 21% in 2014.

171 London Poverty Profile (2014) ONS ASHE
172 London Poverty Profile (2014) ONS ASHE
173 London Poverty Profile (2014) ONS ASHE
Figure 78: Lambeth Residents Survey: compared with last year, do you think your financial circumstances have improved, stayed the same or got worse? (%)

Source: Residents survey 2014 Base: all respondents (1013) Waves 4-12 Base: 750 approx. per wave

9.8 However, there remain major differences in responses between population groups. Younger residents, those who have moved into the borough in recent years, white residents, those in full time work, and those who are renting in the private sector are more likely to report their financial circumstances have improved over the last year. Black and mixed ethnicity residents, older residents, unemployed residents, those with an illness or a disability, long-term residents, and those living in social housing are more likely to report that their financial circumstances have worsened over the past year.

Figure 79: More / less likely to say that financial circumstances have improved (April 2014)
Underlined groups were also more likely to say this in Apr 2013

Who is more likely to say their financial circumstances have improved

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>21%</td>
</tr>
<tr>
<td>Business owner in Lambeth</td>
<td>38%</td>
</tr>
<tr>
<td>Less than 2 years residence</td>
<td>36%</td>
</tr>
<tr>
<td>2-5 years residence</td>
<td>34%</td>
</tr>
<tr>
<td>Private rented</td>
<td>33%</td>
</tr>
<tr>
<td>Full-time work</td>
<td>30%</td>
</tr>
<tr>
<td>Clapham</td>
<td>30%</td>
</tr>
<tr>
<td>No religion</td>
<td>29%</td>
</tr>
<tr>
<td>Aged 18-24</td>
<td>29%</td>
</tr>
<tr>
<td>Aged 25-34</td>
<td>28%</td>
</tr>
<tr>
<td>2 adults + children household</td>
<td>27%</td>
</tr>
<tr>
<td>Multiple adult household</td>
<td>26%</td>
</tr>
<tr>
<td>White British</td>
<td>25%</td>
</tr>
<tr>
<td>In work</td>
<td>25%</td>
</tr>
<tr>
<td>Don’t live on an estate</td>
<td>24%</td>
</tr>
<tr>
<td>Economically active</td>
<td>23%</td>
</tr>
</tbody>
</table>

Who is more likely to say their financial circumstances have worsened

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>20%</td>
</tr>
<tr>
<td>Black Caribbean</td>
<td>34%</td>
</tr>
<tr>
<td>Aged 45 – 54</td>
<td>33%</td>
</tr>
<tr>
<td>Mixed ethnicity</td>
<td>32%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>31%</td>
</tr>
<tr>
<td>Illness</td>
<td>31%</td>
</tr>
<tr>
<td>Disability</td>
<td>30%</td>
</tr>
<tr>
<td>Carer</td>
<td>29%</td>
</tr>
<tr>
<td>Benefit recipient</td>
<td>29%</td>
</tr>
<tr>
<td>Sole occupier</td>
<td>27%</td>
</tr>
<tr>
<td>Council tenant</td>
<td>27%</td>
</tr>
<tr>
<td>Female</td>
<td>26%</td>
</tr>
<tr>
<td>Stockwell</td>
<td>26%</td>
</tr>
<tr>
<td>Not in job or training</td>
<td>26%</td>
</tr>
<tr>
<td>Aged 35-44</td>
<td>25%</td>
</tr>
<tr>
<td>Social renter</td>
<td>24%</td>
</tr>
<tr>
<td>10 or more years residence</td>
<td>24%</td>
</tr>
<tr>
<td>Live on an estate</td>
<td>23%</td>
</tr>
</tbody>
</table>

Source: Lambeth Residents survey 2014 - Base: All respondents (1013)
**Wellbeing**

9.9 Within the UK, there is a commitment to developing wider measures of wellbeing to improve policy-making, and in particular to understand how policy decisions may relate to people’s quality of life. To support this goal, the ONS began measuring personal wellbeing in April 2011. Four questions are used to monitor this in the UK:

1. Overall, how satisfied are you with your life nowadays?
2. Overall, to what extent do you feel the things you do in your life are worthwhile?
3. Overall, how happy did you feel yesterday?
4. Overall, how anxious did you feel yesterday?

9.10 People are asked to give their answers on a scale of 0 to 10, where 0 is 'not at all' and 10 is 'completely'. These questions allow people to make an assessment of their life overall, as well as providing an indication of their day-to-day emotions.

9.11 In 2013/14, the average ratings for each of the four measures of personal wellbeing in Lambeth were:

- 6.99 points out of 10 for life satisfaction (7.49 for England)
- 7.31 out of 10 for feeling that what one does in life is worthwhile (7.73 for England)
- 7.14 out of 10 for happiness yesterday (7.37 for England)
- 3.52 out of 10 for anxiety yesterday (2.94 for England)

9.12 On each measure, average reported wellbeing is worse in Lambeth than that for Inner London, London and England (see chart below). Compared to the national average the average score for life satisfaction is particularly low (0.5 points below the average) and the average score for anxiety is particularly high (0.6 points above the average).

**Figure 80: Average annual personal wellbeing ratings (2013/14)**

![Chart showing average annual personal wellbeing ratings](chart.png)

Source: ONS APS
Appendix 4 sets out wellbeing scores in Lambeth compared with other London boroughs in more detail. Among London boroughs, Lambeth has the lowest average score for feeling ‘worthwhile’, the second lowest for ‘life satisfaction’ and the third highest average score for ‘anxiety’.

While on a national level there have been year-on-year improvements in wellbeing since 2011/12, possibly linked to a more positive economic outlook, the picture in Lambeth is far less positive. Anxiety has risen by 0.18 points, while scores for ‘happiness’ (-0.03), ‘worthwhile’ (-0.11), and ‘life satisfaction’ (-0.15) have all declined.

Figure 81: Change in average annual personal wellbeing ratings compared to 2011/12

Source: ONS APS

Overall, this trend may appear somewhat surprising given the developments in labour market conditions in Lambeth in the last two years. However, it is evident that labour market improvements have not been felt equally (for example see section 7). Other possible reasons for a decline in wellbeing include worsening financial circumstances (see residents survey, above) and unfavourable changes in work patterns (e.g., an increase in involuntary part-time working). Previous ONS analysis about personal wellbeing also shows that those who are economically inactive due to ill health or disability report relatively low personal wellbeing.

It is important to remember that the findings presented are based on survey estimates and are subject to a degree of uncertainty, particularly at a more detailed level. They should therefore be interpreted as providing an indication, rather than an exact measure of personal wellbeing.

175 ONS (2014) Subjective Personal Wellbeing (Happiness), Borough
176 ONS (2014) Has personal wellbeing improved for people in and out of work?
10 Conclusions

10.1 Lambeth is an important part of the London economy. Relative to other central London areas, Lambeth is not a major centre for employment, with less than half as many jobs per working age resident as other Inner London boroughs.

10.2 However, this is a simple measure of economic importance and underplays the borough’s many economic strengths. The northern area of the borough is a vital part of London’s CAZ, home to tourism assets of national significance in London’s Southbank and the London Eye. The north of the borough is also home to a number of nationally and internationally significant companies including: Shell, IBM, ITV, Capgemini, as well as a number of major charities including: Marie Curie Cancer Care, Macmillan, Comic Relief, and Care International. Further south, Brixton is a unique asset for the visitor economy, whilst Clapham and Streatham are strong town centres.

10.3 In many ways, though, Lambeth’s contribution to the London economy is much more important than can be measured in GVA or employment terms alone. Lambeth is where many of London’s most highly skilled and most aspirational people live. A number of indicators suggest a profound shift has taken place in the Lambeth population, with many highly skilled (often young) people displacing a number of lower skilled residents. These highly skilled people are attracted to Lambeth by its excellent transport connections which allow them to access high paying work in and outside the borough. Despite significant rises in property prices and rents over the last decade, Lambeth also remains relatively affordable in comparison with other parts of Central London, and so we would expect this trend to continue, with Lambeth continuing to attract highly skilled people who want to access London’s labour market.

10.4 Whilst Lambeth is therefore in many ways a successful borough, it does face challenges in terms of how the gains from economic success are distributed and in terms of entrenched areas of deprivation in some parts of the borough. There are big differences in the level of qualifications possessed and the employment outcomes across different groups. In particular, white residents are far more likely to hold higher level qualifications and be in employment than BME residents. Whilst this partly reflects London-wide trends, mixed race and black residents in Lambeth are more likely to be unemployed than the average for these groups across London. Black residents in particular are less likely to hold higher level qualifications – about half as likely as white residents. In addition, employment rates are significantly higher for 25-49 year olds compared with either older residents (50+) or younger residents (16-24).

10.5 There is evidence that these differences reflect entrenched areas of deprivation in certain parts of the borough. The latest indices of deprivation ranked Lambeth as the fourteenth most deprived local authority area in England. High levels of unemployment around Brixton, Stockwell and the south of the borough (Tulse Hill and Knight’s Hill) are strongly correlated with the levels of social housing, high proportions of BME residents, and lower skills attainment. Child poverty rates are high in these areas as well, suggesting that without significant intervention that these problems will continue.

10.6 Looking forward, the opportunities for Lambeth are clear. Waterloo and Vauxhall are set to see developments of national economic significance, generating 23,000 jobs and 5,400 homes to 2031.
Much of the new employment in the CAZ will be in office-based sectors. This coincides with the sectors that are expected to see growth in London over the next two decades and will help to offset declining employment in the public sector in Lambeth. The Council is also committed to supporting regeneration in Brixton, using public sector land and assets as a driver.

10.7 It is very clear that future employment opportunities will be overwhelmingly in high skilled occupations, with fewer employment opportunities in medium and lower skilled occupations. Therefore supporting residents in deprived areas to attain better qualifications so that they can access these opportunities must be a key priority for the Council. Lambeth’s educational performance has seen notable improvement and now outperforms the national average. However, there is a significant drop-off in performance after GCSE. It is not clear to what extent this reflects a drop-off in the performance of Lambeth students, or the dilution of success due to students coming from other boroughs to study in Lambeth.

10.8 Another challenge for the Council will be to ensure the continued vitality of Lambeth’s town centres. The proposals for the opportunity areas have a very strong placemaking focus which is important to continue to strengthen the attractiveness of the area to potential residents and visitors. As with other parts of the country, the continuing strength of the residential property market will increase pressure to convert commercial property to residential use. Whilst this is restricted inside the CAZ, there is a risk that prime town centre space will be lost as a result. Therefore the Council must consider how best to address this challenge. While there is a need to resist permitted development in some areas, it is also important to support housing development more generally in order to ease the upward pressure on house prices and rents.

10.9 Therefore, to summarise, Lambeth performs an important role for London as a location for high value employment, predominantly in the north of the borough. This area is set to become even more important economically, in view of major planned developments. However, for Lambeth residents to fully benefit from the anticipated economic growth more support will be needed to ensure that they have the skills necessary for employment, particularly higher level qualifications.
Appendix 1 – Knowledge economy

The following lists the industries that have been included in the Knowledge Economy in this report.

Knowledge Economy - 2007 SIC definition

Computing:
62 : Computer programming, consultancy and related activities
631 : Data processing, hosting and related activities; web portals
262 : Manufacture of computers and peripheral equipment

Telecommunications
61 : Telecommunications

Media
18 : Printing and reproduction of recorded media
58 : Publishing activities
591 : Motion picture, video and television programme activities
263 : Manufacture of communication equipment
60 : Programming and broadcasting activities
639 : Other information service activities

Research & Development Research & Development
64 : Financial service activities, except insurance and pension funding
65 : Insurance, reinsurance and pension funding, except compulsory social security
66 : Activities auxiliary to financial services and insurance activities
69 : Legal and accounting activities
70 : Activities of head offices; management consultancy activities
711 : Architectural and engineering activities and related technical consultancy
712 : Technical testing and analysis
731 : Advertising
732 : Market research and public opinion polling
72 : Scientific research and development
74 : Other professional, scientific and technical activities
82 : Office administrative, office support and other business support activities

Higher Education
854 : Higher education

Public Services
91: Libraries, archives, museums and other cultural activities
## Appendix 2 – Unemployment rate by ethnic group

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>Male</th>
<th>Female</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Age 16 and over</td>
<td>Age 16 to 24</td>
<td>Age 25 to 49</td>
</tr>
<tr>
<td>Total</td>
<td>8.2</td>
<td>14.2</td>
<td>7.0</td>
</tr>
<tr>
<td>White</td>
<td>4.9</td>
<td>8.6</td>
<td>4.0</td>
</tr>
<tr>
<td>Mixed/multiple ethnic group</td>
<td>13.3</td>
<td>22.8</td>
<td>10.4</td>
</tr>
<tr>
<td>Asian/Asian British</td>
<td>7.6</td>
<td>13.1</td>
<td>6.5</td>
</tr>
<tr>
<td>Black/African/Caribbean/Black British</td>
<td>18.9</td>
<td>25.6</td>
<td>18.4</td>
</tr>
<tr>
<td>Other ethnic group</td>
<td>7.7</td>
<td>13.2</td>
<td>7.2</td>
</tr>
<tr>
<td>Difference – percentage points</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>0.8</td>
<td>-0.6</td>
<td>0.5</td>
</tr>
<tr>
<td>White</td>
<td>-0.9</td>
<td>-4.6</td>
<td>-0.8</td>
</tr>
<tr>
<td>Mixed/multiple ethnic group</td>
<td>0.9</td>
<td>1.2</td>
<td>0.6</td>
</tr>
<tr>
<td>Asian/Asian British</td>
<td>0.6</td>
<td>1.1</td>
<td>0.4</td>
</tr>
<tr>
<td>Black/African/Caribbean/Black British</td>
<td>3.2</td>
<td>3.0</td>
<td>3.3</td>
</tr>
<tr>
<td>Other ethnic group</td>
<td>-2.6</td>
<td>-4.3</td>
<td>-2.5</td>
</tr>
</tbody>
</table>
Appendix 3 - Skills demand by sector

Health and Social Care

Health and social care is a major sector in the London economy (and especially in the Lambeth area), employing some 490,000 people in 2012. The sector is also set to see significant employment growth at London level (+50,000 or 10.3% from 2012-2022).\(^\text{177}\)

The evidence is that skill demand broadly matches supply in the sector. However, there a number of emerging skills challenges facing the sector:

- **Demographic change is a key driver of skill demand** in the sector, especially a growing and ageing workforce. Demography and lifestyle factors place increasing demand on services for both health and social care.

- **Within the health sector, management and leadership skills** are key to manage change and respond to and exploit future challenges.

- **In certain roles, the sector relies heavily on migrant labour.** Over a third of medical staff are non-UK qualified and as are approximately 20% of residential care workers. Use of migrant labour is more common in the sector in certain areas of the UK, including London.

- Other positions, particularly in social care have **high rates of employee turnover**, and there are **skills shortages** in caring staff, professional and manager roles and skills gaps amongst caring staff and professionals too. The health and social care sector has a relatively high proportion of workers aged 35-44 and 45-59, implying there will be a significant need to replace workers as they leave the sector due to retirement.

- **New technologies** are expected to have wide ranging impact across the sector with assistive technologies shifting the delivery of care towards the home and local providers. Across the sector there are growing patient and customer expectations which fuels client demand\(^\text{178}\).

Integration and personalisation – changing workforce requirements

Health Education England is developing a national strategic framework for developing the healthcare support workforce under the title of *The Talent for Care*\(^\text{179}\). It aims to help people to “Get in, Get on, and Go further”. The partners, including the National Skills Academy for Health, NHS employers, Skills for Health, Social Partnership Forums and Trade Unions, have proposed ten strategic objectives. These include attracting more young people, increasing workforce diversity, helping employers to develop support staff, ensuring all new staff are qualified through the new Care Certificate and developing a new Higher Care Certificate, and doubling the number of apprenticeships by March 2016.

\(^\text{177}\) UKCES (2014) Working Futures 2012-2022

\(^\text{178}\) UKCES (2012) Sector Skills Insights: Health and Social Care

At the same time, Skills for Care is supporting the implementation of its workforce development strategy for the social care workforce. Under the title of “Capable, Confident, Skilled”, it focuses on commissioning, planning and development to enable employers to meet new priorities in adult social care.

Demand for skills from degree level to doctorate level is expected to increase between 2012 and 2022, partly driven by technological developments and consumer demand. The sector is relatively well qualified at present and the demand for skills is set to rise by 2022. However, there are projected to be some job opening for health and social care workers qualified at higher education below first degree level (QCF 4), QCF3 A level & equivalent (QCF3) and GCSEs (A-C) (QCF 2).

Qualification requirements in health & social care, London

<table>
<thead>
<tr>
<th>Qualification level</th>
<th>2002</th>
<th>2012</th>
<th>2017</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>QCF 4 and above</td>
<td>52.5</td>
<td>64.3</td>
<td>70.1</td>
<td>74.0</td>
</tr>
<tr>
<td>QCF3 A level &amp; equivalent</td>
<td>11.1</td>
<td>13.4</td>
<td>13.2</td>
<td>12.2</td>
</tr>
<tr>
<td>QCF2 GCSE (A-C) &amp; equivalent</td>
<td>13.7</td>
<td>13.4</td>
<td>12.2</td>
<td>10.9</td>
</tr>
<tr>
<td>QCF1 GCSE (below grade C) &amp; equivalent</td>
<td>16.8</td>
<td>6.9</td>
<td>3.7</td>
<td>2.2</td>
</tr>
<tr>
<td>No Qualification</td>
<td>6.0</td>
<td>2.1</td>
<td>0.9</td>
<td>0.7</td>
</tr>
</tbody>
</table>

Source: UKCES Working Futures

To reduce reliance on immigrant labour and respond to emerging skills challenges, employers have a role in raising their engagement in training to maximise productivity and labour retention. Developing new entry routes into the sector, for example through apprenticeships, will be important to meeting skills demands. In-house training and more continuous professional development may also be required.

Health Education England is in the process of identifying a small number of potential national pilot Centres for Excellence. These would build on the knowledge and experience of partners in the local area and aim to build a consistent quality of training, for example through assessment centres, apprenticeships and traineeships, linked to research and development of new vocational skills pathways and qualifications. Identifying East London as one of these pilots would enable the Growth Boroughs to draw down some funding for this work.

Construction

The construction sector employed some 246,000 people in London in 2012 and is expected to see a high level of jobs growth between 2012 and 2022 (+46,000 or 17.6%). There is a high proportion of SMEs in the sector and evidence is that skill shortages are relatively frequent and have a detrimental impact upon organisational performance. This is related to:

- **The cyclical nature of employment** in construction has implications for skills. In recessions, the sector’s workforce often drops significantly (including in the recent recession). This has previously resulted in skills shortages in the recovery period as workers who have secured employment in other sectors are reluctant to re-join the construction workforce.

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• **Technological advances and the low carbon agenda** are having significant impacts on the sector and its skills needs. Meeting low/zero carbon requirements, adopting new technologies and satisfying various regulations requires particular specific skills and alters the importance of particular occupations.

• Skills to fill **replacement demand as older workers leave the sector** are particularly important in construction given the nature of work and the age structure of the workforce. There are concerns about the attractiveness of the sector to young people and the importance of bringing in skills in the younger age groups in order to replace skills lost through older workers leaving.

There is relatively strong demand in the sector for people qualified to an intermediate level with 75% qualified at QCF 3 and below in 2012, expected to fall to 63.9% in 2022. Demand for workers with no qualifications will fall significantly during this time.

**Qualification requirements in construction, London**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>QCF4 and above</td>
<td>17.1</td>
<td>17.1</td>
<td>25.0</td>
<td>30.5</td>
<td>36.1</td>
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<tr>
<td>QCF3 A level &amp; equivalent</td>
<td>29.1</td>
<td>28.9</td>
<td>23.7</td>
<td>20.3</td>
<td>17.5</td>
</tr>
<tr>
<td>QCF2 GCSE(A-C) &amp; equivalent</td>
<td>21.7</td>
<td>21.9</td>
<td>23.7</td>
<td>23.6</td>
<td>23.3</td>
</tr>
<tr>
<td>QCF1 GCSE(below grade C) &amp; equivalent</td>
<td>17.9</td>
<td>19.3</td>
<td>17.3</td>
<td>17.6</td>
<td>16.6</td>
</tr>
<tr>
<td>No Qualification</td>
<td>14.1</td>
<td>12.8</td>
<td>10.2</td>
<td>8.0</td>
<td>6.4</td>
</tr>
</tbody>
</table>

Source: UKCES Working Futures

Avoiding the skill-shortages encountered following previous recessions is crucial for the sector. This points to the need for the sector to continue to:

• provide initial vocational education and training to new entrants in order to meet future skill demands; and,

• invest in the skills of the existing workforce to ensure they are prepared for the challenges ahead.

The sector, if it effectively uses the employment and training infrastructure available, can potentially provide a large number of entry level training positions over the medium term which one would expect to go, predominantly, to young people.

However, parts of the sector (especially those related to engineering construction) often rely upon workers willing to move internationally. Evidence suggests that international mobility of labour has permitted migrants to serve as a short-term solution to labour supply and skills shortages in the sector, especially in boom years. The Health and Safety Executive estimated that overseas workers make up around 6% of the construction workforce in Great Britain and that the proportion of foreign

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182 The main difference in the age distribution in the construction sector is with regard to younger workers with a smaller proportion of workers in construction being between the ages of 16 and 24 years (11%) compared to the whole economy (13%) - UKCES (2012) Sector Skills Insights: Construction


185 Construction Skills, 2010
or migrant workers on larger sites in larger cities (such as London and Birmingham) may exceed 25%.  

### Professional and support services

Professional and business services are a vital component of the London economy, with professional services employing 603,000 people across London in 2012 and support services a further 516,000 people. There is forecast to be an increase of 86,000 professional services jobs between 2012 and 2022 and 26,000 support services jobs.

There are a number of challenges facing the sector over the medium-term. These include: increased regulation, global competition and technological change. Parts of the professional services have been ‘migrant-intensive’, and with increasing regulation of immigration the sector may need to widen recruitment channels.

There is strong demand for higher level skills in the professionals services sector. And this is likely to increase in the coming years: by 2022, 85.2% of employment in the professional services sector will require a Level 4 qualification or above, up from 75.7% in 2012 (see table below).

#### Qualification requirements in professional services, London

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>QCF 4 and above</td>
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<td>4.3</td>
</tr>
<tr>
<td>QCF2 GCSE(A-C) &amp; equivalent</td>
<td>13.8</td>
<td>11.1</td>
<td>8.5</td>
<td>6.9</td>
<td>5.7</td>
</tr>
<tr>
<td>QCF1 GCSE(below grade C) &amp; equivalent</td>
<td>10.6</td>
<td>10.7</td>
<td>6.5</td>
<td>4.9</td>
<td>3.5</td>
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<tr>
<td>No Qualification</td>
<td>2.0</td>
<td>2.4</td>
<td>1.7</td>
<td>1.4</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Source: UKCES Working Futures

However, there are also many people employed in the support services sector who will be more typically qualified to Level 2-3. Only 58.0% of jobs will require this level of qualification in 2022, while around a third (33.1%) of jobs will require a Level 3 qualification or below. Therefore, this sector may offer entry routes into work for those with lower level qualifications.

#### Qualification requirements in support services, London

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>QCF 4 and above</td>
<td>32.1</td>
<td>30.2</td>
<td>44.5</td>
<td>52.0</td>
<td>58.0</td>
</tr>
<tr>
<td>QCF3 A level &amp; equivalent</td>
<td>14.9</td>
<td>17.0</td>
<td>12.6</td>
<td>10.7</td>
<td>8.8</td>
</tr>
<tr>
<td>QCF2 GCSE(A-C) &amp; equivalent</td>
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<td>18.3</td>
<td>16.1</td>
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<td>19.7</td>
<td>17.6</td>
<td>16.4</td>
<td>14.8</td>
</tr>
<tr>
<td>No Qualification</td>
<td>16.3</td>
<td>14.8</td>
<td>9.3</td>
<td>6.4</td>
<td>4.9</td>
</tr>
</tbody>
</table>

Source: UKCES Working Futures

Employers in the professional services sector traditionally have relied on higher education institutions, and especially elite universities in the case of the cluster of professional and business

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188 UKCES (2012) Sector Skills Insights: Professional and Business Services
services activities in the City of London, to provide graduates (from many different disciplinary backgrounds) as a source of new recruits to the sector.

This has contributed to parts of the sector historically employing from relatively narrow social strata and there are concerns that many professions have become less socially representative in recent decades.¹⁸⁹ Beyond general barriers – such as lower skills levels – the government’s Panel on Fair Access to the Professions highlights a number of additional obstacles for access to professional jobs. These include unfocused aspiration-raising programmes, limited work experience opportunities, non-transparent internships, outdated recruitment processes, and inflexible entry routes.¹⁹⁰

However, there are a number of issues which will challenge the sector’s recruitment model over the medium-term. Changes in the regulatory environment in particular are increasing demand for junior level staff while an ageing population is beginning to diminish the pool of available talent. At the same time, increasing regulation of immigration is a potential issue for parts of the finance and business services sector that have been ‘migrant-intensive’ in the past.¹⁹¹

There is, therefore, a growing need to bring in younger recruits to meet the demand for junior staff and replace skills lost through retirement.¹⁹² Widening recruitment channels can also help ensure that the sector’s workforce is representative of the increasingly diverse client base it serves.

While there has not been a strong tradition of apprenticeships in the sector, there is increasing interest in take up of apprenticeships to broaden the skills sets of existing employees, and as a means of providing necessary training for new (including older) recruits to the sector. There has also been significant growth in school-leaver programmes.

However, while the use and awareness of alternative pathways is improving, lack of knowledge about opportunities in the sector remains a barrier. This is true for young people themselves, but also parents, school teachers, and smaller employers. For example, there remains a perception issue when it comes to vocational education. There is an opportunity for the programmes offered by large employers to help overcome this.

**Digital and creative**

The digital and creative sector is often seen as important to London’s economic growth: for example, 69% of businesses surveyed by KPMG / CBI felt the sector was crucial to economic growth in the capital in the next five years.¹⁹³

An important challenge facing the sector is to maximise its competitive advantage by keeping pace with technological changes and meeting consumers’ expectations. Evidence suggests that skill demand exceeds supply in the sector. Continuous technological change and developments give rise to specific skill needs over time. This includes:

¹⁸⁹ Panel on Fair Access to the Professions (2009) Unleashing Aspiration
¹⁹⁰ Unleashing Aspiration: The Final Report of the Panel on Fair Access to the Professions
¹⁹¹ UKCES (2012) Sector Skills Insights: Professional and Business Services
¹⁹² E.g. the proportion of staff described as lacking proficiency in the financial services sector has doubled from 4% to 8% between 2011 and 2013 - UKCES (2014) Employer Skills Survey 2013
¹⁹³ CBI (2014) London Business Survey
• **security skills** will be important as data protection is a key concern for the sector;

• in the creative sub-sector **technical skills** will be needed to produce content across multiple-platforms;

• but increasingly, technical skills alone are not enough for technology professionals and they must have core **business skills**, for example managing projects and change, and workforce planning and development.\(^{194}\)

The digital and creative workforce is concentrated in the higher level occupational groups, and is highly qualified. Across the UK in 2020, over half (52%) of the workforce is projected to be qualified at first degree level or above, compared to 42% in 2010.\(^{195}\) Demand for intermediate qualifications is expected to fall, although there is also likely to be some demand for workers with no qualifications, following a trend of ‘hollowing out’ in the workforce.\(^{196}\)

However, the number of individuals accepting places to study computing and IT courses has been declining in the UK and employers are concerned that creative graduates do not finish their studies with the skills employers require. A heavy reliance on migrant workers in parts of the sector and for some roles suggests employers are not able to obtain the skills they require from the supply of domestic labour.

The sector will need to ensure that its skills supply chain, through initial, secondary and tertiary education, through the vocational educational and training system and through ongoing workplace development generates both the quantity and the quality of skills to meet these growing demands. Employers can play a significant role in meeting skills challenges through:

• Widening their recruitment pool and, for instance, encouraging more women to develop the skills to work in the digital sub-sector.

• Helping to develop more high-level entry routes into the sector for example through apprenticeships.\(^{197}\)

**Demand for STEM-related skills and knowledge**

Nationally, **STEM skills shortages are seen as particularly widespread** – 39% of employers currently have difficulty recruiting staff with STEM-related skills and knowledge, rising to more than half of employers (53%) expecting difficulty in the next three years. Shortages of STEM-qualified technicians are particularly widespread, with more than a quarter (28%) of firms in STEM-based sectors reporting current difficulties in recruitment. Difficulties in recruiting people with STEM skills are expected to be most pronounced in the construction sector.

To promote interest among young people in studying STEM subjects and pursuing STEM careers, businesses recognise that they have a key role, for example in engaging with schools (57%) and offering more STEM-based apprenticeships (57%).

\(^{194}\) UKCES (2012) Sector Skills Insights: Digital and Creative

\(^{195}\) UKCES (2012) Sector Skills Insights: Digital and Creative

\(^{196}\) UKCES (2012) Sector Skills Insights: Digital and Creative

\(^{197}\) UKCES (2012) Sector Skills Insights: Digital and Creative
The rapid development of the ICT sector and its diffusion into virtually every corner of the economy also requires a high proportion of workers to possess ICT skills. IT skills are becoming the ‘new literacy’\(^{198}\). Due to the constant development of information technology, individuals must also continuously update their knowledge and skills to remain attractive to the labour market.

**Retail and hospitality**

There are 920,300 people employed in retail and hospitality jobs across London. This includes 637,000 people employed in the wholesale and retail trade sector – accounting for 12.6% of employment in London, and 329,000 people employed in accommodation and food services - 7.4% of employment.\(^{199}\)

In the future, the sector is expected to see relatively strong jobs growth in London, with potential for 75,000 more jobs by 2022. Skills-related challenges in the sector include:

- **Technology** has had, and is continuing to have, a major impact on the sector, through the advent on online / multi-channel retailing, but also in the increasingly sophisticated IT systems major retailers use to manage their supply chains and in-store operations.

- **Globalisation** is affecting the sector through the capacity to source goods from all over the world, and in providing opportunities to enter foreign markets.

- **Consumer demand** is also shaping the sector especially with the increasing number, and success of, discounters. Some luxury retailers have also continued to perform well in the current economic climate.

At present, the sector can more or less meet its current demand for skills. However, the challenges listed above will mean there is a rising need for higher qualified people in managerial roles.\(^{200}\) Moreover, staff in intermediate level positions will increasingly need to apply their skills in a more technology intensive, customer friendly environment which is likely to drive up skills requirements in a range of retail sector jobs. In addition 26% of London employers in hotel and restaurant sectors do not consider their staff “fully proficient”.\(^{201}\)

**Qualification requirements in retail and hospitality, London**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>QCF 4 and above</td>
<td>17.6</td>
<td>17.0</td>
<td>27.8</td>
<td>36.2</td>
<td>44.2</td>
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<tr>
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<td>19.0</td>
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<td>18.1</td>
<td>16.5</td>
<td>14.8</td>
</tr>
<tr>
<td>QCF2 GCSE(A-C) &amp; equivalent</td>
<td>24.8</td>
<td>24.4</td>
<td>23.4</td>
<td>21.5</td>
<td>19.4</td>
</tr>
<tr>
<td>QCF1 GCSE(below grade C) &amp; equivalent</td>
<td>25.1</td>
<td>26.1</td>
<td>20.1</td>
<td>17.9</td>
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<td>13.5</td>
<td>13.0</td>
<td>10.6</td>
<td>7.9</td>
<td>6.7</td>
</tr>
</tbody>
</table>

Source: UKCES Working Futures

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\(^{198}\) UKCES (2012) Sector Skills Insights: Retail
\(^{199}\) UKCES (2014) Working Futures 2012-2022
\(^{200}\) UKCES (2012) Sector Skills Insights: Retail
\(^{201}\) UKCES (2014) Employers Skills Survey 2013
There is a well-developed external skills supply infrastructure at Levels 2 and 3. Overall, however, employers in the sector engage less with the external skill infrastructure e.g. use of FE colleges, engagement with HE, etc. than is the case generally across all employers.²⁰² Where retailers have engaged with the external skills system they have found it beneficial to their businesses. This includes Apprenticeships and the provision to training leading to other vocational qualifications.

Progression from entry-level jobs is also a challenge for the sector, which can limit labour retention. Recognition of skills acquisition, training for those in entry-level jobs, and the development of quality training which provides the foundation for progress are important.²⁰³

Nationally, there is some evidence of ‘blocking’ by employees in lower skilled roles in accommodation and food services who do not wish to move into higher skilled work.²⁰⁴ This can limit entry level opportunities in the sector. Lower level supervisory roles have a part to play, as does raising aspiration levels.

²⁰² UKCES (2012) Sector Skills Insights: Retail
²⁰³ UKCES (2012) Sector Skills Insights: Retail
²⁰⁴ A Green, G Atfield, D Adam, and T Staniewicz, Warwick Institute for Employment Research (2013) Determinants of the composition of the workforce in low skilled sectors of the UK economy
## Appendix 4 – Average wellbeing by London borough

### Personal Wellbeing by borough (average scores, 2013/14)

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Source: ONS APS
Note on the data

Detailed analysis of IDBR data for Lambeth revealed a significant uplift in employment in the borough in 2013 which could be attributed to a single address. This was also reflected in Business Register and Employment Survey (BRES) and Business Counts data.

It is understood from discussions with Lambeth Council staff that this employment was associated with enterprises registered but not based in Lambeth (i.e. holding companies or virtual offices). This amounted to around 2,560 jobs in 3,665 firms, largely based in administrative and support services and professional services.

In order to provide a more meaningful assessment of employment in Lambeth and the trends in the local economy, it was agreed that these enterprises (and associated employment) should be removed from the analysis in this report where possible. Where this has been done data has been sourced as ‘edited for 2013’.