GLAECONOMICS

London's Economy Today

Issue 217 | September 2020

UK recovery continued in July but social mixing restrictions are being tightened again

By **Gordon Douglass**, Supervisory Economist, and **Eduardo Orellana**, Economist

Data published by the Office for National Statistics (ONS) in September showed that the recovery in the UK economy which started in May continued into July. The data showed that the UK economy grew by 6.6% in July, following growth of 8.7% in June and 2.4% in May. However, the economy remains 11.7% below its level in February before the lockdown (Figure 1).

Monthly GDP data can however be subject to revisions and the data for the three months to July shows that GDP fell by 7.6%. None of the major sectors of the economy had recovered to their pre-pandemic levels - output in July in the Services sector was 12.6% lower than in February while output in the Construction and Production sectors was 11.6% and 7.0% lower respectively.

Also in this issue

Datastore

The main economic indicators for London are available to download from the London Datastore.

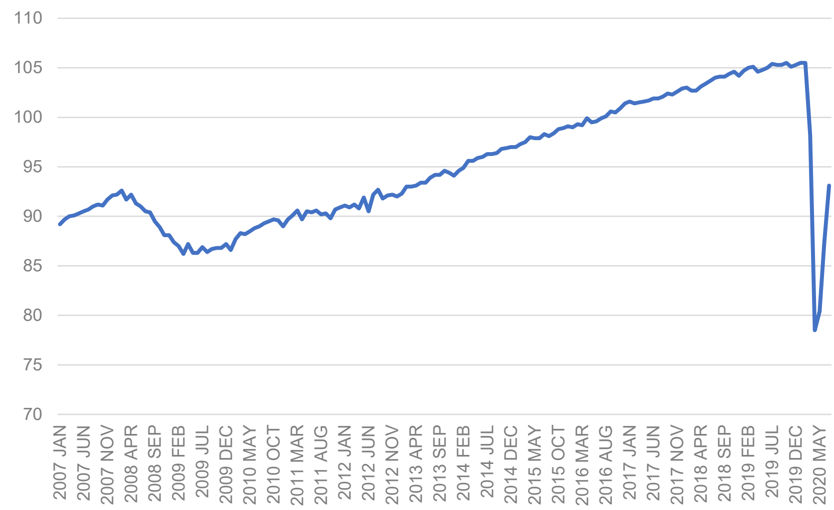


Figure 1: UK GDP, monthly index, January 2007 to July 2020

Source: ONS

Looking at the Services sector in more detail, shows that it grew by 6.1% in July after growing by 7.7% in June. Some of the services sub sectors that saw particularly strong growth in July include Education (+21.1%), and Accommodation and food service activities, (+140.8%). Notwithstanding the strong growth registered in July (due to the easing of lockdown), Accommodation and food services activities' output remained 60.1% lower than where it stood in February.

The Bank of England's (BoE) Agents' summary of business conditions for Q3 2020 more recently found that business "activity has picked up but is expected to remain below pre-Covid levels for some time". While, in terms of employment "pay freezes [are] relatively widespread and redundancies [are] expected later this year". The Bank's Monetary Policy Committee (MPC) has also warned that "the recent increases in Covid-19 cases in some parts of the world, including the United Kingdom, had the potential to weigh further on economic activity, albeit probably on a lesser scale than seen earlier in the year".

The unemployment rate in London rises modestly in the three months to July, with other indicators pointing to a weak labour market

After being fairly stable during the first few months of the pandemic, unemployment has ticked up both in London and the UK. Data from the ONS for the three months to July show that unemployment rose to 5.0% in the capital, up 0.3 percentage points (pp) on both the previous quarter and year. Comparing unemployment rates by age group against last year shows there was an increase in unemployment in all age groups except for the 50-64 group which fell by 0.4pp. The largest increases were in the 16-24 and 25-34 age groups, up 1.2pp and 1.0pp respectively, with this rise driven by increases in the rate for women.

Looking at the claimant count measure of unemployment since March 2020, the number of claims by residents aged 16+ in the capital has gone up by 161% (298,340), reaching a total of 483,480. After the South East (+162%), this was the highest regional proportional increase. In the UK, the claimant count has increased by 121% (almost 1.5 million) since March. The capital accounted for around a fifth of this increase. Between July and August, the number of claims increased across all UK regions, totalling 73,730. The number of claims in London increased by 18,850 – the highest in the UK and accounting for a quarter of the national increase in claims. Within London, Newham was the local authority with the largest year on year change in claims in August (+17,440). Kensington & Chelsea had the smallest increase (+3,880) (excluding the City of London).

Provisional data on workforce jobs from the ONS shows that in the second quarter of 2020 there were 6.02 million jobs in London, after a fall of 104,000 or 1.7% on the previous quarter. This was the largest quarterly fall across all UK regions, and higher than the overall decline for the UK over the same period (-0.1%).

Unemployment remained relatively low during the height of lockdown, largely due to the support provided by the Coronavirus Job Retention Scheme (CJRS), which saw many employees being furloughed. However, since August the scale of support on the scheme has been rolled back, with national insurance and pension contributions having to be paid by employers in that month. Since September employers also have to pay 10% of furloughed workers wages with this rising to 20% in October before the scheme is scheduled to end at the end of that month. The looming end of the furlough scheme was causing concern that unemployment may jump especially in sectors still heavily hit by social distancing restrictions. Carolyn Fairbairn, the director general of the CBI warned that "many companies will find that [end of October] cliff edge very difficult to manage". Adding, "it's too soon to pull business support away at the end of October". However, at the time of publication of this London's Economy Today the Chancellor is due to announce measures which have been billed as providing further support for jobs. This announcement is scheduled to replace the autumn Budget which has been cancelled.

ONS data shows that 10% of the UK workforce remains furloughed. At the same time there already have been a number of redundancies announced by firms, while figures obtained by the Institute for Employment Studies found that employers are planning to make double the number of redundancies than were made at the height of the financial crisis (380,000 from May to July 2020 versus 180,000 from January to March 2009). This is based on HR1 forms that firms in Britain most submit to the Insolvency Service if they are planning to make 20 or more workers redundant at any single establishment.

Indicators show some recovery in London, but challenges remain high

A number of economic indicators published in September showed a continued rebound in activity in August. Thus, as shown in the indicators section of this publication the Purchasing Managers Index (PMI) for new business and business activity have returned to pre-crisis levels, although the employment indicator continues to show a contraction. Other indicators such as consumer confidence remain less optimistic, while others have seen their recovery stalling. For instance, there has been a bit of a drop in retail and recreation activities after a few months of improvement, while restaurant visits have fallen back a touch with the end of the eat out to help out scheme (Figure 2). There are also concerns that lockdown restrictions are again being tightened due to rising infection rates with the introduction of the "rule of six", 10pm closing for pubs, bars and restaurants and more restrictions which may further dampen social and economic activity.

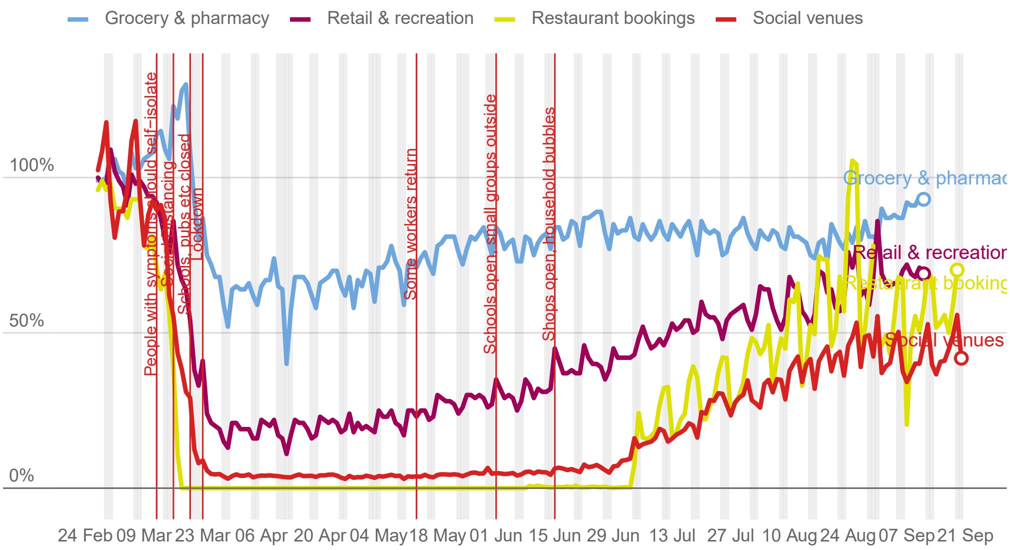


Figure 2: Retail and recreational activity in London

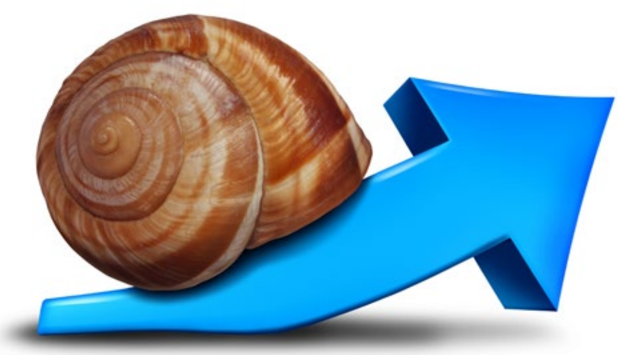
Source: Grocery and retail metrics from Google Mobility, social venues (bars, event spaces etc) from Purple public Wifi and restaurant bookings from OpenTable

Note: Vertical red lines show changes in social distancing rules. Vertical grey bands show weekends and public holidays.

There had also been a gradual return to the workplace with ONS data finding that the proportion of workers travelling to work has risen above 60% in the UK for the first time since lockdown although this is likely to reverse with the return of Government guidance to work from home if possible. However, some sectors of the economy also continue to suffer serious fallouts from the pandemic such as the aviation industry. This is highlighted by Gatwick airport which saw a fall of 14.7 million passengers in the first half of the year - a drop of two thirds compared with last year. Other airports are also struggling - Luton council, which owns Luton airport, has agreed to borrow £60 million to lend to the airport to help avoid insolvency. And Virgin Atlantic announced it was to cut a further 1,150 jobs on top of the 3,500 it has already cut this year from a workforce of around 10,000 at the start of the year.

Elsewhere, there continues to be concerns about local government finances with the finance director of Croydon council, Lisa Taylor, saying "I can't guarantee that we won't issue a 114 notice". This would ban all but essential spending, and would be only the second such instance in 20 years after Northamptonshire County Council, in 2018, announced the same measure. Looking more broadly at all English councils, analysis by the Institute for Fiscal Studies (IFS) found that "councils' forecasts for spending and non-tax income and our baseline scenario for funding imply a funding shortfall of approximately £2 billion this year, although uncertainty about pressures and funding availability means there is scope for the gap to be much bigger or smaller".

Economic recovery scenarios for London show a possible longer than initially expected slog ahead



Since the London's Economic Outlook (LEO) issue published in June, GLA Economics has been working to incorporate the most recent economic evidence and relevant external research into its scenario-based forecasts for London's Economy. This led us to publish updated scenario forecasts in July and again this month. Our latest update of the central macroeconomic scenario for London in the medium-term is presented here. In addition to the available fast economic indicators for the capital since June, this projection is based on a combination of assumptions between two main references: the OBR's reference scenario for the UK – updated in July – and the BoE's illustrative scenario for the UK - which was last updated in August.

As a result of this update, while the depth of the recession in London in 2020 has been revised downwards compared to the LEO issue in June and the previous estimate in July the pace of the output recovery is now markedly slower than initially expected. Looking at the London labour market, GLA Economics now expects an even slower recovery. The Government's Coronavirus Job Retention Scheme will have a positive effect by retaining people in employment this year, however, net employment destruction will probably occur at the end of it and early next year. Overall, both output and employment in London will not return to pre-crisis levels until around three years later under our central scenario – where a gradual return to economic growth is assumed. Medium-term projections under this scenario are shown in Figures 3 and 4 while London forecasts under the alternative macroeconomics scenarios can be seen on the [London Datastore.](#)

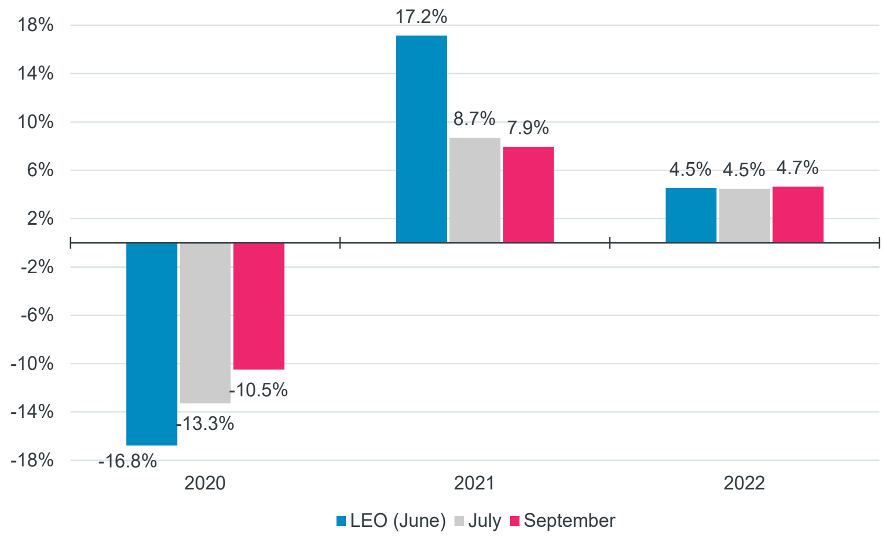


Figure 3: London's medium-term macroeconomic scenarios: Real GVA annual growth rates - central scenario for London

Source: GLA Economics

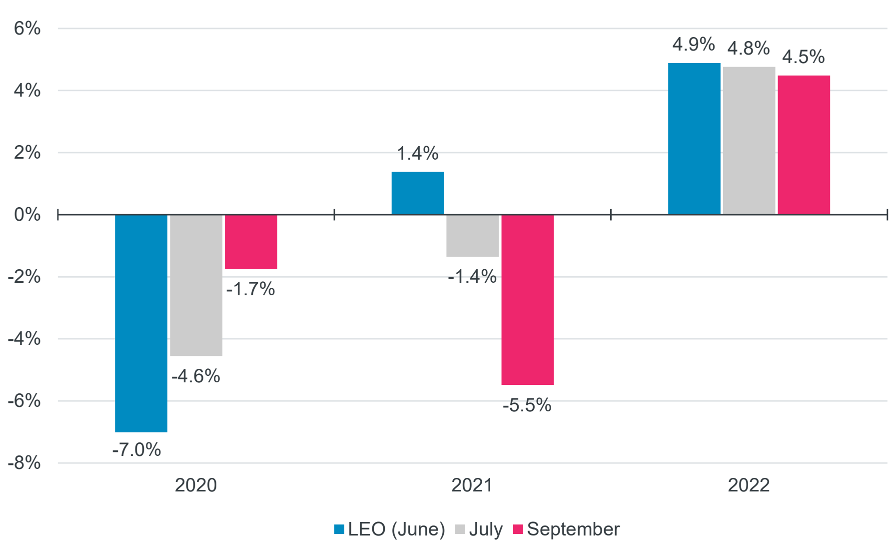


Figure 4: London's medium-term macroeconomic scenarios: Workforce jobs annual growth rates - central scenario for London

Source: GLA Economics

Significant uncertainty remains around London's economic outlook. Risks are on the downside, including the risks associated with the pandemic and of failing to reach a trade deal with the EU from January 2021. We will continue to assess these risks and update London's macroeconomic scenarios with the most relevant evidence as new data becomes available.

Some signs of a recovery internationally but the picture remains mixed

Internationally the economic picture continues to be mixed, with stock markets being relatively robust and retail spending in China rising for the first time this year by 0.5% in August compared with a year ago. The US has also seen unemployment drop below 10% in August to 8.4% down from a recent high of 14.7% in April. However, economic data coming from other countries have been less rosy with the Spanish central bank warning in its latest post COVID-19 scenarios that Spanish output could still be between 2% to 6% below its pre pandemic levels by 2022. This however did not factor in money Spain will receive from the EU's coronavirus recovery fund. Elsewhere, South Africa faced a challenging second quarter with its economy contracting by 16.4%, with the South African Reserve Bank expecting the economy to contract by 7% across all of 2020. And the Asian Development Bank expects developing economies in Asia to contract by 0.7% on average this year which would be "the first regional contraction since the early 1960s," according to Yasuyuki Sawada, the bank's chief economist.

Brexit confusion and the ongoing pandemic will see London face a challenging end to the year

September saw continued uncertainty over what shape if any a Brexit trade deal would take, with fresh warnings about the damage of "no deal". Carolyn Fairbairn of the CBI warned that "cash reserves and stock built up to deal with the cliff edge Brexit last December have gone. They are at rock bottom. The resilience of the economy is not there. We always had a challenge around small businesses being ready and it will now be more serious". Meanwhile the BoE's MPC has observed that the evolution of the economic recovery will depend on the "nature of, and transition to, the new trading arrangements between the EU and the UK".

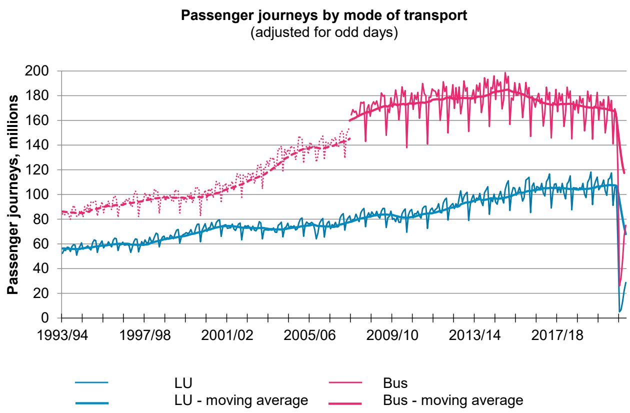
At the same time as trade talks continued a new row over the withdrawal agreement between the UK and EU erupted in September with the publication by the Government of the Internal Market Bill. This bill includes clauses that would break the Withdrawal Agreement and has been seen as a breach of the treaty. In more positive news for London the EU is proposing to allow its banks an 18-month extension to the middle of 2022 to access UK-based clearing houses. Nevertheless, a great deal of uncertainty about the short, medium and long-term economic environment for the UK and London economies persists. GLA Economics will continue to monitor and analyse events and report on them on our publications page.

Economic indicators

In the period 26 July – 22 August 2020, passenger journeys in London continued to recover but remained very low compared to pre-lockdown levels

- 103.9 million passenger journeys were registered between 26 July and 22 August this year, 15.0 million more than in the last period (27 June – 25 July) but still very low from a historic perspective. As a reference, passenger journeys in February – when there were no lockdown restrictions – were 271.4 million.
- In the period 26 July – 22 August 2020, 28.8 million of all journeys were Underground journeys and 75.1 million were bus journeys. The reduced demand on both modes follows from the Government advice not to use public transport except for essential journeys.
- The 13-period-moving average in the total number of passenger journeys continued to fall from 196.8 in the period 27 June - 25 July 2020 to 185.3 in the period 26 July – 22 August 2020.
- The methodology used to calculate the number of bus passenger journeys was changed by TfL on 1 April 2007. For a detailed explanation, please see LET issue 58 (June 2007).

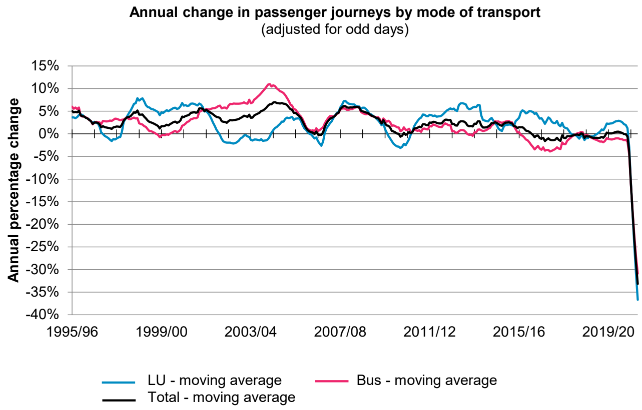
Source: Transport for London
Latest release: September 2020, Next release: October 2020



The moving average annual change in passenger journeys in London reached a new historic low in the period 26 July to 22 August 2020

- The moving average annual growth rate in the total number of passenger journeys was -33.2% in the period 26 July - 22 August 2020, down from -28.6% in the period 27 June – 25 July, a new historic low.
- The moving average annual growth rate of bus journeys decreased from -27.1% to -30.9% between the above-mentioned periods. Likewise, the moving average of Underground passenger journeys went down from -30.9% to -36.7% in those periods.
- The reduced demand on both modes follows from the Government advice not to use public transport except for essential journeys.

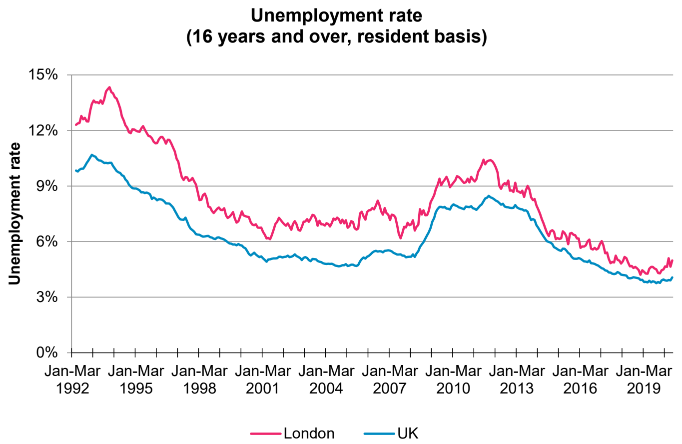
Source: Transport for London
Latest release: September 2020, Next release: October 2020



In the three-month period May-July, London's unemployment rate rose to 5.0%

- 256,000 residents 16 years and over were unemployed in London in the period May-July 2020.
- The unemployment rate in London was 5.0% in that period, up from 4.6% in the previous period February-April 2020 despite the Coronavirus Job Retention Scheme preventing thousands of London workers from becoming unemployed.
- The UK's unemployment rate also increased – from 3.9% to 4.1% - between February-April and May-July.

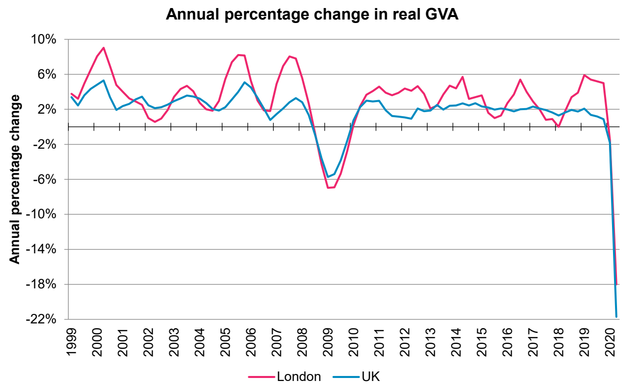
Source: ONS Labour Force Survey
Latest release: September 2020, Next release: October 2020



London's economy is estimated to have fallen by 18.0% annually in the second quarter of the year, following an annual contraction of 1.5% in Q1 2020

- London's real GVA registered the deepest contraction of the historic series in Q2 2020 (-18.0% annually), which adds to the -1.5% annual growth rate seen in the first quarter of the year. Both rates are GLA Economics estimates. This historic negative shock caused by the Covid-19 outbreak took place after London's real output grew by 5.4% in 2019 – according to ONS data - which is the highest growth rate since 2007 despite last year's Brexit-related uncertainty.
- The UK's real GVA annual growth rate for Q2 2020 was -21.7% - also the lowest rate of the historic series – which adds to an annual fall by 1.8% in the first quarter of the year.
- London's real GVA quarterly estimates for both the period Q1 1999 to Q4 2012 and the two most recent quarters have been produced by GLA Economics. Estimates for the intervening period are outturn data from the ONS, which does not publish quarterly estimates for London's real GVA prior to 2013.

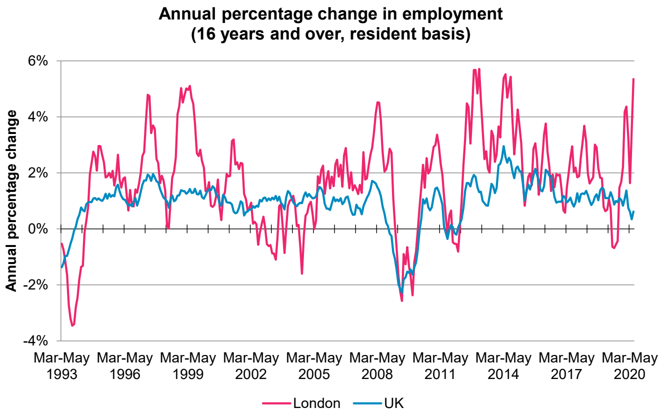
Source: ONS and GLA Economics calculations
Latest release: September 2020, Next release: October 2020



London's employment annual growth rate was 5.3% between May and July this year

- 4.88 million London residents over 16 were in employment during the three-month period May-July 2020.
- The rate of employment growth in the capital was 5.3% in the year between May and July 2020 - 2 percentage points above the same rate in the period February-April. This rate was particularly high – in fact, it is the highest rate in six years – because of the relatively low level registered in the same period last year but also because economic activity in the capital reactivated in May 2020 after around seven weeks on lockdown. Yet, ONS data shows that 32% of persons in employment in London in August were furloughed workers under the new Government's Coronavirus Job Retention Scheme.
- Between May and July 2020, the UK's employment grew annually at a rate of 0.6% which is 0.1 percentage points below the same rate in the period February-April.

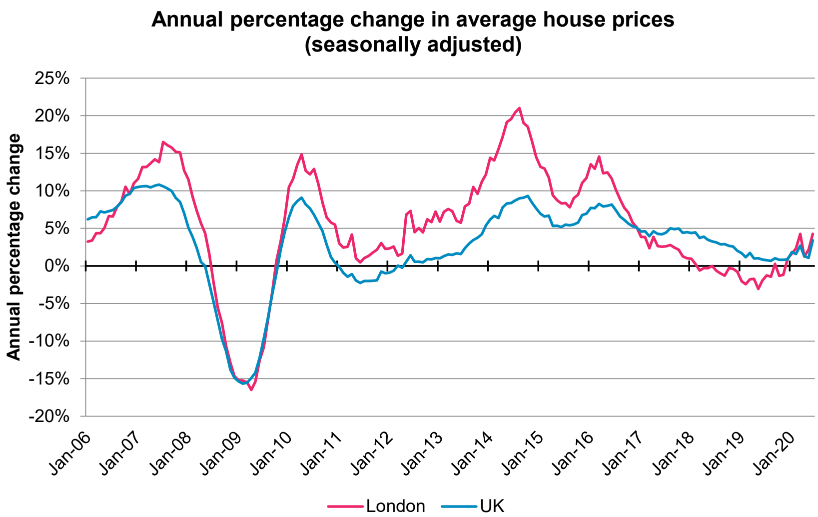
Source: ONS Labour Force Survey
Latest release: September 2020, Next release: October 2020



London house prices increased by 4.3% in annual terms in June

- In June 2020, the average house price in London was £489,267 while for the UK it was £236,075.
- After two consecutive drops in nominal terms in April and May 2020, London house prices recovered pre-lockdown levels in June. The annual growth rate in average house prices in the capital was 4.3% in June, up from 2.2% in May.
- Average house prices in the UK rose by 3.4% in annual terms last June, 2.3 percentage points above the same rate in May.

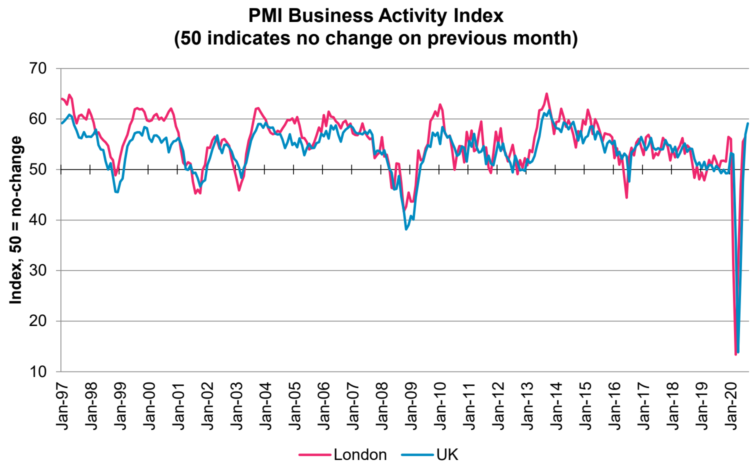
Source: Land Registry and ONS
Latest release: September 2020, Next release: October 2020



London's PMI business activity increased on average across businesses in August

- The Business activity PMI index of London private firms went up to 56.4 in August from 55.5 in July. This is the highest level since February, after a fall large by historic standards in the index between March and June.
- Similarly, the UK index rose from 57.0 in July to 59.1 in August – its highest level in six years.
- The Purchasing Managers' Index (PMI) survey shows the monthly business trends at private sector firms. Index readings above 50 suggest a month-on-month increase in activity on average across firms, while readings below 50 indicate a decrease.

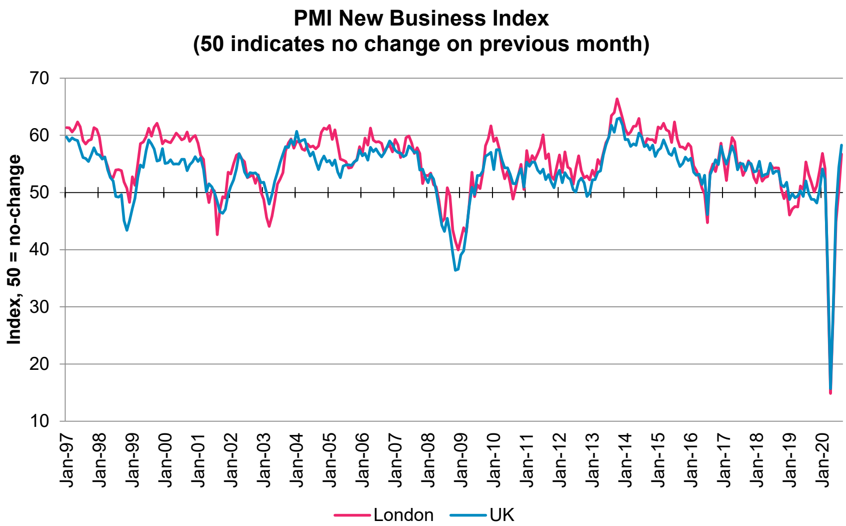
Source: IHS Markit
Latest release: September 2020, Next release: October 2020



In August, PMI new business activity in London improved with the majority of businesses expecting new orders

- The PMI New Business Index in London went up substantially in August (56.7) from 50.4 in July. This is the second month over 50.0 after four months of negative expectations (between March and June).
- The UK index also increased in August (58.3) from 54.4 in July, thus reaching its highest level since March 2015.
- An index reading above 50.0 indicates an increase in new orders from the previous month.

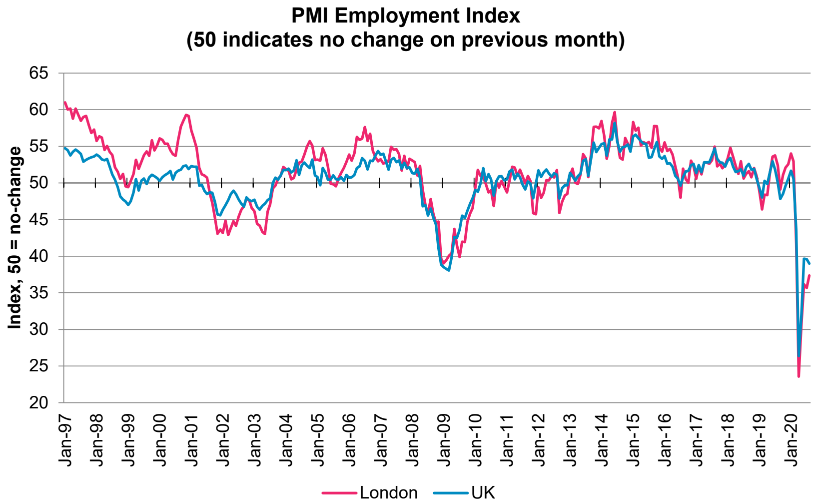
Source: IHS Markit
Latest release: September 2020, Next release: October 2020



PMI Employment Index in London remains stagnated and below 50

- The Employment Index for London increased slightly in August to 37.4 from 35.7 in July, still well below the neutral figure of 50.0. Since February the majority of firms have been reporting worsening employment prospects.
- This index was 39.0 for the UK in August, slightly down from 39.6 in July.
- The PMI Employment Index shows the net balance of private sector firms of the monthly change in employment prospects. Readings above 50.0 suggests an increase, whereas a reading below 50.0 indicates a decrease in employment prospects from the previous month.

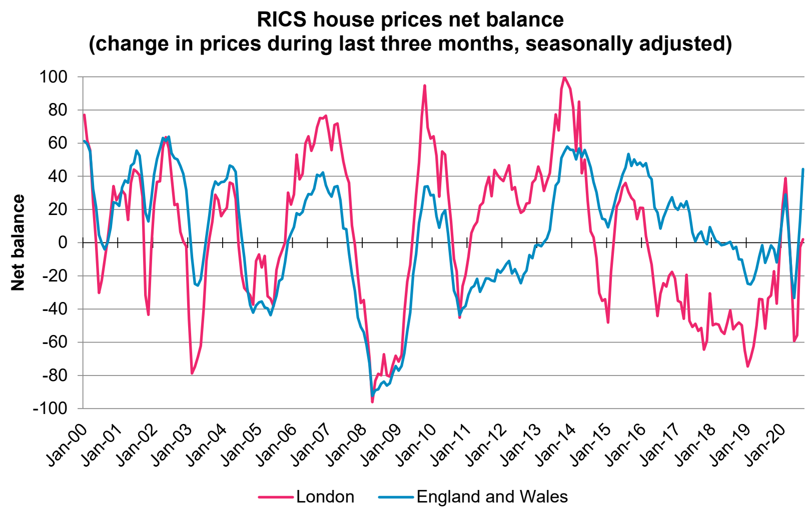
Source: IHS Markit
Latest release: September 2020, Next release: October 2020



The net balance of property surveyors reporting a rise in house prices turned positive in August

- In the three months to August, the net balance of property surveyors reporting a rise in house prices was 2. This level not only implies an increase from July (-3) but the first positive figure in this index since March.
- For England and Wales, the RICS house prices net balance index was 44 in August, its highest level since February 2016.
- The net balance index measures the proportion of property surveyors reporting a rise in prices minus those reporting a decline.

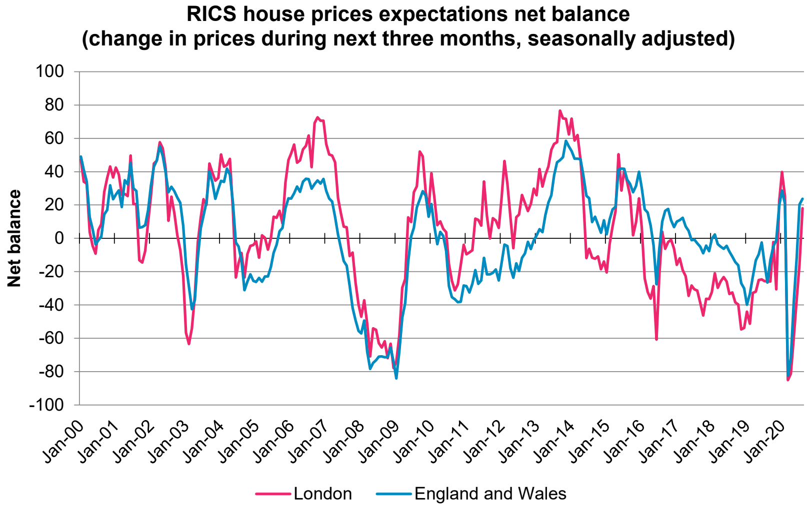
Source: Royal Institution of Chartered Surveyors
Latest release: September 2020, Next release: October 2020



In August, expectations of future house prices in London turned positive for the first time since February

- Between June and August, surveyors reported positive expectations with regards to London house prices (18). This index had shown negative figures since last March – it was -16 in July.
- Sentiment in England and Wales was more positive (24) in August than in July (20).
- The net balance index measures the proportion of property surveyors reporting a rise in prices minus those reporting a decline.

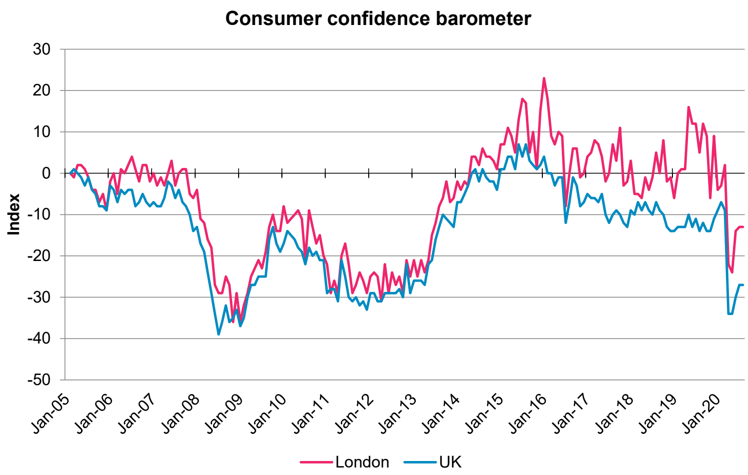
Source: Royal Institution of Chartered Surveyors
Latest release: September 2020, Next release: October 2020



In August, consumer confidence in London remained negative and broadly unchanged since June

- The consumer confidence index in London was at -13 in August, the same figure as in July and very similar to its value in June as well (-14). The August level still represents one of the lowest levels in seven years.
- In August, the sentiment for the UK remained at -27, the same rate as in July. The UK has not shown a positive index score since January 2016.
- The GfK index of consumer confidence reflects people's views on their financial position and the general economy over the past year and in the next 12 months. A score above zero suggests positive opinions; a score below zero indicates negative sentiment.

Source: GfK NOP on behalf of the European Commission
Latest release: August 2020, Next release: September 2020



GLA's Second Adult Education Budget Data Publication

By **Melisa Wickham**, Supervisory Economist, **Audrey Baker** Data Scientist
and **Héctor Espinoza,** Economist

The Adult Education Budget (AEB), devolved in August 2019 to the GLA, funds education and training for adults aged 19 and above.

A range of data about the AEB programme is published quarterly in order to ensure transparency, engage stakeholders, and support learners and employers to make more informed decisions.

In this article, GLA Economics presents key aspects, caveats and findings of the second AEB data release, covering the first three quarters of the 2019/20 academic year.

Background Information

From 1 August 2019, the Secretary of State for Education delegated responsibility for the commissioning, delivery, and management of London's Adult Education Budget (AEB)[1] to the Mayor of London.

In early 2020, the AEB Mayoral Board agreed that AEB programme data should be published on a quarterly basis -following the Department for Education's Further Education and Skills data publication and in line with the UK Code of Practice for Official Statistics- to ensure transparency, engage stakeholders, and support learners and employers to make more informed decisions.

GLA's second AEB data release

GLA Economics published detailed information about the AEB programme on 25 August 2020[2]. This second AEB release, based on administrative education records[3], provides London, Sub-regional and Borough level data and presents provisional, reported to date figures for the first three quarters of the 2019/20 academic year. It should be noted that in-year data is subject to a data lag and future reconciliation. Therefore, they

1 The AEB funds education and training for adults aged 19 and above.
2 Data tables and further information are available here: https://data.london.gov.uk/dataset/gla-adult-education-budget
3 R10 (August-April) Individualised Learner Records (ILR) data, Funding Claims (mid-point year data), and Funding Summary Report (FSR R10).

should be treated with caution and as provisional estimates. Only the final year data will provide the most comprehensive picture of delivery.

Below we show some headline statistics of the programme, such as AEB participation (learners and aims enrolments), demographic characteristics of the learners, course levels and subject areas, and some of the Mayoral areas of interest.

AEB participation

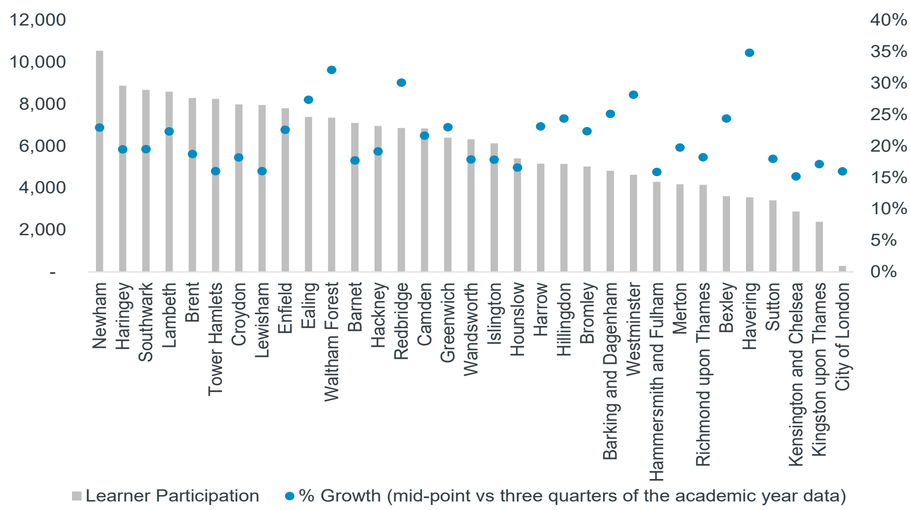


Figure 1A: Learner participation, August to April 2019/20, and the relative change in participation since January 2020 by London Borough

Source: R06 (August-January) and R10 (August-April) ILR data
Note: Figures are based on learner's home postcode on the learning start date and excludes records without a valid postcode.

From August 2019 to April 2020, there were 196,850 learners participating in the AEB programme[4]. All of the Sub-Regional Partnerships[5] and London Boroughs showed significant activity (above 2,000 learners[6]) during the publication period. The top 5 London Boroughs with the highest number of learners were Newham (10,550), Haringey (8,890), Southwark (8,690), Lambeth (8,600), and Brent (8,300)[7].

Compared to mid-point academic year data, learner participation increased on average by 21% in London (Figure 1A). Although this change should be interpreted with caution as in-year data is provisional and subject to a data lag and future reconciliation. Moreover, the Covid-19 pandemic has heavily impacted the FE sector in recent months and could be affecting reporting by providers. Note that comparisons with the same period last year are not feasible as this is the first year of AEB delivery after devolution[8].

4 The AEB delivery to date in the first three quarters of academic year 2019/20 reached £174,754,000. This contrasts with some of the other monetary estimates in the published tables on the proportion of funding to date for adult skills which GLA Economics have produced. These estimates are based solely on the SILR, which contains funding calculated by the ESFA's funding formula for Adult Skills (FM35) learners. This includes formula programme and learning support funding. It does not include any Earnings Adjustment Statement (EAS) Claims or learner support in the Funding Claim that may be associated with Adult Skills provision. Full details are provided in the notes of the published tables.
Additionally, it should be noted that this data refers to provisional in-year data. This does not present estimates of the GLA liabilities to date and shouldn't be considered a financial statement. GLA payments are in accordance with the Standard National Profile for AEB Grant-Funded Providers and final reconciliation applies at the end of the academic year subject to the arrangements agreed by the Mayor for that year. For more information on grant and procured payment and reconciliation processes please see: https://www.london.gov.uk/what-we-do/skills-and-employment/skills-londoners/adult-education-budget/information-gla-aeb-providers#acc-i-57898

5 Central London Forward includes all learning matched to LADs of Camden, the City of London, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster. Local London includes all learning matched to LADs of Barking and Dagenham, Bexley, Bromley, Enfield, Greenwich, Havering, Newham, Redbridge and Waltham Forest. South London Partnership comprises all learning matched to LADs of Croydon, Kingston upon Thames, Merton, Richmond upon Thames and Sutton. West London Alliance comprises all learning matched to LADs of Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon and Hounslow.

6 The exception is the City of London that, with a relatively small population, is a historic financial district.

7 Further breakdowns by Sub-regional partnerships are available online.

8 Current GLA-funded adult education is not equivalent to Education and Training in London in previous years (which was administered by the DfE). Compared to present GLA-delivery, the later includes additional courses, such as Offenders' learning provision and Traineeships. Therefore, comparisons would not be consistent.

Background characteristics

Table 1A: Demographic characteristics

Background characteristics		Learner participation Frequency	%
Sex	Male	59,070	30
	Female	137,790	70
Ethnicity group	White	84,040	44
	Mixed / Multiple Ethnic Groups	10,950	6
	Asian / Asian British	36,610	19
	Black / African / Caribbean / Black British	37,070	20
	Other Ethnic Group	20,790	11
Age band	19-23	19,970	10
	24-49	120,090	61
	50+	56,790	29
Total		**196,850**	**100**

Source: R10 (August-April) ILR data
Note: Age is based on learner's age on 31st August of the academic year.

Table 1A shows key demographic characteristics of the AEB learners. Of the 196,850 participants in the first three quarters of 2019/20:

- 70% were female (137,790 learners) and 30% were male (59,070);
- 56% were from a Black or Minority Ethnic background (105,420 learners including Mixed, Asian, Black and Other Ethnic Group learners)[9] and 44% were from a White background (84,040)[10];
- 10% were aged 19-23 (19,970 learners), 61% aged 24-49 (120,090), and 29% 50+ (56,790).

Aims enrolments

Learners can take more than one aim during the academic year. There were 385,560 aims enrolments from August 2019 to April 2020 (Figure 2A). The majority of these (259,070) belong to funding category Adult Skills. Compared to the previous quarter, formula-funded learning (Adult Skills) and Community learning increased by 39 and 33%, respectively[11]. Furthermore, in-year data shows that learners often enrol in multiple aims (on average each learner undertakes 1.96 aims), which suggests that learners and providers engage positively during the learning process.

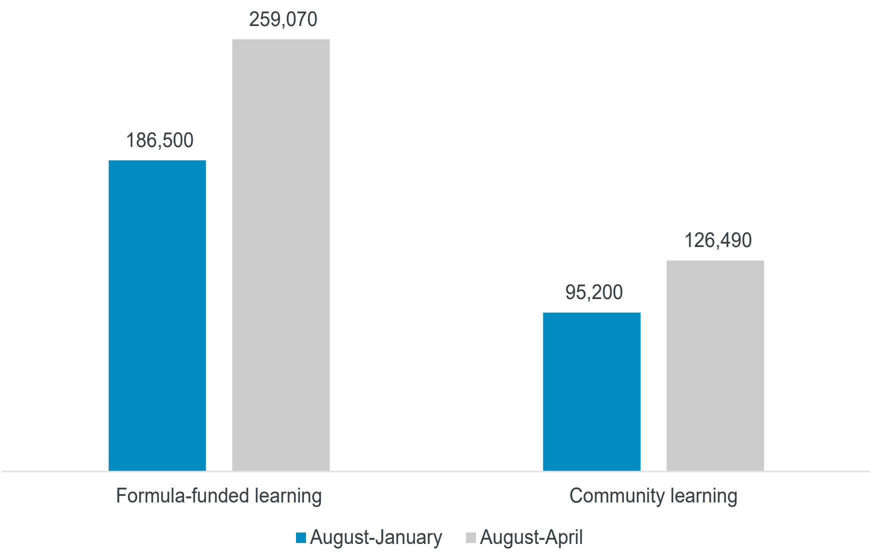


Figure 2A: Aims enrolments by funding category

Source: R06 (August-January) and R10 (August-April) ILR data

9 The percentage calculation for the Black, Asian and Minority Ethnic (BAME) and "Learner's disability, learning difficulty and/or health problem" (LLDD) measures here are based on excluding instances of unknown ethnicity and unknown learning difficulty/disability.
10 Note that to compute these statistics, 'not knowns' (i.e. missing data) are not considered and have been excluded from Table 1A.
11 As mentioned above, these statistics should be interpreted with caution as in-year data is provisional and subject to a data lag and future reconciliation. Moreover, the Covid-19 pandemic has heavily impacted the FE sector in recent months and could be affecting reporting by providers.

Figure 3A shows that the aim level composition differs between Adult Skills and Community Learning. Adults Skills delivery range between Entry Level and Level 3, while Community Learning tends to be concentrated at Other Level (i.e. level not applicable). This suggests complementarities between the two streams, which is confirmed by the analysis of sector subject areas.

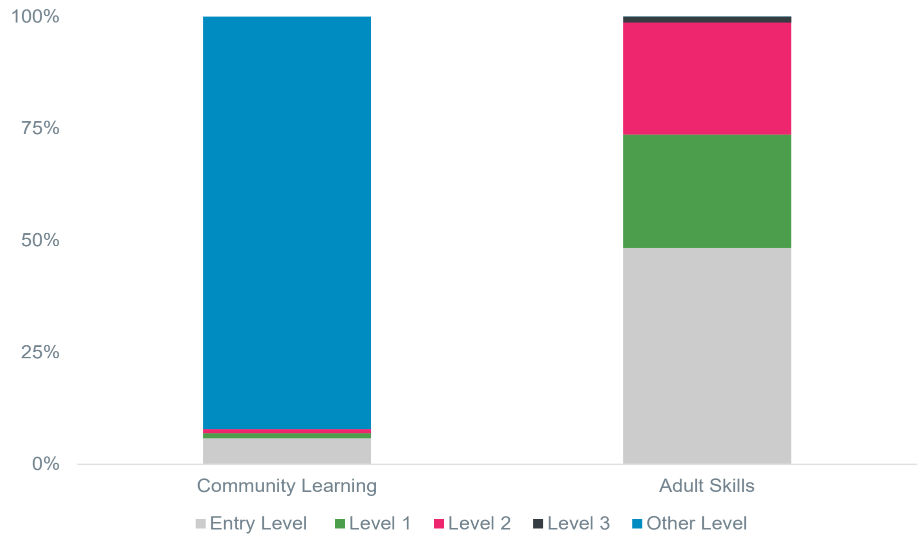


Figure 3A: AEB provision by funding model (i.e. Adult Skills or Community Learning) and level

Source: R10 (August-April) ILR data

Note: Levels are based on the notional NVQ level version two

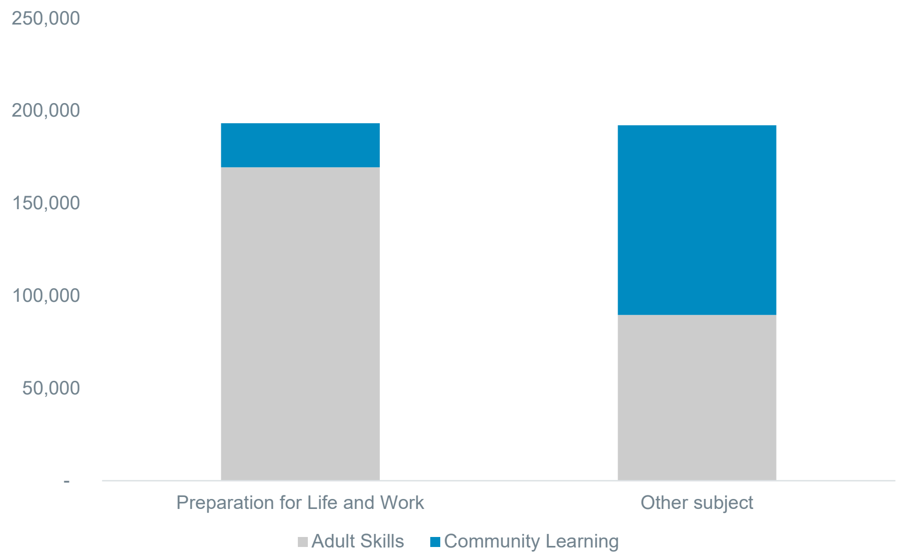


Figure 4A: AEB provision by funding model (i.e. Adult Skills or Community Learning) and sector subject area

Source: R10 (August-April) ILR data

Almost half of all aims enrolments correspond to Preparation for Life and Work courses, and as shown in Figure 4A, the vast majority is in funding category Adult Skills. In general, there is a strong correlation between sector subject area and funding model. For instance, Construction, Business, Education and Engineering are strongly associated with Adult Skills. Conversely, Languages, Arts and History and Philosophy clearly correlate with Community Learning (Figure 5A). Detailed statistics, including additional breakdowns by level and background characteristics are available online.

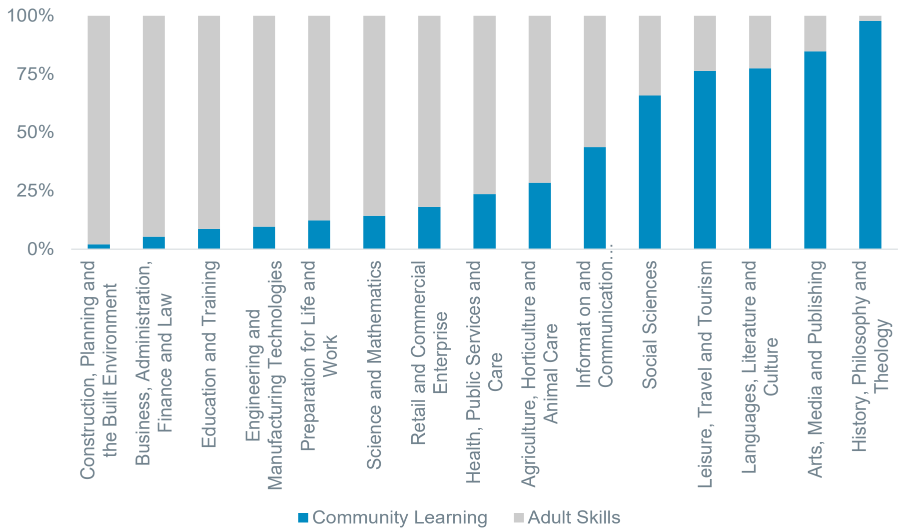


Figure 5A: AEB provision by funding model (i.e. Adult Skills or Community Learning) and sector subject area

Source: R10 (August-April) ILR data

Mayoral areas of interest

Entitlement	Level	Learner Participation	Aims Enrolments	Portion of Funding to Date for Adult Skills
English	Entry Level	9,980	11,520	£6,679,000
	Level 1	5,370	5,790	£3,083,000
	Level 2	7,480	7,570	£4,838,000
	Total	**22,270**	**24,870**	**£14,600,000**
Maths	Entry Level	9,730	10,470	£8,268,000
	Level 1	5,280	5,420	£3,026,000
	Level 2	7,170	7,290	£4,779,000
	Total	**21,490**	**23,180**	**£16,073,000**
Total		**32,160**	**48,050**	**£30,673,000**

Table 2A: English and Maths (Entitlements)

Source: R10 (August-April) ILR data

Note: Entitlement learning is learning taken as part of the legal entitlements to full funding for eligible adult learners for English and Maths and Level 2 and Level 3 learning[12]. Levels are based on the notional NVQ level version two

English and Maths Entitlement

Basics skills, such as English and Maths skills are essential in enabling people to function in society and progress in learning and employment. Table 2A shows, in total, 32,160 learners participated in 48,050 courses. Out of this total, almost a third of these aims are taken at Level 2.

British Sign Language

From August 2019 to April 2020, 320 people participated in British Sign Language courses[13].

Learners in receipt of low wage

This second data publication also includes for the first-time statistics on fully funded learners in receipt of low wage[14]. From August 2019 to April 2020, 19,390 learners in receipt of low wage participated in the Adult Skills' stream of the AEB programme, which is equivalent to £19,465,000 in spend.

12 See the GLA's Adult Education Budget funding rules for further information on entitlements (https://www.london.gov.uk/what-we-do/skills-and-employment/skills-londoners/adult-education-budget/information-gla-aeb-providers) and the methodology note for details on how entitlement learning has been identified.

13 The GLA fully fund any learner aged 19+ whose first or preferred language is British Sign Language (BSL), or who cannot access spoken language because of their deafness and would benefit from BSL, to study for qualifications in BSL, up to and including level 2.

14 See for instance London data tables 4.3-4.6 available online.

Further breakdowns and more information about Mayoral areas of interest are available in https://data.london.gov.uk/dataset/gla-adult-education-budget

Next Steps

GLA's next AEB data release will be based on R14 (final year) ILR data and will provide - for the first time - a more comprehensive representation of delivery, including (GLA funded) FE achievements[15] and delivery to date (£) in London.

15 Achievements are not shown here. Perhaps unsurprisingly, a significant number of FE learners (around 45%) have not completed their courses by April 2020, and therefore are currently classified under category 'study continuing' in the ILR data.

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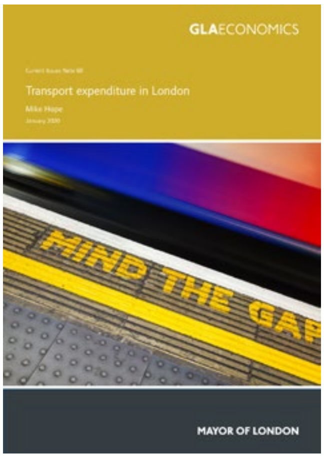

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September 2020

ISSN 1740-9136 (print) ISSN 1740-9195 (online) ISSN 1740-9144 (email)

London's Economy Today is published towards the end of every month. It provides an overview of the current state of the London economy, and a selection of the most up-to-date data available. It tracks cyclical economic conditions to ensure they are not moving outside the parameters of the underlying assumptions of the GLA group.

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GLA Economics provides expert advice and analysis on London's economy and the economic issues facing the capital. Data and analysis from GLA Economics provide a sound basis for the policy and investment decisions facing the Mayor of London and the GLA group. The unit was set up in May 2002.

MAYOR OF LONDON