

Skills

Chapter 4

- » London's working-age population possesses more higher-level qualifications on average than the overall UK population. In London, **37 per cent of the working-age population had Level 4 or above qualifications in 2007** compared with just 29 per cent of the total UK population.
- » The share of London's working-age population who had **no qualifications was 13 per cent**, the same as that in the UK.
- » Approximately **half of London residents aged 25-34 possessed Level 4 qualifications or above**, significantly higher than the level for older age groups. The age distribution of London residents in employment is skewed towards this 25-34 year old age group relative to the rest of the UK.
- » **Over half (56 per cent) of jobs in central London were filled by people with Level 4 or above qualifications.** The average for London overall was 46 per cent whilst in the UK 33 per cent of jobs were filled by people with Level 4 or above qualifications.
- » The **Financial and Business Services sectors and the Public Administration, Education and Health sectors** have the **highest shares of their jobs filled by people with Level 4 or above qualifications**, whilst the Construction and the Distribution, Hotels and Restaurants sectors had a high share of jobs filled by workers with lower levels of qualifications.
- » **Possessing at least some form of qualification significantly increases the chances of employment** in London with 66 per cent being in employment with 'Below NVQ level 2' qualifications compared to 45 per cent with no qualifications.
- » Similarly, there is a large benefit to be gained from having **NVQ level 4 and above qualifications in London with employment rates of 87 per cent** in comparison to 77 per cent for those with only NVQ level 3 qualifications.
- » **GCSE results have been improving rapidly** amongst London children over recent years with the percentage obtaining five A*-C grades rising from **45 per cent in 2000 to 64 per cent in 2008**. However, only 51 per cent obtained five A*-C grades including English and Mathematics in 2008.

Introduction

This chapter considers data on the levels of qualifications of London residents and the London workforce.

Qualification levels are considered an important predictor of success in the labour market and the data in this chapter assesses the links between employment status and individuals qualifications. The chapter also considers how different occupations and industries have differing needs in terms of qualifications amongst their workers. The chapter concludes with a short look at the qualification levels being obtained by young Londoners as they prepare to move from education into the labour force.

The charts and tables in this chapter are based on a definition of skill levels used in the Labour Force Survey. In brief, these definitions correspond to widely known qualification levels as follows:

'NVQ Level 4 and above' corresponds to degree level qualifications,

'NVQ Level 3' corresponds to A' Level standard qualifications,

'NVQ Level 2' corresponds to GCSE qualifications, and

'Other Qualifications' usually means an individual has obtained qualifications abroad that are not categorised in the UK definitions.

A full definition of each of the terms is provided in the [Notes and Definitions](#) section at the back of this publication.

Qualification levels of London residents

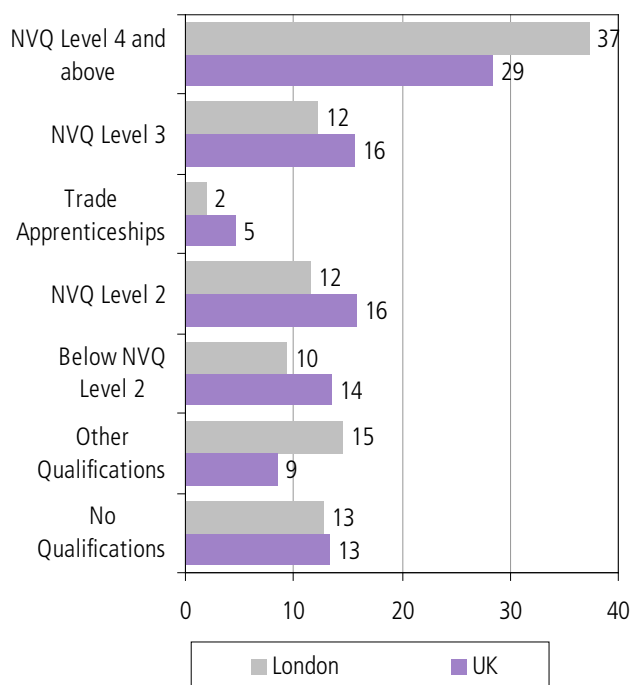
London's working-age population possesses higher qualifications on average than does the UK population. This is particularly true in terms of the share of the workforce possessing degree level qualifications. Thus, in London, in 2007, 37 per cent of the working-age population had Level 4 or above qualifications compared with just 29 per cent of the total UK population ([Figure 4.1](#)).

At the opposite end of the qualifications scale, the share of London's working-age population who had no qualifications was 13 per cent, the same as that in the UK.

Figure 4.1

Highest qualification held, London and UK, working-age, 2007

Percentages



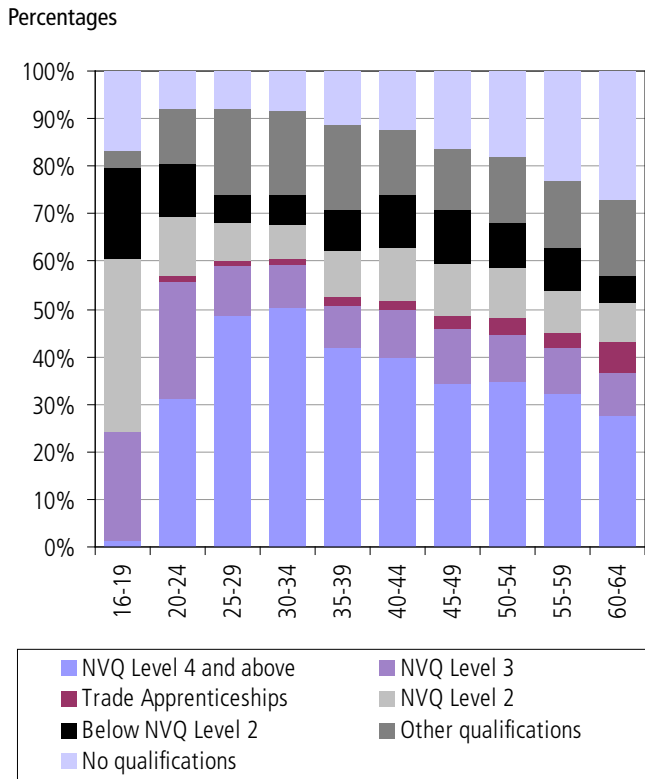
Source: *Annual Population Survey 2007*

London also had a large share of its population possessing 'other qualifications', which are qualifications that are not recognised in the UK classification, usually because they have been earned abroad. This is to be expected given the larger proportion of non-UK born residents living in London compared with other regions of the UK.

In general, young people today are obtaining higher qualification levels than previous generations. As a result, when the age profile of qualifications is examined it is typical to see lower levels of qualifications amongst older age groups and this is true of the London population ([Figure 4.2](#)).

Amongst people aged 25-34, approximately 50 per cent of London residents had Level 4 or above qualifications, significantly higher than the level for older age groups. The high level of qualifications amongst 25-34 year old residents in London also partly reflects the large influx of high-skilled individuals who move into London during their 20's from other UK regions, attracted by

Figure 4.2
Working-age London residents by qualifications and age group, 2007

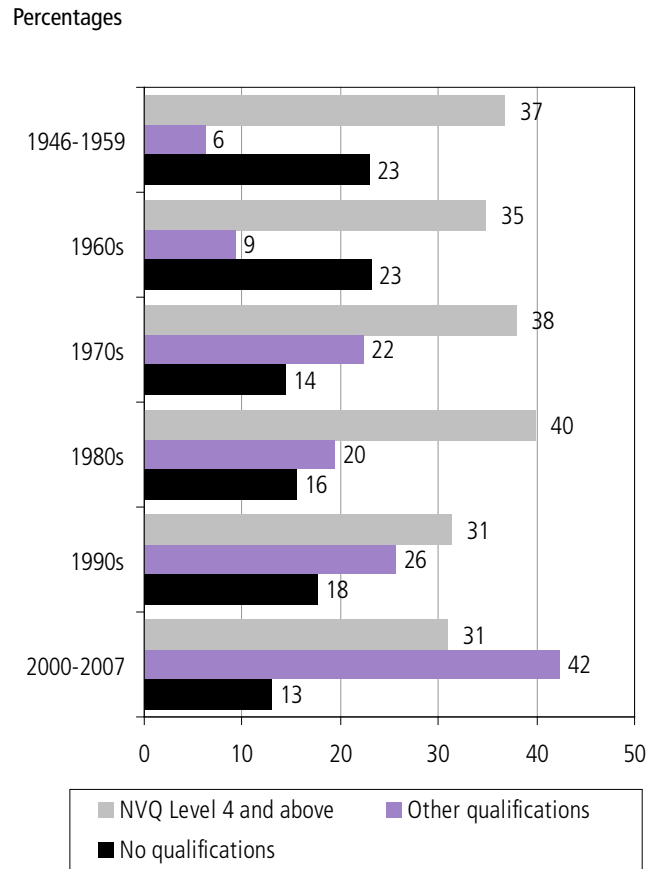


Source: Annual Population Survey 2007

the number of high-skilled jobs available in the London labour market.

One key characteristic of the London population is its dynamism. There is constant movement of people both into and out of London both from other regions of the UK and from abroad. Approximately two million working-age residents in London were born outside of the UK. This total includes significant numbers of people (650 thousand) with Level 4 qualifications or higher, and also of people with no qualifications (300 thousand) (Figure 4.3). However, as would be expected 'other qualifications' forms a particularly large share of the qualifications obtained by London residents born abroad.

Figure 4.3
Highest qualification of London residents born overseas, by year of arrival to UK¹, working-age



1 Total overseas born London residents by year of arrival: 1946-1959 - 21,000, 1960s - 130,000, 1970s - 201,000, 1980s - 261,000, 1990s - 533,000, 2000-2007 - 810,000.

Source: Annual Population Survey 2007

International migration into London has led to a high level of ethnic diversity amongst the London population. In terms of qualification levels, White British residents tend on average to have slightly higher qualification levels than other ethnic groups. However, there is a fair degree of similarity amongst the data with most ethnic groups typically having between 30 to 40 per cent of residents with Level 4 or above qualifications and ten to 15 per cent of residents with no qualifications. Exceptions are the Chinese ethnic group, which has a higher share of high-level qualifications than other groups, and the Bangladeshi community which has a significantly lower level of qualifications than other London ethnic groups (Table 4.4).

Table 4.4

Highest qualification of the working-age population by ethnicity, London, 2007

Percentages

	NVQ Level 4 and above	NVQ Level 3	Trade Apprenticeships	NVQ Level 2	Below NVQ Level 2	Other qualifications	No qualifications
White	40	13	2	12	10	11	12
British	41	14	2	13	12	5	12
Other White	36	6	2	5	4	35	11
Mixed	37	12	1	17	10	12	11
Asian	32	11	0	10	8	23	15
Indian	38	11	1	9	5	25	11
Pakistani	30	12	0	13	12	19	14
Bangladeshi	19	13	0	12	15	13	27
Other Asian	31	11	1	7	5	28	16
Black	32	14	2	15	11	14	13
Black Caribbean	28	16	3	17	15	9	13
Black African	34	13	1	14	7	18	13
Other	34	9	1	8	6	25	18
Chinese	61	5	0	5	5	14	10
Other	29	9	1	8	6	27	20
Total	37	12	2	12	10	14	13

Source: Annual Population Survey 2007

Qualifications of London workforce

Not all working-age residents are in employment. As a result, the qualification distribution of the workforce tends to be higher than that of the population because higher skilled people are more likely to be in work, and lower skilled people are more likely to be workless.

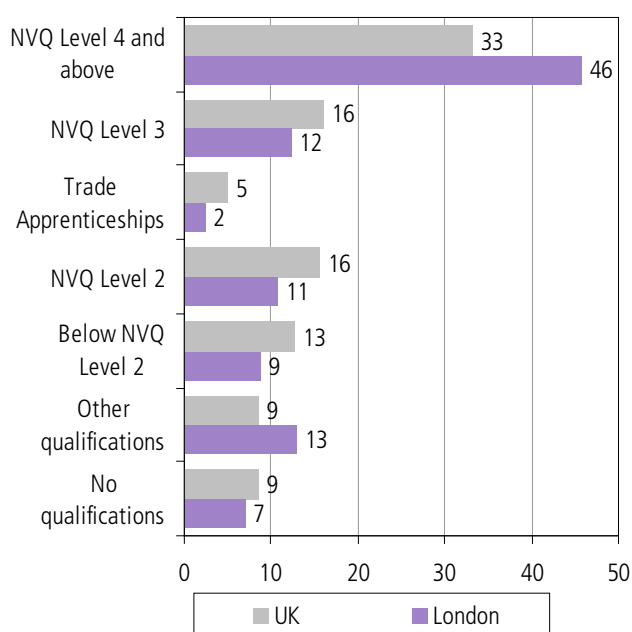
So, whilst Figure 4.1 showed that 37 per cent of London's working-age population had Level 4 and above qualifications in 2007, the share of jobs in London filled by people with these qualifications totalled 46 per cent (Figure 4.5). This was substantially higher than in the UK overall where just 33 per cent of jobs were filled by people with Level 4 and above qualifications. This illustrates the strong demand that exists from business for high-skilled workers within London relative to the rest of the UK.

This demand for high-skilled workers is particularly strong amongst firms based in central London (see Notes and Definitions), 56 per cent of people who work in this region possessed Level 4 or above qualifications (Figure

Figure 4.5

People employed in London by highest qualification held, 2007

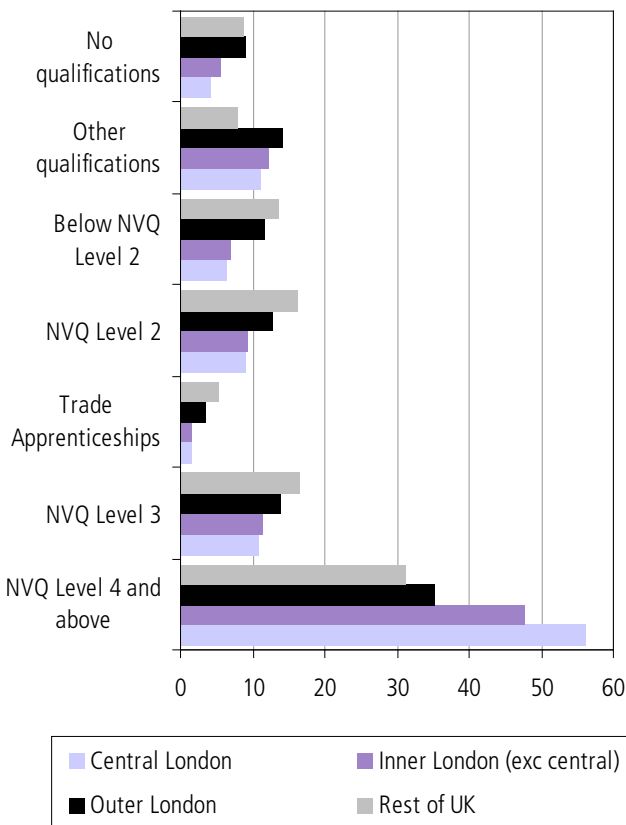
Percentages



Source: Annual Population Survey 2007

Figure 4.6
Highest qualifications of people in employment, by job location¹, 2007

Percentages



1 Central London is defined as the area within the bounds of the main London national rail train termini.

Source: Annual Population Survey 2007

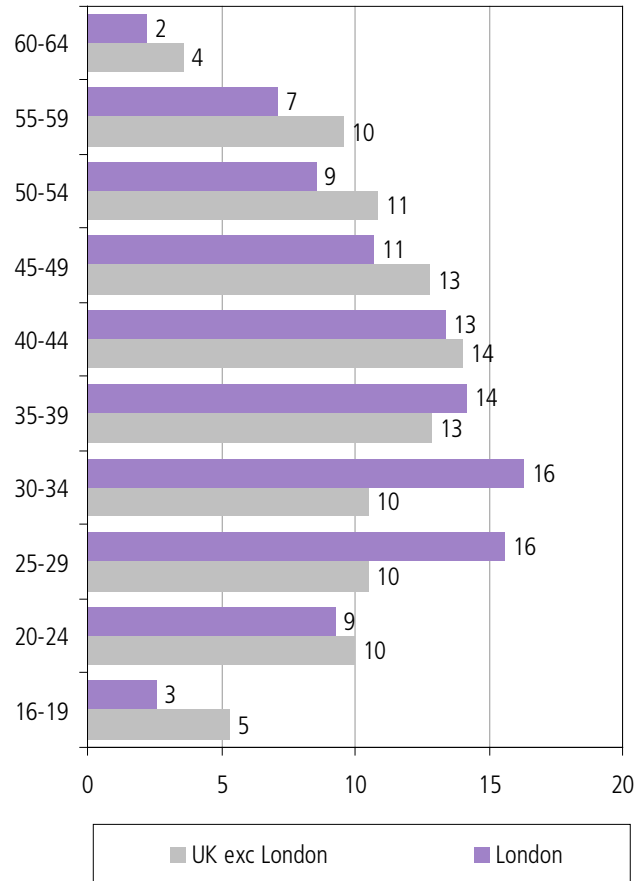
4.6). By contrast, the skills distribution of people who work in Outer London is more similar to that in the rest of the UK with a smaller share of people qualified to Level 4 or above, and a greater share of workers qualified to Levels 1, 2 and 3.

In order for the demand for high-skilled workers to be met, London attracts a high degree of in-migration from both domestic and international sources. Much of this in-migration tends to be of people in the early stages of their careers, typically aged in their 20s. This leads to the age distribution of London residents in employment being skewed towards the 25-34 age group relative to the rest of the UK (Figure 4.7)

Furthermore, the skill levels of those workers aged 25-34 resident in London is particularly high. In 2007, over 54 per cent of this age group possessed Level 4 or above

Figure 4.7
Age profile of residents in employment, 2007

Percentages



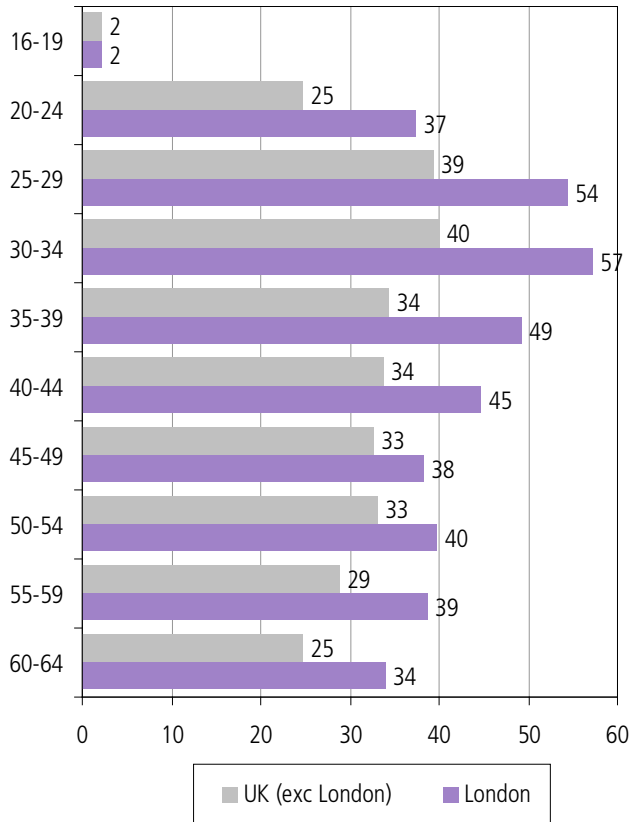
Source: Annual Population Survey 2007

qualifications, compared to just 40 per cent for the same age group working in the rest of the UK (Figure 4.8).

Another important factor that impacts upon the London workforce is commuting flows. Nearly a fifth (19 per cent) of London's jobs are filled by people who live outside of Greater London. In terms of qualifications, these commuters have a broadly similar skills profile to that of working London residents with 45 to 46 per cent having Level 4 or above qualifications in each case. There are, however, fewer commuters with 'no qualifications' or 'other qualifications' when compared to London residents in employment in London. (Figure 4.9)

Figure 4.8
Percentage of residents in employment with Level 4 and above qualifications by age, 2007

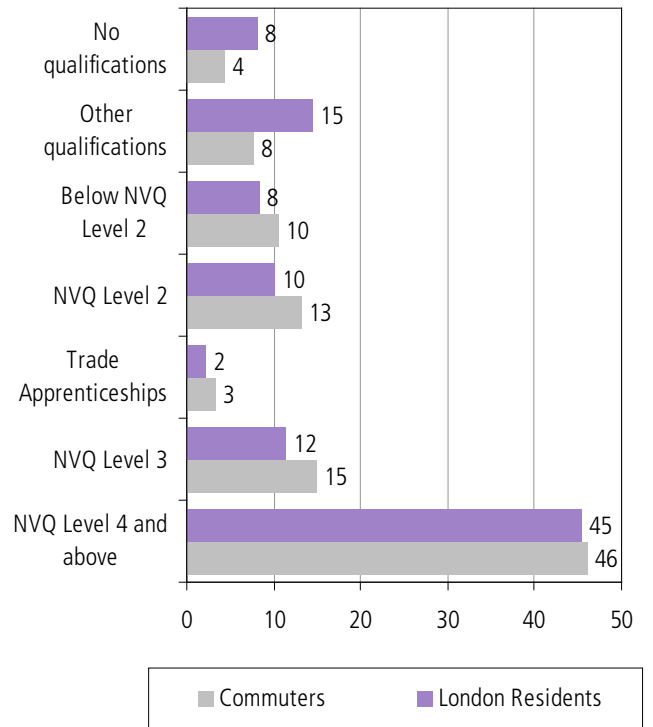
Percentages



Source: Annual Population Survey 2007

Figure 4.9
Qualifications of the London workforce - commuters and resident workers, 2007

Percentages



1 Commuters are people whose workplace is in London but whose residence is outside London.

Source: Annual Population Survey 2007

Qualifications by occupation and sector

The relatively high share of jobs requiring high skill levels in London reflects the occupations and industrial sectors that are based in London.

In terms of occupations, London has a high number of jobs that are either Managers and Senior Officials, Professional Occupations or Associate Professional and Technical. These occupations account for 57 per cent of jobs in London compared to 43 per cent of jobs in the UK. Level 4 or above qualifications are required for the majority of employment opportunities in these occupations (Figure 4.10). Furthermore, it is these

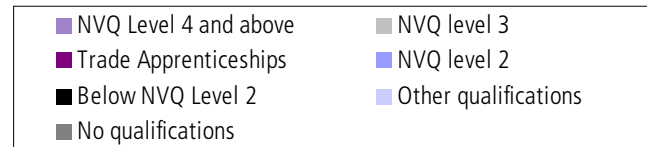
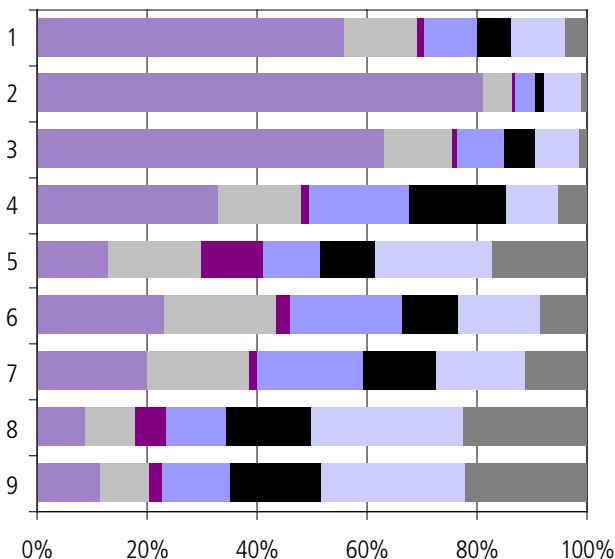
occupations that have been responsible for most of London's employment growth over the past decade.

In terms of industrial sectors, the Financial and Business Services sectors and the Public Administration, Education and Health sectors have the highest shares of their jobs filled by people with Level 4 or above qualifications, whilst the Construction and the Distribution, Hotels and Restaurants sectors have a high share of jobs filled by workers with lower levels of qualifications (Figure 4.11).

Figure 4.10

London workforce by occupation¹ and qualification level, 2007

Percentages



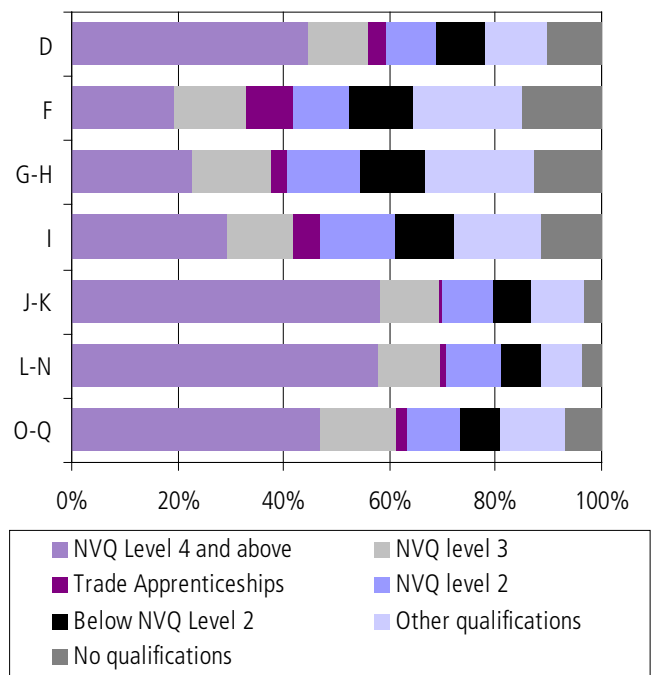
- 1 Descriptions of occupation groups:
- 1 Managers and Senior Officials
 - 2 Professional occupations
 - 3 Associate Professional and Technical
 - 4 Administrative and secretarial
 - 5 Skilled Trades Occupations
 - 6 Personal Service Occupations
 - 7 Sales and Customer Service Occupations
 - 8 Process, Plant and Machine Operatives
 - 9 Elementary Occupations

Source: Annual Population Survey 2007

Figure 4.11

London workforce by industrial sector^{1,2} and qualification level, 2007

Percentages



- 1 Descriptions of industry sectors:
 D Manufacturing
 F Construction
 G-H Distribution, Hotels & Restaurants
 I Transport & Communication
 J-K Banking, Finance & Insurance etc
 L-N Public Admin, Education & Health
 O-Q Other Services
- 2 Industrial sectors A-C, D & E in London have a very low sample size in London, and therefore are missing from this chart.

Source: Annual Population Survey 2007

Employment rates and worklessness by qualification

The qualifications an individual holds can be very important in terms of their success in the labour market. In particular, an individual in London possessing no qualifications is more likely to be workless in London than to be in employment (Figure 4.12).

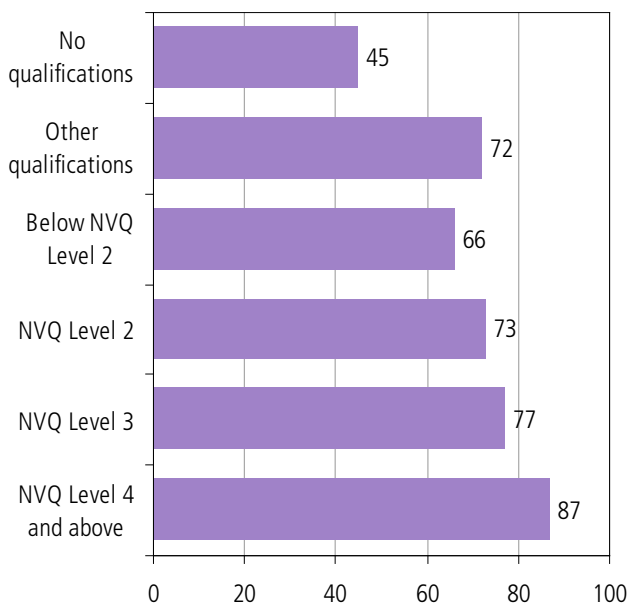
Possessing at least some form of qualification significantly increases the chances of employment with 66 per cent being in employment with 'Below NVQ level 2' qualifications compared to 45 per cent with no qualifications.

Similarly, there is a large benefit to be gained from having NVQ level 4 and above qualifications with employment rates of 87 per cent in comparison to 77 per cent for those with only NVQ level 3 qualifications.

Figure 4.12

Employment rates of working-age Londoners, excluding students, by qualification level, 2007

Percentages



1 Data on trade apprenticeships is not robust enough to be shown, due to small sample size.

Source: Annual Population Survey 2007

Qualifications attained by young people in London.

This chapter has illustrated how important it is to obtain qualifications in order to be successful in the London labour market and in particular the benefits to be gained in London from possessing Level 4 or above qualifications. This last section briefly looks at the qualifications London's young people are currently obtaining from their education.

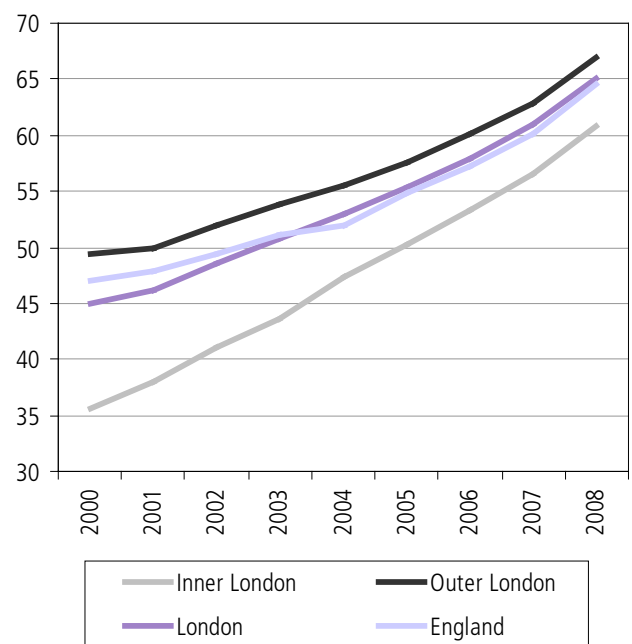
GCSE results have been improving rapidly amongst London children over recent years with the percentage obtaining five A*-C grades rising from 45 per cent in 2000 to 64 per cent in 2008 (Figure 4.13).

However, ability in English and Mathematics are crucial to many employment opportunities and so it is often considered preferable to consider the data on the numbers of pupils obtaining five GCSE's A*-C including English and Mathematics. This level was obtained by 51 per cent of London pupils in 2008 (Table 4.14). It is noticeable that there is a large gender gap in achievement with only 46 per cent of boys obtaining this level compared to 55 per cent of girls.

Figure 4.13

Pupils obtaining five GCSE's A*-C, 2000-2008

Percentages



Source: Department of Children, Schools and Families

Table 4.14

Pupils with five A*-C GCSEs including English and Mathematics, 2007/08

	Percentages		
	Boys	Girls	Total
North East	41.5	48.5	44.9
North West	43.7	51.3	47.4
Yorkshire and The Humber	40.6	48.3	44.4
East Midlands	43.4	50.8	47.0
West Midlands	41.6	50.9	46.1
East	46.0	54.7	50.3
London	46.4	55.0	50.6
Inner London	40.6	50.1	45.4
Outer London	48.9	57.2	53.0
South East	48.1	55.4	51.7
South West	44.9	53.8	49.2
Total (Maintained sector, including CTCs and Academies)	44.4	52.4	48.3
England	43.2	52.3	47.6

Source: Department of Children, Schools and Families

After obtaining GCSE's or other Level 2 qualifications, the next qualification target are Level 3 qualifications. The share of London's 19 year olds who have obtained Level 3 qualifications was 51.9 per cent in 2008 which shows a considerable improvement on the 2005 level of 45.8 per cent (Table 4.15).

Table 4.15

Percentage of young people with level 3+ qualifications

Cohort	Percentages				
	17	18	19	20	21
London					
19 in 2005	12.1	37.8	45.8	49.3	50.7
19 in 2006	12.6	40.0	48.6	52.0	53.9
19 in 2007	13.9	42.0	50.5	54.5	
19 in 2008	14.1	42.5	51.9		
England					
19 in 2005	15.0	39.0	45.4	48.2	49.9
19 in 2006	15.2	40.1	46.7	49.6	51.4
19 in 2007	15.8	41.2	48.1	51.4	
19 in 2008	16.0	42.1	49.8		

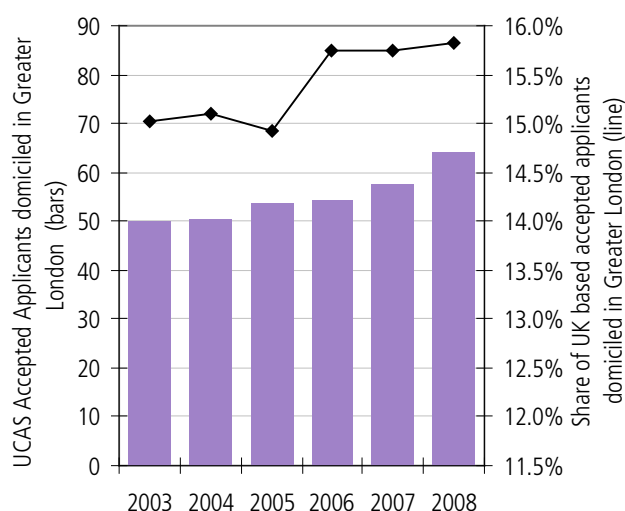
Source: Department of Children, Schools and Families

Nevertheless, recent years have seen an increase in accepted applications to higher education from London resident applicants. Numbers have steadily increased since 2003 to a total of 64 thousand in 2008, though some of this will be down to the increase in London and UK accepted admissions of nurses that used the UCAS system for the first time in 2008. The share of UK acceptances from people resident in London has increased slightly over the same period from 15.0 per cent to 15.8 per cent (Figure 4.16).

Figure 4.16

UCAS accepted applicants by London residents, 2003-2008¹

Percentages and thousands



¹ In 2008 the Nursing and Midwifery Admissions System (NMAS) was subsumed in to the UCAS application system and part of the increase from 2007 to 2008 can be attributed to this factor.

Source: UCAS

