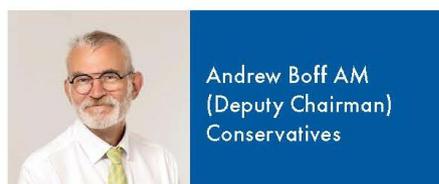
The background of the entire page is a vibrant green color with a faint, stylized map of a city grid overlaid. Scattered across this map are several small, realistic illustrations of people in various poses and outfits, as if they are walking or standing on the city streets. The overall aesthetic is clean, modern, and thematic of urban life and movement.

# London's Post-Pandemic Labour Market and Working Practices

Economy Committee

## Economy Committee



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## Foreword



**Marina Ahmad AM**  
**Chair of the Economy Committee**

The COVID-19 pandemic had a dramatic impact on London's labour market. In the months following the first lockdown in March 2020, London experienced a sharp fall in employment levels, alongside rises in unemployment and economic inactivity. The Economy Committee decided to investigate London's post-pandemic labour market in order to understand to what extent it has bounced back from the shock of the pandemic, and whether the pandemic has had a lasting effect on employment and working practices in the capital.

Over the course of our investigation, the Committee learnt that many aspects of London's economy and labour market have recovered since the pandemic. However, some concerning trends have persisted beyond the pandemic. In particular, it is clear that a significant section of the population have not felt able to return to work, and evidence suggests at least part of this is down to a greater prevalence of poor mental health in the aftermath of the pandemic, particularly amongst younger Londoners. The Committee heard that more support is needed to support those suffering from both mental and physical health conditions to return to the workplace.

The Committee also heard that insecure work and zero hours contracts are still commonplace in London. The Mayor's Good Work Standard is a welcome initiative, and the Committee is pleased to see that over 145 organisations have so far become Good Work Standard accredited employers, covering around 258,000 Londoners. However, we believe there is more to do to encourage greater sign-up, including a full evaluation of its impact on workplaces where employers have adopted it, and a study of the barriers that are potentially deterring other employers from seeking accreditation.

The Committee heard evidence of a widening skills gap in London, with many workers not being given the opportunities to develop the skills they need to progress. Small businesses in particular often struggle to acquire and develop the digital skills they need. With the delegation of the Adult Education Budget to London, the Mayor should seek further opportunities develop flexible, bolt-on training for in-demand skills such as digital and green skills, including for those already in work. Apprenticeships are a vital route into work, and yet numbers in London have

dropped in recent years. Further devolution of powers to the Mayor over the funding of apprenticeships could help boost numbers in the city.

The recommendations in this report aim to go some way towards addressing these issues. They encourage the Mayor to take additional steps to improve the working lives of Londoners, reduce insecure and low quality work, and help to get people back into work.

## Executive summary

The Economy Committee set out to investigate the current state of London's labour market in the aftermath of the COVID 19 -pandemic. We focused on the impact that the pandemic had on the city's labour market, including effects on employment and unemployment rates, and levels of economic inactivity. We also looked at the impact on working practices, including any long-term effect on ways of working, the prevalence of insecure and low-quality work, and to what extent the labour market in London has recovered from the pandemic.

The Committee also focused on the challenges faced by businesses in recruiting and retaining staff in the post-pandemic labour market. We looked at where skills gaps exist and what action the Mayor could take to encourage the development of in-demand skills such as green skills.

As part of the investigation the Committee held a formal meeting at City Hall on 13 July 2023, and an informal roundtable discussion on 13 September 2023.

The Committee reached several key findings as part of our investigation, which are summarised below:

- The COVID-19 pandemic had a significant impact on the labour market in London and across the UK, generating a large fall in employment levels and rises in both unemployment and economic inactivity. London's labour market was hit particularly hard by the pandemic, largely due to the effects of lockdown on London's office-based economy, as well as the prevalence of low pay and insecure work in London prior to the pandemic.
- London's labour market has broadly recovered and stabilised following the pandemic, with positive trends in relation to the number of jobs and levels of unemployment. However, there are also indications that the pandemic has generated some concerning longer-term trends. In particular, rates of economic inactivity due to long-term sickness remain notably higher than before the pandemic, and employment rates remain lower. The recovery has also been spread unevenly across different sectors of London's economy.
- It is vital that Londoners are able to access a range of employment opportunities, but also that these jobs are of a high quality. Insecure and low-paid work can detrimentally impact mental health, damage the prospects of securing decent accommodation and increase the risk of in-work poverty.
- The Mayor's Good Work Standard is a positive initiative. However, the Committee would like to see further action taken to increase the number of employers signed up to it. This should include a full evaluation of the Good Work Standard, which should then inform an action plan for how to increase its impact. Good Work Agreements, a proposal

developed by the Resolution Foundation, and the Living Wage Foundation's Living Wage Zones are further examples of schemes that can be used to promote 'good work' in London.

- Levels of economic inactivity are higher than they were before the pandemic in London. In particular, there has been a national rise in rates of economic inactivity due to ill health, which has been reflected in London too. There is also a reported increase in young people suffering from poor mental health. This may be acting as a barrier to young people seeking to join or re-join the labour market. Statutory sick pay remains unsatisfactory, with many workers falling through the cracks of eligibility and receiving nothing.
- The Committee heard that employment rights remain a complex area which can often be challenging for workers to understand and navigate. This situation left many workers in a vulnerable position during the pandemic. While the GLA's Employment Rights Hub provides helpful information for understanding employment rights, it could be publicised more extensively so that more Londoners can access advice on their rights at work.
- Research has found that employers in London are more likely to employ migrant workers than in other parts of the UK. The Committee heard that migrant workers are more likely to be exposed to poor working conditions and less likely to be aware of their employment rights. More support is needed to make sure migrant workers have full access to the information and resources required to enforce their employment rights.
- The Committee heard that London faces significant skills gaps in some sectors. A growing divide can be seen between good jobs which offer training and development, fair pay and hybrid working; and poor quality and insecure work offering little development or progression. There is insufficient focus on retraining and reskilling of those currently in employment, and more needs to be done to expand support services to assist businesses in upskilling and training their existing employees.
- The regulatory landscape for London's businesses can be complex and difficult to navigate, particularly for small businesses. The new Grow London Local scheme, which is funded by the Mayor and delivered by London & Partners, is a welcome resource. The Committee requests to be kept updated on the number of businesses the scheme is supporting, what form this support takes, and the impact of the support.

## Recommendations

### Recommendation 1

The Mayor should conduct an evaluation of the Good Work Standard in 2024-25 to understand its impact on workplaces where employers have adopted it, and the barriers to other employers adopting it.

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### Recommendation 2

The Mayor should commit to working with stakeholders, including employers and trade union representatives, to develop an action plan for the Good Work Standard, with the aim of encouraging and incentivising more businesses to adopt it. The action plan should draw on the findings of the evaluation.

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### Recommendation 3

The Mayor should endorse and promote Good Work Agreements in London and explore how they can be integrated into his Good Work Standard.

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### Recommendation 4

The Mayor, working with the London Partnership Board, should in 2024-25 conduct a mapping exercise of Living Wage Zones, to share learning and best practice.

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### Recommendation 5

The Mayor should invite the NHS in London to be actively involved in the No Wrong Door programme, in order to develop closer links between the NHS and employment programmes in London and to support those with ill health back into employment.

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### Recommendation 6

The Mayor should consider creating a mental health champion to focus on mental wellbeing in London and to support people back into the workforce.

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### Recommendation 7

The Government should urgently review Statutory Sick Pay, with a view to increasing the amount provided and for it to be paid from the first day that an employee is off work due to sickness.

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### Recommendation 8

The Mayor should take additional steps to publicise the Employment Rights Hub and the Migrant Londoners Hub, so that more people are aware of it and can benefit from the support they provide. The Mayor should work with London boroughs and trade unions in London to do this.

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### **Recommendation 9**

The Mayor, in response to this report, should share information about how the impact of the Migrant Advice and Support Fund 2022/23 is being measured, and evidence demonstrating the impact of funded initiatives so far.

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### **Recommendation 10**

The Government should set out a clear timetable to introduce an employment bill. The bill should enshrine the recommendations of the Taylor Review of Modern Working Practices that the Government has accepted.

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### **Recommendation 11**

The Mayor should increase the availability of courses through the Adult Education Budget which provide specific flexible, bolt-on training for in-demand skills such as digital and green skills, including for those already in work. He should work with employers to deliver this provision.

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### **Recommendation 12**

The Government should provide an update to the Committee on what steps it has taken to improve access to apprenticeships and ensure that employers can spend more Apprenticeship Levy funds in London.

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### **Recommendation 13**

The Government should devolve the Apprenticeship Levy to London. The Mayor should continue to lobby the Government to do this.

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### **Recommendation 14**

The Mayor should report back to the Committee on the impact that Grow London Local has had since the start of the pilot programme. This should include an update on the number of businesses supported, a breakdown of what this support has consisted of, and a timeline of when this support was provided.

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## Introduction

**The COVID-19 pandemic had a significant impact on the labour market in London and across the UK, generating a large fall in employment levels and rises in both unemployment and economic inactivity. London's labour market was hit particularly hard by the pandemic, largely due to the impacts of lockdown on London's office-based economy, as well as the prevalence of low pay and insecure work in London prior to the pandemic.**

**London's labour market has broadly recovered and stabilised following the pandemic, with positive trends in relation to the number of jobs and levels of unemployment. However, there are also indications that the pandemic has generated some concerning longer-term trends. In particular, rates of economic inactivity due to long-term sickness remain notably higher than before the pandemic, and employment rates remain lower. The recovery has also been spread unevenly across different sectors of London's economy.**

### The impact of the pandemic on London's labour market

The first COVID-19 lockdown in March 2020 caused a large and sudden fall in employment, and a rise in 'economic inactivity' - where people are not in work and are not seeking work. Redundancies reached record highs in the UK, and the number of people claiming unemployment benefits doubled between March and May 2020.<sup>1</sup>

During its investigation, the Committee heard evidence that London's labour market was more severely impacted by the pandemic than other parts of the UK. Naomi Clayton, Deputy Director for Research and Development at the Learning and Work Institute, told the Committee in July 2023 that "London's labour market was hit very hard, and saw the fastest rise in the claimant count in 2020, and that was largely due to the impacts of lockdown on London's economy. It was also linked to the prevalence of low pay and insecure work in London".<sup>2</sup>

The Centre for Cities, a think tank specialising in the economies of the UK's largest cities and towns, conducted research at the beginning of 2022 on the impact of the pandemic on different sectors of the economy. It found that cities with stronger economies pre-pandemic suffered a greater impact compared to smaller localities:

*"Office workers, which strong [city] centres had more of, were advised to work from home; non-essential high street businesses, of which stronger centres had diversified into*

<sup>1</sup> House of Commons Library, [Coronavirus: Impact on the labour market](#), August 2022

<sup>2</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

*to a greater extent, were forced to close; and leisure trips, which stronger centres attracted more of, were discouraged.”<sup>3</sup>*

The Coronavirus Job Retention Scheme, commonly known as the ‘furlough scheme’, was implemented during the pandemic in order to prevent mass unemployment. Take-up of the furlough scheme in London was nearly double the UK average, with high numbers on full furlough and particularly high take-up rates in sectors such as hospitality and construction.<sup>4</sup>

## Recovery from the pandemic

The UK’s labour market gradually started to recover in 2021, when employment and unemployment rates began to improve.

In December 2022, analysis by the GLA warned that “while the time to recover was somewhat faster than taken after the financial crisis, the greater loss of jobs in a weak labour market may create economic scarring, as workers lose contact with the labour market and become inactive.”<sup>5</sup>

While much of the headline data on London’s post-pandemic recovery is heading in the right direction, the Committee heard that recovery in London has been stronger in some sectors than others. Becci Newton, Director of Public Policy Research at the Institute for Employment Studies, told the Committee in July 2023 that “some sectors have been able to recover because of the way work is done and those people who were able to do hybrid work and have desk jobs were less affected”.<sup>6</sup>

James Sandbach, London Development Manager at Citizens Advice, told the Committee at a roundtable in September 2023:

*“Much of the high-level data that you see, which looks as if London’s economy is booming, is entirely driven by the knowledge intensive finance, information, tech service and professional industries. That skews the whole data for what we know in London.”<sup>7</sup>*

Becci Newton told the Committee that “sectors hard hit by the pandemic are still seeing [that] recovery is hard. Hospitality, tourism, travel, those kinds of things that are affecting employment”.<sup>8</sup> These sectors still experience high levels of insecure work and a prevalence of zero hours contracts.<sup>9</sup>

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<sup>3</sup> Centre for Cities, [How has the pandemic impacted high streets up and down the country?](#), January 2022

<sup>4</sup> London Datastore, [London Local Skills Report and Annexes](#), February 2022

<sup>5</sup> [Macroeconomic scenarios for London's economy post COVID-19 - London Datastore](#), December 2022

<sup>6</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>7</sup> London Assembly Economy Committee, London's Post-Pandemic Labour Market and Working Practices - Roundtable, September 2023

<sup>8</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>9</sup> Work Foundation, [The UK Insecure Work Index: two decades of insecurity](#), May 2022

The Committee heard that wider employment policy reform has not been implemented post-pandemic. Insecure work and zero hours contracts are still prevalent in many sectors in London, such as construction and social care. Employment rights remain a complex and hard-to-navigate area for many workers. This is particularly true for migrant workers, who the Committee heard were often unaware of their rights and open to exploitation.

## Employment trends

Since the immediate shock of the pandemic, there have been positive trends in relation to the number of jobs and levels of unemployment. However, there has been a consistent decline in the rate of economic inactivity. It is particularly concerning that rates of economic inactivity as a result of long-term sickness remain considerably higher than the period immediately before the pandemic.

**The employment rate** is the proportion of people aged between 16 and 64 years who are in employment.<sup>10</sup>

**The unemployment rate** is the proportion of the economically active population who are unemployed.<sup>11</sup>

The number of unemployed people in the UK is measured by the Labour Force Survey (LFS), and follows two definitions set by the International Labour Organisation (ILO):<sup>12</sup>

- Those without a job, who have been actively seeking work in the past four weeks and are available to start work in the next two weeks; and
- Those out of work, have found a job and are waiting to start it in the next two weeks.

**The economic inactivity rate** is the proportion of 16 to 64 year olds not in work and either not looking for or unable to work.<sup>13</sup>

Commenting on the labour market data published in February 2024, Stephen Evans, Chief Executive of the Learning and Work Institute said: “The good news is that the labour market remains strong, with real earnings rising as inflation falls. But with employment still below pre-pandemic levels and economic inactivity higher due to long-term sickness, the scope to grow the economy by increasing the labour force remains.”<sup>14</sup> It is also difficult to draw firm conclusions from recent labour market data, due to concerns about the quality of Labour Force Survey (LFS) data.<sup>15</sup>

<sup>10</sup> London Datastore, [GLA Economics London Labour Market Update](#), January 2024

<sup>11</sup> London Datastore, [GLA Economics London Labour Market Update](#), January 2024

<sup>12</sup> Office for National Statistics, [Working 9 to 5? – How we count unemployment and what the numbers show](#), 12 November 2018

<sup>13</sup> London Datastore, [GLA Economics London Labour Market Update](#), January 2024

<sup>14</sup> Learning and Work Institute, [Labour market analysis: February 2024](#)

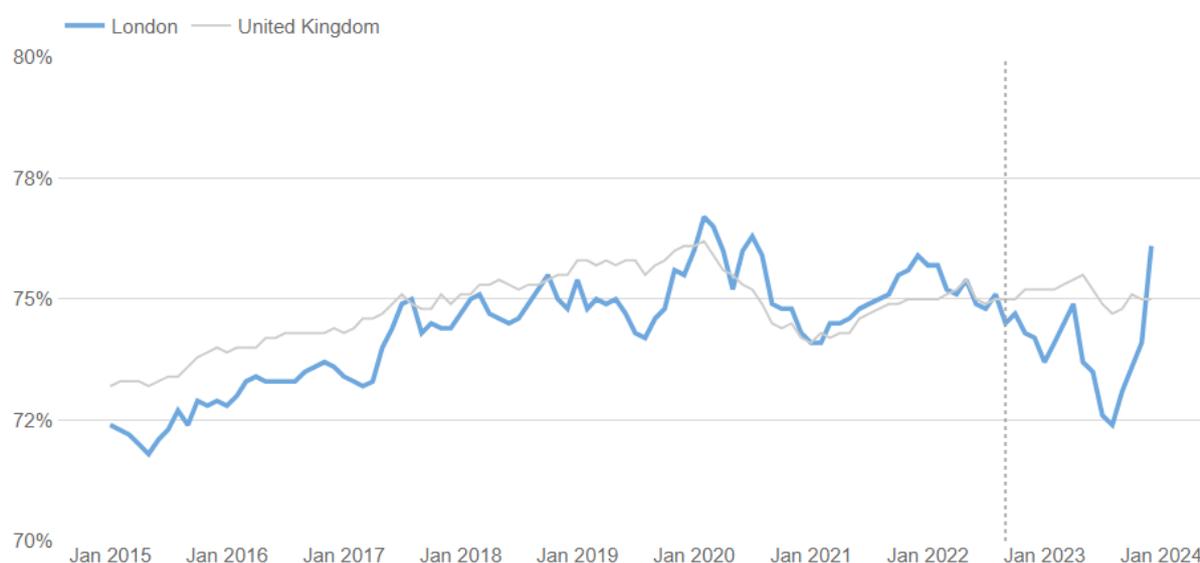
<sup>15</sup> ONS, [Labour market overview, UK: February 2024](#), 13 February 2024

### Data quality concerns

The Office for National Statistics (ONS) has reported concerns about the quality of recent LFS data due to falling responses rates.<sup>16</sup> This resulted in the ONS suspending LFS data from October 2023 until January 2024 due to quality concerns. The ONS published the LFS again in February 2024, using reweighted estimates. However, the ONS states that “reweighting does not address the volatility we have seen in recent periods and which we expect to see to some extent in the future, so we would advise caution when interpreting short-term changes in headline rates.”<sup>17</sup> GLA Economics has stated that the new figures are “exceptionally volatile and should be treated with caution”.<sup>18</sup> This should be considered when drawing conclusions from the data below.

**In London, for October 2023 to December 2023, the employment rate was estimated at 76.1 per cent.** This represents an increase of 3.1 percentage points on the previous quarter. This is a significant rise, and therefore should be treated with caution, due to the uncertainty around the data mentioned above. This rate is still slightly lower than the pre-pandemic level, which was 76.5 per cent for January to March 2020.<sup>19</sup>

**Figure 1: Employment rate (percentage of working age population) October – December 2023**



Source: London Datastore, GLA Economics, London Labour Market Update, February 2024. Accessed via [GLA Economics Labour Market Analysis](#). Data taken from ONS Labour Force Survey. The margin of error is  $\pm 2.1\%$  for London and  $\pm 0.7\%$  for the UK. The LFS has been reweighted from July to September 2022 onwards. September 2022 indicated by dotted line.

<sup>16</sup> ONS, [Labour market overview, UK: February 2024](#), 13 February 2024

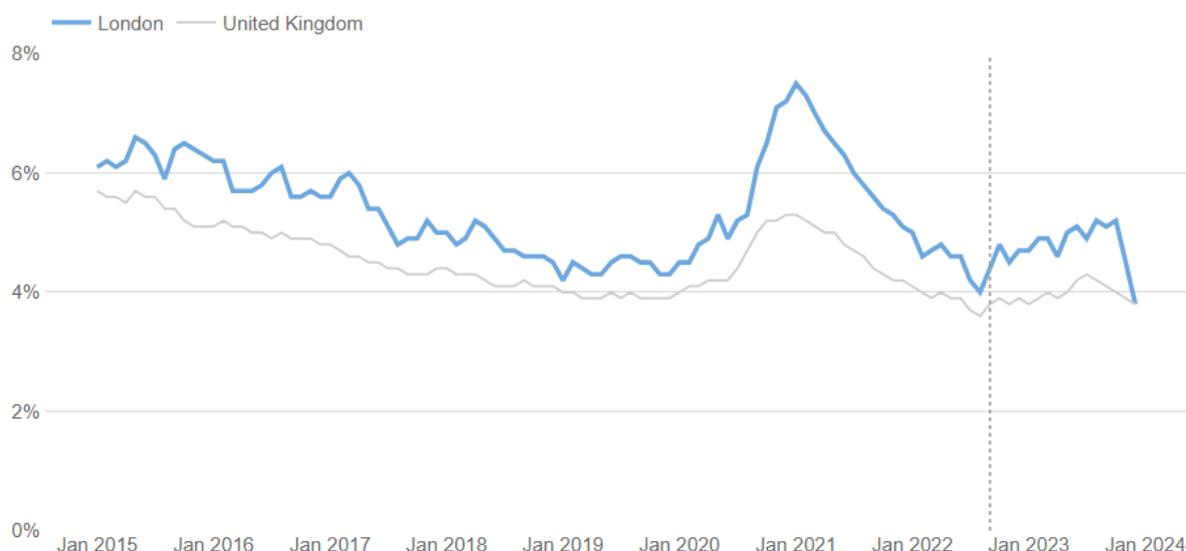
<sup>17</sup> ONS, [Labour market overview, UK: February 2024](#), 13 February 2024

<sup>18</sup> London Datastore, 'Labour market update for London - February 2024', accessed via [GLA Economics Labour Market Analysis](#)

<sup>19</sup> London Datastore, [GLA Economics London Labour Market Update](#), January 2024

**In London, for October to December 2023, the unemployment rate in London was estimated at 3.8 per cent.**<sup>20</sup> This represents a significant decrease of 1.3 percentage points on the previous quarter, and again should be treated with caution. Unemployment in London during the pandemic peaked in January 2021 at 7.5 per cent<sup>21</sup>.

**Figure 2: Unemployment rate (percentage of those economically active) October 2023 – December 2023**



Source: London Datastore, GLA Economics, London Labour Market Update, February 2024. Accessed via [GLA Economics Labour Market Analysis](#). Data taken from ONS Labour Force Survey. The margin of error is  $\pm 1.1\%$  for London and  $\pm 0.4\%$  for the UK. The LFS has been reweighted from July to September 2022 onwards. September 2022 indicated by dotted line.

Rates of economic inactivity in London have remained consistently higher than levels seen immediately before the pandemic.<sup>22</sup> **The economic inactivity rate in London for October to December 2023 was estimated at 20.8 per cent.**<sup>23</sup> This represents a decrease of 2.2 percentage points on the previous quarter and a decrease of 1.3 percentage from a year earlier, and again should be treated with caution. The rate for London was 19.7 per cent in the pre-pandemic period of January 2020 to March 2020.<sup>24</sup>

The rise in economic inactivity across the country has partially been attributed to a rise in ill health. In July 2023, the ONS reported that, nationally, the number of people economically inactive because of long-term sickness has risen to over 2.5 million people, an increase of over 400,000 since the start of the pandemic.<sup>25</sup> This will be discussed in more detail in the chapter below on employment and ill health.

<sup>20</sup> London Datastore, [GLA Economics London Labour Market Update](#), January 2024

<sup>21</sup> London Datastore, [GLA Economics London Labour Market Update](#), January 2024

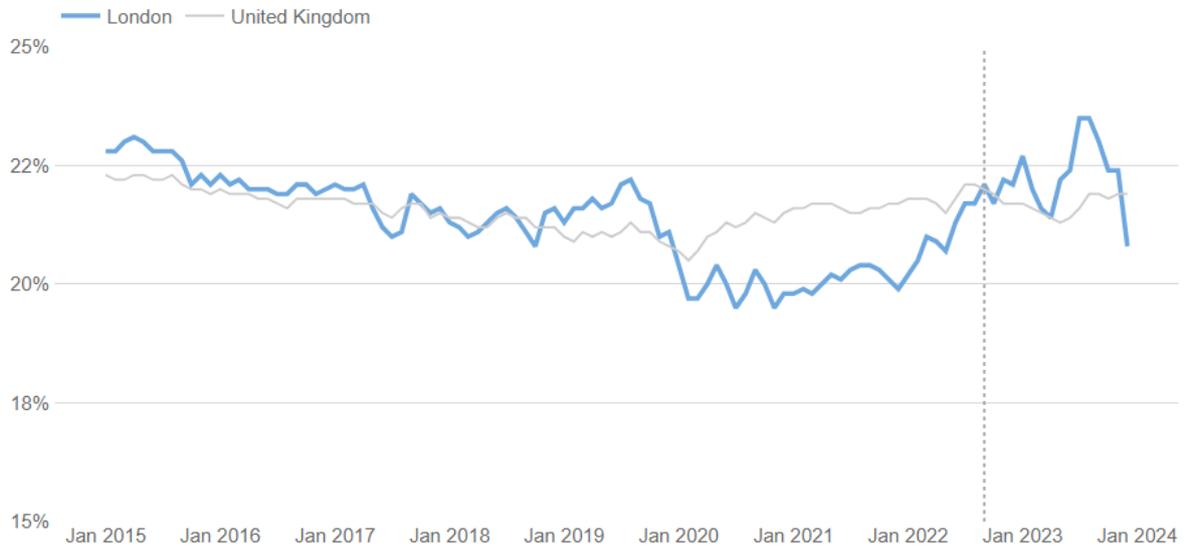
<sup>22</sup> London Datastore, [GLA Economics London Labour Market Update](#), January 2024

<sup>23</sup> London Datastore, [GLA Economics London Labour Market Update](#), January 2024

<sup>24</sup> London Datastore, [Economic inactivity](#), July 2023

<sup>25</sup> ONS, [Rising ill-health and economic inactivity because of long-term sickness, UK: 2019 to 2023](#), July 2023

**Figure 3: Economic inactivity (percentage of working age population) October – December 2023**



Source: London Datastore, GLA Economics London Labour Market Update, January 2024. Accessed via [GLA Economics Labour Market Analysis](#). Data taken from ONS Labour Force Survey. March 2020 indicated by dotted line.

## Chapter one: Good work

**It is vital that Londoners are able to access a range of employment opportunities, but also that these jobs are of a high quality. Insecure and low paid work can detrimentally impact mental health, damage the prospects of securing decent accommodation and increase the risk of in-work poverty.**

**The Mayor's Good Work Standard is a positive initiative. However, the Committee would like to see further action taken to increase the number of employers signed up to it. This should include a full evaluation of the Good Work Standard, which should then inform an action plan for how to increase its impact. Good Work Agreements, a proposal developed by the Resolution Foundation, and the Living Wage Foundation's Living Wage Zones are further examples of schemes that can be used to promote 'good work' in London.**

There is no single agreed definition of 'good work', and it can vary depending on the context. The Mayor has defined good work as consisting of four key pillars: fair pay and conditions; workplace wellbeing; skills and progression; and diversity and recruitment.<sup>26</sup>

In a survey conducted by not-for-profit research organisation the Young Foundation, a recurrent definition of good work amongst participants was:

*"Employment that provided financial stability while doing something that matches a person's skills and that they feel passionate about."<sup>27</sup>*

Participants in the research also said that a salary and long-term contract were seen as essential components of a good job.<sup>28</sup> During its investigation, the Committee heard that insecure work and zero hours contracts are still a major barrier to good work in London's post-pandemic labour market.

### Insecure employment and zero hours contracts

According to analysis from the GLA London Datastore, the proportion of Londoners working on zero hours contracts has risen over the last decade from below one per cent to around three per cent of the total number of people in employment.<sup>29</sup> Estimates published in November 2023 from Lancaster University's Work Foundation show that around nearly one in five workers in Greater London are in 'severely insecure work'.<sup>30</sup>

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<sup>26</sup> Mayor of London, [The Good Work Standard](#), January 2024

<sup>27</sup> The Young Foundation, [No Wrong Door: How an integrated employment and skills system can support Londoners](#), July 2023

<sup>28</sup> The Young Foundation, [No Wrong Door: How an integrated employment and skills system can support Londoners](#), July 2023

<sup>29</sup> London Datastore, [Economic Fairness: Labour Market that works for everyone](#), January 2024

<sup>30</sup> Work Foundation, [Greater London City Region Employment Profile](#), November 2023

In May 2023, Paul Johnson of the Institute for Fiscal Studies wrote that: “much of the success in getting people into work has been a success in getting people into part-time and low-paid work”, and that the current challenge is not so much the number of jobs, but the quality of those jobs, and the rates of poverty now faced by people in work.<sup>31</sup>

Sam Gurney, London Regional Chair at the Trades Union Congress, told the Committee in July 2023:

*“When we say insecure work, we would define that as people on zero hours, which has shot up nationally, but it has seen an even higher increase in London, people on short hours contracts as well, which covers an even larger number of people but is equally worrying and damaging.”<sup>32</sup>*

He went on to list ‘large parts’ of hospitality, social care, business support roles, outsourced roles such as cleaning, security, and facilities as sectors that have been particularly susceptible to insecure and low-quality work.<sup>33</sup>

The Committee heard about the damaging impacts that insecure and low-quality work can have on people’s lives. Sam Gurney told the Committee:

*“If you are in insecure work, it is much harder to provide a landlord [...] with proof of your income. We are seeing more evictions for people who are in that kind of situation. If you have a mortgage, your interest rates are going up, and you cannot show that you can meet that, you are far more likely to be evicted.”<sup>34</sup>*

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*“In a hospital at 8.00 am or 9.00 am there were a couple of women sitting. I went back an hour later and they were still sitting. I said, “Why are you sitting here?” They said, “We’re waiting to see if there’s any work”. As I was standing there, the chap came out and he said, “No, there’s no work for you today”, and they seemed to just accept it and say, “Ah, OK”. They were leaving and I said, “Where are you going?” They said, “We’re just going back home”, and one of them had travelled for about an hour to get there.”*

**Michael Dooley, Regional Organiser  
GMB**

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Insecure work is a significant factor in the high levels of in-work poverty seen in London’s post-pandemic labour market. Research from the Social Market Foundation (SMF) published in

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<sup>31</sup> Johnson, P. (2023). Lots more people are working, but in jobs that keep them in poverty [Comment] The Times. Available at: <https://ifs.org.uk/articles/lots-more-people-are-working-jobs-keep-them-poverty> (accessed: 5 June 2023).

<sup>32</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 – London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>33</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 – London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>34</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 – London's Post-Pandemic Labour Market and Working Practices](#), July 2023

January 2022 found that the proportion of London households in poverty where at least one adult works full-time has risen by 50 per cent in a decade,<sup>35</sup> while subsequent SMF research published in June 2023 found that around 140,000 Londoners that live in a household relying on a public sector wage are living in poverty.<sup>36</sup>

James Sandbach from Citizens Advice told the Committee in September 2023:

*“London has a problem of in-work poverty. When you look at the poverty statistics, a lot of it is represented by in-work poverty. When you have people whose income is a mix of different jobs and Universal Credit.”<sup>37</sup>*

## The Good Work Standard

The Mayor’s Good Work Standard has the potential to reduce insecure and poor-quality employment in London. However, there is still some way to go to increase the number of employers who are signed up to it and its overall impact.

The Mayor’s Good Work Standard was launched in July 2019 to allow businesses in London to be accredited as a ‘good employer’. It is a free accreditation programme that provides employers with a set of best employment practices, alongside information and resources to help achieve them. It is a voluntary scheme divided into four areas:

- Fair pay and conditions
- Workplace wellbeing
- Skills and progression
- Diversity and recruitment

Employers must already be an accredited London Living Wage Employer to become a member of the Good Work Standard. The Standard is open to all employers based in London.<sup>38</sup>

In the last 4 years, over 145 organisations have so far become Good Work Standard accredited employers, with around 258,000 Londoners now working for a Good Work Standard employer.<sup>39</sup>

<sup>35</sup> Social Market Foundation, [Capital concerns: Poverty in London and the role of business in helping tackle it](#), January 2022

<sup>36</sup> Social Market Foundation, [A duty of care: In-work poverty in London’s public sector](#), 7 June 2023

<sup>37</sup> London Assembly Economy Committee, London’s Post-Pandemic Labour Market and Working Practices - Roundtable, 13 September 2023

<sup>38</sup> Mayor of London, [The Good Work Standard](#), 2024

<sup>39</sup> Mayor of London, [The Good Work Standard community of accredited employers](#), January 2024

Sam Gurney told the Committee that the Good Work Standard was one of several positive initiatives with the potential to improve the quality of work in London, but that more needed to be done to raise awareness and encourage employers to sign-up.<sup>40</sup>

Accredited employers are able to use their Good Work Standard accreditation to demonstrate social value when competing for public sector procurement opportunities within the GLA Group. Speaking about the role of public sector procurement in helping to spread good working practices, Sam Gurney told the Committee:

*“The procurement power of City Hall and local authorities is huge. The procurement codes already for the GLA family, not just core GLA but TfL, Metropolitan Police Service, fire services, have some very good text in there around their employment conditions. But seeing how that is delivered in practice and goes down the supply chains with people who the GLA is contracting to is something that we think needs more work, more support. But there is some positive stuff going on there.”<sup>41</sup>*

On the Good Work Standard, Sam Gurney said:

*“The Good Work Standard has some decent text on union recognition and workforce engagement. [...] There is more work that we want to work with the GLA on. We think there is some mapping of good practice at a borough level, which could happen, therefore if you look at what some local authorities in London have done with their procurement.”<sup>42</sup>*

The Committee also heard about the challenges of encouraging take-up of the Good Work Standard in tougher economic conditions. Alex Conway, Assistant Director of Economic Development and Programmes at the GLA, told the Committee in July 2023:

*“The cost of living and the cost of doing business crises have adverse effects. [...] Some of our Economic Fairness programmes around the London Living Wage and the Good Work Standard have been quite resilient and we still have numbers of employers going up overall. That is welcome because it is perhaps a harder sell in tough economic times.”<sup>43</sup>*

The Mayor's Good Work Standard is a welcome initiative. However the Committee would like to see further action to increase the number of employers signed up to it. This should begin with a full evaluation of the Good Work Standard, which should then inform an action plan for how to increase its impact.

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<sup>40</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), 13 July 2023

<sup>41</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), 13 July 2023

<sup>42</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), 13 July 2023

<sup>43</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

## Recommendation 1

The Mayor should conduct an evaluation of the Good Work Standard in 2024-25 to understand its impact on workplaces where employers have adopted it, and the barriers to other employers adopting it.

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## Recommendation 2

The Mayor should commit to working with stakeholders, including employers and trade union representatives, to develop an action plan for the Good Work Standard, with the aim of encouraging and incentivising more businesses to adopt it. The action plan should draw on the findings of the evaluation.

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## Good work agreements and the London Living Wage

While some 'one-size-fits-all' regulations such as a minimum wage have been successful in improving the quality of work in the UK, many problems related to insecure work are sector-specific, and therefore need to be addressed differently depending on the sector. The Resolution Foundation, a think tank, has developed the concept of 'Good Work Agreements' (GWA), which it describes as "a framework to bring together workers and employers to collaboratively solve problems and address poor-quality work in specific pockets of the economy, complementing existing national regulation and industrial relations".<sup>44</sup>

The Resolution Foundation argued in a September 2023 report that different sectors face different obstacles to improving conditions for staff.<sup>45</sup> For example, social care workers may experience staff shortages leading to high workloads and intensity, while construction workers may be more at risk of employers cutting corners to reduce costs, leading to health and safety risks and potential injury to workers.<sup>46</sup>

The Resolution Foundation has therefore called for sector-specific GWAs in sectors where insecure work and zero hours contracts are rife. Other countries have implemented similar sector-specific agreements, including a new system of Fair Pay Agreements in New Zealand.<sup>47</sup> The Resolution Foundation has argued that GWAs in London should focus on four key areas:

- Training and progression
- Sector-specific health and safety issues
- Pay
- Wider terms and conditions

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<sup>44</sup> Resolution Foundation, [Putting good work on the table: Reforming labour market institutions to improve pay and conditions](#), September 2023

<sup>45</sup> Resolution Foundation, [Putting good work on the table: Reforming labour market institutions to improve pay and conditions](#), September 2023

<sup>46</sup> Resolution Foundation, [Putting good work on the table: Reforming labour market institutions to improve pay and conditions](#), September 2023

<sup>47</sup> Resolution Foundation, [Putting good work on the table: Reforming labour market institutions to improve pay and conditions](#), September 2023

The Resolution Foundation has called for the Government to “immediately set up a trailblazer GWA agreement to enhance protections for the 1.7 million workers in the social care sector.”<sup>48</sup> It argued that:

*“Implementing these proposals would help make a reality of regular calls from different political parties for placing ‘good work’ at the heart of our economy. GWAs could agree on pay rises and greater security for 1.7 million social care workers, for example, that would improve conditions for existing workers and make the sector more attractive for prospective staff.”<sup>49</sup>*

### London Living Wage

Alongside the Good Work Standard, the Committee heard that the London Living Wage campaign has had a positive impact in the city, with “over 325,000 Londoners now benefitting from the London Living Wage, and nearly 3,500 London Living Wage employers” signed-up.<sup>50</sup>

Michael Dooley, Regional Organiser at the GMB, told the Committee at a roundtable in September:

*“The Mayor’s London Living Wage: that has taken off. That would not have taken off if it had never come forward. We would still be relying on the minimum wage.”<sup>51</sup>*

However, the Committee also heard that some smaller businesses who want to become London Living Wage-accredited are deterred by the costs involved and fears of not being able to maintain the wage, and subsequent reputational damage.<sup>52</sup> Matthew Jaffa from the Federation of Small Businesses told the Committee in July 2023:

*“The businesses we speak to [...] they are doing all they can to pay all their staff above the London Living Wage. [...] Their line to me is, ‘I would love to, [but] I do not want to be accredited because during a cost-of-doing-business crisis, what if next year things go awry, and I suddenly have to drop just under the London Living Wage?’”<sup>53</sup>*

James Sandbach from Citizens Advice told the Committee in September 2023 that while the London Living Wage is as welcome initiative, “the cost of living has basically meant that [the

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<sup>48</sup> Resolution Foundation, [Putting good work on the table: Reforming labour market institutions to improve pay and conditions](#), September 2023

<sup>49</sup> Resolution Foundation, [Putting good work on the table: Reforming labour market institutions to improve pay and conditions](#), September 2023

<sup>50</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>51</sup> London Assembly Economy Committee, London's Post-Pandemic Labour Market and Working Practices - Roundtable, September 2023

<sup>52</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), 13 July 2023

<sup>53</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), 13 July 2023

wage] has not kept up and is not keeping up, particularly with rising rent.”<sup>54</sup> The Committee welcomes the 10 per cent rise to the London Living Wage to £13.15, which was announced in October 2023.<sup>55</sup>

Some local authorities have taken steps to introduce a system of ‘Living Wage Zones’, where all directly employed and regular third-party staff at employers within the area are paid the London Living Wage. In research published by the think tank the Living Wage Foundation, developments at Queen Elizabeth Olympic Park by the London Legacy Development Corporation, and residential developments at Meridian Water in Enfield, are cited as positive examples of Living Wage Zones.<sup>56</sup> However, Sam Gurney told the Committee that there was little central mapping of where these zones have been established.<sup>57</sup> More mapping would be helpful in developing the zones further, as well encouraging the sharing of best practice.

### **Recommendation 3**

The Mayor should endorse and promote Good Work Agreements in London and explore how they can be integrated into his Good Work Standard.

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### **Recommendation 4**

The Mayor, working with the London Partnership Board, should in 2024-25 conduct a mapping exercise of Living Wage Zones, to share learning and best practice.

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<sup>54</sup> London Assembly Economy Committee, London's Post-Pandemic Labour Market and Working Practices - Roundtable, 13 September 2023

<sup>55</sup> Resolution Foundation, [Calculating the Real Living Wage for London and the rest of the UK: 2023](#), 24 October 2023

<sup>56</sup> Living Wage Foundation, [Living wage zones: Embedding the living wage into regeneration developments](#), February 2023

<sup>57</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), 13 July 2023

## Chapter two: Employment and ill health

**Levels of economic inactivity, where people are not working and not seeking work, are higher than they were before the pandemic in London. In particular, there has been a national rise in rates of economic inactivity due to ill health.**

**There is also a reported increase in young people suffering from poor mental health. This may be acting as a barrier to young people seeking to join or re-join the labour market. Statutory sick pay remains unsatisfactory, with many workers falling through the cracks of eligibility and receiving nothing.**

The Committee heard that the rise in economic inactivity post-pandemic was one of the key challenges facing London's labour market. Naomi Clayton from the Learning and Work Institute told the Committee in July 2023:

*"The challenge is, because of increases in economic inactivity, [...] how you make sure that employment programmes are able to reach those people who are not necessarily eligible for some of the bigger employment support schemes."<sup>58</sup>*

The rise in economic inactivity across the country has partially been attributed to a rise in ill health. In July 2023, the ONS reported that, nationally, the number of people economically inactive because of long-term sickness has risen to over 2.5 million people, an increase of over 400,000 since the start of the pandemic.<sup>59</sup> Sam Gurney from the Trades Union Congress told the Committee:

*"There is an underestimation of how ill health and long-COVID have hit Londoners. [...] The figures are much higher than are being reported in a lot of quarters and the support has not been put in place for those people who have left the workforce."<sup>60</sup>*

He questioned whether there was enough support for people looking to return to the labour market:

*"Lots of bits of the benefit system are still not designed to support people back into work, therefore the impact of changes to Universal Credit, but also around Personal Independence Payment and assessments."<sup>61</sup>*

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<sup>58</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), 13 July 2023

<sup>59</sup> ONS, [Rising ill-health and economic inactivity because of long-term sickness, UK: 2019 to 2023](#), July 2023

<sup>60</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>61</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

## No Wrong Door programme

The No Wrong Door programme, first launched in July 2022, aims to enable greater integration between London's skills and employment services, as well as other public services.<sup>62</sup> The programme is delivered by City Hall in partnership with London Councils, London's four sub-regional partnerships, and Jobcentre Plus. The initiative was initially launched with £2.06m of Mayoral funding.<sup>63</sup>

Alex Conway, Assistant Director of Economic Development and Programmes at the GLA, told the Committee in July:

*"We have this 'no wrong door' approach where the big Government organisations, boroughs and sub-regional partnerships are all working more closely so that if somebody comes along and says, 'I've got an issue', you direct them immediately to the correct form of advice they may require."<sup>64</sup>*

Research commissioned by the Mayor and the Young Foundation found that less than half of service providers surveyed reported that their service was already integrated through sustained service collaboration with the wider employment and skills system in the areas in which they operate.<sup>65</sup> A No Wrong Door approach aims to tackle this by integrating services. The Committee heard that closer links between the NHS and employment programmes could make a big difference for those who are not currently engaged in the employment system, particularly for those out of work due to ill health.<sup>66</sup>

Where these links exist, if someone who is out of work through ill health presents at a GP surgery, they can be referred to a suitable employment programme to support them getting back to work. An example of such a programme is one developed by London South East Colleges, where learners can be referred to the 'Prepare to Care' intensive five-week course designed with NHS service provider Bromley Health Centre.<sup>67</sup> The programme targets people wanting to go into the health and social care sector that do not have the experience or qualifications to access the sector, and ends with the offer of an interview with Bromley Health Centre which could lead to employment.<sup>68</sup>

## Recommendation 5

The Mayor should invite the NHS in London to be actively involved in the No Wrong Door programme, in order to develop closer links between the NHS and employment programmes in London and to support those with ill health back into employment.

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<sup>62</sup> Mayor of London, [No Wrong Door programme](#)

<sup>63</sup> London Assembly, [MQT Ref 2022/2999: Adult Education Budget \(2\)](#), September 2022

<sup>64</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>65</sup> The Young Foundation, [No Wrong Door: How an integrated employment and skills system can support Londoners](#), July 2023

<sup>66</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>67</sup> London South East Colleges, [Prepare to Care](#), 2024

<sup>68</sup> London South East Colleges, [Prepare to Care](#), 2024

## Mental health support

Mental as well as physical health is a significant barrier facing many people trying to re-enter the workplace. Becci Newton told the Committee in July 2023:

*“We do know that we have rising levels of mental health and anxiety among young people coming out from the pandemic and the effects for young people in London, their lives were really disrupted from things they were doing to what they are doing now.”<sup>69</sup>*

Naomi Clayton echoed this statement and added that for a large proportion of young people, their mental health acts as a barrier to finding work.<sup>70</sup>

The Committee heard that a mental health champion could help bridge the gap between employers and young people in terms of mental health. This could help people suffering from mental health issues transition back into the workplace, as well as supporting current employees with their own mental health. Research from the Mental Health Foundation found that 12.7 per cent of all sickness absence days in the UK can be attributed to mental health conditions.<sup>71</sup>

Becci Newton told the Committee in July 2023:

*“I do think having a mental health champion would be highly valuable. [...] There is a real dissonance between employers’ understanding of [young people’s] mental health and young people’s feelings and their wants in terms of support.[...] A lot of that does surround the quality of work and the quality of mentoring support that they can access.”<sup>72</sup>*

Alex Conway told the Committee that the creation of a mental health champion would not sit in his policy area, but added that “that definitely sounds like an idea that is worth exploring some more”.<sup>73</sup>

## Recommendation 6

The Mayor should consider creating a mental health champion to focus on mental wellbeing in London and to support people back into the workforce.

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<sup>69</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>70</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>71</sup> Mental Health Foundation, [Mental health at work: statistics](#), 2023

<sup>72</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), 13 July 2023

<sup>73</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

## Statutory Sick Pay

Currently, an employee is entitled to statutory sick pay if they have been off for four 'qualifying days' in a row, if they earn on average at least £123 a week before tax, and they are classified as an employee.

Statutory sick pay is currently £109.40 per week. It can be paid for up to 28 weeks.<sup>74</sup>

The Committee heard that current levels of statutory sick pay are not sufficient to support people during the cost-of living crisis. The Committee heard that the current system for statutory sick pay meant that many Londoners either were not entitled to it, or fell through the cracks and received nothing. Sam Gurney told the Committee in July:

*“Hundreds of thousands of Londoners [...] are not even eligible [for statutory sick pay] because they do not have the type of work contracts that would enable them to show they have the hours to even qualify for statutory”.*<sup>75</sup>

The Centre for Progressive Change, a not-for-profit research organisation, has argued that nearly two million workers nationally who are in need of statutory sick pay do not receive any pay at all.<sup>76</sup> The Mayor's Good Work Standard includes a commitment for employers to “Offer above the statutory paid leave and benefits (maternity, paternity, sick pay etc)”.<sup>77</sup>

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*“It was amazing to me that we were sitting online with MPs who just had no concept of that their constituents were facing out on the ground. The MPs come back [and say]: “Surely you are entitled to statutory sick pay.” The care workers go: “No, we are not, because our employment status is such that we do not qualify for that.”*

**Sam Gurney**

**Trades Union Congress**

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## Recommendation 7

The Government should urgently review Statutory Sick Pay, with a view to increasing the amount provided and for it to be paid from the first day that an employee is off work due to sickness.

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<sup>74</sup> ACAS, [Statutory sick pay](#), 2024

<sup>75</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>76</sup> Centre for Progressive Change, [Safe sick pay](#), 2023

<sup>77</sup> Mayor of London, [Good Work Standard: Guidance and support for employers](#)

## Chapter three: Employment rights

**The Committee heard that employment rights remain a complex area which can often be challenging for workers to understand and navigate. This situation left many workers in a vulnerable position during the pandemic. While the GLA's Employment Rights Hub provides helpful information for understanding employment rights, it could be publicised more extensively so that more Londoners can access advice on their rights at work.**

**Research has found that employers in London are more likely to employ migrant workers than in other parts of the UK. The Committee heard that migrant workers are more likely to be exposed to poor working conditions and less likely to be aware of their employment rights. More support is needed to make sure migrant workers have full access to the information and resources required to enforce their employment rights.**

### Complexity of employment rights

Employment rights is a complex area, which can often be challenging for workers to understand and navigate. James Sandbach told the Committee that it is “very, very difficult” for workers, and particularly for those who are self-employed, to know what their employment rights are. He said:

*“In terms of rights, self-employment and that balance, in London really only around 20 per cent of the workforce is unionised and a significant portion are self-employed. Although there are now more rights accruing to self-employed workers, it is such a legally complex area whether you are employed or self-employed because of all the different agency work arrangements in London.”<sup>78</sup>*

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*The whole employment rights system itself is too complicated. We rely on a system that requires individuals to enforce their rights by going through a very difficult tribunal process. [...] It is very, very difficult for individuals to go through employment tribunal on their own.*

***James Sandbach***  
***Citizens Advice***

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<sup>78</sup> London Assembly Economy Committee, London's Post-Pandemic Labour Market and Working Practices - Roundtable, September 2023

## The Employment Rights Hub

The Employment Rights Hub is an online space, hosted by the GLA, that includes information on employment rights and guides aimed at helping workers navigate the complex system. It includes information specifically targeted at those on zero hours contracts, agency workers and self-employed people.<sup>79</sup> It was developed in partnership with charities including the Latin American Women's Rights Service, Focus on Labour Exploitation and the whistleblowing charity Protect.<sup>80</sup>

A similar hub has also been set up by Newham Council to advise residents on their employment rights. On establishing the hub, the Mayor of Newham, Rokhsana Fiaz, said:

*"There's a massive awareness issue regarding what employment rights are. This has become even more important with the Covid pandemic, which has shown how precarious and insecure work has made people more vulnerable, affecting their ability to protect their health and remain safe. [...] The Employment Rights Hub will be able to help so many different cases and correct injustices."<sup>81</sup>*

Research published in May 2022 by the GLA and Clearview Research found that while the Employment Rights Hub was a welcome and important resource, too few people were aware of it. Participants in the research cited Citizens Advice and trade unions as the main places they would go for employment rights support.<sup>82</sup> This suggests further promotion of the Employment Rights Hub is needed, so that more Londoners can access advice on their rights at work.

## Employment rights for migrant workers

Research from the Chartered Institute of Personnel and Development (CIPD) found that employers in London are the most likely to employ migrant workers compared with other regions of England.<sup>83</sup> In the year ending June 2021, around 35 per cent of the UK's foreign-born population were living in London, which was estimated to be around 3,346,000 people.<sup>84</sup> The Committee heard how migrant workers in particular often have very limited awareness of their rights in the labour market, and existing rights are often not enforced. The Committee received no evidence suggesting that this has changed post-pandemic. Hannah Slaughter, Senior Economist at the Resolution Foundation, told the Committee:

*"Migrant workers [...] are often more vulnerable to violations of their rights, especially if they have more insecure migration status, whether they are undocumented or whether*

<sup>79</sup> GLA, [Employment Rights Hub](#), 2023

<sup>80</sup> Protect, [Protect take part in Mayor of London's Employment Rights Hub](#), August 2020

<sup>81</sup> Newham Council, Newham Council fights for workers' rights with new Employment Rights Hub, June 2021

<sup>82</sup> GLA and Clearview Research, High Risk, No Reward: Resolving Employment Rights Problems In London, May 2022

<sup>83</sup> CIPD, [Migrant workers and skills shortages in the UK](#), May 2023

<sup>84</sup> University of Oxford, [Migration Observatory: Migrants in the UK: An Overview](#), August 2022

*their visa is tied to a particular employer so they have to put up [with] poorer treatment in some cases.*<sup>85</sup>

This lack of clarity and access to employment information can increase the risk of migrants being exposed to poor working conditions. Sam Gurney told the Committee:

*“[Migrant workers] are even more exposed to poor working conditions than other workers. We have to make sure they have access to information about what they are entitled to and things like the Employment Rights Hub up here at the GLA and things that different boroughs are doing, the Newham Rights Hub, a lot more support we think could be given there.”*<sup>86</sup>

In research commissioned by the Mayor and published in 2023, research organisation the Young Foundation found that migrant workers in London suffered from “a wide range of experiences across the spectrum of labour rights abuses and exploitation, with some appearing to have the hallmarks of modern slavery.”<sup>87</sup>

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*A really, really significant issue in London is undocumented migrant workers, who really have no rights at all and often no recourse to public funds, so cannot claim any Universal Credit or anything like that.*

**James Sandbach**  
**Citizens Advice**

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The Migrant Londoners Hub is an online space, hosted by the GLA, that brings together information and legal advice for migrants.<sup>88</sup> It includes information on employment rights, financial support and welfare benefits, and aims to simplify what is a complex and inaccessible suite of information. In its research on migrants’ experience in the workplace, the Young Foundation said that while the Hub should continue to be funded and is a useful resource, “there is more work to do to build rights awareness, access to advice, and effective and timely enforcement of labour standards.”<sup>89</sup>

The Mayor’s Migrant Advice and Support Fund provided an allocation of £750,000 in grant funding from March 2023 for organisations with “a strong track record of working with migrant Londoners, and/or responding to an increase in need for migrant Londoners, especially for newly arrived and under-served groups.”<sup>90</sup> Applications for the fund have now closed. Eleven organisations were granted funding, including Action for Refugees in Lewisham and Empowering Deaf Society.<sup>91</sup>

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<sup>85</sup> London Assembly Economy Committee, London's Post-Pandemic Labour Market and Working Practices - Roundtable, September 2023

<sup>86</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>87</sup> The Young Foundation, [Rights and Risks: Migrant labour exploitation in London](#), June 2023

<sup>88</sup> Mayor of London, [Migrant Londoners Hub](#), 2024

<sup>89</sup> The Young Foundation, [Rights and Risks: Migrant labour exploitation in London](#), June 2023

<sup>90</sup> Mayor of London, [Migrant Advice and Support Fund](#), 2024

<sup>91</sup> Mayor of London, [Migrant Advice and Support Fund](#), 2024

## Recommendation 8

The Mayor should take additional steps to publicise the Employment Rights Hub and the Migrant Londoners Hub, so that more people are aware of it and can benefit from the support they provide. The Mayor should work with London boroughs and trade unions in London to do this.

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## Recommendation 9

The Mayor, in response to this report, should share information about how the impact of the Migrant Advice and Support Fund 2022/23 is being measured, and evidence demonstrating the impact of funded initiatives so far.

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## Government legislation and the Taylor Review

The Taylor Review of Modern Working Practices, commissioned by the UK Government, was published in July 2017.<sup>92</sup> The Review recommended a new framework of ‘good work for all’, centred around tackling exploitative labour practices, increasing clarity in employment law and making rights clearer for workers.<sup>93</sup> The Review also called for the same basic principles of what constitutes good work to apply to all forms of employment, including baseline protections and clear routes to progression.<sup>94</sup>

The Government published its response to the Taylor Review in February 2018,<sup>95</sup> and subsequently included an employment bill in its 2019 Queen’s Speech.<sup>96</sup> In a letter about the gig economy published in March 2022, the Economy Committee recommended that the Mayor should lobby the Government to set out a clear timetable to introduce an employment bill.<sup>97</sup> However, at the time of the Committee’s investigation, an employment bill has yet to be introduced to Parliament.

Some guests at the Committee’s roundtable discussion expressed their disappointment that the Government had not yet legislated in this area. James Sandbach from Citizens Advice told the Committee in September:

*“Year after year, the Government has been talking about bringing forward an employment rights bill, building on the Taylor Review. The Taylor Review had some very good recommendations in it but very few of them have been implemented. After 15 years of progress on employment rights, we have now stalled.”<sup>98</sup>*

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<sup>92</sup> UK Government, [Good work: the Taylor review of modern working practices](#), July 2017

<sup>93</sup> House of Commons Library, [Implementing the Taylor Review of modern working practices](#), January 2022

<sup>94</sup> UK Government, [Good work: the Taylor review of modern working practices](#), July 2017

<sup>95</sup> UK Government, [Government response to the Taylor Review of modern working practices](#), February 2018

<sup>96</sup> UK Government, [The Queen’s Speech 2019](#), December 2019

<sup>97</sup> Mayor of London, [Supporting London’s gig economy workers](#), March 2022

<sup>98</sup> London Assembly Economy Committee, London's Post-Pandemic Labour Market and Working Practices - Roundtable, September 2023

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## Recommendation 10

The Government should set out a clear timetable to introduce an employment bill. The bill should enshrine the recommendations of the Taylor Review of Modern Working Practices that the Government has accepted.

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## Chapter four: Skills

**The Committee heard that London faces significant skills gaps in some sectors. A growing divide can be seen between good jobs which offer training and development, fair pay and hybrid working; and poor quality and insecure work offering little development or progression. There is insufficient focus on retraining and reskilling of those currently in employment, and more needs to be done to expand support services to assist businesses in upskilling and training their existing employees.**

Addressing London's skills gaps is vital both for both the health of the capital's economy and to ensure that workers can progress in their careers. Sam Gurney told the Committee that workers in insecure work are much less likely to access training, as "the employers who are following that type of business model are not going to be the employers who are providing training or support to train."<sup>99</sup>

Matthew Jaffa from the Federation of Small Businesses told the Committee that there is a "two-pronged economy" in London when it comes to skills. He told the Committee that certain sectors such as hospitality, leisure and tourism suffered more in terms of loss of skills during the pandemic compared to more office-based sectors where employees could work from home.<sup>100</sup>

### The Adult Education Budget

The Adult Education Budget (AEB) funds education and training in London for adults aged 19 and above. It has been delegated to the GLA since 2019. For the academic year 2023-24, the total expenditure for the AEB is approximately £343 million.<sup>101</sup> Data from the GLA shows that for the academic year 2022-23, AEB learner participation increased by four per cent compared to the same period in 2021-22.<sup>102</sup>

The Committee heard that employers and workers would benefit from more 'bolt-on skills' provision, whereby learners can engage in short courses to supplement existing skills. Matthew Jaffa told the Committee that support should be provided to employers to "bolt on some of these bite-sized chunks of learning that small businesses cry out for that will help them navigate the system".<sup>103</sup> This form of learning could be particularly effective for in-demand skills such as digital skills and certain green skills.

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<sup>99</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>100</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>101</sup> GLA, [Adult Education Budget: 2023-24 Financial forecast and 2021-22 Annual Report to the Department of Education](#), March 2023

<sup>102</sup> London Datastore, [GLA Adult Education Budget](#), July 2023

<sup>103</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

The Mayor's Academies Programme involves £44m of total funding for developing skills in priority sectors, such as hospitality, construction and creative and digital sectors.<sup>104</sup> The Mayor's Skills Roadmap, published in January 2022, also states that the Mayor will promote training opportunities and careers in key sectors such as the green economy.<sup>105</sup>

## Recommendation 11

The Mayor should increase the availability of courses through the Adult Education Budget which provide specific flexible, bolt-on training for in-demand skills such as digital and green skills, including for those already in work. He should work with employers to deliver this provision.

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## Apprenticeships

Apprenticeships form an important route into employment, particularly in sectors such as construction. However, the Committee heard that the numbers of apprentices in London has dropped in recent years. Apprenticeship numbers dropped significantly in London during the pandemic, with **33,890 apprenticeship starts in 2019/20 compared to 40,750 in 2018/19**.<sup>106</sup> For the academic year 2022/23, **36,120 people started an apprenticeship in London**.<sup>107</sup> While this is higher than the numbers seen during the pandemic, it is still lower than the figure before the apprenticeship levy was introduced.

## The Apprenticeship Levy

The Apprenticeship Levy is a tax on large employers used by the Government to provide funding for apprenticeships. It came into force in 2017 and is set at 0.5 per cent of an employer's pay bill. The Levy is only paid by organisations with an annual pay bill of more than £3 million. Funds from the Apprenticeship Levy go into a service account which employers can draw on for apprenticeship training and assessment with a training provider. The funds cannot be used for the wages of an apprentice.<sup>108</sup>

The Committee learnt that in many cases, funds available from the Levy were not being fully utilised. Arinola Edeh, Head of Service at Westminster Adult Education Service, told the Committee in September that "every year without fail"<sup>109</sup> the fund is underspent:

*"There could be a different approach to how we utilise that levy and how we enable the employers to utilise that levy, which would free up more opportunities for people. [...] The Adult Education Budget pales in comparison to what is available through the levy, and that is one area that I think we should be looking at."*<sup>110</sup>

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<sup>104</sup> Mayor of London, [About the Mayor's Academies Programme](#), February 2024

<sup>105</sup> Mayor of London, [Skills Roadmap for London](#), January 2022

<sup>106</sup> London Datastore, [Full-year update 2022/23: Apprenticeship Statistics for London](#), November 2023

<sup>107</sup> London Datastore, [Full-year update 2022/23: Apprenticeship Statistics for London](#), November 2023

<sup>108</sup> House of Commons Library, [Apprenticeship Policy in England](#), January 2023.

<sup>109</sup> London Assembly Economy Committee, London's Post-Pandemic Labour Market and Working Practices – Roundtable, September 2023

<sup>110</sup> London Assembly Economy Committee, London's Post-Pandemic Labour Market and Working Practices – Roundtable, September 2023

The Committee previously carried out an investigation into apprenticeships in London in 2022.<sup>111</sup> In its report, the Committee observed that apprenticeship numbers in London had fallen since the introduction of the Apprenticeship Levy in 2017, and recommended that the Government introduce financial incentives for employers to take on apprentices from certain demographic groups.<sup>112</sup> The then Skills Minister, Alex Burghart, responded to this report on 8 April 2022.<sup>113</sup> In his response, the Minister noted that apprenticeship numbers had started to rise since the pandemic, and stated that:

“I recognise that there is more to be done to ensure we are improving access to apprenticeships so that the programme continues to grow. I can assure you that this remains a priority.”<sup>114</sup>

The Mayor has called for the full devolution of the apprenticeship funding system to London.<sup>115</sup>

## Recommendation 12

The Government should provide an update to the Committee on what steps it has taken to improve access to apprenticeships and ensure that employers can spend more Apprenticeship Levy funds in London.

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## Recommendation 13

The Government should devolve the Apprenticeship Levy to London. The Mayor should continue to lobby the Government to do this.

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<sup>111</sup> London Assembly, [You're Hired: A Bright Future for Apprenticeships in London](#), March 2022

<sup>112</sup> London Assembly, [You're Hired: A Bright Future for Apprenticeships in London](#), March 2022

<sup>113</sup> Department for Education, [Letter from Parliamentary Under Secretary of State for Skills](#), April 2022

<sup>114</sup> Department for Education, [Letter from Parliamentary Under Secretary of State for Skills](#), April 2022

<sup>115</sup> London Assembly, [Question on Apprenticeships in London](#), July 2023

## Chapter five: Business support

**The regulatory landscape for London's businesses can be complex and difficult to navigate, particularly for small businesses. The new Grow London Local scheme, which is funded by the Mayor and delivered by London & Partners, is a welcome resource. The Committee requests to be kept updated on the number of businesses the scheme is supporting, what form this support takes, and the impact of the support.**

Hannah Slaughter, Senior Economist at the Resolution Foundation, told the Committee at its roundtable in September 2023:

*"Navigating some of the employment regulations can be quite tricky for small businesses. If it is one person who is sorting out the taxes, making sure they are complying with minimum wage regulations, which can be quite complex, then things can fall through the cracks. [...] if the system was simpler and easier for employers to navigate, then that could solve some of the cases of poor working practices that you see."<sup>116</sup>*

Small businesses are often in need of more support if they are going to create good quality jobs. Matthew Jaffa, Senior External Affairs Manager at the Federation of Small Businesses, told the Committee:

*"The average size [of a small business is] three or four employees, you do not have a corporate structure, human resources experts in your business like [...] a big-four accountancy firm. [...] A lot of businesses cry out for leadership/management help. You do not get that if you are a very small business."<sup>117</sup>*

### The London Business Hub and Grow London Local

Launched in September 2020, the London Business Hub was delivered by the London Economic Action Partnership (LEAP), the local enterprise partnership for London. The LEAP ceased to exist in March 2023. The London Business Hub no longer exists, but the services it offered are similar to those now provided by Grow London Local, an advice service and wider network that provides support for small and medium sized businesses in London.<sup>118</sup>

Set up as a pilot initiative in November 2023, Grow London Local was launched in full in January 2024, delivered by London & Partners and with £8.7m of Mayoral funding. According to figures released by the Mayor, 811 small businesses received support from Grow London

<sup>116</sup> London Assembly Economy Committee, London's Post-Pandemic Labour Market and Working Practices - Roundtable, September 2023

<sup>117</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), July 2023

<sup>118</sup> Grow London Local, [About us](#), February 2024

Local in between November 2023 and January 2024, both online and through in-person small business advisers. The Mayor has said that Grow London Local is aiming to work with more than 12,000 small businesses between January 2024 and March 2025.<sup>119</sup> The committee would welcome further information on the advice that has been provided to businesses and how the Mayor intends to evaluate the programme.

At its meeting in July 2023, the Committee heard calls for the London Business Hub, as it was then called, to be smarter in providing easy-to-digest information for small businesses. Matthew Jaffa from the Federation of Small Businesses told the Committee:

*We already have the London Business Hub that exists, and we have had that for a number of years in its previous guise, the London Growth Hub. That is the area in which we need to be smarter in providing information for small businesses, particularly around things like immigration visas, how they can go and do international visits and attracting talent from different parts of the world.*<sup>120</sup>

## Recommendation 14

The Mayor should report back to the Committee on the impact that Grow London Local has had since the start of the pilot programme. This should include an update on the number of businesses supported, a breakdown of what this support has consisted of, and a timeline of when this support was provided.

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<sup>119</sup> Mayor of London, [Mayor delivers boost to capital's small businesses as he launches new service to support 'backbone of London's economy'](#), January 2024

<sup>120</sup> London Assembly Economy Committee, [Transcript of Agenda Item 6 - London's Post-Pandemic Labour Market and Working Practices](#), 13 July 2023

## Committee activity

The Committee's investigation set out to examine the state of London's labour market post-pandemic, including employment trends, skills gaps and working practices. It also looked at the impact of the pandemic on London's labour market and working practices, including any long-term impact on ways of working, and to what extent it has recovered from the pandemic.

The Committee's first meeting was held on 13 July 2023. The meeting was attended by the following guests:

- **Naomi Clayton**, Deputy Director for Research and Development, Learning and Work Institute
- **Alex Conway**, Assistant Director for Economic Development and Programmes, Greater London Authority
- **Sam Gurney**, London Regional Chair, Trades Union Congress
- **Matthew Jaffa**, Senior External Affairs Manager, Federation of Small Businesses
- **Becci Newton**, Director of Public Policy Research, Institute for Employment Studies

The Committee held a roundtable discussion on 13 September 2023. The following guests took part in the discussion:

- **Sarah Clamp**, Service Delivery Director, Maximus
- **Michael Dooley**, Regional Organiser, GMB Union
- **Arinola Edeh**, Principal and Head of Service, Westminster Adult Education Service
- **Ibelema Emeh**, Director, Setax Training Consultancy
- **James Sandbach**, London Development Manager, Citizens Advice
- **Hannah Slaughter**, Senior Economist, Resolution Foundation

## Other formats and languages

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### Greek

*Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.*

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### Hindi

यदि आपको इस दस्तावेज का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

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### Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں درکار ہو تو، براہ کرم نمبر پر فون کریں یا منکورہ بالا ڈاک کے پتے یا ای میل پتے پر ہم سے رابطہ کریں۔

### Arabic

الحصول على ملخص لهذا المستند بلغتك،  
فارجاء الاتصال برقم الهاتف أو الاتصال على  
العنوان البريدي العادي أو عنوان البريدي  
الإلكتروني أعلاه.

### Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોઈતો હોય તો ઉપર આપેલ નંબર પર ફોન કરો અથવા ઉપર આપેલ ટપાલ અથવા ઇ-મેઇલ સરનામા પર અમારો સંપર્ક કરો.

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