

RICH CITY, POOR PAY

ENDING THE
PATTERN OF
LOW PAY IN
THE CAPITAL



ANDREW BOFF
GLA CONSERVATIVES
GREATER LONDON AUTHORITY

CONTENTS

Introduction	1
The picture of low pay in the Capital	1
The National Minimum Wage and National Living Wage	2
The importance of the London Living Wage	4
Escaping the low pay trap	5
Plugging the skills gap to aid pay progression	7
Conclusion and Recommendations	9
Feedback	11

INTRODUCTION

In many ways, London's economy can be seen as the heartbeat of the UK economy. It contributes roughly a quarter of the country's GDP and has consistently outpaced the rest of the country in terms of labour growth. Indeed, there are now over 12 per cent more jobs in the Capital than in 2008, far beyond the levels of growth witnessed in other parts the country.¹

But these successes conceal a growing problem in London: the issue of persistent and pernicious low pay. Since 2009, living standards among middle and low income families have stagnated. Despite the Capital currently enjoying historically low levels of unemployment, working poverty is increasing, and the majority of poor people now live in working households.²

In all, 21 per cent of London's workers, approximately 625,000 people, are paid below the London Living Wage, the most common benchmark for determining personal living standards.³ This situation should be considered unacceptable to politicians of all stripes. This paper will examine the picture of low pay in London, the issues that give rise to its perpetuation, and what London government can do halt its advance.

THE PICTURE OF LOW PAY IN THE CAPITAL

According to the OECD, the UK has one of the highest proportions of employees in low paid work amongst advanced economies. London's low pay rate of 21 per cent is higher than most other European counties – including more than twice the rate of Italy and four times that of Belgium.⁴

On this measure of low pay, London compares favourably to the rest of the UK. Not only is the employment rate comparatively high, only 12 per cent of total workers are paid less than two thirds of the national median (another measure for low pay utilised by HM Government),⁵ whereas, in most other cities the proportion is closer to one in four.⁶ As it stands, two-thirds of the median is equivalent to £7.83 an hour.⁷

However, the picture does not look quite so rosy once you take housing costs into consideration. Once you factor this in, 27 per cent of Londoners live in poverty compared to 20 per cent in the rest of England.⁸ The regional distribution of low pay within London itself highlights further disparities within the city. On average, jobs in Outer London are more likely to be low paid than jobs in Inner London, even though Westminster contains the highest number of low pay jobs (76,000) – more than double any other borough.⁹

Interestingly, whereas poverty was once considered a product of worklessness, it is now

1. <https://www.london.gov.uk/sites/default/files/londonlabourmarketfinal.pdf> p8

2. <https://www.trustforlondon.org.uk/wp-content/uploads/2013/10/WorkinProgress.pdf> p2

3. Ibid

4. http://www.livingwage.org.uk/sites/default/files/BAR_LivingWageReport%20cropped%2021%2001.pdf p6

5. <http://www.resolutionfoundation.org/app/uploads/2016/01/Paved-with-gold.pdf> p6

6. Ibid

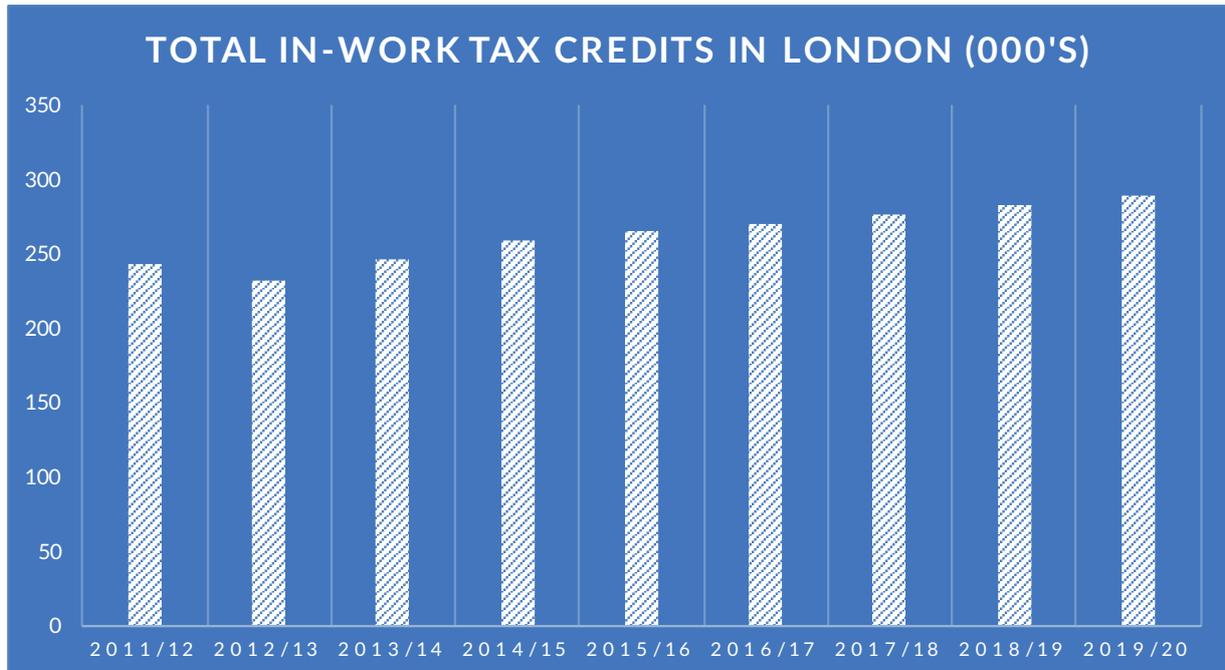
7. <http://www.resolutionfoundation.org/app/uploads/2016/10/Low-Pay-Britain-2016.pdf> p5

8. http://www.londonpovertyprofile.org.uk/2015_LPP_Document_01.7-web%255b2%255d.pdf p7

9. http://www.londonpovertyprofile.org.uk/2015_LPP_Document_01.7-web%255b2%255d.pdf p71

those in work that make up the majority of those living in poverty. In-work poverty is now a major problem for many Londoners. The number of working-age adults in poverty in London has increased from 1.1 million to 1.4 million in the past decade.¹⁰ Further, as employment has increased so has the number of people in a working family in poverty – from 700,000 to 1.2 million in the last decade, an increase of 70 per cent.¹¹

On current trends, by the end of this mayoral term, there will likely be 30,000 more families in receipt of either Working Tax Credits or Child Tax Credit than there are currently (see graph below), which further highlights the growing issue of in-work poverty.



Source: HMRC Child and Working Tax Credits Statistics

There is a definite social cost to all of this. Approximately two thirds of the 2.3 million children living in poverty are from households in which at least one adult works: perpetuating the cycle of poverty.¹² There is also an impact on government. The fiscal impact of low pay is such that the Government now spends around £21 billion on tax credits for those in work, alongside a large portion of the housing benefit bill.¹³

THE NATIONAL MINIMUM WAGE AND NATIONAL LIVING WAGE

This is not to say that policy makers have ignored low pay. The National Minimum Wage (NMW) and the recently introduced National Living Wage (NLW) are valuable interventions supported by all major parties. It is estimated that the National Living Wage will reduce the number of Britons in low pay from 5.7m now to 4.9m in 2020.¹⁴ Because of its introduction, workers on NLW will see their wages rise four times faster than the

10. http://www.londonpovertyprofile.org.uk/2015_LPP_Document_01.7-web%255b2%255d.pdf p25

11. http://www.londonpovertyprofile.org.uk/2015_LPP_Document_01.7-web%255b2%255d.pdf p7

12. <http://www.smf.co.uk/wp-content/uploads/2014/06/Publication-Making-Progress-Boosting-the-skills-and-wage-prospects-of-the-low-paid.pdf> p16

13. <http://www.smf.co.uk/wp-content/uploads/2014/06/Publication-Making-Progress-Boosting-the-skills-and-wage-prospects-of-the-low-paid.pdf> p17

14. <http://www.resolutionfoundation.org/app/uploads/2016/10/Low-Pay-Britain-2016.pdf> p9

average worker by the same year,¹⁵ which highlights the impact of this scheme.

Both the NMW and the NLW ensure a safety net and earnings floor for those in lower-skilled jobs. Because of these statutory protections, it is illegal to not pay a worker below either the NMW or NLW, and enforcement of these wage floors has recently been strengthened by the Government.

Since April of last year, a new penalty system came into place to ensure all employers pay workers their entitled wage. As it stands, an employer will be liable to pay the wronged employee 200 per cent of wages for the offending period.¹⁶ Not only that, once an employer has been considered guilty of underpayment, that employer will be named and shamed publically by the Government.¹⁷ Both these penalties are just and appropriate for NMW/NLW infringement.

More of course needs to be done to publicise those firms that have been named and shamed as part of the Government's scheme, and perhaps greater protections need to be granted to workers for coming forward with complaints.

However, NMW infringement is not the greatest low pay problem facing London. In 2008 there were 21,000 jobs in London that paid below the NMW, whereas there are currently 22,000 now. While the total figure has increased by 1,000, as the working population has increased, the number of workers paid below the wage floor has remained flat at six per cent.¹⁸ So while NMW infringement is a pernicious issue and certainly needs to be tackled, there are greater low pay issues confronted by Londoners.



Source: Annual Survey of Hours and Earnings (ASHE), 2016

15. <http://www.resolutionfoundation.org/media/press-releases/pay-of-national-living-wage-workers-set-to-grow-nearly-4-times-faster-than-typical-earners-this-parliament/>

16. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/539577/bis-16-373-enforcement-policy-document-national-minimum-wage.pdf p10

17. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/539577/bis-16-373-enforcement-policy-document-national-minimum-wage.pdf p17

18. Annual Survey of Hours and Earnings (ASHE), 2016

THE IMPORTANCE OF THE LONDON LIVING WAGE

The concept of a 'living wage' has a long history. The demand for a living wage first arose in the coalfield areas of the UK during the 1870s when workers sought to organise to improve their terms and conditions of work.¹⁹ The modern campaign for a living wage scheme in the UK was launched by London Citizens in 2001.²⁰ Since then Ken Livingston, Boris Johnson and the current Mayor have all endorsed the scheme. The success of the campaign is probably the single greatest reason why the former Chancellor of the Exchequer introduced the National Living Wage.

The Living Wage differs from the NMW and NLW in that is calculated based on living costs and wage workers need to earn in order to cover these. The current UK Living Wage is £8.45 and the London Living Wage is £9.75. The scheme to sign-up to the London Living Wage is voluntary, which ensures that employers only sign-up when they can afford to do so, thus minimising the cost of the scheme to London businesses.

The London Living Wage scheme has cross-party support and was supported by the former Mayor as well as the current Mayor. It is generally considered good for business, good for workers and good for society. As of April 2017, there are 951 businesses in London signed-up to the Living Wage out of 2,862 nationwide, which represents 33.2 per cent of all Living Wage employers.²¹ As 18 per cent of all businesses are in London, this means that the Capital is over-represented on the scheme, which is a testament to successful campaigning by consecutive mayors. But, despite the success of the scheme, there are almost 700,000 jobs in London that pay below the London Living Wage.²²

On the scheme, there are 30 employers in the FTSE 100 that are currently accredited Living Wage employers.²³ It could be argued that, as these firms are amongst the biggest companies in the UK, that all members of the FTSE 100 should be signed-up to the scheme. As such, the Mayor should campaign and directly lobby with these firms to persuade them to sign up to the scheme. He should set a target off ensuring all members of the index become accredited on the scheme by the end of his mayoralty.

Furthermore, by the midterm point of his administration, the Mayor should publish the names of those FTSE 100 firms that are still to sign-up to the scheme to name and shame them. It cannot be right and proper that some of the world's largest firms still refuse to pay their workers a living wage, especially with low pay in the Capital becoming a deteriorating problem.

There are those that argue the London Living Wage is an attempt to subvert the market. Firstly, this is incorrect because the scheme is voluntary. Indeed, to impose a mandatory London Living Wage on employers would cost London businesses at least £1.15 billion per annum in increased wages.²⁴ Imposing the scheme would be devastating to the London economy.

19. <http://www.geog.qmul.ac.uk/livingwage/pdf/Livingwagecostsandbenefits.pdf> p4

20. Ibid.

21. <http://www.livingwage.org.uk/employers/region>

22. http://www.londonpovertyprofile.org.uk/2015_LPP_Document_01.7-web%255b2%255d.pdf p7

23. <https://shareaction.org/the-31st-ftse-100-living-wage-employer/>

24. The data was taken from ONS workforce data and House of Commons Library research. The figure was calculated by estimating the total number of jobs paying the NMW (263,810), and the yearly wage bill for paying these employees. The same calculation was used to determine the comparable wage cost if all those employees were instead paid the London Living Wage. The £1.15 billion figure is difference between these two totals.

A better means of promoting take-up could be found in the approaches of both Brent²⁵ and Greenwich²⁶. These two boroughs reward those smaller firms that pay the London Living Wage by cutting their business rate tax bills. These schemes are in part paid for by the GLA and in some cases can lead to a reduction of up to £5,000 from business rate bills if the business question is not already in receipt of reliefs. There is probably a good case for the GLA, possibly through the LEAP, to assess whether this scheme should be extended Londonwide. Such a scheme would ensure smaller firms would sign-up to the scheme, and would work in conjunction with the push on FTSE 100 firms.

Alongside this viability assessment, the Mayor should consider conducting an additional mapping exercise to find those low pay 'hot spots' where low pay jobs are concentrated. This could highlight those groups of wards, or perhaps Lower Super Output Areas, that host the highest concentrations of low paying jobs. This would allow the Mayor to have a fuller picture of low pay in the Capital. He should then use GLA funds, through the LEAP, to promote a business rate reduction scheme to boost London Living Wage take-up in those problem areas.

Alongside the reason stated above, a voluntary Living Wage scheme also provide several economic benefits to employers and the Capital's economy. It has been found that those organisations that move to the London Living Wage report an improvement in recruitment, retention, motivation and productivity after its introduction.²⁷ In addition, cleaning firms that introduced the Living Wage reported reductions in staff absenteeism and turnover.²⁸ Finally, in a survey by London Economics, 70 per cent of employers discovered that they had an increase in their corporate reputation following take-up of the scheme.²⁹

More generally, over 60,000 workers have been brought up to the London Living Wage since 2008, and £210m has been added to total wages over the same period.³⁰ Clearly, the voluntary scheme is of great benefit to Londoners. The Mayor should do all that he can to promote the scheme, including the three recommendations mentioned above.

ESCAPING THE LOW PAY TRAP

One of the greatest issues surrounding the prevalence of low pay in London is that many low pay workers struggle to exit from low pay and remain trapped. There is a fair amount of research on the existence and extent of the phenomenon.

One study found that 66 per cent of those who start off in low pay remain in low pay rather than progress during a twelve month.³¹ Across the country, there are now 2.9m workers that have been stuck on low pay for at least a year, which is an increase from 58 per cent to 75 per cent of all low pay workers since 2005.³² Another study found that, over a longer ten-year period, 27 per cent of workers who started in low pay at the beginning of

25. <http://www.itv.com/news/london/2015-01-26/brent-council-offers-tax-cut-for-firms-that-pay-the-london-living-wage/>

26. http://www.royalgreenwich.gov.uk/info/200012/business_rates/1576/business_rates_relief_for_london_living_wage_employers

27. <http://www.geog.qmul.ac.uk/livingwage/pdf/Livingwagecostsandbenefits.pdf> p8

28. http://www.livingwage.org.uk/sites/default/files/BAR_LivingWageReport%20cropped%2021%2001.pdf p8

29. http://www.livingwage.org.uk/sites/default/files/BAR_LivingWageReport%20cropped%2021%2001.pdf p9

30. http://www.livingwage.org.uk/sites/default/files/BAR_LivingWageReport%20cropped%2021%2001.pdf p6

31. <http://www.smf.co.uk/wp-content/uploads/2014/06/Publication-Making-Progress-Boosting-the-skills-and-wage-prospects-of-the-low-paid.pdf> p14

32. Ibid.

that decade stayed in low pay for the entirety of that period.³³ This is a worrying statistic.

Low pay can for many people be an inescapable trap and, even if some workers progress to higher pay, many still cycle in and out of low paying jobs. It is estimated that there are approximately 164,000 Londoners that are at risk of doing just that,³⁴ either moving from unemployment to low pay, or higher pay back down to low pay due to contractual insecurities. JSA figures show that a large proportion of 'new' JSA claims are made by people who have made a series of previous claims, with roughly a quarter of current claimants having made at least three more claims in the past. Escaping low pay is difficult on multiple levels.

Pay and career progression is the obvious means of tackling this low pay trap, especially as low pay is stagnating comparatively. In one study, those that did escape witnessed their wages grow by on average 7.5 per cent a year in real-terms over the course of the last decade, bringing their pay up to around the level of typical workers. Those who didn't escape saw their wages grow half as fast, at 3.6 per cent annually after controlling for inflation.³⁵

One obvious reason for low pay workers to change jobs, and be aided in doing so, is that those workers that change jobs see far greater wage progression than those who do not.³⁶ But not only should low pay workers be encouraged to seek new opportunities, they should be provided ample opportunities to upskill and retrain. Research has shown that people on low pay and with low levels of qualifications were least likely to experience wage increases.³⁷

It is not just pay that benefits from greater progression within the workplace, it has also been found that progression opportunities can lead to higher levels of staff morale and motivation.³⁸ Asda, Morrisons and Bernard Matthews, amongst others, all affirmed this phenomenon in a government study.³⁹ Organisations with large proportions of low pay workers have also reported a reduction in staff turnover as a result of clearer progression paths within their respective organisations.⁴⁰ Supporting career and pay progression is clearly good for both the employer and the worker.

The problem with low pay jobs is that they are fragmented and disconnected, rather than possessing a clearly defined progression path.⁴¹ The next section will explore how the Mayor and London government can aid workers progress out of the low pay trap.

33. <http://www.smf.co.uk/wp-content/uploads/2014/06/Publication-Making-Progress-Boosting-the-skills-and-wage-prospects-of-the-low-paid.pdf> p15

34. http://www.walcoffoundation.org.uk/uploads/1/7/2/2/17226772/esif_background_info.pdf p2

35. <http://www.resolutionfoundation.org/app/uploads/2014/11/Escape-Plan.pdf> p6

36. <https://www.trustforlondon.org.uk/wp-content/uploads/2013/10/WorkinProgress.pdf> p3

37. <http://www.smf.co.uk/wp-content/uploads/2014/06/Publication-Making-Progress-Boosting-the-skills-and-wage-prospects-of-the-low-paid.pdf> p27

38. <http://webarchive.nationalarchives.gov.uk/20140108090250/http://www.ukces.org.uk/assets/ukces/docs/publications/employer-practice-in-progressing-low-paid-staff.pdf> p26

39. Ibid.

40. <http://webarchive.nationalarchives.gov.uk/20140108090250/http://www.ukces.org.uk/assets/ukces/docs/publications/employer-practice-in-progressing-low-paid-staff.pdf> p25

41. <http://webarchive.nationalarchives.gov.uk/20140108090250/http://www.ukces.org.uk/assets/ukces/docs/publications/employer-practice-in-progressing-low-paid-staff.pdf> p7

PLUGGING THE SKILLS GAP TO AID PAY PROGRESSION

The relationship between qualifications and pay progression is clear. But what is also clear is that there is probably a causal link between this lack of progression and what is called the 'skills gap', which is the difference between the skills that employers want and those that are available from jobseekers.

The latest statistics suggest that there are 124,000 vacancies that cannot be currently filled due to skill shortages, and that 22 per cent of all positions are hard to fill because of this skills gap.⁴² This need for higher skilled workers, coupled with a significantly large number of workers without adequate qualifications, indicates that solving one issue should go some way to solving the other.

There are, however, significant challenges that present to policy makers attempting to correct this problem. Roughly three in ten of those on low pay do not possess any officially-recognised qualifications, and one in five are only educated up to the GCSE level.⁴³ A recent analysis estimated that, across the UK, there are approximately 656,000 lower pay workers that lack the ability to progress onto better paid work.⁴⁴

Providing qualifications to these workers is, therefore, essential to boosting their career prospects. Indeed, on receipt of training, the low paid become the most likely to progress up the occupation bands.⁴⁵ On average, there is a 10 per cent earning premium associated with a lower paid person achieving a nationally-recognised skills qualification.⁴⁶ This in turn has a knock-on effect for the Treasury as well, which would benefit over £800 per worker from such a rise.⁴⁷

Despite the advantages attached to training for all concerned, the low paid are the least likely to receive training, either to be offered by their employer or take it up once offered.⁴⁸ Improving training rates for lower income workers should be a priority for the Mayor and London boroughs in the fight against low pay.

One way of doing this is through the funding and promotion of apprenticeships. These qualifications have received increases in funding and prestige of recent years, and the former Mayor made it a priority of his to fund and train more apprentices in London. Since 2010, around 260,000 Londoners started an apprenticeship funded by the Mayor. Roughly half of all apprenticeships—140,000—are among the 16-24 year old age group.⁴⁹

Apprenticeships are ideal for creating a path for schools leavers into work, and for creating a means for lower paid workers to change to higher paid professions. Issues arise when using the headline figure as the primary target. This Mayor and his predecessor set out to create 500,000 apprenticeships every eight years. This untargeted approach does not

42. <http://www.smf.co.uk/wp-content/uploads/2014/06/Publication-Making-Progress-Boosting-the-skills-and-wage-prospects-of-the-low-paid.pdf> p21

43. <http://www.smf.co.uk/wp-content/uploads/2014/06/Publication-Making-Progress-Boosting-the-skills-and-wage-prospects-of-the-low-paid.pdf> p7

44. Ibid.

45. Ibid.

46. Ibid.

47. <http://www.smf.co.uk/wp-content/uploads/2014/06/Publication-Making-Progress-Boosting-the-skills-and-wage-prospects-of-the-low-paid.pdf> p9

48. <http://www.smf.co.uk/wp-content/uploads/2014/06/Publication-Making-Progress-Boosting-the-skills-and-wage-prospects-of-the-low-paid.pdf> p8

49. https://www.london.gov.uk/sites/default/files/economy_committee_apprenticeship_report_fv.pdf p6

specifically help those localities where low pay or low skilled workers are most prevalent, nor does it target those industries where low pay workers make up a larger proportion.

A better approach would be to target industries and localities. The low pay 'hotspots' recommended above would make an ideal starting point for adopting this more tailored approach. Shifting from a hitherto unachievable target of half a million apprenticeship starts to a more manageable number, targeted on these hotspots, would be a better means of utilising taxpayer funds.

While many apprenticeships are aimed at school leavers, many are also not. For those apprenticeships, it is often a means of career and pay progression. As such the Mayor should consider imposing two separate targets for apprenticeship starts: one target for school leavers and another for older apprentices either working or living in these low pay hotspots.

As 260,000 apprenticeship starts were achieved by the previous Mayor, the current Mayor should at least seek to match this, with half each going to both of the categories mentioned above. This more targeted approach should ensure that lower income workers have an additional path to both ease their career progression and increase their earnings to escape the low pay trap.

Alongside his powers on apprenticeships, the Mayor will be devolved the Adult Education Budget (AEB) in 2019.⁵⁰ Adult education funding is often reserved for adult learners (24+) that want to either retrain to enter a new industry or upskill to progress in their careers. As such, the devolution of the AEB is the perfect opportunity for the Mayor to help direct older workers out of low pay.

It is likely that £400m in total will be devolved to London,⁵¹ which will be the responsibility of the Mayor working in partnership with the London boroughs. The first task of the Mayor is to map the employment, learning and skills systems to identify key areas where greater integration is needed and any gaps in provision. This mapping review is currently taking place, but it would be advantageous to link the allocation of additional resources under the AEB with the low pay hotspots situated throughout London.

There are currently 50 Further Education and Adult Education colleges in London.⁵² As these are scattered throughout London, there is the danger that the London's devolved AEB resources could be spread too thin. As with apprenticeships, a geographically targeted approach would be the most appropriate.

The same could be said for qualifications, demands for which vary across the income scale. More often than not, it is basic skills that lower paid workers lack the most and require assistance with. Also, as higher paid workers have greater access to training opportunities in the workplace and are, as a result, generally in possession of higher level qualifications, they are less likely to need to access adult education.

Directing the AEB, in partnership with the London boroughs, on low pay hotspots in a focused manner should deliver better results than spreading these scarce resources throughout London. Indeed, if used effectively, the AEB could be the Mayor and the

50. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/597291/London-Devolution-MoU.pdf

51. https://www.london.gov.uk/moderngov/documents/s54521/Skills_Devolution%20for%20London.pdf

52. https://ec.europa.eu/epale/sites/epale/files/learning_and_work_institute_close_the_gap_14.04.2016.pdf p11

LEAP's most valuable lever for promoting career progression and tackling low pay in the Capital.

CONCLUSION AND RECOMMENDATIONS

As this paper has highlighted, even though in many ways London is a continuing economic success, it has a burgeoning low pay problem. Not only are too many working families in poverty, many Londoners cycle in and out of low pay – trapped in a perpetual cycle of unemployment and low earnings.

Career and pay progression are the best means of combating this. The Mayor, in partnership with the London boroughs, has several levers at his disposal when it comes to promoting pay progression. Below are five ways in which he could help to do just that:

1. **Map the Capital's low pay 'hotspots':** The Mayor should conduct a mapping exercise to discover those low pay 'hot spots' where low pay jobs are concentrated. This could highlight those groups of wards, or perhaps Lower Super Output Areas, that host the highest concentrations of low paying jobs. This would allow the Mayor to have a fuller picture of low pay in the Capital and direct his resources accordingly.
2. **Lobby all FTSE 100 firms to pay the London Living Wage:** Currently, there are 30 employers in the FTSE 100 accredited as Living Wage employers. It could be argued that, as these firms are amongst the biggest companies in the UK, that all members of the FTSE 100 should be signed-up to the scheme. As such, the Mayor should directly lobby these firms to persuade them to sign up to the scheme. Furthermore, by the midterm point of his administration, the Mayor should publish the names of those FTSE 100 firms that are still to sign-up to the scheme to name and shame them.
3. **Introduce a business rate relief scheme for Living Wage employers:** A good means of promoting take-up amongst smaller firms could be a business rate relief scheme that rewards those firms for paying the London Living Wage. There is probably a good case for the GLA, possibly through the LEAP, to assess whether this scheme should be extended Londonwide. Once the low pay hotspots are comprehensively mapped, it may be more cost-effective to boost London Living Wage take-up in these problem areas. Either approach could be beneficial to businesses that do not already receive reliefs.
4. **Refocus apprenticeships to prioritise low pay areas:** Hitherto, the GLA has funded apprenticeships in a mostly untargeted fashion and focused on meeting a headline figure. This untargeted approach does not specifically help those localities where low pay is most prevalent. A better approach would be to target low pay industries and localities. Shifting from a hitherto unachievable target of half a million apprenticeship starts to a more manageable number, targeted on these hotspots, would be a better means of utilising taxpayer funds. As 260,000 apprenticeship starts were achieved by the previous Mayor, the current Mayor should at least seek to match this, with half of that target being directed towards low pay areas.
5. **Use the new Adult Education Budget to target low pay:** There are currently 50

Further Education and Adult Education colleges in London. As these are scattered throughout London, there is the danger that the London's soon to be devolved AEB resources could be spread too thin. As with apprenticeships, a geographically targeted approach would be the most appropriate to move towards. Directing some of the AEB budget on low pay hotspots in a focused manner should deliver better results than spreading these scarce resources throughout London. Indeed, if used effectively, the AEB could be the Mayor and the LEAP's most valuable lever for promoting career progression and tackling low pay in the Capital.

By implementing the above recommendations, the Mayor could drastically and significantly improve the lives of those in low pay. Tackling this socioeconomic problem is perhaps the Mayor's number one priority, and he should allocate resources and efforts accordingly.



FEEDBACK

Connect with us online and tell us what you thought about this paper.

Twitter: [@assembly_tories](#)

Facebook: [facebook.com/glaconservatives](#)

Email: assembly.tories@gmail.com



ANDREW BOFF
LONDON ASSEMBLY
Greater London Authority
City Hall, The Queen's Walk
London SE1 2AA