



Grant Thornton

An instinct for growth™

Vibrant Capital

**Shaping a city in which Londoners
can live, work and grow**

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Foreword

London is an extraordinary city. The cultural and economic growth that has made it a global hub for business, politics and the arts has been fueled by a workforce which is extraordinary too. The city's unique mix of industry, culture, and heritage is dependent on Londoners – more than eight million of them – and the many hundreds of thousands more who commute in to join them every day. They are the lifeblood of an economy which is one of the world's most successful and has the potential to be one of the world's most vibrant.

At Grant Thornton, we believe in profit with a purpose. For our economy to be sustainable and inclusive, both of these must be present in equal measure. We believe that a truly vibrant economy must be prosperous, dynamic, and resilient, as well as healthy, diverse, and cohesive. In 2016 we established our Vibrant Economy Commission, in partnership with business leaders, charity executives, and community figures, to identify the ideas and actions which will help the UK towards those objectives. We also introduced the Vibrant Economy Index to measure the nation's progress.

London is integral to the success of the UK. It is the industrial, commercial, financial, social and cultural hub of the nation. It is globally unique in that it is simultaneously a hotspot for technological innovation, a home to a world-leading financial services sector, and a national political focal point. With the establishment of our Vibrant Capital Programme, we aim to provide local leaders with the platform they need to debate and collaborate, as they seek to maintain London's status as a city of invention, progress and opportunity in an uncertain time.

Our London economy depends above all on the people who choose to live and work here – the millions who work in the city, from black cab drivers to Canary Wharf strivers, baristas to barristers, Beefeaters to street cleaners.

Londoners cannot be taken for granted. While they enjoy the many benefits of the city's prosperity, its variety and the opportunities it offers they are also impacted by its overcrowding, the limited availability of housing, and the increasingly hectic pace of city life. We will only keep our capital vibrant if we ensure it is an environment where Londoners are happy to live, work, and grow.

That's why we have developed our Vibrant Capital Programme, to discuss the challenges facing the city, collaborate on ways to keep London evolving and thriving, and to celebrate the best that it has to offer.

Our aim is to help business, political and cultural leaders understand what makes Londoners tick – what brings talented people to the city, what makes them want to stay, or makes them want to leave. This report provides them with the data they need to see and the stories they need to hear if they are to keep our capital truly vibrant.

To do so, we all need to answer some important questions. How can we solve the city's housing crisis? How can we protect the diversity of the communities which Londoners love? Are our travel links sustainable? Why do smart young professionals choose to jump out of the capital's talent pool – and how can we win them back? Does the city have what it takes to attract the talent of the future?

London's continuing success is not inevitable. Its enviable economic power, social variety and opportunities for recreation risk being undermined if we do not face up to the challenge of increasingly strained travel links, stress and air pollution. Is the city ready to address those challenges? The conversation starts here.



David Dunckley
Partner
Grant Thornton London

Londoners: Who are they?

We have divided our sample of London residents into four groups to give us a better insight into why people stay, and why they leave – what makes the city vibrant, and where it can improve.



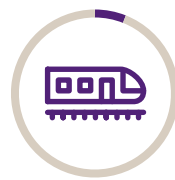
16%

London Leavers plan to leave London within a decade.



74%

London Loyalists intend on both living and working in London in the foreseeable future.



6%

Future Commuters expect to move out of London in the foreseeable future, but keep working in the capital.



4%

Inverse Commuters will carry on living in the capital, but plan to work elsewhere.



39%

intend to leave within twelve months.



Are less likely to have grown up in London.



Only a minority feel that they have no choice but to leave – most would simply prefer it to staying.



45%

of Loyalists believe they have no choice but stay. Half plan to stay because they want to.



More likely to hold professional jobs than the average Londoner, and much more likely to work full time.



63%

are aged between 25 and 44.



Are much more likely to have children.



Significantly more likely to be married, in a civil partnership, or living as married.



Are less likely than the average Londoner to have lived in the city for more than a decade.



More likely to be working full time.

Future talent: Next generation of Londoners?

We have segmented the young people we surveyed into seven groups to help us understand what will attract the best and the brightest to the capital and what could push them away.



4%

London Dreamers are young people who want to live in London, and think that they will in the future.



4%

Frustrated Dreamers are young people who want to live in London, but don't think that it will happen.



21%

Remaining Students are students from outside of London studying in the city, and staying after they graduate.



20%

Lifelong Londoners are students who are from London and want to remain after graduating.



51%

London Rejecters are young people who don't want to live in London, and don't think they will end up moving there.



10%

Reluctant Future Londoners are young people who don't want to live in London, but think that they will most likely have to move to the capital.



9%

Leaving Students are students from outside of London studying in the city – who plan on leaving the capital once they have finished their studies.



Top 3 factors affecting the choice of future place to live and work for UK future talent:



Career development



Job availability



Housing affordability



Healthy & stress-free life



leisure activities



Work-life balance



Live near family & friends



Time spent travelling

Live



Key points

Whilst the vast majority of Londoners plan to stay living or working in London, or both, in the foreseeable future, 16% plan to quit the capital altogether. The London Leavers are disproportionately young, professional, and likely to have a young family.

The difficulty of living a healthy and stress-free life in the capital, maintaining work-life balance, and the unavailability and unaffordability of housing are factors driving Londoners away.

But the city's exciting diversity and vibrant recreational scene provide strong motivation for Londoners to stay.

London Loyalists and London Leavers



Is life in London vibrant?

London is growing. Last year the city's population hit an all-time high – 8.8 million people – making it the fastest growing part of the UK. The capital's surge has had a profound effect on Londoners, for better and for worse.

For an economy to be truly successful, it must give its workers the chance to live a life which is prosperous, healthy, varied, and rooted in strong communities.

Vibrant economies are natural homes for the ambitious and the industrious; each contributes to the success of the other. Whether these people are coming, staying, or going, they are a vital indicator of an economy's health.

To understand whether the London economy is truly vibrant for all of its inhabitants, we aimed to profile the remainers and the leavers.

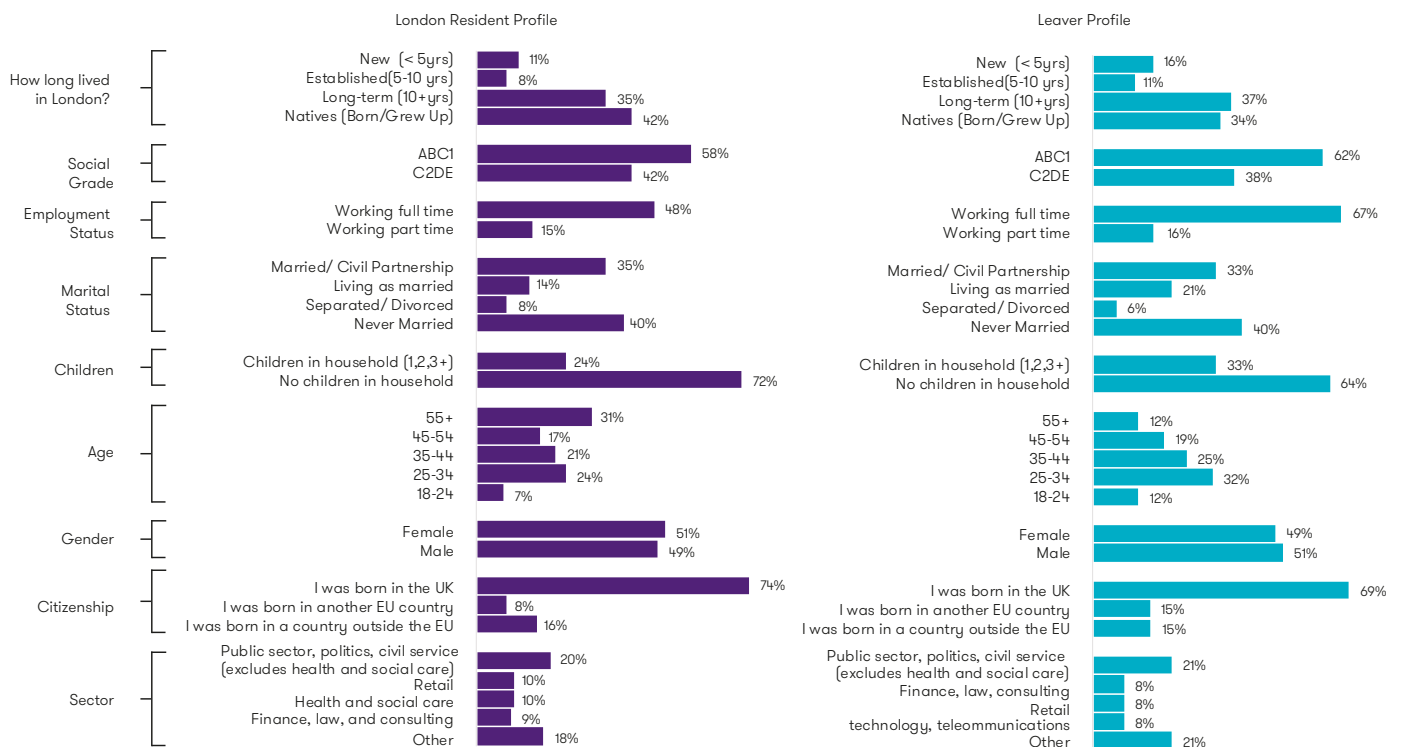
Leavers and remainers

74% of our sample of London residents were London Loyalists, those who both live and work in London, and plan to keep it that way. They represent the largest group of Londoners. By contrast, we identified 16% of our sample as London Leavers. They plan on getting out of London completely, to live and work somewhere else.

16% The proportion of Londoners planning to completely escape the capital.

The tale of leavers, remainers, and the differences between them may sound familiar. Again, it's the prevalence of those who want to leave which will concern the city's leaders. Unlike Commuters, who also plan to move out of London in the foreseeable future but will continue to work in the capital, London Leavers want to cut their ties completely. 39% of them want out within a year, and another 23% within two years. For all that London has to offer, it is pushing an alarming number of its best and brightest away – at a time of uncertainty, when they are needed more than ever.

How do London Leavers compare to average Londoners?



Who's leaving London?

Comparing the London Leavers with the profile of the average Londoner gives us insight into who they are. Leavers are much more likely to work full-time than their counterparts, by 67% to 48%. They're more likely to have children in the household, and more likely to fall within the 25-34 age bracket. They are also almost twice as likely to have been born in the European Union, and whilst the most popular destination for departing Londoners is the countryside, 26% plan on leaving the country – suggesting that the UK's departure from the EU is one factor driving away foreign-born earners.

Whilst Londoners of all ages, professions and backgrounds are choosing to abandon the capital, it's possible to profile the typical London leaver. Many of those planning to migrate away from the city are young and hard-working, with new and growing families – the strivers whose creativity, innovation and industry powers much of the London economy. In spite of the professional opportunities on offer, they are choosing to live and work elsewhere, and take their families with them.

Borough breakdown: the best and the rest

In Grant Thornton's Vibrant Economy Index, which assesses and ranks the vibrancy of England's 324 local authorities, London boasts some of the nation's best performing areas. Camden and Westminster are the country's second and third most vibrant local economies, respectively. Kensington and Chelsea comes in at 19th, with Southwark also in the top quartile, in 35th place.

It's no surprise to see that our survey respondents living in those boroughs are the least likely to want to leave London in the foreseeable future. Just 5% of Londoners living in Kensington and Chelsea anticipate quitting the capital; only 11% and 10% plan to depart Camden and Westminster for a destination outside of the city; and 13% from Southwark. The localities home to vibrant economies are also home to those who are most keen to stay.

At the other end of the scale, almost one in three Londoners living in Hillingdon are planning to escape. In Barking and Dagenham and Newham more than a quarter are looking to up sticks, and in Merton, Croydon, Barnet, and Ealing, the figure hits more than 20%. Just as London's most vibrant areas are home to those most likely to want to stay, the capital's least vibrant areas are home to those most likely to want to leave.

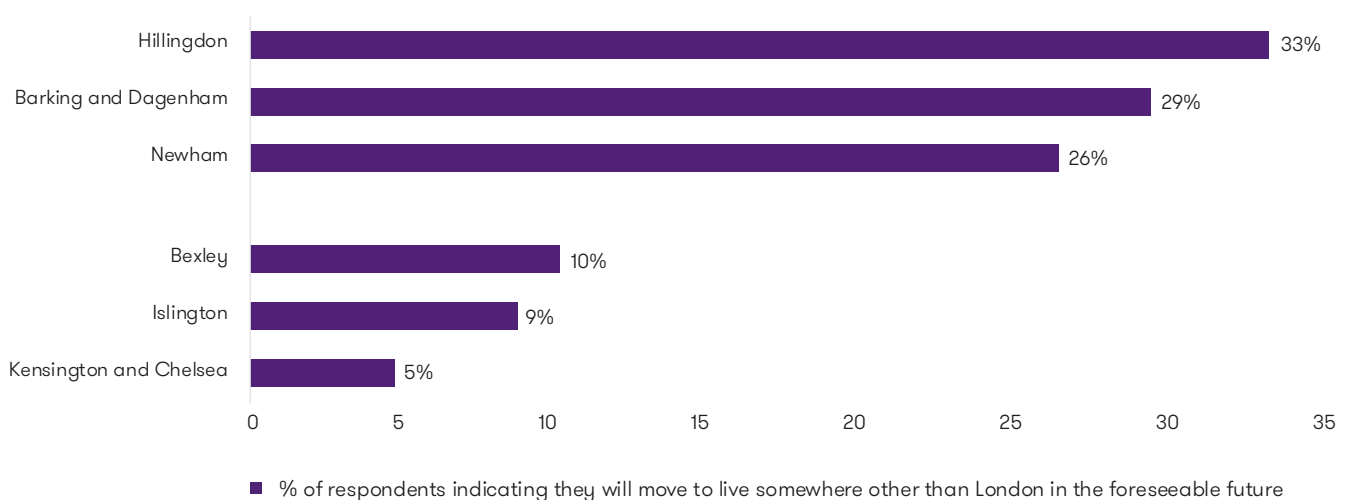
The performance of an Authority in the Vibrant Economy Index basket of indicators on the health, wellbeing and happiness of its people is particularly revealing.

Barking and Dagenham ranks second to last on the health, wellbeing and happiness indicator. Brent (259th) and Ealing (268th) are in the bottom quartile, whilst Newham (310th) and Croydon (223rd) also struggle. Hillingdon, which is the 39th most vibrant area in the whole of the country, with excellent scores in prosperity, dynamism, and resilience, falls short on health, wellbeing and happiness, ranking 285th. Londoners living there are also much more likely to want to leave the city than their counterparts.

Our borough breakdown suggests that the ability of a local economy to support the health, wellbeing and happiness of its population is a key factor in whether or not the Londoners who have made their homes there plan on staying. It's a hypothesis borne out by a deeper analysis of the factors which can turn Loyalists into Leavers.

“Almost half of our survey sample named the desire for a healthy life as one of the central factors in their plans to leave.”

Top and bottom: percentage of residents planning to leave



Why do Leavers plan on leaving?

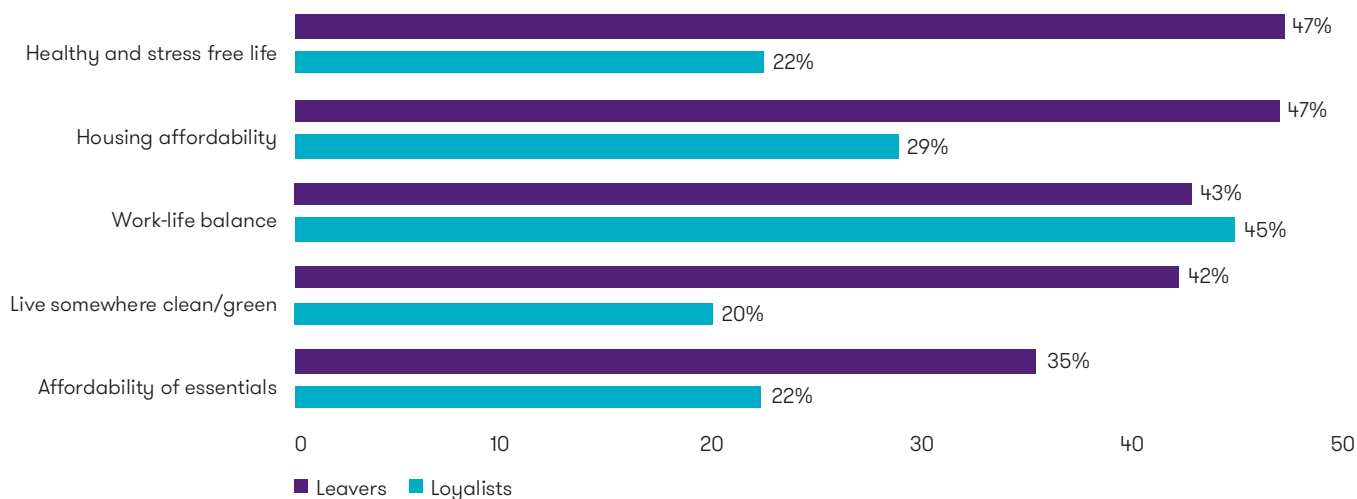
When dynamic young Leavers depart, they're taking skills, expertise, experience and purchasing power with them. Whether they're heading for the suburbs, a foreign capital, or the peace of the countryside, they are depriving the city of their creative and intellectual capital. It's a trend which the capital's business, cultural and political leaders must address if they are to stop London brain drain before it's too late. We must develop an understanding of the factors which are preventing them from enjoying a vibrant London life.

With the data from our survey of London residents, we can gain an insight into which aspects of city life are most likely to have an impact on the Leavers' decision to move – compared with the London Loyalists, who are happy to stay living in the capital.

“I brought a hand-held back massager as an object that symbolises London. You need it because living in London is stressful, you're always busy and stressed... and you need a home massager because the cost of living is so high that you can't afford a massage but need to look for a cheaper solution.”

Londoner, Female, 18-30

Top five factors affecting where Leavers and Loyalists want to live and work



Healthy, wealthy and wise?

As our analysis of the breakdown of the boroughs suggests, when it comes to deciding where to live and work, Leavers cite above all else a desire for a healthy and stress free life – and they are more than twice as likely to do so than Loyalists. Almost half of our survey sample named the desire for a healthy life as one of the central factors in their plans to leave. Whether it's the crush of the commute, being stuck in the rat race, or concern about the effect of air pollution, many Leavers have decided that they can't cut down on stress without getting out of London.

Housing hindrance

Warnings that high rents and punishing mortgage payments will price Londoners out of the city are borne out by our research. 47% of Leavers cite London's spiraling house prices as an important factor in their decision to abandon the capital – the same percentage as those who are worried about keeping on top of their stress levels. London Loyalists, by comparison, are much more relaxed about the costs of renting and buying, with only 29% rating it a key consideration.

Balancing act

Third on the list of factors pushing people to move out is the difficulty of maintaining the right work-life balance. Almost half of our London Leavers sample cited the struggle to keep working time in check in London as a concern. London Loyalists, meanwhile, picked out the work-life balance of London life as a positive factor – an important one in their decision to stay. The evidence suggests that it cuts both ways: London’s culture of flexible work is beneficial for many, but not for all.

In depth: The best and worst of London life

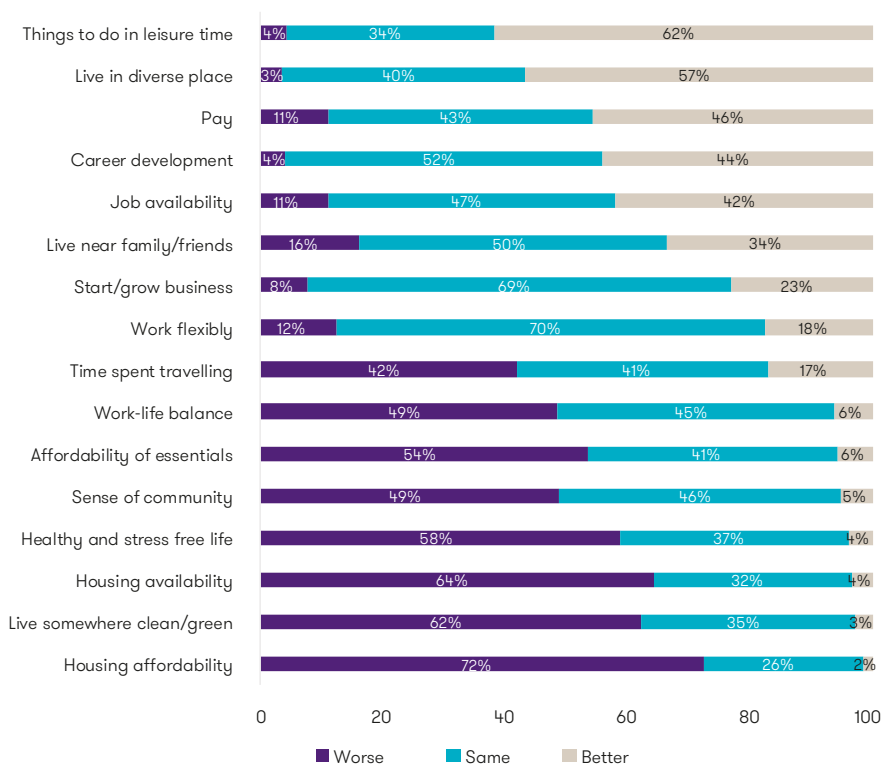
Whilst the experiences of the London Leavers suggest that the vibrancy of London’s economy isn’t reaching everybody, even those looking to escape city life acknowledge the many positives the city has to offer its communities. Londoners agree that the capital offers them better leisure activities, diversity, pay, and career and employment prospects than elsewhere. The challenge for the city’s leaders is to accentuate everything which makes London vibrant, without losing sight of the factors holding its people back.

Bricks and mortar

Providing comfortable and safe housing at a cost accessible to everybody is hardly a challenge unique to London. The housing question has vexed city authorities from Brussels to Beijing to Boston. It’s not new to London, either. Since the city’s population exploded in the heat of the industrial revolution, city planners have battled to put a roof over the head of every Londoner, under pressure to boost living standards without allowing the urban sprawl to creep further into the green belt.

It’s not just the London Leavers who worry about the costs and availability of housing. In fact, Londoners are almost unanimous in their belief that London ranks worse than elsewhere on both the affordability and the availability of housing. For the average London resident, housing affordability and housing availability are the indicators on which London performs worst. Just 4% of them believe that housing in London is more affordable than elsewhere. 17 times as many of them, 68%, agree that the capital is worse when it comes to the cost of accommodation.

Leavers: How do they see London vs elsewhere in the UK?



4% Proportion of Londoners who believe housing is more affordable in the capital.

“It’s almost impossible for a young family like mine to buy a house which sometimes makes you doubt your choice of living in London.”

Londoner, Female, 18-30

Clean and green?

We have seen already how important health, wellbeing and happiness are in determining whether a Londoner is likely to want to leave the capital, but it's not just the Leavers who are concerned about the limitations of London's clean, green credentials. 42% of Londoners think that they are less likely to be able to enjoy a healthy, stress-free lifestyle. 46% of city-dwellers think that London is a worse location for air quality and green space than elsewhere; six times more than those who think the city performs better than elsewhere in this regard.

Air pollution and the dearth of green space are a particular concern for the London Leavers, and also those planning to leave London for commuter life. The Future Commuters, who want to move out of London but carry on working in the capital and are more likely to have young families, don't just rank it more of a consideration than the average Londoner: they are also more likely to think that the city underperforms on environmental concerns, by 54% to 47%.

“The high pollution is causing illnesses that aren't immediately recognised as the effect of pollution.” Londoner, Female, 18-30

“All amenities are close to hand and there are lots of free activities and events.” Londoner, Male, 31-40

Leisure and pleasure: the power of London

It is clear that frustration with London's creaking transport network and the heavy burden of rents and house prices are serious challenges to the capital's status as one of the world's most vibrant cities. However, focusing only on the negatives would deprive us of an insight into what it is that keeps London an attractive place to live and work.

Each of the four groups agrees that the availability of things to do with leisure time in London far outstrips any rival destination. Significantly, the ability to find exciting things to do in their spare time is disproportionately important to both London Loyalists and Inverse Commuters, and less important to Future Commuters and London Leavers. The fact that those who plan on building a life in the capital identify this as a major consideration in their decision, suggests that the city's vibrant cultural, social, sporting and recreational scene is helping the city to grow more than almost anything else outside of economic factors.

The varying priorities of the Leavers, Loyalists, Future Commuters and Inverse Commuters tell us a lot about why different demographics stay in London, and why they leave. One thing each has in common is the single factor which above all others they recognise as the city's greatest strength.

What London workers like and dislike about the capital?



London Leavers



1. Things to do in leisure time
2. Diversity
3. Pay



1. Housing affordability
2. Housing availability
3. Live somewhere clean/green



London Loyalists



1. Things to do in leisure time
2. Career development
3. Diversity



1. Housing affordability
2. Housing availability
3. Live somewhere clean/green



Future Commuters



1. Things to do in leisure time
2. Career development
3. Pay



1. Housing affordability
2. Housing availability
3. Sense of community



Inverse Commuters



1. Things to do in leisure time
2. Career development
3. Diversity



1. Housing affordability
2. Housing availability
3. Affordability of essentials

Variety: The spice of London

Whilst viewing the London economy through the prism of housing and the environment could leave the impression that Londoners are beset by doom and gloom, their attitudes towards the diversity of the city show that the open-minded spirit of Londoners is alive and well. If variety is the spice of life, Londoners get more than their fair share – and they appreciate it. For the London Loyalists, it's one of the most persuasive reasons to stay and build a life in the capital: just 3% of them believe that they could find a more diverse place to live than London. It's also a more important consideration for them than for the London Leavers, who are less likely to base their decision on diversity and variety.

Even for the Leavers, though, London's extraordinary array of communities, cultures, and cuisines is a bonus. 57% of them believe that the capital is more diverse than their next location,

though it's a less important consideration in their decision. In their case, diversity – like the other positives they see in London life, such as leisure opportunities, and career development chances – simply isn't enough to override their concerns about stress, health and housing.

The key question for the city's leaders is how the stresses and strains inflicted by the housing shortage and pollution problems can be eased, so that all Londoners can enjoy the vibrancy that comes with variety.

“I feel London is such a melting pot of all types of people with different ideas and values, which I find fascinating.”

Londoner, Male, 50+

London Residents – How do they see London vs elsewhere?



Work



Key points

London residents recognise the excellent career and pay opportunities which the capital offers, and in many cases these factors appear to override concerns about burn-out.

The stresses and strains of working in London are exacerbated by the travel experience, in which Londoners believe that the city performs poorly.

London's always-on working culture is both a blessing and a curse: professionals in particular appear to be under strain, but many workers welcome the flexibility.

Are Londoners burning out?

Life in London is a mixed bag. Our research shows that while Londoners love the city's diversity they are concerned about pollution and access to greenery and the housing shortage. However, lifestyle factors are not the only issues shaping Londoners' decisions about where to live.

Of our 1,938-strong sample, the majority plan on working in London in the foreseeable future – regardless of where they live. Looking to the working population specifically, together the London Loyalists and the Future Commuters, who plan on moving out of the city but keeping their careers focused on the capital, make up 80% of the city's working inhabitants. Only the London Leavers, who plan on rejecting London life altogether, and the Inverse Commuters, who want to stay living in the city but travel to work elsewhere, foresee a career elsewhere.

London's workforce is the envy of the world: well-educated, creative, hard-working, flexible. For the city economy to maintain its vibrancy it must provide a working environment in which they can thrive – sustainably. The capital's open-all-hours culture enables its prodigious output however our research suggests that London's workers are concerned about the risk of burning out.

The clock is ticking

We know the importance of a stress-free life and a healthy work-life balance to the London Leavers who are giving up on the capital. Even taken as a whole, Londoners are deeply concerned about keeping on top of working anxieties, and ensuring that their professional efforts are kept in harmony with their personal lives.

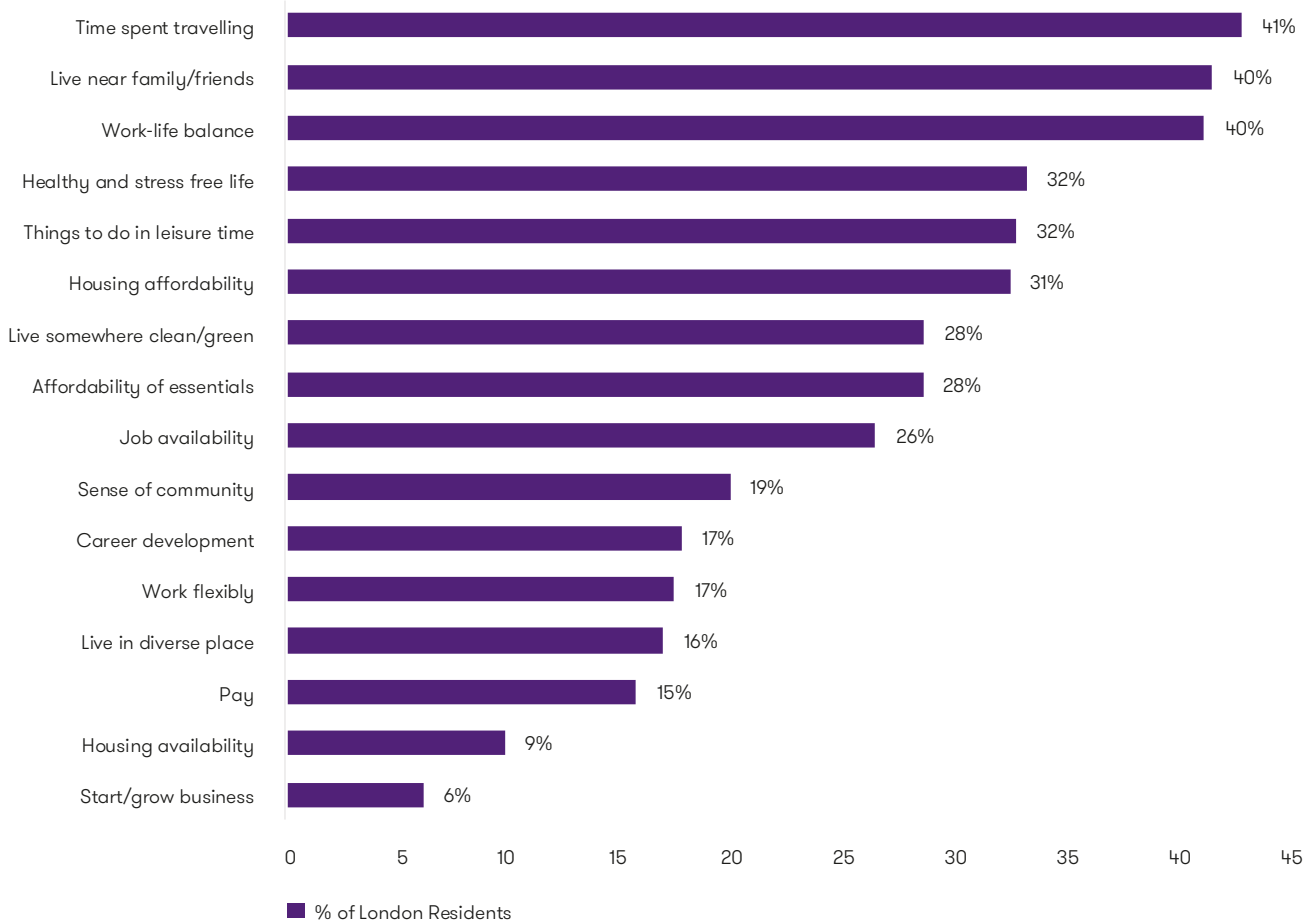
The fact that even those who wish to carry on working in London have identified these factors as priorities – factors which are already contributing to the departure of the London Leavers – suggests that if the stress of London life is not addressed, more talent could follow those who have already left for the countryside, or the wider world.

If our leaders are to act to keep the economy vibrant, they will need to know which Londoners in particular are suffering from overwork, and what impact it's having.

Work, rest and play?

Examining which Londoners specifically believe that it is harder to strike a good work-life balance than elsewhere – a key factor undermining the city's vibrancy – gives us an indication of where the problem is at its most acute, and in which sector.

What are the most important factors when it come to the choice of where to live and work?



In science (33%), finance, law and consulting (33%), and media (40%), respondents were more likely than their fellow Londoners to identify the work-life balance as a cause for concern. What's significant here is not that professionals are concerned about their ability to prevent work from taking over: the alarming insight is that they are much more likely to believe that it is harder to do so in the capital specifically.

There are two sides to the story though, as London's always-on, ultra-flexible working culture can be an advantage too. The workforce which supports the capital's vital retail sector, and especially those keeping the city's restaurants, hotels and cafes open, are less likely to believe that London is hindering them from working, playing, and resting in the right proportions.

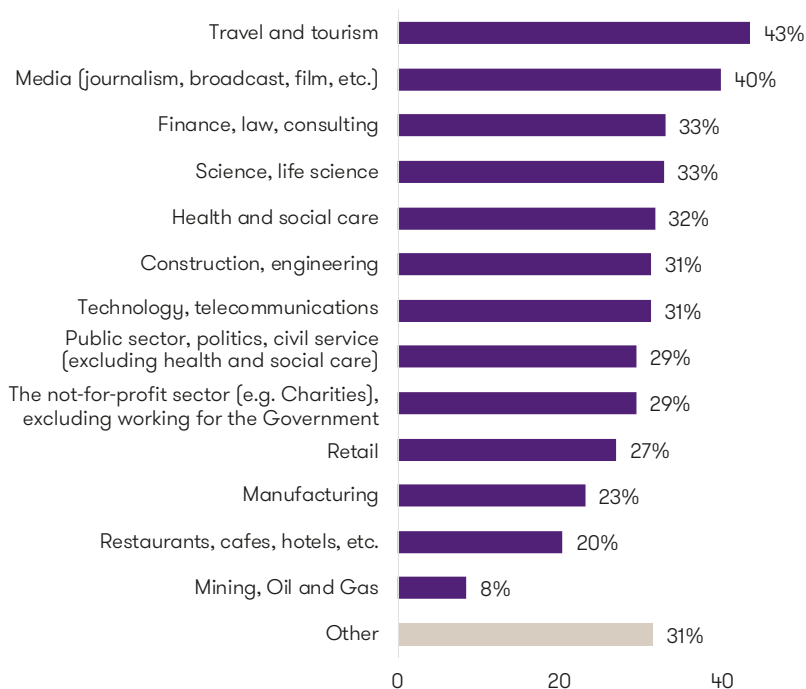
Travel trouble

Work fatigue is hardly unique to Londoners. Professional burn-out is a problem across the developed world. So what is it about the capital which is stressing out its workers? Our research

suggests that travel times may be a contributor. Time spent travelling is the single most important factor determining the decisions of the average Londoner on where to live and work. Some 41% of our sample listed it as an important consideration – ahead of living with family and friends (40%), work-life balance (40%), and a healthy and stress-free life (32%).

Time spent travelling is an important consideration for all kinds of Londoners. 42% of London Leavers believe that London's travel times are worse than elsewhere, and only 21% of Future Commuters believe that London's travel experience is better than anywhere else. It's not just a matter of time; the fact that the Future Commuters are willing to move further away suggests that a shorter journey may not necessarily be a better one. Even London Loyalists are more likely to believe that travel times outside of London are better than they are in the city, by 25%-24%, with the remainder judging London the same as elsewhere in this regard.

Sectors in which residents indicate London is performing worse in terms of work-life balance compared to elsewhere



“Line closures can be very frustrating especially when I only find out last minute or am unable to make suitable changes to my journey. But what I love about London is how helpful and knowledgeable the TfL staff always are.”

Londoner, Female, 31-50

South Londoners are marginally more likely to believe that London falls short on travel times: 50% of Southwark residents and 47% of Londoners living in Wandsworth think that London performs badly compared to the rest of the country. It's a bugbear especially for those who may in effect commute already, not least those in Croydon (55%) and Sutton (56%).

There is no doubt that the London travel experience is more likely to push Londoners away than keep them in the capital. With major infrastructure projects like Crossrail, either in the pipeline or coming to fruition, London's leaders will hope that current and future investment will go some way to stopping the issue dampening the city's vibrancy.

“TfL and the Mayor seem to be investing to try and help and make London a nicer place to live.”

Londoner, Male, 31-50

It's the economy, stupid

Earlier we identified the abundance of leisure activities as one of the most important lifestyle factors in London's vibrant economy. But what about the career side of the work-life balance? Our evidence suggests that London remains the key to the UK's vibrant economy, as an extraordinarily desirable location for those seeking career success and prosperity.

London Leavers, London Loyalists, Future Commuters and Inverse Commuters differ in their priorities, plans and considerations, but they are united in the belief that London is the right place to be for career prospects or pay – or both.

The Leavers acknowledge that they may miss out on better pay when they leave the capital, and Inverse Commuters realise that by venturing beyond Zone Six to work they are leaving behind better career prospects. Future Commuters are persuaded to keep working in the capital, despite environmental concerns, because they believe that they will both progress further and earn more by doing so. Likewise, the Loyalists are willing to overlook the lack of green space and soaring house prices to keep moving up the professional ladder.

Strikingly, the importance of career development opportunities is consistent across almost all demographics – it's especially important to the younger generations. 31% of 18-24 year-olds, 29% of 25-34 year-olds, and 19% of 35-44 year-olds cite it as a key concern. We have seen already that the typical London Leaver falls into the 25-34 age bracket. If London is to remain a vibrant place to work, as well as to live, these are the individuals its leaders must strive to retain.

Will they stay or will they go?

Our research presents a picture which is both encouraging and troubling. The evidence suggests that deep dissatisfaction with London's transport infrastructure and concerns about the difficulty of balancing work and life in the capital are being tempered and in many cases overcome by the opportunities on offer to advance careers and salaries.

To keep working life in London vibrant, the city's political leaders will need to act to keep improving transport arrangements. Equally, the capital's business leaders must be mindful of the fact that although their companies are offering workers excellent prospects and strong salaries, those same employees could be driven out into the regions or even overseas if they are overworked. Their success – or failure – in addressing these trends will have a powerful impact on London's vibrancy for years to come.

“Even London Loyalists are more likely to believe that travel times outside of London are better than they are in the city.”

Grow



Key points

Like many London residents, a key factor attracting young people to London is the prospect of building a successful and well-paid career.

Almost half of young people show no interest in either living or working in London citing concerns over work-life balance and the inability of London to provide clean air and green spaces.

A significant proportion of young people, however, envisage having to move to the capital.

For 16-18 year-olds, a key factor is their ability to be near to friends and family, with a higher proportion planning to stay where they have grown up than are planning on moving to the capital.

Growing the talent pool: The future of London?

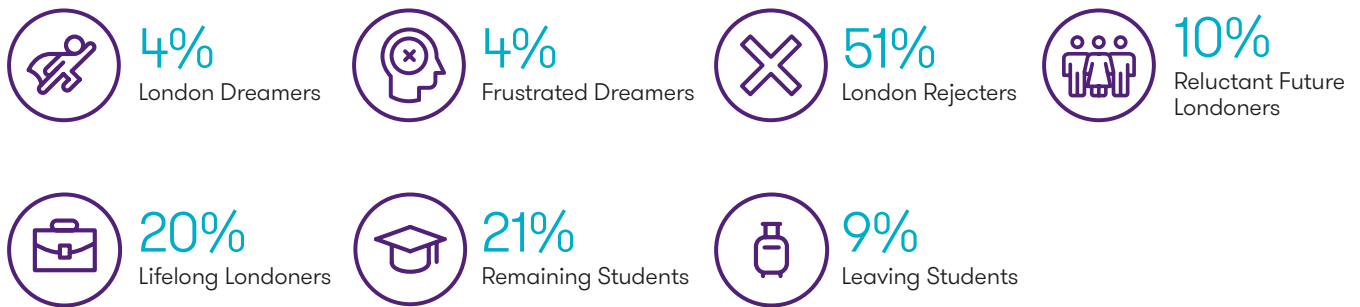
Powering London's workforce so that it can shape and grow London's vibrant economy is one of the most important challenges facing London's leaders. But it is important that they don't lose sight of the future. Tomorrow's potential Londoners, talented young people weighing up the decision to move to the capital or go elsewhere, are the key to the future of the vibrant capital.

So much of London's success rests on the fact that it has been able to provide a home for the intelligent and the curious, the aspirational and the ambitious. As the city powers ahead of its rivals on diversity and the career prospects it can offer them, it slips behind on housing, transport, and environmental concerns, is it set for a brain gain, or a brain drain?

Brain Gain or Brain Drain?

To gain a sense of where the talent of the future is found, what motivates them, and whether they ultimately intend to build a life and career in London, we divided them up into seven basic profiles. Our sample is comprised of both current university students and 16-18 year-olds from across the country, including London. By far the most populous chunk is the London Rejecters: those who don't want to live or work in London, and don't expect to.

Where is the talent?

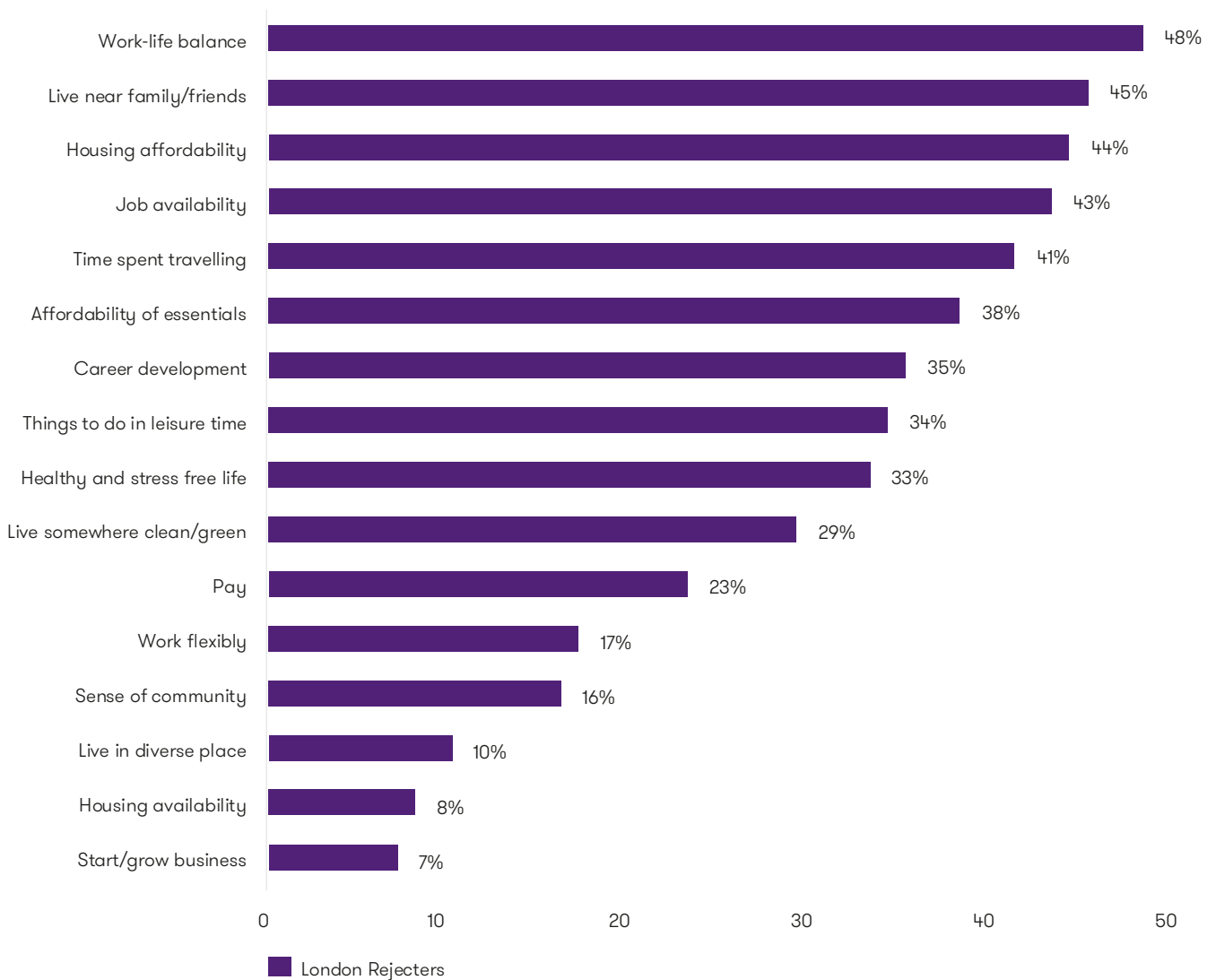


Who are the Rejecters?

The fact that almost half of our future talent sample is not interested in working in the capital is a concern. Whilst it is hardly desirable that all young people in the UK should come to the city to build a future, London must prove itself an attractive destination if it is to continue to source the gifted and the driven. So who are the London Rejecters?

Perhaps unsurprisingly, a good work-life balance is particularly important to the Rejecters – and so is the ability to live near family and friends. There are other disproportionately significant considerations, too: the affordability of essentials, a healthy and stress-free life, being near to green spaces and away from air pollution, and a strong sense of community. The Rejecters don't believe that London can provide what they care about most.

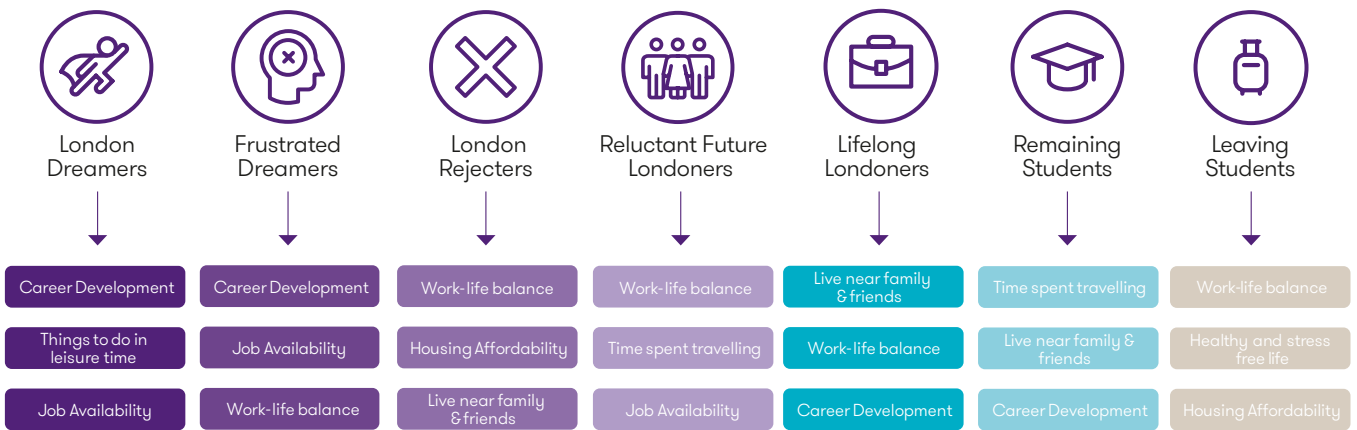
What matters to Rejecters?



Unwilling Londoners?

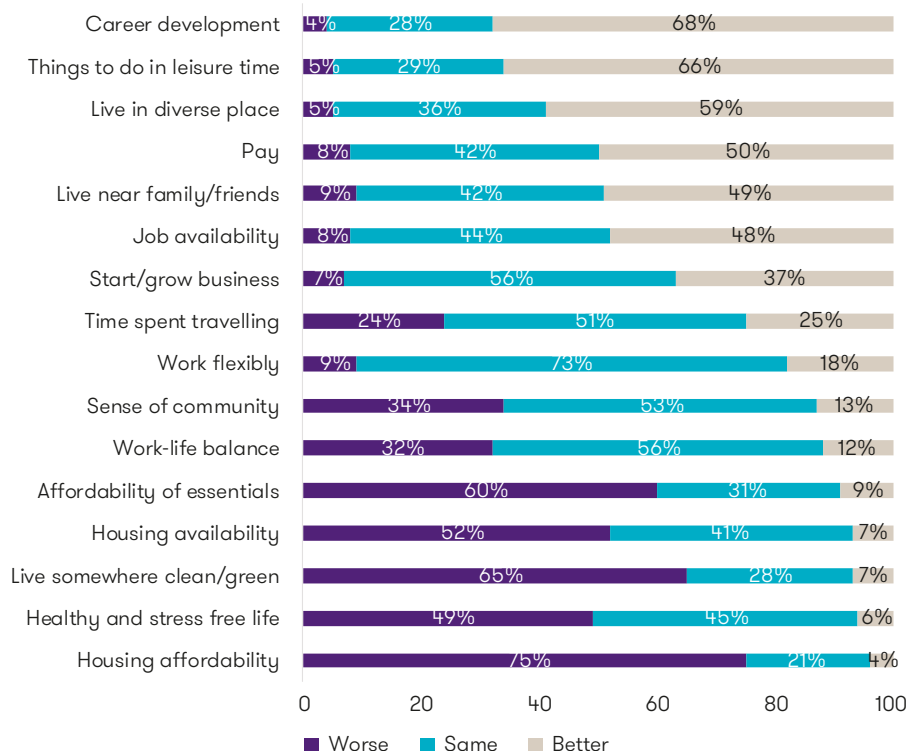
Of equal interest – though fewer in number – are the Reluctant Future Londoners: young people who foresee a move to the capital because they don't believe that they can avoid it.

Top 3 factors affecting the choice of future place to live and work for UK future talent



Just like the London Rejecters, the Reluctant Londoners care deeply about a strong work-life balance, suggesting that one of their strong reasons for wanting to avoid the city if they possibly can is the difficulty they expect in maintaining a life beyond their careers in the capital. However, unlike their counterparts in the Rejecter category, who don't cite any career-related factors, the Reluctant Londoners see job availability as a key concern in their decision on where to build a working life.

Reluctant Future Londoners - How do they see London vs elsewhere?



London Students: Remain or Leave?

London-based university students form a key part of the future talent demographic. Graduates are a staple of the London economy in a range of professions: law, banking, consultancy, science, the public sector and the media, to name but a few. The encouraging news is that 71% of our London student sample intends to stay in the capital after graduation; the other 29%, the Leaving Students, want out after their studies are complete. Comparing both groups will give us an indication of what their respective push and pull factors are: where the vibrant economy is making London attractive, and where it isn't.

There are two dimensions to the Leavers' desire to leave the capital when they are finished at university. Like the London Leavers who already live and work in the capital, the Future Commuters who plan to move their families away, and the young people outside of London who don't want to work in the capital, they care about the ability to enjoy a healthy and stress-free life, and the chance to live somewhere clean and green. For the Remainers, meanwhile, decreased travel time and career development opportunities are far more significant.

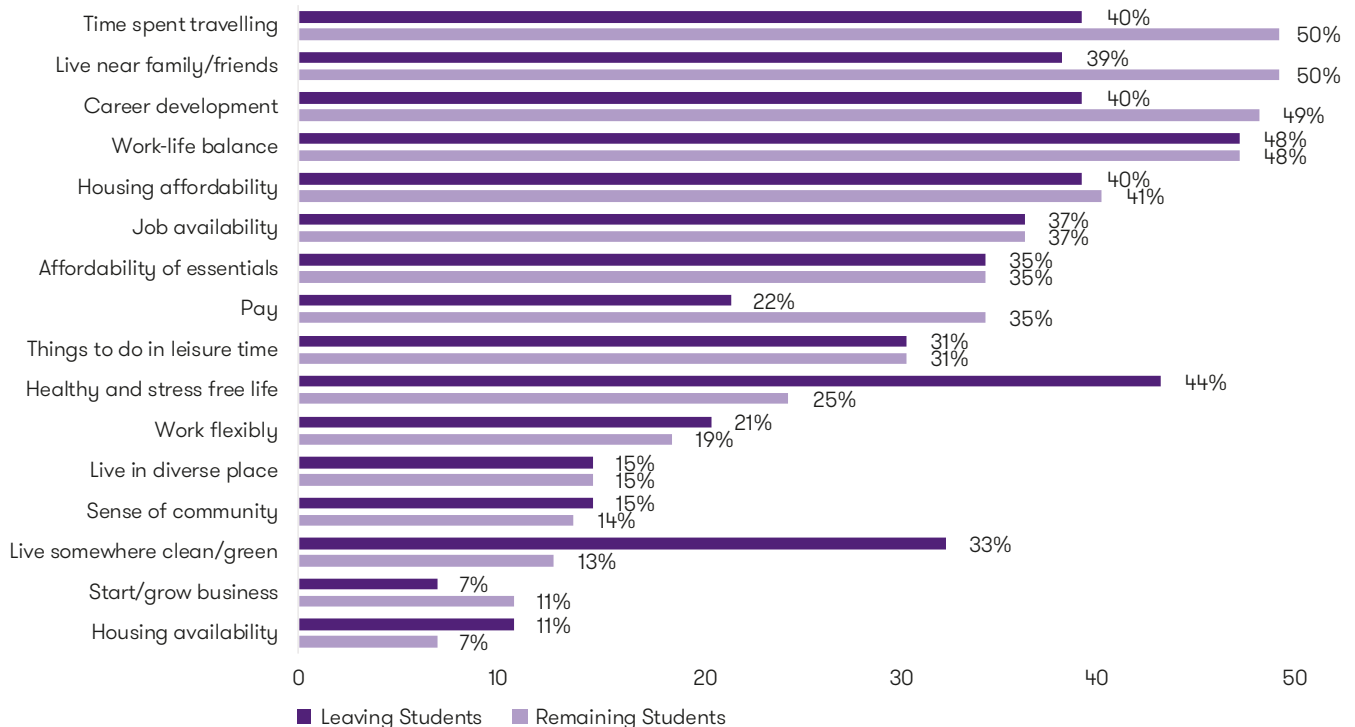
The Next Generation: 16-18 year-olds

Not all talented young people are students. Many young people will leave education at 16 or 18 and go on to contribute significantly to vibrant local economies – including London's. Many more will go on to university. Their interest in London is a vital indicator of the health of London's economy. The capital is attractive to many of them, with 31% mulling a move to the city, though the largest proportion, 36%, intend to stay where they are from.

If we are to understand what will motivate young people to come to or stay in London, we need a thorough understanding of what can be done to make the capital look vibrant to them.

31% Proportion of 16-18 year-olds considering a move to London, compared to 36% who intend to stay where they grew up.

Remaining vs Leaving Students: what matters to them?



Push and pull: What does the vibrant capital have to offer young people?

It is a familiar tale: Londoners or potential Londoners attracted by the economic power of the metropolis, but concerned over a range of lifestyle obstacles. Many of the concerns of our younger sample mirror the concerns of those already living and working in London: concerns that are already driving out talented city-dwellers. If the London Rejecters and Reluctant Londoners are to become London Dreamers or Remaining Students, who aspire to live and work in the capital, their concerns will have to be addressed. So what more can we understand about what motivates them?

Money matters

We have seen already that financial concerns are a powerful motivator for those already living in London to stay there. The evidence suggests that money is the key pull factor for talented young people living outside of London, too.

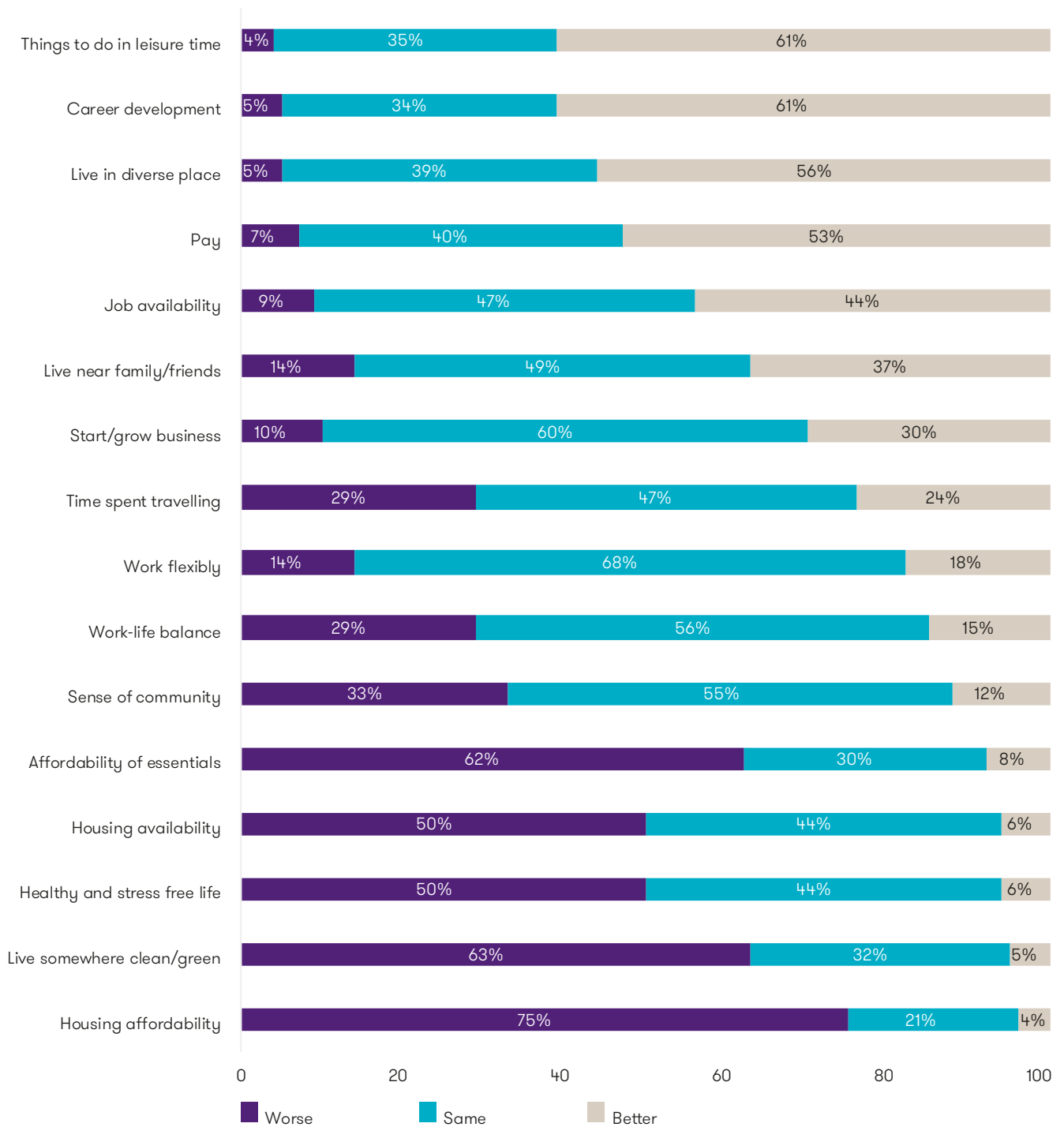
Our survey invited future talent across the UK to identify specific initiatives which businesses could consider to make them more likely to begin their careers in London. At the bottom of the list were help finding accommodation and greater opportunities to socialise with colleagues; at the top, perhaps predictably, were financial help with paying for housing, financial help with life essentials, and contributions to paying off student debt.

It's clear that pay – and, by extension, career prospects – matter to young people, whether they are 16-18 year-olds weighing up what to do next, or students planning the first steps in their working journey. Only 7% of our sample of young people believed that they would be paid better elsewhere. By contrast, 53% agreed that London is a better location for pay – almost as many as the 61% who believe that the capital cannot be beaten for career development prospects.

What would make students stay?



Total Future Talent – how do they see London vs. elsewhere in the UK?



Finding friends

Younger people are also noticeably keen to be near family and friends. 46% ranked this as a key consideration. Over a third of the sample believed that London is the place to be to help them stay in touch with friends and loved ones: a trend which could signify a self-perpetuating loop, in which graduates and school leavers follow friends to the capital, whose friends in turn follow them.

Balancing act – revisited

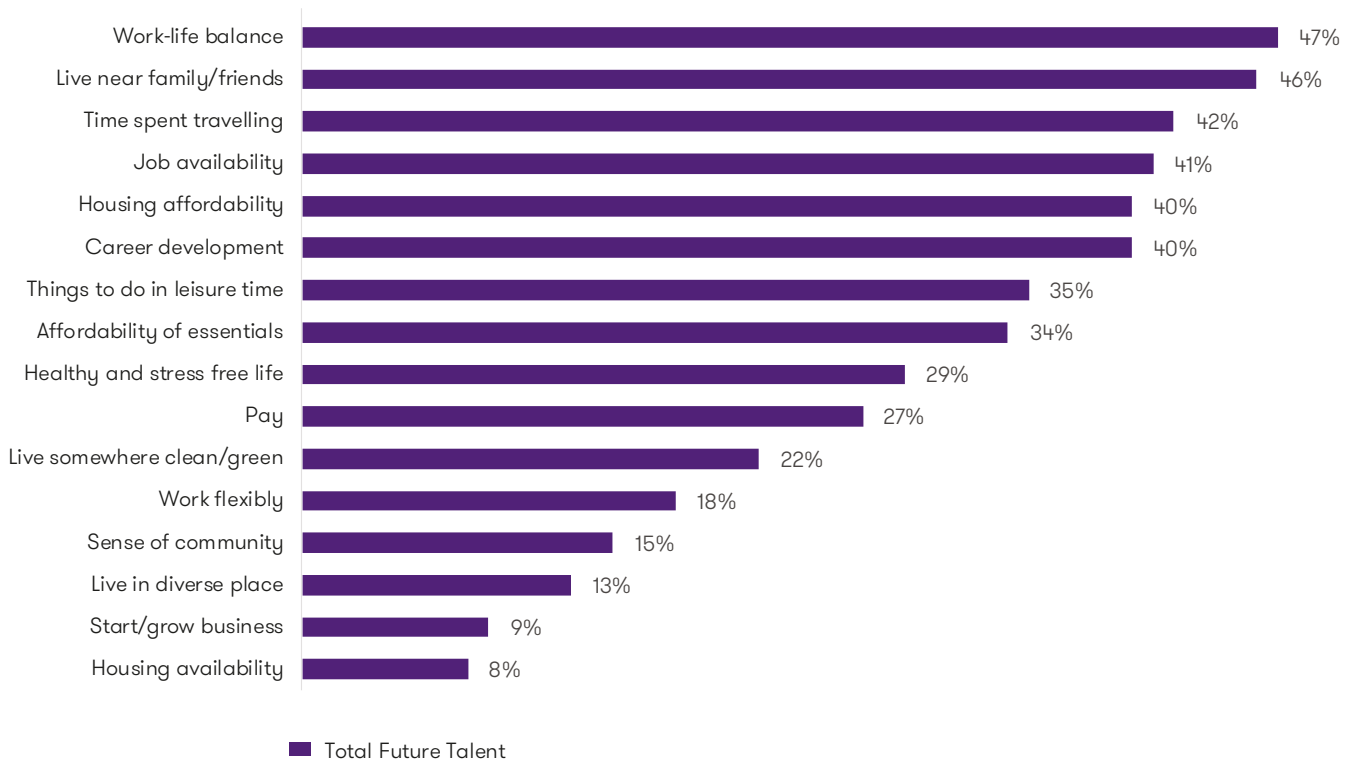
It is a matter of concern, though, that young people as a whole are less convinced that their ideal work-life balance will be easier to attain in London than elsewhere. It is the single most important factor to the 18-24 year-olds and students from around the country working out where to go next, with 47% of them citing it as an important factor in their decision.

Young people are slightly more optimistic than their older counterparts: 15% judged that London would be best for the balance, against 14% of London residents. But 29% of our younger sample thought that they would do better elsewhere.

Every segment from the ardent London Loyalists who plan to keep the capital their home for years to come, through to the aspiring young students and graduates eyeing up a career in the capital, agrees that London performs poorly on this important indicator.

The question, again, for the city's leaders is: can the talent of today and the workers of the future be persuaded that in a vibrant capital, they can work to live, and not just live to work?

Future Talent – Most Important Factors



Insights for a vibrant London

The findings of our research into the factors which motivate people to come to London to live or work, to stay here, or to leave give us an insight into the factors which make London's economy vibrant, and which aspects of city life may be holding it back. But this is only the beginning of the conversation. These findings should inform a much broader debate about the future of the capital, its priorities, policies and principles. As city's business, political and cultural leaders consider the future, we hope the findings of this report will give them the platform they need.

Living in London

- The vast majority of Londoners plan to stay living or working in London, or both, in the foreseeable future. A significant minority, the 16% of London residents surveyed who plan to quit the capital altogether, are cause for concern.
- The London Leavers are disproportionately young, professional, and with young families. They are crucial to London's vibrant economy, and their departure may raise concerns over the possibility of a 'brain drain'.
- Those most likely to want to escape the city are those living in the boroughs which are least vibrant, according to the Grant Thornton Vibrant Economy Index. In particular, low scores on health, happiness and wellbeing are strongly linked to higher rates of London Leavers.
- The key drivers of the Leavers' desire to leave are their inability to live a healthy and stress-free lifestyle, the struggle for a good work-life balance in London, and the unavailability and unaffordability of housing.
- Their concerns are mirrored by their fellow Londoners, though those planning to stay are keen to benefit from the city's exciting diversity and vibrant recreational scene.

- **Can London continue to thrive when professionals with young families are leaving?**
- **What can London's leaders do to address poor health, happiness and wellbeing scores across the capital?**
- **What can London's leaders do to help employees balance work with leisure?**

Working in London

- The stresses and strains of working in London are accentuated in many cases by the experience of travelling in the capital: even those who plan to stay both living and working in London acknowledge that London underperforms in this regard. The problem appears to be particularly acute for those in South London.
- The compensation for many, however, comes in London's clearly acknowledged advantages in offering better career prospects and higher pay than elsewhere. Career-related factors are especially important to the younger age bands, in many cases overriding concerns about burn-out.
- London's always-on working culture is both a blessing and a curse: professionals in particular appear to be under strain, but workers in London's thriving cafes, restaurants and hotels welcome the flexibility which working life in London affords them.

- Is 'London burn-out' a danger to London's economic and social wellbeing? What can be done to prevent it?
- Will infrastructure investments like Crossrail finally ease Londoners' travel woes, or is it too late?
- How can businesses help their employees to get the best out of the capital's flexible working culture?

Growing London

- Students and 16-18 year-olds from around the country are considering a life working and living in London. Like many London residents, a key factor attracting them to the city is the prospect of building a successful and well-paid career.
- Almost half of young people, however, show no interest in either living or working in London, and a significant proportion also envisage having to move to the capital – even though they would prefer not to. They cite concerns over work-life balance – a familiar theme – and the inability of London to provide the clean air and green spaces which they crave.
- For 16-18 year-olds, a key factor is their ability to be near to friends and family, with a higher proportion planning to stay where they have grown up than are planning on moving to the capital. However, where graduates and school leavers have moved to the capital, others may follow, with the potential to create a positive multiplier effect.

- 29% of students in the capital plan to leave on completion of their studies. Can they be persuaded to stay?
- Talented young people want London to provide clean air and green spaces. Is that realistic?
- Can the city's economy continue to thrive with more 16-18 year-olds planning to stay where they grew up than move to the capital?

The Vibrant Economy Index: a new way to measure success

Places are complex and have an intrinsic impact on the people and businesses within them. We want to start a debate about what type of economy we want to build in the UK and spark collaboration between citizens, businesses and place-shapers to make their places thrive.

To do this, our Vibrant Economy Index uses data to provide a robust, independent framework to help everyone understand the challenges and opportunities in their local areas. It assesses the 324 English local authority areas, taking into account not only economic prosperity but health and happiness, inclusion and equality, environmental resilience, community and dynamism and opportunity.

Visit our website to see how your local area performs:
www.vibranteconomyindex.grantthornton.co.uk

Read our insights at
www.grantthornton.co.uk/vibranteconomyindex

The Vibrant Economy App

Alongside the Vibrant Economy Index, we've also launched a Vibrant Economy app. It's a tool for people and organisations to learn about the different factors that create a vibrant economy, and post ideas and share examples of local activities that make places more vibrant.

To download the app visit the app or play store and search '**Vibrant Economy**'

- Fill in your details to sign up and reply to the verification email (check your spam folder if you don't see it).
- Explore the app and take the quiz to see if your local area performs as well as you think it does.
- Go to the Vibrant Ideas section to share what could be done to make your area better and see others' suggestions.
- Visit the Vibrant Stories section to promote activities that you or local organisations are already doing to make the place vibrant.

About our research

We set out to find out what drives London's workforce – what makes the capital the right place for Londoners to live, work, and grow.

We aimed to find out what attracts young people – potential future Londoners – to the city, too. We also wanted to understand how city life can be improved, the challenges London's inhabitants face in their day-to-day lives, and the issues which our leaders must address to maintain the city's status as one of the world's most vibrant capitals.

This report brings together findings from two separate studies designed to capture the views of both London residents and the talent of the future from across the UK.

Our survey of London residents was based on an online interview process. 1,938 adults from YouGov's panel of 800,000+ individuals completed the interview, after selection at random from the base sample. The figures are weighted and representative of all London adults aged over 18. The fieldwork was undertaken between 5th – 13th April 2018.

Our survey of the talent of the future was conducted by online interview completed by members of YouthSight's 150,000+ panel. Emails were sent to panelists selected at random. In total, 1,395 young adults responded, comprising 1080 current students and 315 16-18 year-olds from across the UK. The fieldwork was undertaken between 10th – 17th April 2018.



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