

This is Luton

Author: Eddie Holmes

Contact: feedback@luton.gov.uk

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Table of Contents

Executive summary.....	2
Introduction	2
1. Population	3
2. Housing.....	10
3. Economy and employment.....	14
4. Deprivation and poverty	22

Executive summary

- The estimated population of Luton is 231,000 with a younger than average population.
- Luton is densely populated with a higher population density than some London boroughs.
- Luton's population has increased by over 6,000 people since 2021.
- Luton is an ethnically diverse town with more than half of the population not being white British.
- There are an estimated 150 languages and dialects spoken in Luton.
- Population forecasts have projected the town's population to rise with the largest increases in the older age groups.
- Luton has a higher than average proportion of residents privately renting.
- Average rents are higher than the national average but average house prices are lower.
- There are high levels of over-crowding in the town.
- House prices and rental costs have been rising, putting pressure on household budgets.
- Luton has high levels of homelessness.
- Luton's economy has been growing since the easing of restrictions from the pandemic. The airport has played a significant part in this.
- There has been strong wage growth in Luton.
- Low paid, unstable work has also increased in the town leading to an increase in in work poverty.
- There is a higher proportion of low skilled jobs in Luton than nationally.
- The Covid-19 pandemic had a strong impact on Luton with unemployment increasing at a faster rate than nationally and impacting the more deprived areas most severely. Unemployment rates have not returned to pre pandemic levels.
- Luton is ranked as the 70th most deprived (out of 317) local authorities in the country (2019 Indices of Multiple Deprivation, Ministry of Housing, Communities and Local Government, MHCLG).
- Areas in Northwell, Farley, South/Farley and Central/South are in the 10 per cent of most deprived small areas (Lower layer super output areas using ONS geographies) in the country.
- There are an estimated 39 per cent of children living in poverty in Luton which is the 29th highest ranking out of 356 local authorities.
- Life expectancy is lower in Luton than the national figure for both males and females. Female life expectancy is higher than male life expectancy.

Introduction

This report looks at the demography and economy of Luton. It is the definitive source of data and information on these matters for Luton. In addition, an overview of health and social care in Luton has been published, as part of the Joint Strategic Needs Assessment (JSNA). Readers are advised to consult both of these high level reports in order to gain a full picture of life and health in Luton.

Luton is located approximately 30 miles north of central London. The town has excellent transport links. Central London is 30 minutes away by train (from the town's three railway stations – Luton, Luton Parkway and Legrave). There is also direct rail access to the South of London (Brighton, Gatwick) and connecting trains to the North (Leicester, Derby, Nottingham and Sheffield).

Luton is also on the M1 motorway with the M25 only 10 minutes away. This provides road access to Milton Keynes, Northampton and via the M6 Birmingham. North and south road links are also facilitated by the A6 and the nearby A5. East-west road links are provided by the A505 that provides access to the A1 and to the rest of the eastern region.

Luton has its own international airport that provides a range of scheduled and charter flights. Scheduled flights are to and from most European countries, Israel and Morocco.

Luton has a younger than average, growing population with the older population expected to see the fastest growth over the next decade. Luton is a diverse area with over 100 languages and dialects spoken in the town. There are higher than average levels of unemployment and deprivation with high levels of child poverty.

The success of Luton Airport contributes to strong economic growth and increasing earnings. Despite this there are still problems with lower than average skill levels leading to those commuting into the town having higher earnings than local residents. There are issues with the growth of unstable poorly paid work and the rising costs of living leading to a growth of in work poverty. The Luton 2040 project is focussed on ending poverty and prior to the pandemic there were encouraging signs of residents already benefitting with improved earnings and a drop in the town’s deprivation ranking.

1. Population

Luton is a densely populated town in Bedfordshire with a total population of 231,000 (2023 mid-year population estimate, Office for National Statistics) which increased by 3,700 people in the last year. This is an increase of 2 per cent with the population having previously increased by 11 per cent between the census of 2011 and 2021. Nationally the population has increased by 6 per cent over the last decade.

The town has an area of 43.35 square kilometres. The population estimate translates into a population density of 53 persons per hectare; this figure is greater than some London Boroughs and Luton is the most densely populated place outside of London.

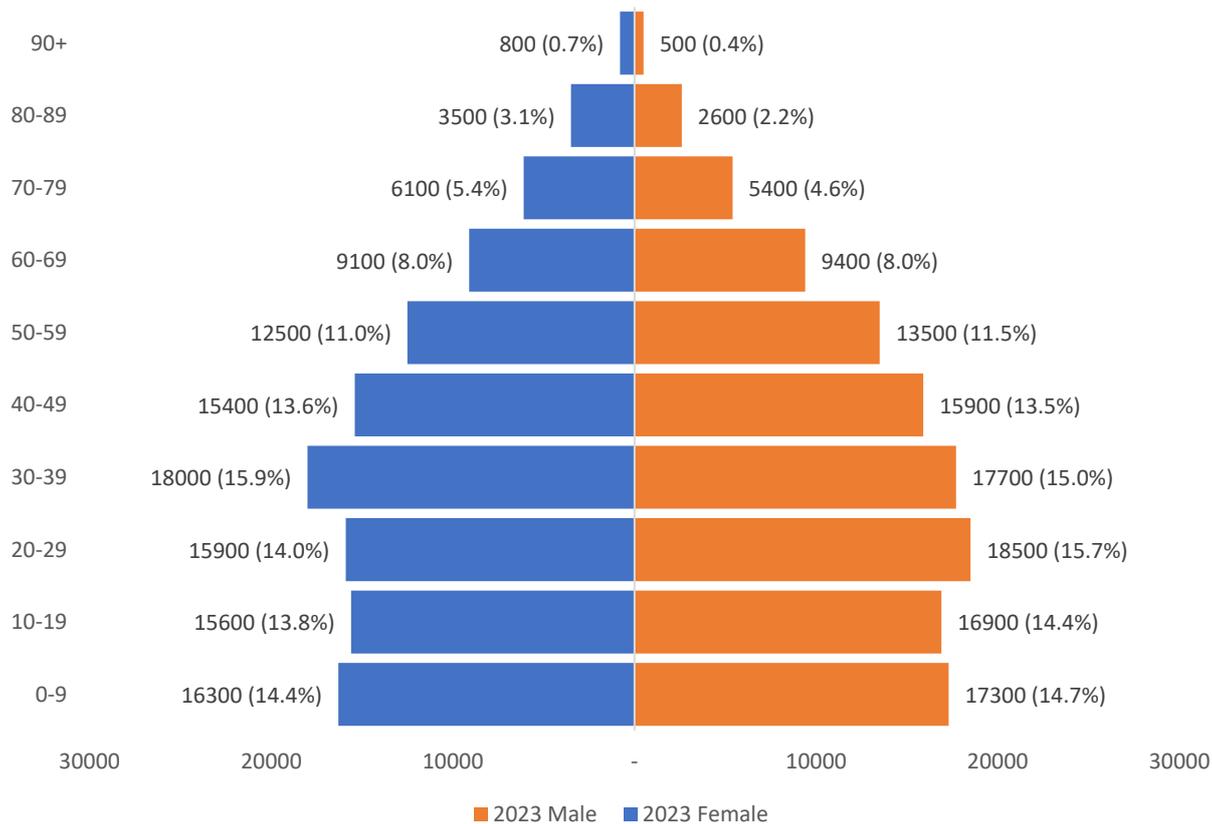
Table 1.1: Luton population components of change 2021-23

	2021	2022	2023	2022-23 % growth
Population	225,000	227,300	231,000	1.6%
Births	3,200	3,300	3,400	0.4%
Deaths	1,700	1,600	1,600	-2.0%
Natural change	1,500	1,700	1,800	2.6%
Internal migration in	10,100	10,000	10,000	-0.8%
Internal migration out	14,800	15,300	15,700	2.5%
Net internal migration	-4,700	-5,300	-5,700	8.7%
International migration in	6,900	8,900	10,900	22.3%
International migration out	4,000	3,100	3,200	5.7%
Net international migration	2,900	5,900	7,700	30.9%
Net migration	-1,800	600	2,000	225.5%

Source: Office for National Statistics, components may not sum to totals due to rounding.

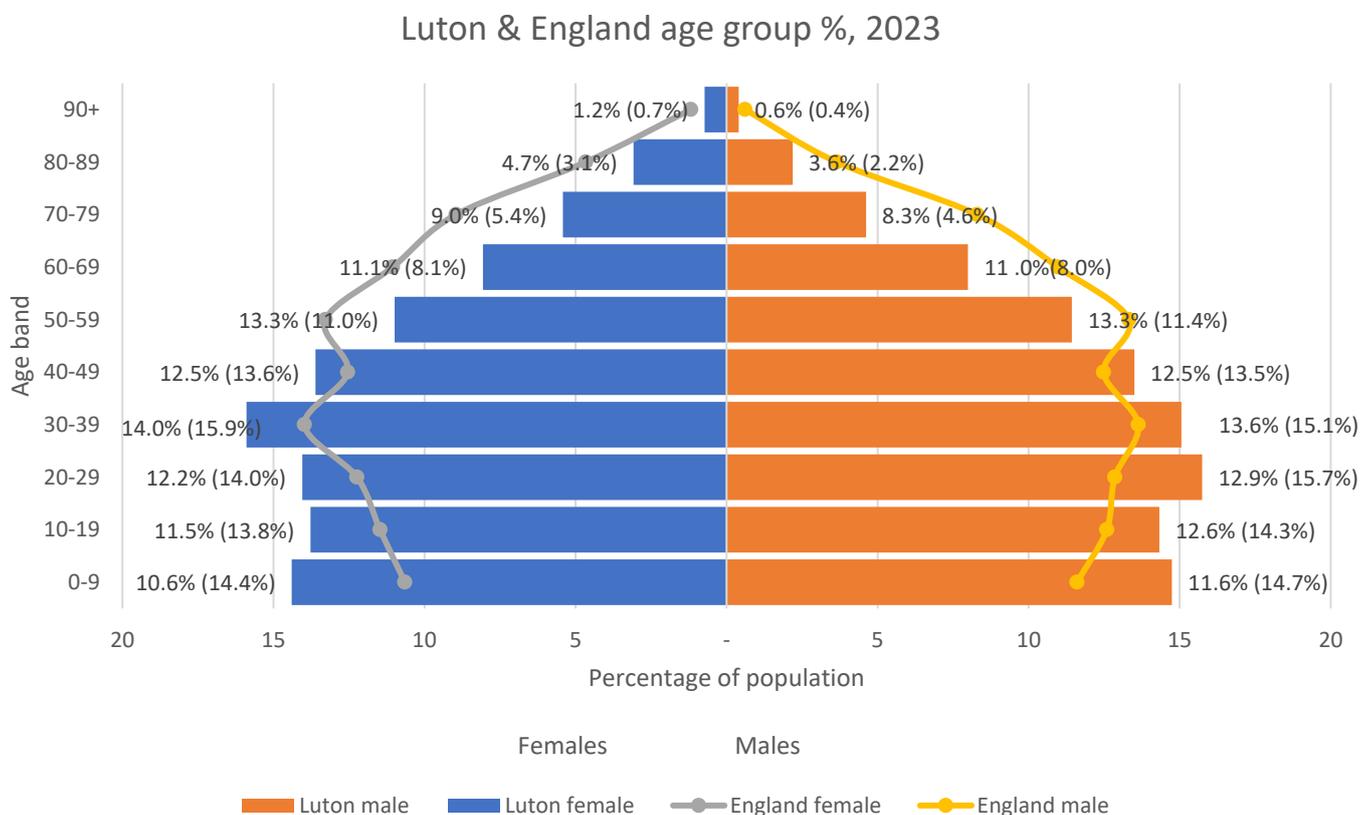
Luton’s population increased by 3,700 from 2022-23 and has increased by 6,100 since 2021, a rise of 2.7 per cent in 2 years. This has largely been driven by international migration with 10,900 moving to Luton between 2022 and 2023.

Figure 1.1: Luton population pyramid, 2023



Source: 2023 Mid-year population estimates, Office for National Statistics

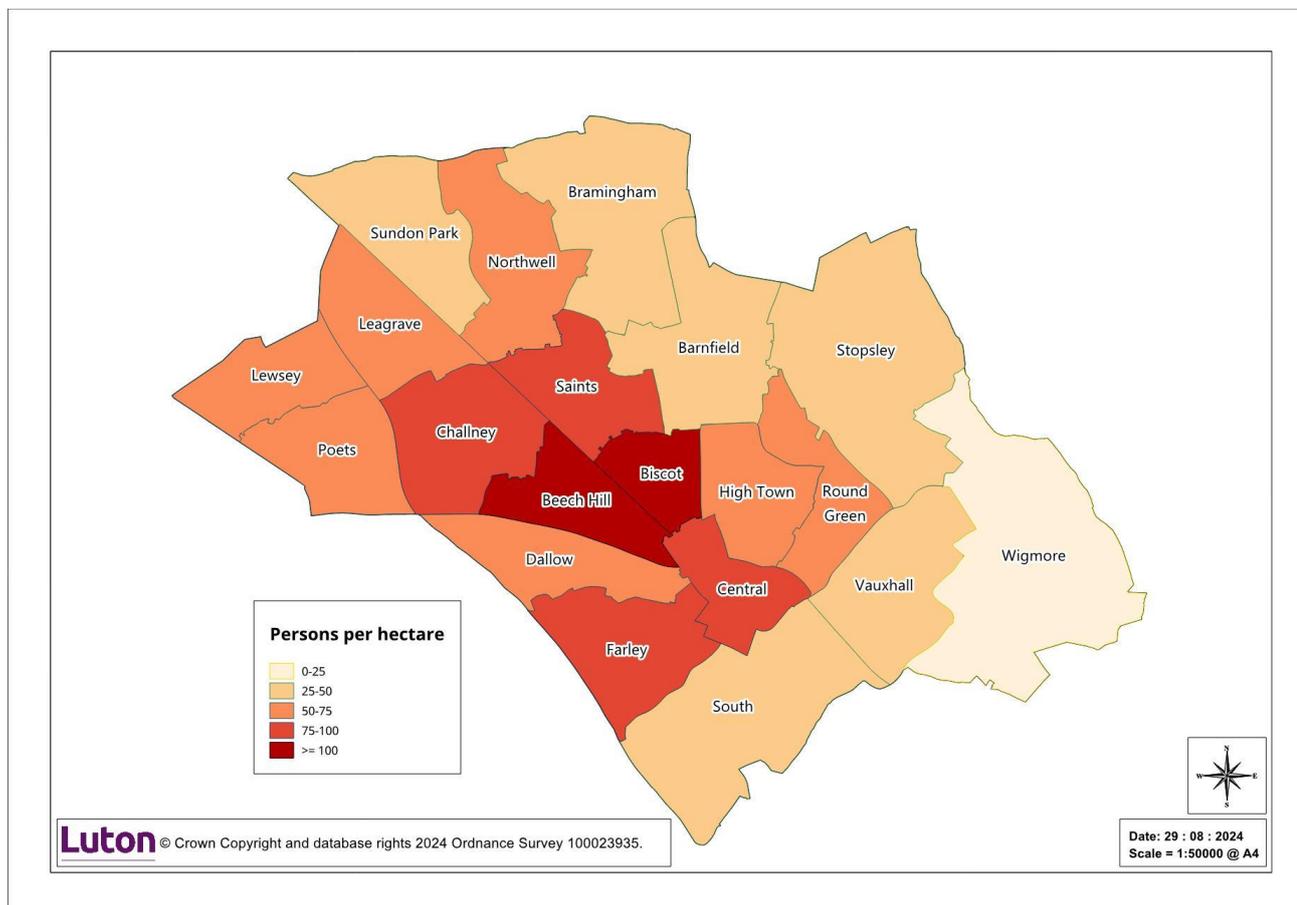
Figure 1.2: Luton & England percentage of population by age group, 2023



Source: 2023 Mid-year population estimates, Office for National Statistics

Figure 1 shows the age breakdown of the population of Luton and a comparison with England in figure 2. Luton has a proportionately younger population than England. There is a higher proportion of younger people than nationally and a lower proportion of older people. The age 15 and under group account for 23.3 per cent of Luton’s population compared with 18.5 per cent nationally. The 16-64 age group account for 65.1 per cent of the population the Luton, with the national figure being 62.9 per cent. The 65 and over age group represents 11.6 per cent of Luton’s population compared with 18.7 per cent nationally.

Map 1.1 Population density by ward in Luton, 2022



Source: 2022 Small area population estimates, Office for National Statistics

The most densely populated wards in the town are Biscot with 113 people per hectare and Beech Hill with 104 people per hectare. Wigmore is the least densely populated ward in Luton with 20 people per hectare. Luton has a population density of 52 people per hectare and is the most densely populated area outside of London.

Table 1.2: Population by ward and age group, 2022

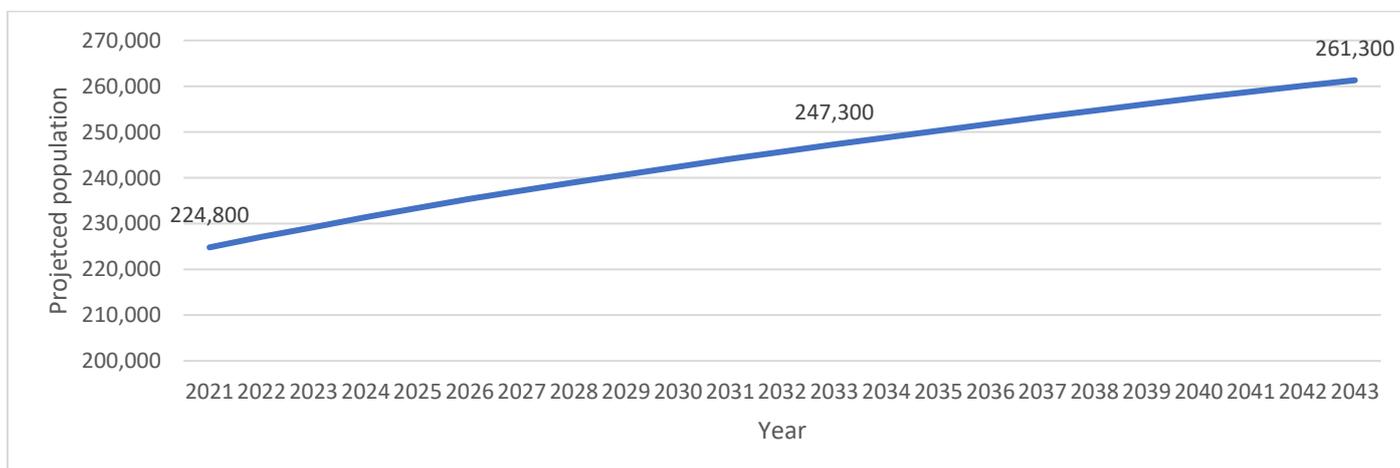
Ward	0-15	16-64	65 and above	Total	0-15 %	16-64 %	65 and above %
Barnfield	2,800	7,500	2,000	12,300	22.5	61.1	16.4
Beech Hill	4,100	9,800	1,100	15,000	27.6	65.2	7.2
Biscot	2,900	6,700	900	10,500	28.0	63.4	8.6
Bramingham	2,600	8,000	2,800	13,400	19.1	60.1	20.8
Central	2,100	8,100	500	10,600	19.5	76.3	4.3
Challney	4,400	10,400	1,500	16,200	27.0	64.0	9.0
Dallow	2,600	6,900	600	10,100	26.0	68.4	5.6
Farley	3,600	10,300	1,300	15,200	23.6	67.9	8.5
High Town	2,300	7,900	800	10,900	20.9	71.8	7.3
Leagrave	2,400	6,300	1,500	10,200	23.6	61.5	15.0
Lewsey	2,400	6,100	1,100	9,500	25.0	63.9	11.1
Northwell	3,300	8,500	2,000	13,800	23.9	61.4	14.8
Poets	1,700	5,300	1,400	8,500	20.6	62.4	17.0
Round Green	2,300	6,500	1,100	9,900	23.3	65.7	11.1
Saints	3,400	8,500	1,200	13,200	26.1	64.6	9.3
South	2,000	6,700	900	9,700	21.0	69.5	9.4
Stopsley	2,500	7,600	2,400	12,500	20.3	60.8	18.9
Sundon Park	2,000	5,300	1,200	8,500	23.6	61.9	14.4
Vauxhall	1,600	5,000	900	7,500	21.8	66.2	12.1
Wigmore	1,800	6,200	1,500	9,400	18.9	65.3	15.8

Source: 2022 small area population estimates, Office for National Statistics, components may not sum to totals due to rounding

Table 1.2 shows the population and age distribution of Luton’s wards. The wards with the highest proportion of children and young people are Biscot, Beech Hill, Challney and Dallow. The wards with the highest proportion of older people are Bramingham, Poets and Stopsley.

Recent population projections for Luton have been produced by Luton Council’s Business Intelligence team as part of BLMK health modelling. The population projections ran from 2021-2043 with the model projecting fertility, mortality and migration trends into the future. The model was demographic led because Luton’s population has been rising faster than the level of house building so a housing constraint would artificially limit potential population growth. The model assumed that international migration would continue to be high.

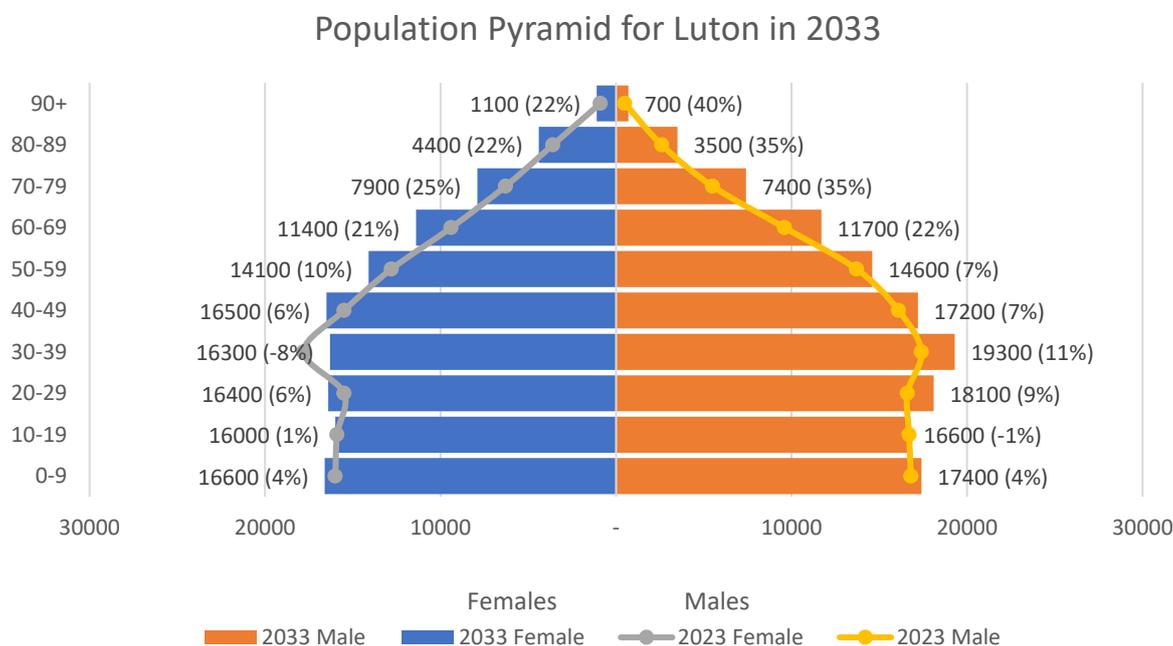
Figure 1.3: Luton population projections, 2021-2043



Source: Luton Council, Business Intelligence using Office for National Statistics data and POPGROUP software

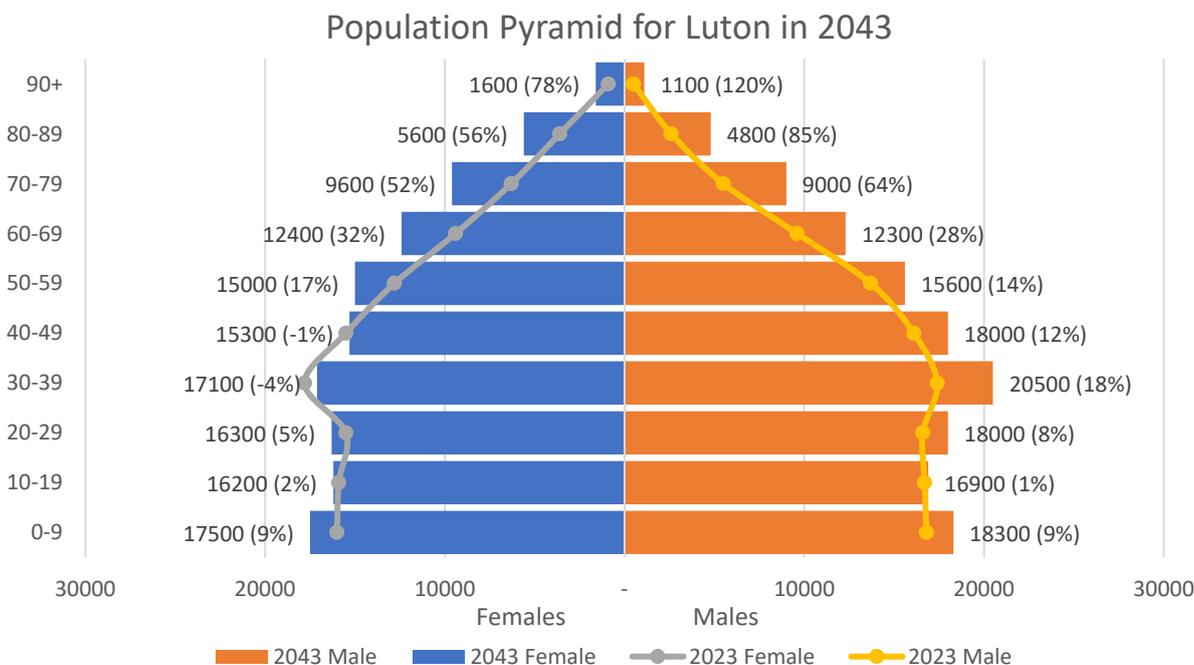
The population of Luton is projected to grow from 224,800 in 2021 to 247,300 in 2033, a growth of 10 per cent. There will be further growth up to 261,300 by 2043, a growth of 6 per cent between 2033 and 2043.

Figure 1.4: Luton population projections, 2023 and 2033



Source: Luton Council, Business Intelligence using Office for National Statistics data and POPGROUP software. 2023-43 growth rate in brackets. Components may not sum to totals due to rounding.

Figure 1.5: Luton population projections, 2023 and 2043



Source: Luton Council, Business Intelligence using Office for National Statistics data and POPGROUP software. 2023-43 growth rate in brackets. Components may not sum to totals due to rounding.

The population pyramids in figures 1.4 and 1.5 compare the population age structure in 2023 with the projected population in 2033 and 2043. Although there will be population growth in most age groups, growth will be fastest in the older age groups, for example the male population aged between 70 and 79 is projected to grow by 64 per cent and the female population will grow by 52 per cent over the next 20 years. There are projected to be more males than females in Luton. This is driven by the international migration trends and matches the Office for National Statistics' methodology.

The town is ethnically diverse, with approximately 55 per cent (2011 Census, Office for National Statistics) of the population being of Black and Minority Ethnic (BME) origin, with significant Pakistani, Bangladeshi, Indian, East European and African Caribbean communities.

In recent years the diversity of the population has increased. There has been a significant shift in the population, partly driven by those arriving from the EU acceded A8 countries of Eastern Europe. There are also concentrations of Congolese, Somali, Ghanaians, Nigerians, Turks and Zimbabweans in Luton.

Since 2004, there have been over 45,000 new National Insurance registrations by people from A8 countries in Luton, with over half of these coming from Poland. With the change in employment law in 2014 giving Romanians and Bulgarians the right to work in the UK there have been many Romanians coming to live and work in Luton. Since Brexit the number of EU nationals moving to the UK has fallen with the ending of the freedom of movement. More recent migration has seen the arrival of people from India, Pakistan, Nigeria and Bangladesh.

There is increasing acceptance that Luton is a “super-diverse” community.

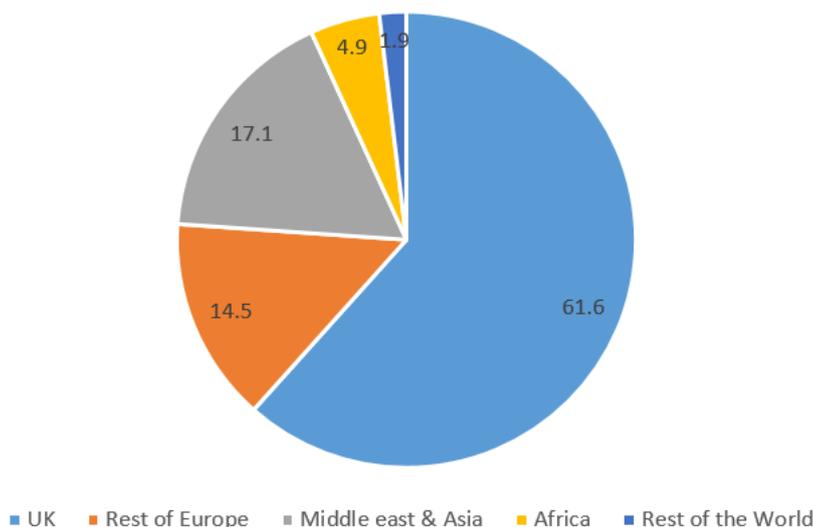
Table 1.3: Luton population by ethnicity, 2001-2021

Ethnicity	2001	2011	2021
White	132,600	111,100	101,800
Mixed	4,700	8,300	9,600
Asian/Asian British	33,700	61,000	83,300
Black	11,700	19,900	22,735
Other	1,700	3,000	7,800
Total	184,400	203,200	225,300
Ethnicity %	2001	2011	2021
White	71.9%	54.7%	45.2%
Mixed	2.6%	4.1%	4.3%
Asian/Asian British	18.3%	30.0%	37.0%
Black	6.3%	9.8%	14.2%
Other	0.9%	1.5%	3.5%

Source: Office for National Statistics

In 2021 the white population was 101,800 in comparison to 132,600 in 2001. Even with EU migration in this group, the fall in the numbers of white British has driven this change. The Asian/Asian British population increased from 33,700 in 2001 to 83,300 in 2021. This is now more than a third of the population in Luton.

Figure 1.6: Luton population by country of birth 2021



Source: Census 2021, Office for National Statistics

Figure 1.6 shows that 61.6 per cent of the population of Luton were born in the UK, 14.5 per cent were born in other European countries, 17.1 per cent were born in Asia and the middle-east, 4.9 per cent were born in Africa and 1.9 per cent born in other parts of the world.

Table 1.4: Live births to non UK mothers in Luton 2016-2022

Year	Live Births	UK born mothers	Non UK born mothers	% UK born mothers
2016	3,600	1,500	2,100	58.3
2017	3,400	1,400	2,000	58.8
2018	3,200	1,400	1,800	56.3
2019	3,300	1,400	1,900	57.8
2020	3,300	1,200	2,100	63.6
2021	3,200	1,300	1,900	60.9
2022	3,300	1,200	2,100	64.6

Source: Office for National Statistics

Table 1.4 shows the increasing diversity in Luton with 64.6 per cent of live births in the town being born to non-UK born mothers.

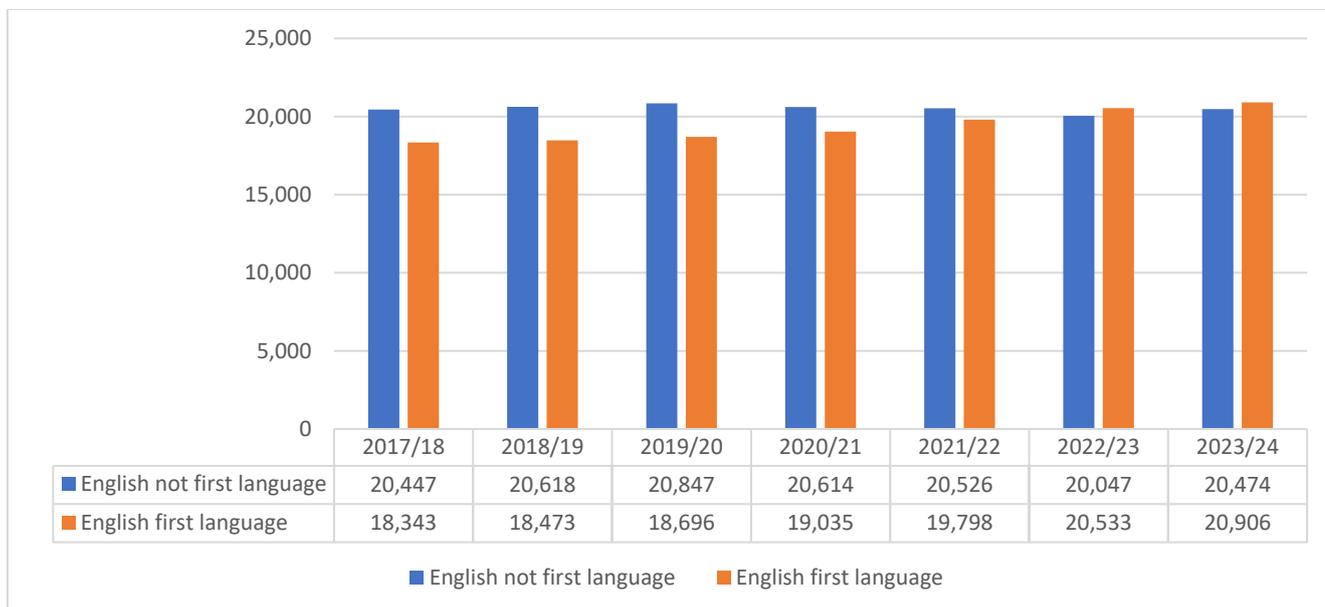
Table 1.5: Main languages spoken in Luton, 2021 Census

Language	Speakers	Percentage
English	165,995	73.7%
Urdu	9,512	3.9%
Polish	7,823	3.5%
Romanian	7,455	3.3%
Bengali	6,311	2.8%
Panjabi	2,555	1.1%
Gujarati	1,359	0.6%
Tamil	1,212	0.5%
Arabic	1,141	0.5%
Italian	853	0.4%
Lithuanian	816	0.4%

Source: Census 2021, Office for National Statistics

The 2021 Census recorded 165,995 (74 per cent) of people in Luton's main language to be English, with many other languages widely spoken such as Urdu (9,512 speakers), Polish (7,823 speakers), Romanian (7,455 speakers) and Bengali (6,311 speakers). The census recorded over 100 different languages and dialects being spoken in Luton.

Figure 1.7: First language of pupils in Luton's schools 2017-2024



Source: Department for Education

Almost half of the pupils (49.3 per cent) in Luton's schools have a language other than English as their first language. The last four years have shown an increase in the number of pupils whose first language is English.

2. Housing

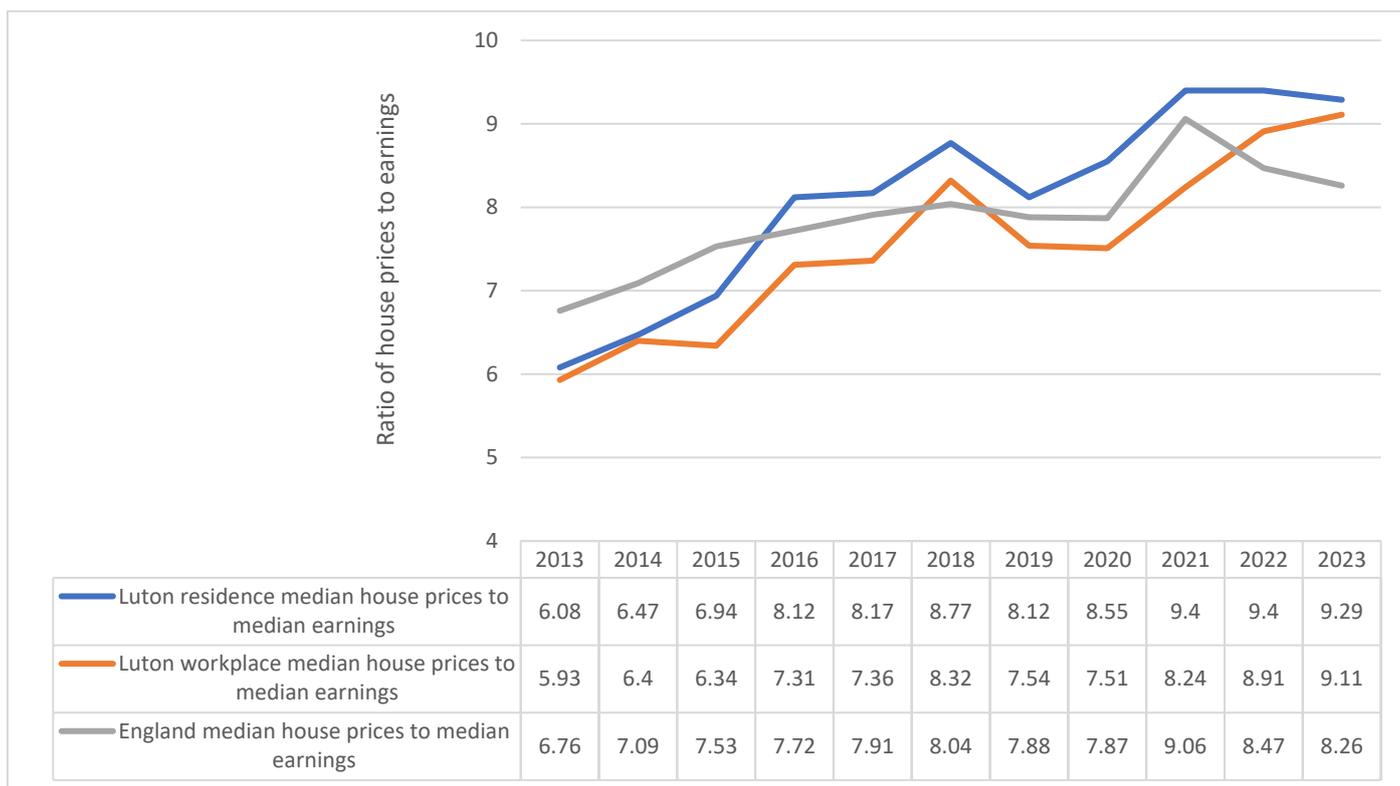
Figure 2.1: Household tenure in Luton



Source: 2021 Census, Office for National Statistics

Figure 2.1 shows that 29 per cent of tenures in Luton were privately rented according to the 2021 Census. This is higher than national figure of 20.5 per cent.

Figure 2.2: Ratio of earnings to median and lower quartile house prices in Luton, 2013-2023



Source: Office for National Statistics

Over the last decade the ratio of average house prices to earnings has increased in Luton. The ratio of median house prices to median earnings has increased from 6.08 to 9.29 between 2013 and 2023 and the ratio for those who work in Luton but don't necessarily live in the town rose from 5.93 to 9.11. This shows that housing has become less affordable in Luton over the last decade. In 2013 the national figure was 6.76, higher than Luton, but Luton overtook the national average in 2016 with the current ratio for Luton's residents at 9.29 in comparison to 8.26 nationally.

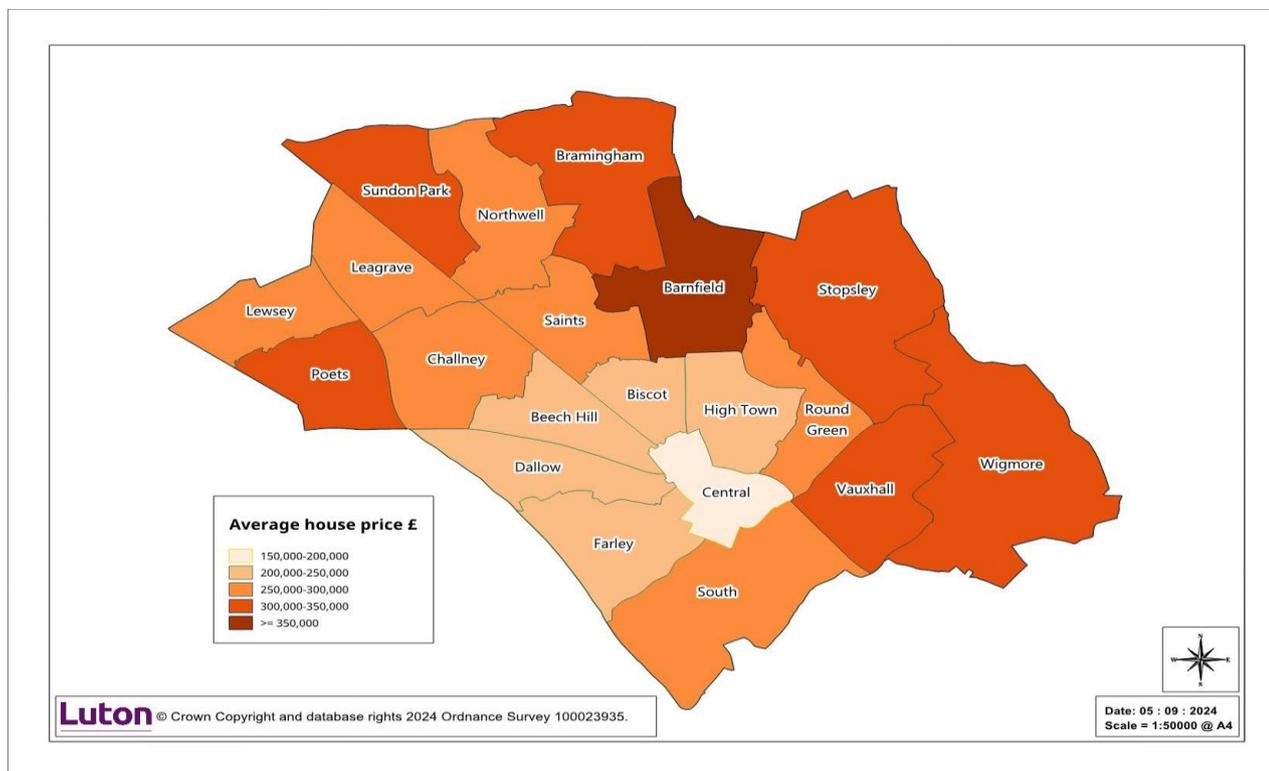
Table 2.1: Average house prices in Luton 2023-24

Month	Luton average house price £	% annual growth	% monthly growth	England average house price %	% annual growth	% monthly growth
July 23	268,551	-1.4	-1.2	300,382	-1.1	0.8
Aug 23	275,288	-1	2.5	302,608	-1.3	0.7
Sept 23	276,525	-1.8	0.4	301,060	-2.2	-0.5
Oct 23	277,372	-2.9	0.3	299,673	-2.6	-0.5
Nov 23	272,781	-3.5	-1.7	297,990	-3.2	-0.6
Dec 23	269,584	-3.7	-1.2	295,531	-3.4	-0.8
Jan 24	270,189	-3.4	0.2	295,013	-2.5	-0.2
Feb 24	270,197	-3	0.0	296,434	-1.5	0.5
Mar 24	272,120	-2.4	0.7	297,055	0.3	0.2
Apr 24	276,609	-0.1	1.6	298,308	0.6	0.4
May 24	268,877	-1.9	-2.8	303,451	2.5	1.7
Jun 24	271,987	0.1	1.2	305,370	2.4	0.6

Source: Land Registry

Land Registry figures show that the average house price in Luton is £271,987 which has increased by 0.1 per cent over the last year with a 1.2 per cent increase in the last month. Nationally house prices increased by 2.4 per cent over the last year and 0.6 per cent in the last month. The national average house price at £305,370 is higher than the figure in Luton.

Map 2.1 Average house prices in Luton by ward, 2023-24



Source: Land Registry via Local Insights

Barnfield ward has the highest average house price in Luton at £415,280. House prices in Bramingham, Stopsley, Vauxhall, Poets, Wigmore and Sundon Park all average above £300,000. The lowest average house price is in Central ward at £156,326. Beech Hill, Biscot, Dallow, High Town and Farley all average under £250,000.

Table 2.2: Average monthly rents for 2 bedroom properties £, Luton & England 2020-2023

Luton					
Year	Count of rents	Mean	Lower quartile	Median	Upper quartile
2020	470	813	750	825	875
2021	780	849	795	850	900
2022	900	876	800	860	925
2023	830	951	850	925	1,000
England					
Year	Count of rents	Mean	Lower quartile	Median	Upper quartile
2020	183,820	790	550	700	900
2021	202,580	841	595	750	975
2022	215,840	887	625	793	1,050
2023	190,540	932	650	825	1,100

Source: Office for National Statistics

Table 2.3: Average monthly rents for 3 bedroom properties £, Luton & England 2020-2023

Luton					
Year	Count of rents	Mean	Lower quartile	Median	Upper quartile
2020	320	1,033	950	1,000	1,100
2021	560	1,083	995	1,075	1,150
2022	650	1,117	1,000	1,100	1,225
2023	580	1,186	1,100	1,200	1,300
England					
Year	Count of rents	Mean	Lower quartile	Median	Upper quartile
2020	110,200	908	650	795	1,050
2021	119,780	965	670	850	1,150
2022	128,260	1,021	695	895	1,225
2023	121,700	1,068	735	925	1,280

Source: Valuation Office & Office for National Statistics

Tables 2.2 and 2.3 show the average rents for 2 and 3 bedroom properties for the mean, lower quartile, median and upper quartiles. Rents are higher in Luton than the national median average, £1,200 monthly rent for a 3 bedroom property in comparison with £925 nationally. Unlike house prices, average rents are higher in Luton than nationally with rents in the lower quartile being substantially higher.

With the high proportion of people privately renting, these data indicate a major cause of poverty in Luton with those on lower incomes paying a higher proportion of earnings in rent.

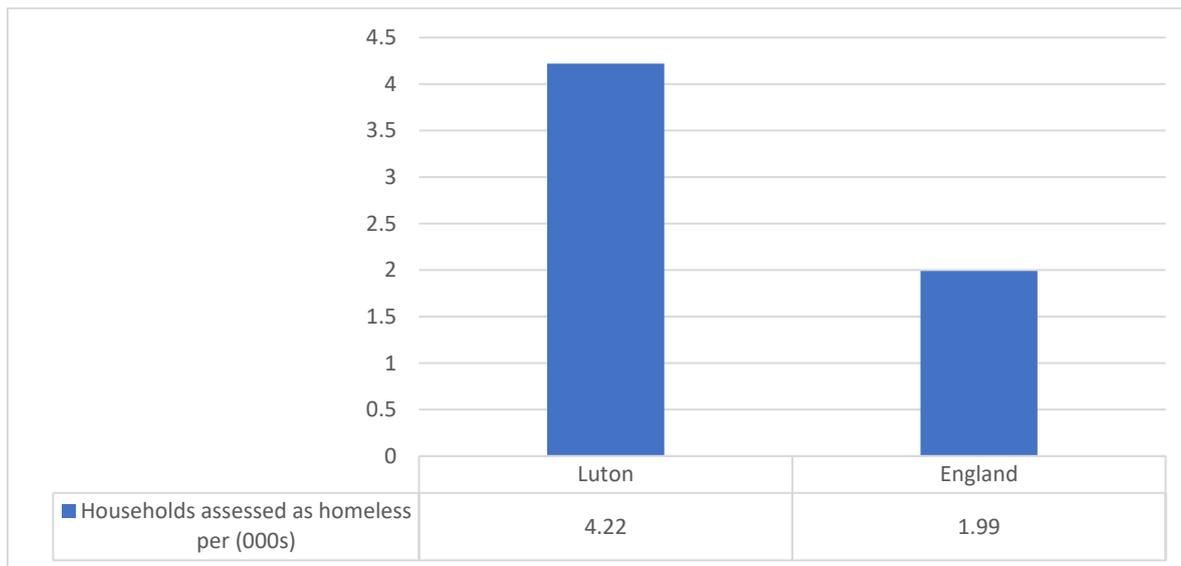
Table 2.4: Household occupancy by bedrooms, Luton & England, 2021

Area	1 below standard	2+ below standard	0	1 above	2 above
Luton	9.6%	2.6%	36%	27.3%	24.5%
England	3.6%	0.7%	26.8%	33.2%	35.6%

Source: 2011 Census, Office for National Statistics

Under the Housing Act (1985), a property is considered overcrowded if two or more people aged 10 or older, of different sexes and not living as spouses or partners, must sleep in the same room. Table 2.4 shows that 9.6 per cent of households in Luton are overcrowded with 1 room below the standard and 2.6 per cent with 2 rooms below standard. In comparison 3.6 per cent of households are 1 below standard and 2.6 per cent are 2 below standard nationally.

Figure 2.3: Homelessness per thousand, 2023-24



Source: Department for Levelling Up, Housing & Communities

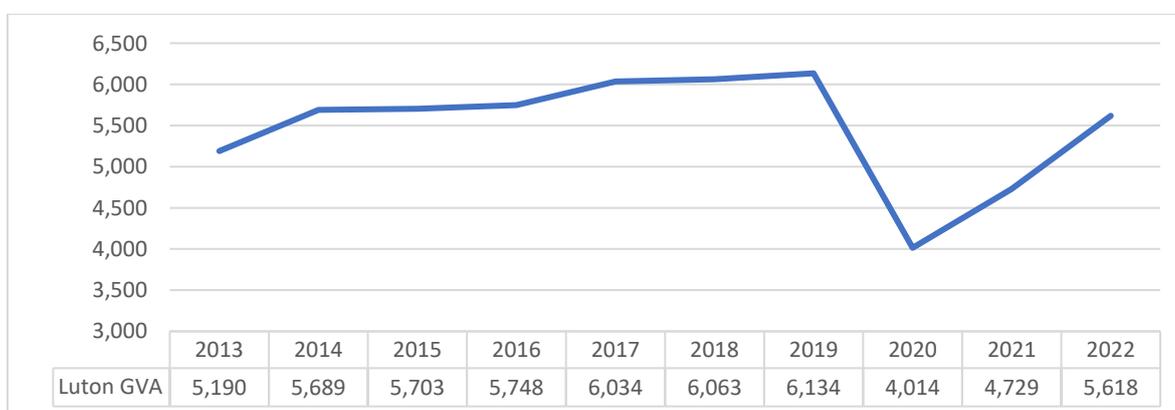
Figure 2.3 shows the rate of people assessed as homeless per thousand of population. Luton has a rate of 4.22 per thousand which is higher than the national figure of 1.99 and one of the highest rates in the country.

3. Economy and employment

In recent years Luton’s economy has experienced strong growth with a successful airport, new jobs and growing earnings for the town’s residents. Rental costs and house prices have risen. However there are issues with growth in low paid, unstable jobs, increasing levels of in-work poverty with many jobs being paid below the living wage.

Because of the airport and structure of the local economy the Covid-19 pandemic has disproportionately hit Luton with the most deprived areas experiencing the most adverse impact. The local economy is recovering from the pandemic with output returning to pre-2020 levels.

Figure 3.1: Gross Value Added at current prices £m, Luton 2013-2022



Source: Office for National Statistics

Gross Value Added (GVA) is a measure of economic output. Figure 3.1 shows that Luton's economy performed well over the last decade with strong economic growth until the covid-19 pandemic. The economy grew from a GVA of £5,190 million in 2013 to £6,134 in 2019 at constant prices (accounting for inflation). GVA fell in 2020 to £4,014 with the impact of the pandemic. The latest published figures are for 2022 and show that the local economy is recovering from the pandemic with 18.8 per cent growth in the last year with the air transport sector having returned to pre-covid levels.

Table 3.1: Gross Value Added by industrial sector, Luton 2022

Industrial Sector	GVA £m	Growth since 2020	% of economy
Agriculture, mining, electricity, gas, water and waste	10	-58.3%	0.2%
Manufacturing	736	-26.8%	13.1%
Construction	235	-19.5%	4.2%
Wholesale and retail trade; repair of motor vehicles	729	-13.0%	13.0%
Transportation and storage	704	-3.4%	12.5%
Accommodation and food service activities	133	16.7%	2.4%
Information and communication	124	-22.5%	2.2%
Financial and insurance activities	34	-52.8%	0.6%
Real estate activities	599	-14.1%	10.7%
Professional, scientific and technical activities	270	24.4%	4.8%
Administrative and support service activities	942	16.0%	16.8%
Public administration and defence	221	0.9%	3.9%
Education	344	-3.1%	6.1%
Human health and social work activities	443	-7.3%	7.9%
Arts, entertainment and recreation	28	-37.8%	0.5%
Other service activities	54	-15.6%	1.0%
Activities of households	11	-8.3%	0.2%
All industries	5,618	-8.4%	100.0%

Source: Office for National Statistics

Luton's economy is dominated by the service sector with administration and support services being the largest sector at 16.8 per cent. Manufacturing is the next biggest sector at 13.1 per cent with wholesale and retail at 13.0 per cent and transportation and storage (12.5 per cent) the next largest contributors to economic output. Manufacturing has declined as a proportion of Luton's economy from 16.4 per cent in 2019 to 13.1 per cent in 2022.

The transport sector has experienced strong economic growth outside of the pandemic. All sectors were hit by the pandemic with most showing negative growth between 2019 and 2020 and the economy now returning to pre covid levels.

Table 3.2 Full-time and part-time employment in Luton, 2019-2023

Date	Employees	Full time Employees	% Full time Employees	Part time Employees	% Part time Employees
2019	91,000	62,000	67.4%	30,000	32.6%
2020	92,000	63,000	68.5%	29,000	31.5%
2021	95,000	66,000	69.5%	29,000	30.5%
2022	108,000	73,000	67.6%	35,000	32.4%
2023	112,000	73,000	65.2%	39,000	34.8%

Components may not sum to totals due to rounding.

Source: Office for National Statistics

Table 3.3: Employment by industrial sector in Luton, 2023

Industrial Sector	Employees	% Employees
Agriculture, forestry and fishing	10	0.0%
Mining and quarrying	0	0.0%
Manufacturing	6,000	5.4%
Electricity, gas, steam and air conditioning supply	10	0.0%
Water supply; sewerage, waste management	225	0.2%
Construction	4,000	3.6%
Wholesale and retail trade; repair of motor vehicles and motorcycles	11,000	9.8%
Transportation and storage	11,000	9.8%
Accommodation and food service activities	6,000	5.4%
Information and communication	1,750	1.6%
Financial and insurance activities	500	0.4%
Real estate activities	3,000	2.7%
Professional, scientific and technical activities	7,000	6.2%
Administrative and support service activities	34,000	30.4%
Public administration and defence; compulsory social security	3,500	3.1%
Education	9,000	8.0%
Human health and social work activities	12,000	10.7%
Arts, entertainment and recreation	1,500	1.3%
Other service activities	1,500	1.3%
Total	112,000	

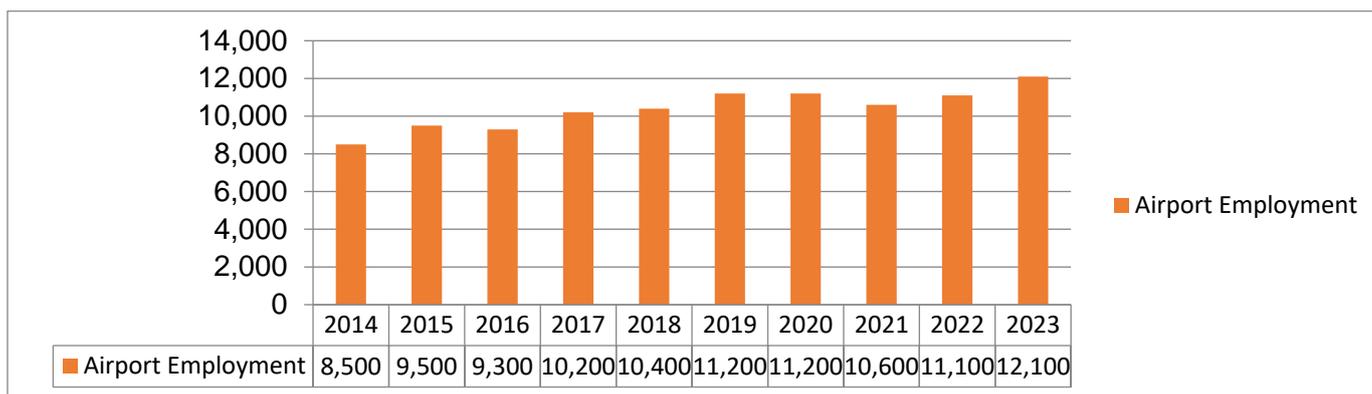
Components may not sum to totals due to rounding - Source: Office for National Statistics

The latest employment data from the Office for National Statistics recorded 112,000 employees in Luton in 2023 with 65.2 per cent in full time employment and 34.8 per cent part time.

The biggest employment sectors are administrative and support services (30.4 per cent), health (10.7 per cent) wholesale and retail (9.8 per cent), transportation and storage (9.8 per cent), education (8.0 per cent), professional and technical services (6.2 per cent), manufacturing (5.4 per cent) and accommodation and food services (5.4 per cent).

The majority of employees work in the service sector but there are also 6,000 employees in the manufacturing sector. The airport and associated area is a major employer in the town with 12,100 jobs estimated to be linked with it.

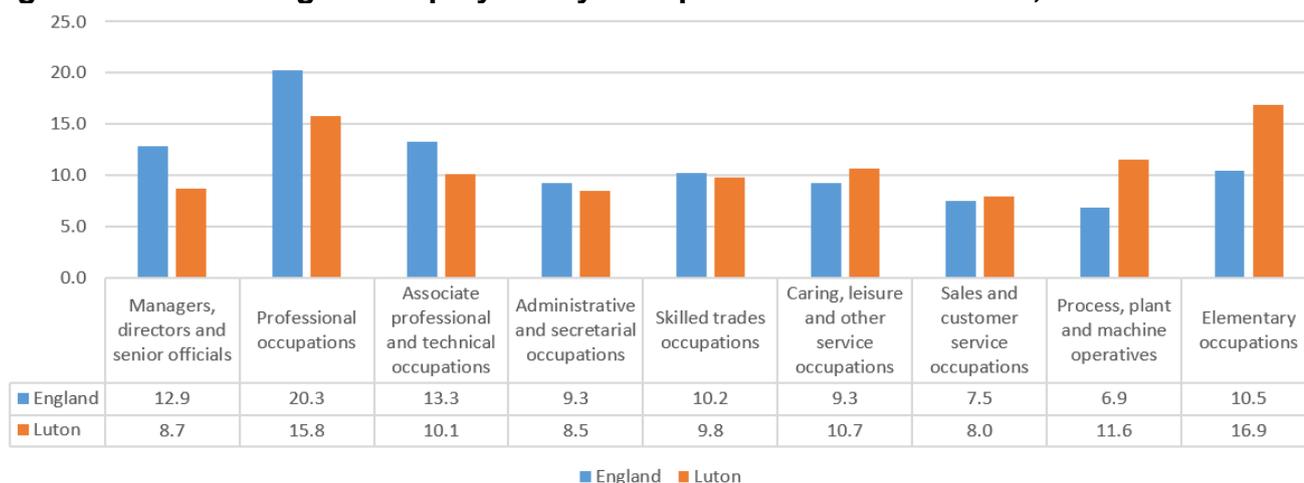
Figure 3.2: Employment for Luton Airport 2014-23



Source: Business Intelligence, Luton Council using IDBR, Office for National Statistics

The numbers recorded being employed in and around Luton Airport increased from 11,100 to 12,100 between 2022 and 2023, an increase of 9 per cent. The estimates for 2020 and 2021 include employees who had been furloughed and 2022 is the first year of post pandemic employment figures. The data shows that the furlough scheme was successful in maintaining employment levels during the pandemic and employment at the airport had returned to pre pandemic levels in 2022. In 2023 employment is now at the highest level recorded and has increased by 44 per cent since 2014.

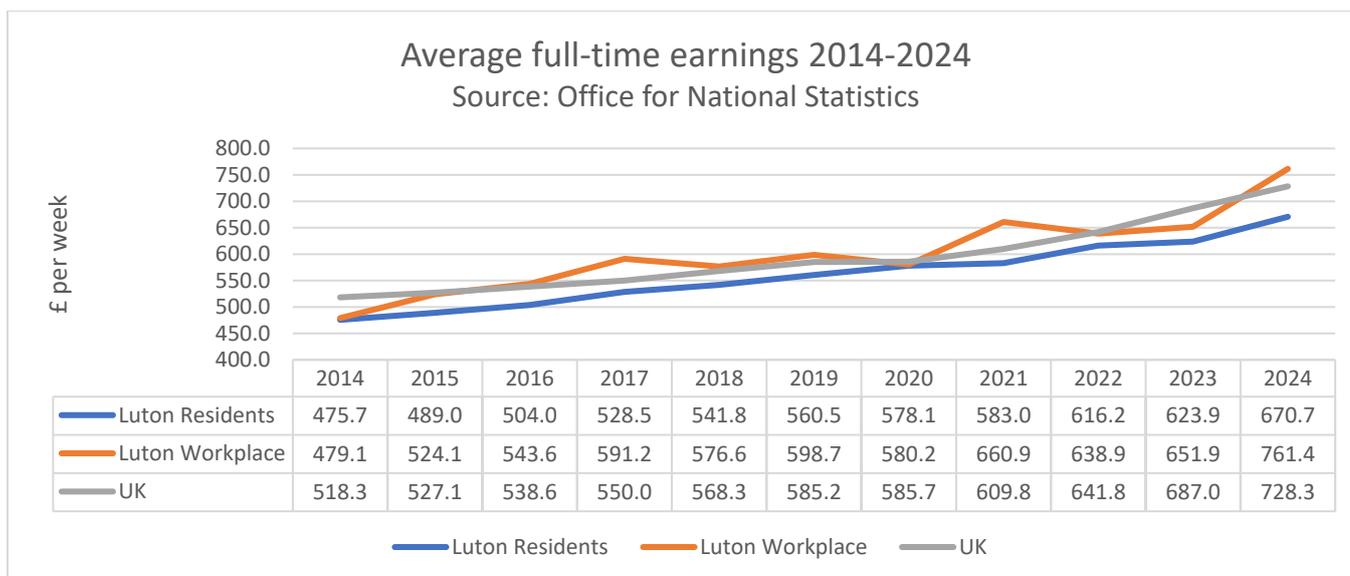
Figure 3.3: Percentage of employees by occupation in Luton and UK, 2021



Source: Census 2021, Office for National Statistics

Figure 3.3 compares the proportion of employees by occupation in Luton against the UK as a whole. Luton has a lower proportion of employees in managerial and professional occupations than nationally and a higher proportion in elementary occupations. This means that there will be a higher proportion of people in Luton on lower incomes because of the lower earnings potential of the lower skilled jobs.

Figure 3.4: Residence and workplace-based earnings in Luton, 2014-2024



Source: Annual Survey of Hours and Earnings, Office for National Statistics

Figure 3.4 shows that from 2023-24 median earnings in Luton grew at a faster rate than the national average, of 8 per cent compared with 6 per cent growth. Workplace-based earnings (i.e. those who work in Luton but don't necessarily live in the town) grew by 17 per cent. Luton's residents' earnings are below the national average but the work-place based measure is above the national figure. This indicates that the people who commute into the town earn more on average than Luton's residents.

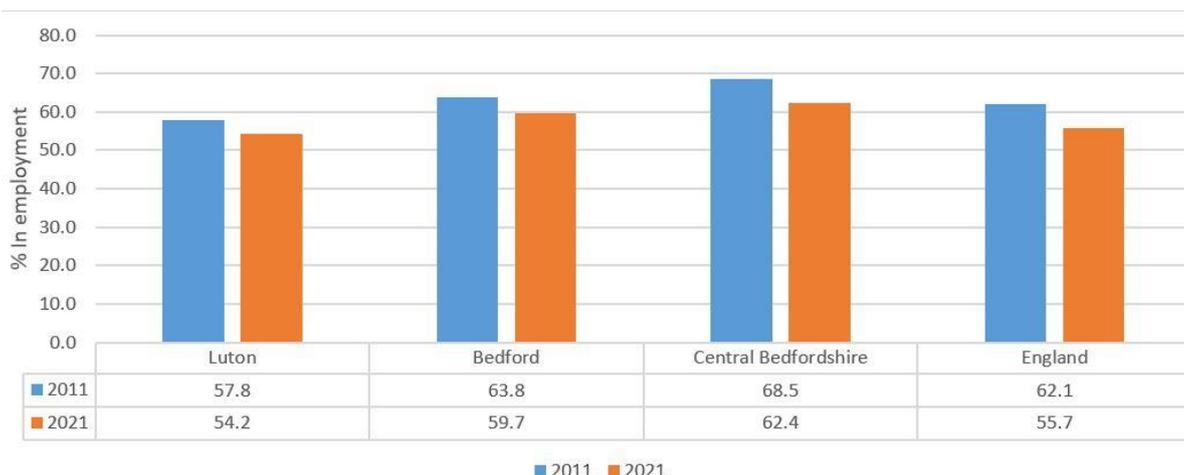
Luton's economy has issues with the growth of zero-hour contracts and unstable temporary work. A zero-hours contract is generally understood to be a contract between an employer and a worker where: the employer is not obliged to provide any minimum working hours; and the worker is not obliged to accept any work offered.

Agency workers are more likely to be in short term and unstable contracts. They are likely to be younger and even in higher paying large businesses are more likely to be the first people to be laid off if a company cuts jobs. The increase in this nature of work means that more people in Luton are unable to have a stable income and employment. Whilst agency work suits some workers, the large number of people in poorly paid work makes stability difficult. Moving in and out of work increases the risk of rent arrears, debt and difficulty paying for essentials in times of unemployment. Irregular and unsocial hours increase pressures on childcare.

Delivery couriers are an example where someone is paid per delivery and the work hours required to make a living wage are well in excess of what would be paid under an hourly minimum wage rate. Networks of subcontracting and cuts to public services means that the employment laws have been more difficult to enforce.

The increasing casualisation of the labour market has led to a two-tier economy in which a growing number of people are employed in poorly paid work with no stability and minimal employment protections. These factors are making it more difficult for family stability and settled communities. This is reflected in high population churn in Luton. There are significant numbers of people moving to Luton from London boroughs to benefit from cheaper property prices. This increases demand pressures on rents and property prices.

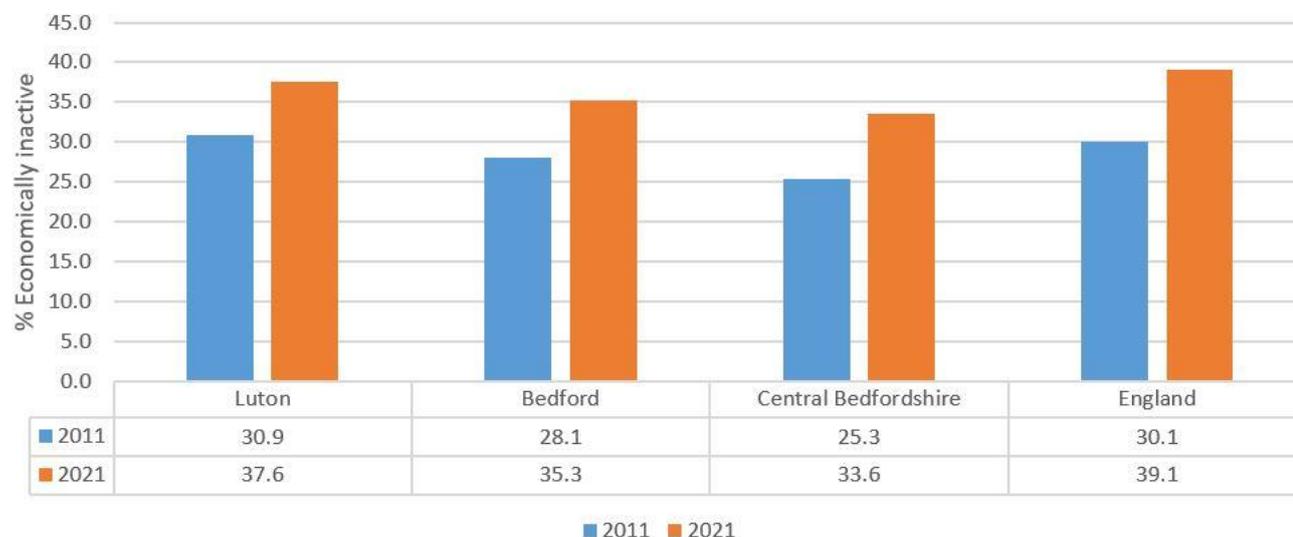
Figure 3.5: Percentage of working age population who are in employment, 2011 & 2021



Source: Census 2011 & 2021, Office for National Statistics

Figure 3.5 shows that Luton has a lower proportion of the working age population who are in employment than its neighbours and nationally.

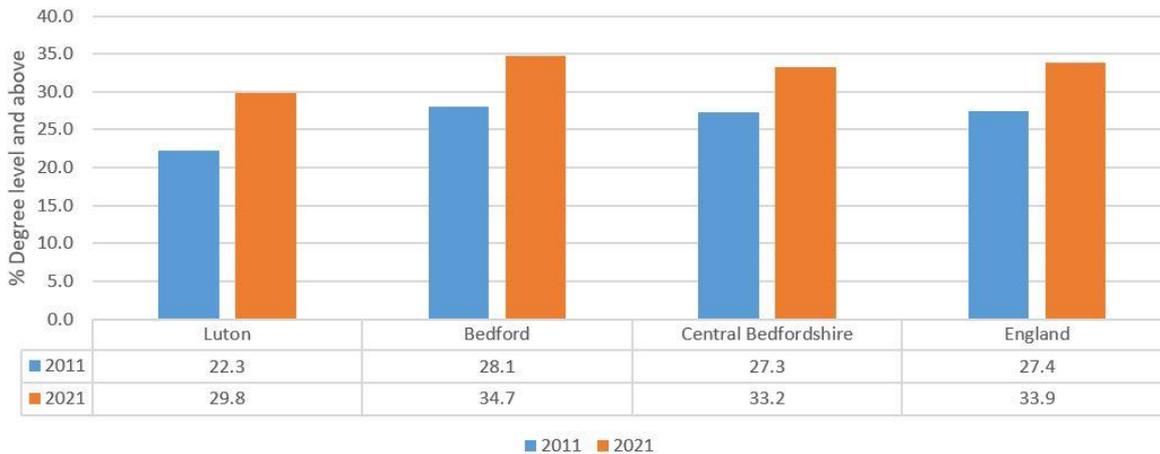
Figure 3.6: Percentage of working age population who are in economically inactive, 2011 & 2021



Source: Census 2011 & 2021, Office for National Statistics

Figure 3.6 shows that the proportion of people who are economically inactive i.e. people who are not in work and have not been seeking or not been available for work, increased between 2011 and 2021. Luton has a higher proportion of economically inactive people than Bedford or Central Bedfordshire but below the national figure. The 2021 census results are likely higher than normal due to the pandemic but survey data has shown that the increase in economic inactivity and retirements is a long lasting issue causing recruitment problems in both the local and national economy.

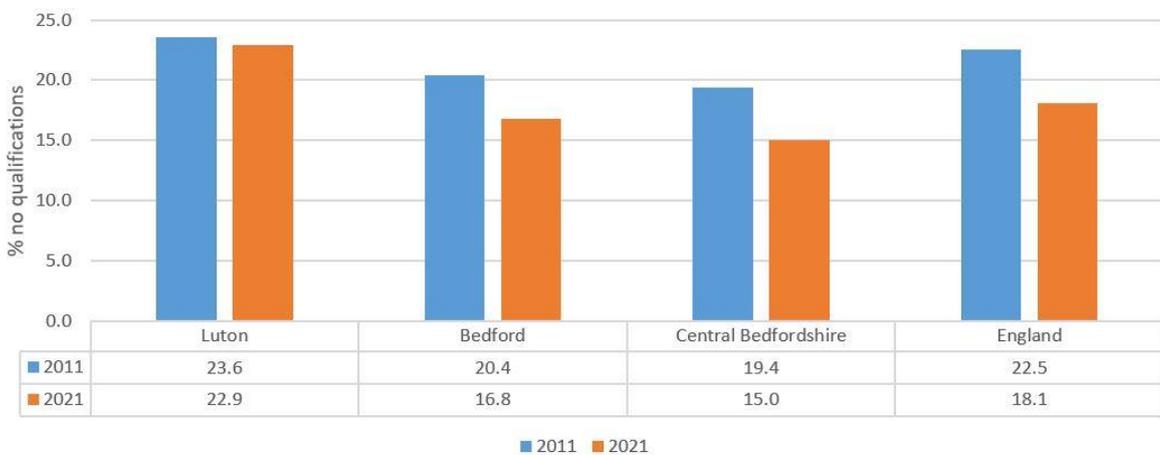
Figure 3.7 Percentage of working age population with a degree level qualification, 2011 & 2021



Source: Census 2011 & 2021, Office for National Statistics

Figure 3.7 shows the proportion of the working age population with a degree level qualification. The proportion has increased in Luton but is still below neighbouring areas and the national figure.

Figure 3.8: Percentage of working age population without any qualifications, 2011 & 2021

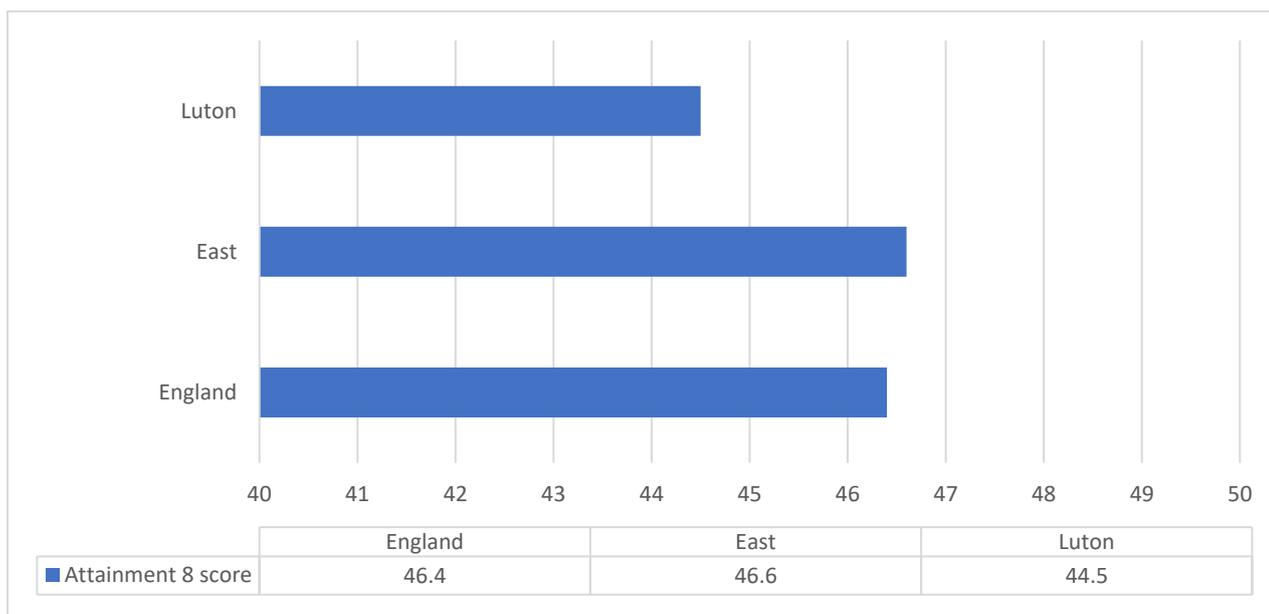


Source: Census 2011 & 2021, Office for National Statistics

Figure 3.8 shows that the proportion of the working age population without any qualifications has been falling, but it is still above the rates in neighbouring local areas and the national figure.

The lower levels of people with qualifications in Luton helps to explain the differential between workplace and resident based earning levels and skills shortages in the town. This is a contributor to poverty in Luton.

Figure 3.9: Average Attainment 8 score in Luton, England, and statistical neighbours 2022-23

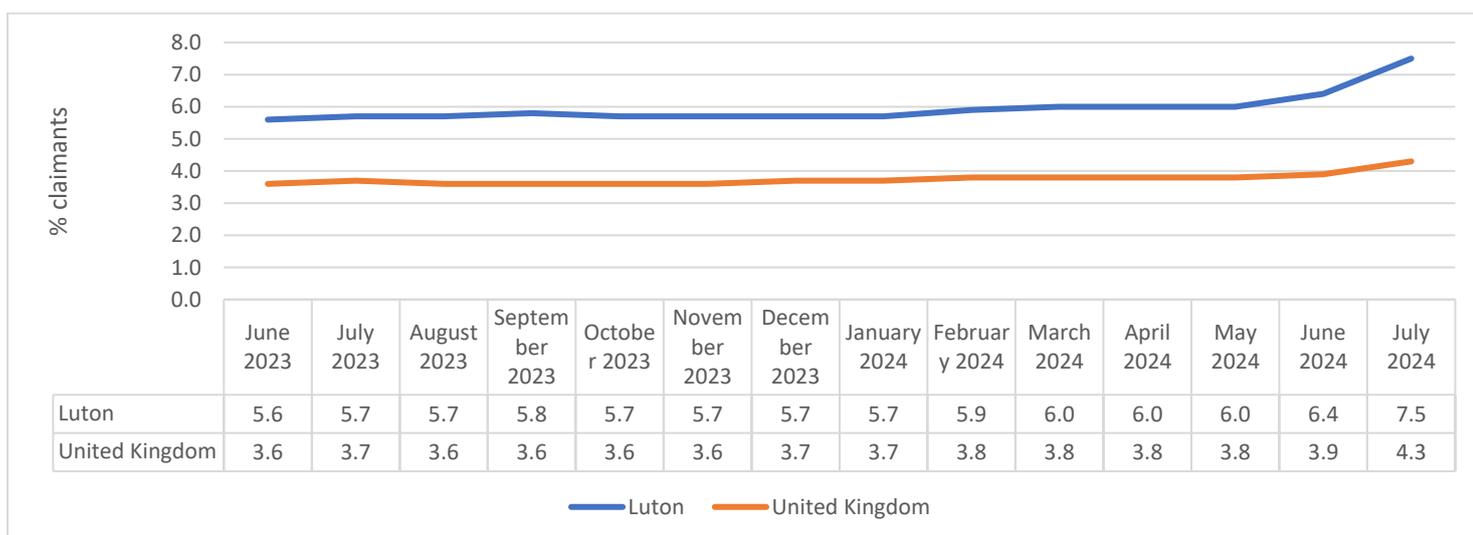


Source: Department for Education, taken from LG Inform

Attainment 8 measures the achievement of a pupil across 8 qualifications. This indicator examines the average Attainment 8 scores of pupils at the end of key stage 4 in all maintained secondary schools, academies and free schools, by local authority of pupil residence.

Figure 3.9 shows that Luton has an average Attainment 8 score of 44.5. This compares to a National average of 46.4.

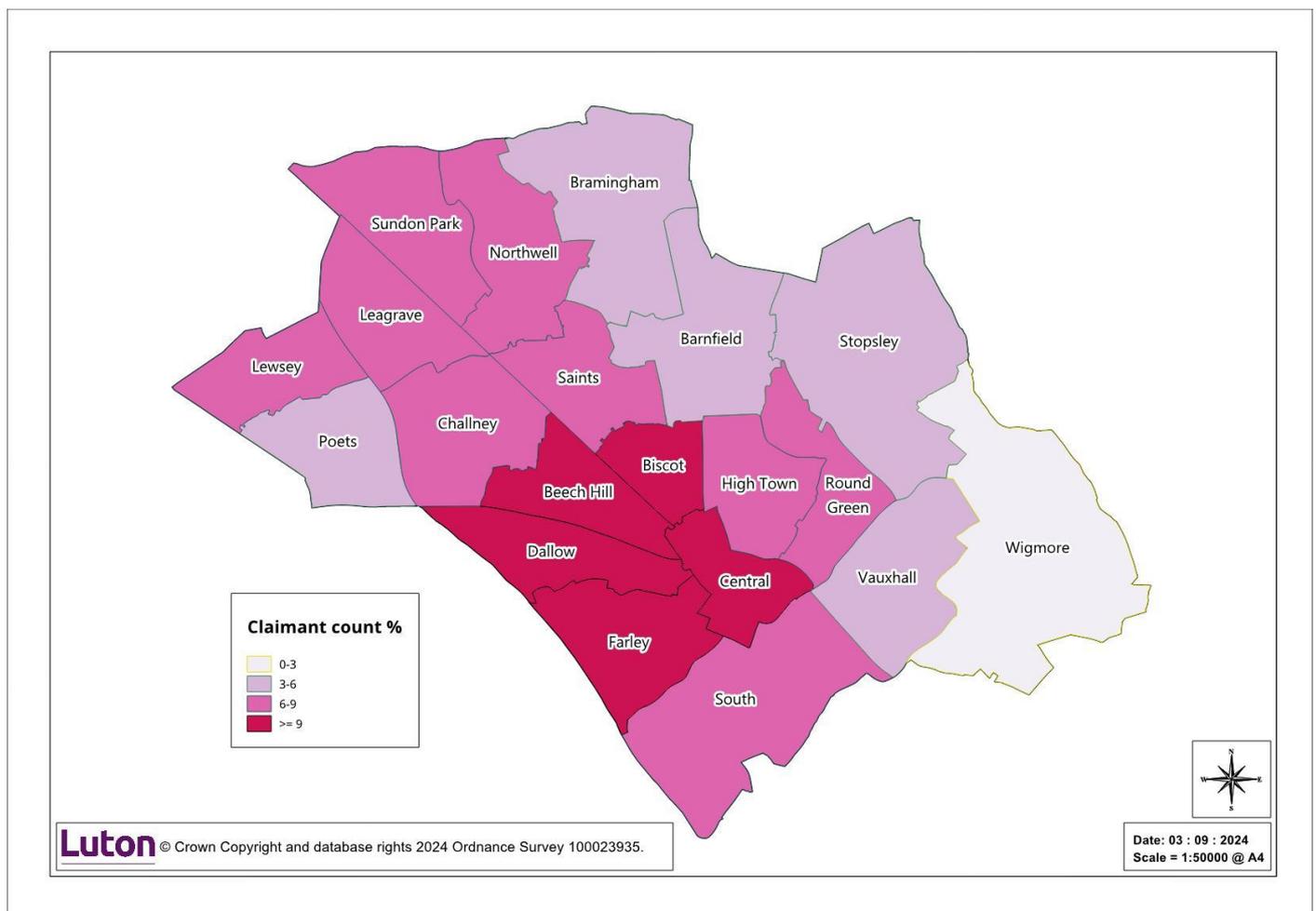
Figure 3.10: Luton and UK Claimant Count 2023-24



Source: Office for National Statistics

Figure 3.10 shows the unemployment claimant count from June 2023 to July 2024. Luton has a much higher claimant count figure than the national rate, 7.5 per cent compared with 4.3 per cent. The number of claimants has been rising over the past year.

Map 3.1: Claimant count in Luton by ward, July 2024



Source: Luton Insights, DWP

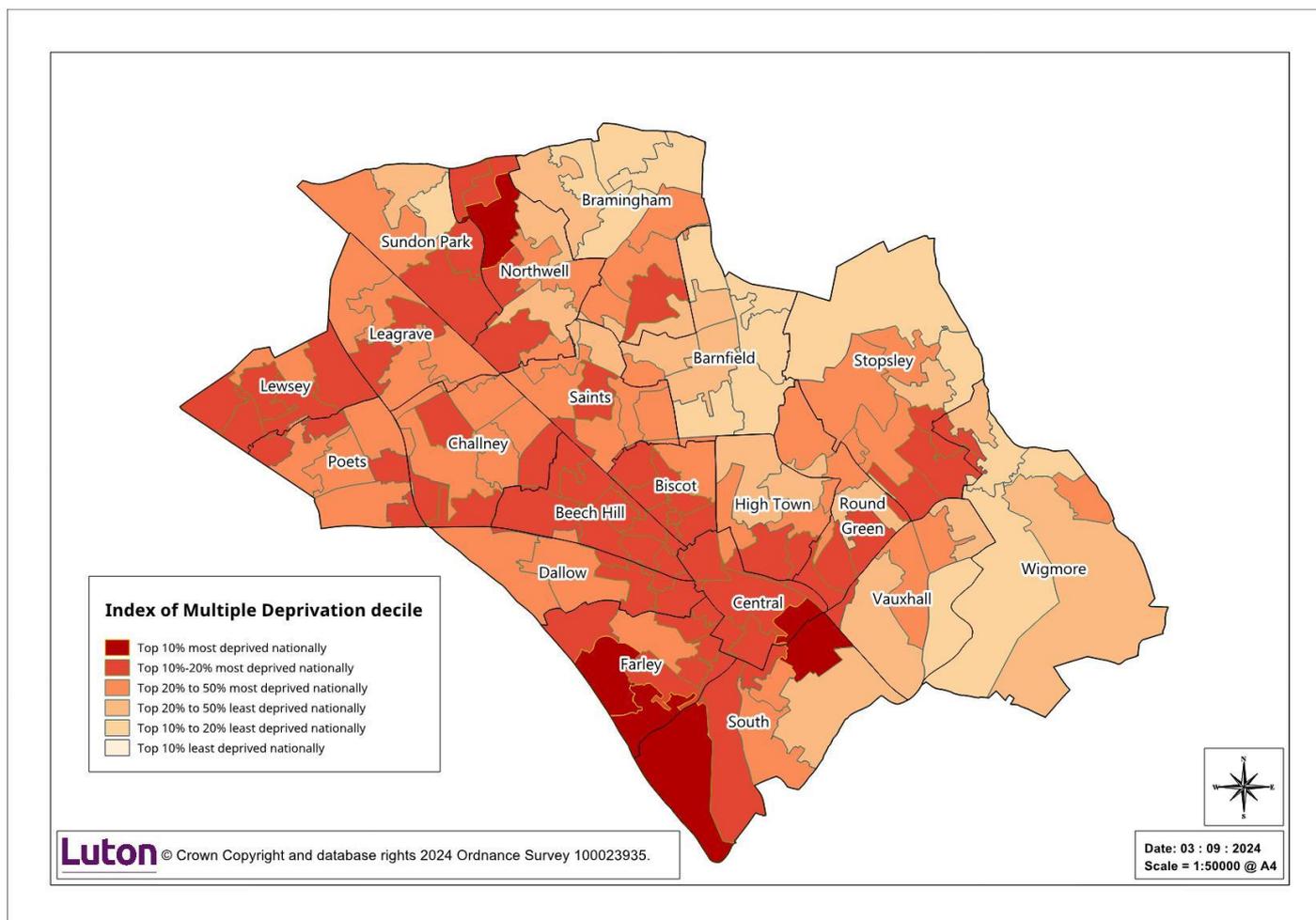
Map 3.1 shows claimant count rates in Luton in July 2024. The highest claimant rates are in Beech Hill, Biscot, Central, Dallow and Farley wards. The lowest rates are in Barnfield, Bramingham and Wigmore wards.

4. Deprivation and poverty

Poverty impacts upon life chances and the health of the population. A combination of factors influence the above average rates of poverty in Luton. Luton has the 29th (out of 359 areas) highest rate of child poverty in the country (Local child poverty indicators after housing costs, DWP, HMRC).

Men living in our most deprived areas can expect to live on average nine years less than those from more affluent parts of Luton – for women the life expectancy gap is five years (Life expectancy data by ward, 2016-20).

Map 4.1: Index of Multiple Deprivation, Luton 2019



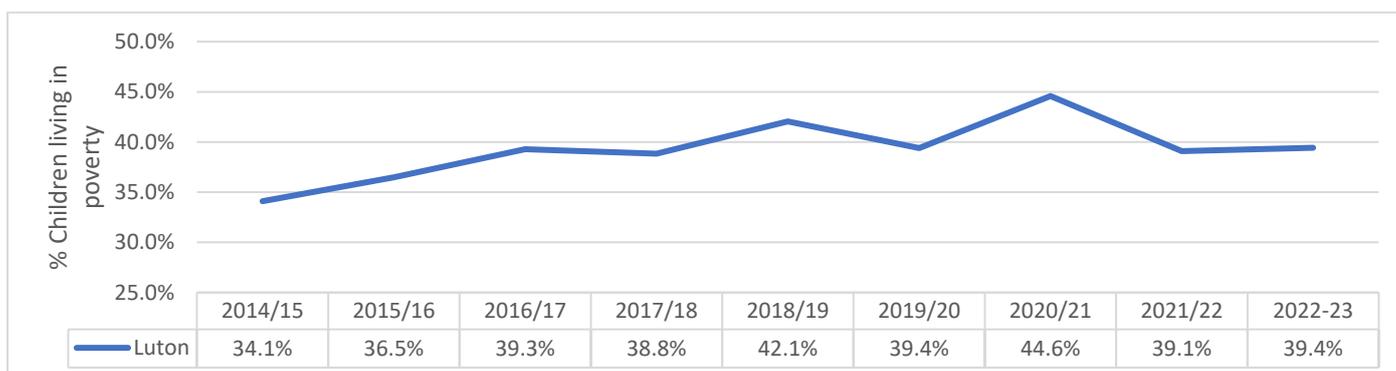
The Indices of Multiple Deprivation ranks relative deprivation amongst areas in England. The latest data are from 2019 where Luton is ranked the 70th most deprived out of 317 local authorities, in 2015 Luton was ranked the 59th most deprived area from 326 local authorities. Therefore Luton is less relatively deprived when comparing 2015 with 2019. New IMD data are scheduled to be published in 2025.

The proportion of areas in Luton in the top 10 per cent most deprived parts of the country fell between 2015 and 2019 with Luton having four output areas in the top ten per cent most deprived. These are in Northwell, Farley, South/Farley and Central/South. Previously Luton had nine areas in the top ten per cent.

Luton’s highest deprivation rankings are in the Barriers to Housing and Services (25th), income deprivation affecting older people (43rd) and crime (58th) indicators, with the highest (least deprived) ranking in the Living Environment (120nd).

There are a variety of underlying reasons which influence poverty. Luton has above average rates of unemployment, and high rates of people in ‘in work poverty’ with jobs with low rates of pay and uncertain hours. Luton also has high numbers of people privately renting and escalating property costs has put pressure on household budgets. The Covid-19 pandemic dis-proportionally impacted Luton and in particular the most deprived areas. Increasing fuel and food prices added extra pressure on household budgets driving poverty in the town.

Chart 4.1 The proportion of children living in poverty in Luton, 2014/15 to 2022/23



Source: End Child Poverty

Luton’s child poverty rate after housing costs for 2022-23 was 39.4 per cent according to research by End Child Poverty. This is an estimated 24,400 children in households living in poverty. The trend is sustained from the fall from 44.6 per cent in 2020-21 to 39.1 per cent in 2021-22. However, this is a higher child poverty rate than in 2014/15 when it was 34.1 per cent.

Luton has the 29th (out of 359 local authority areas) highest child poverty rate in the UK, with Birmingham having the highest rate of 48.3 per cent and Richmond Upon Thames the lowest at 12.4 per cent. Luton’s rate is above the national figure of 30 per cent.

Table 4.1: Male life expectancy in Luton, 2020-22

Area	Life Expectancy	Compared to England
England	78.9	n/a
Luton	77.0	Worse

Source: Fingertips, Public Health England

Table 4.2: Female life expectancy in Luton, 2020-22

Area	Life Expectancy	Compared to England
England	82.8	n/a
Luton	81.3	Worse

Source: Fingertips, Public Health England

Luton has a lower life expectancy than the national figure for both males and females. For males life expectancy is 77.0 compared with 78.9 nationally and for females it is 81.3 compared with 82.8 nationally. A more detailed look at life expectancy can be found in the JSNA health summary.