Harrow
Local Economic Assessment
2019 - 2020

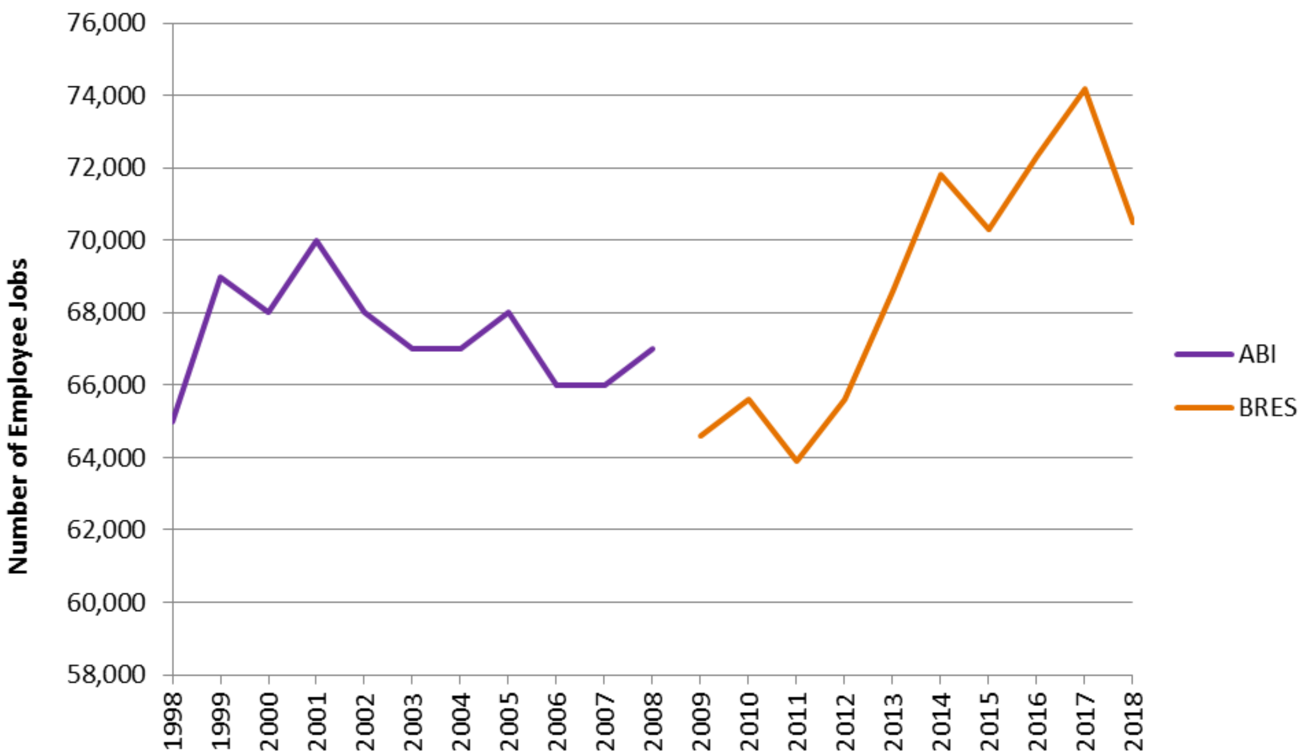
Employment

Harrow COUNCIL
LONDON

Local Employment

7.1 The Business Register and Employment Survey (BRES) is the official source of employee and employment estimates by detailed geography and industry. It is a sample survey conducted annually and is the most detailed regular count of jobs for Harrow. It should be noted that BRES excludes self-employed people who are not registered for VAT or PAYE, along with HM Armed Forces and government-supported trainees. The BRES replaced the Annual Business Inquiry (ABI) which ran from 1998 to 2008. BRES has a different methodology and data source from ABI so comparisons must be treated with caution. Additionally, BRES uses the 2007 Standard Industrial Classification (SIC), so comparisons with the ABI (which used the 2003 SIC for data from 2003 onwards, and SIC 1992 for data from 1997 to 2002) at this level are not always possible.

Figure 7.1: Number of Employee Jobs in Harrow, 1998 to 2018



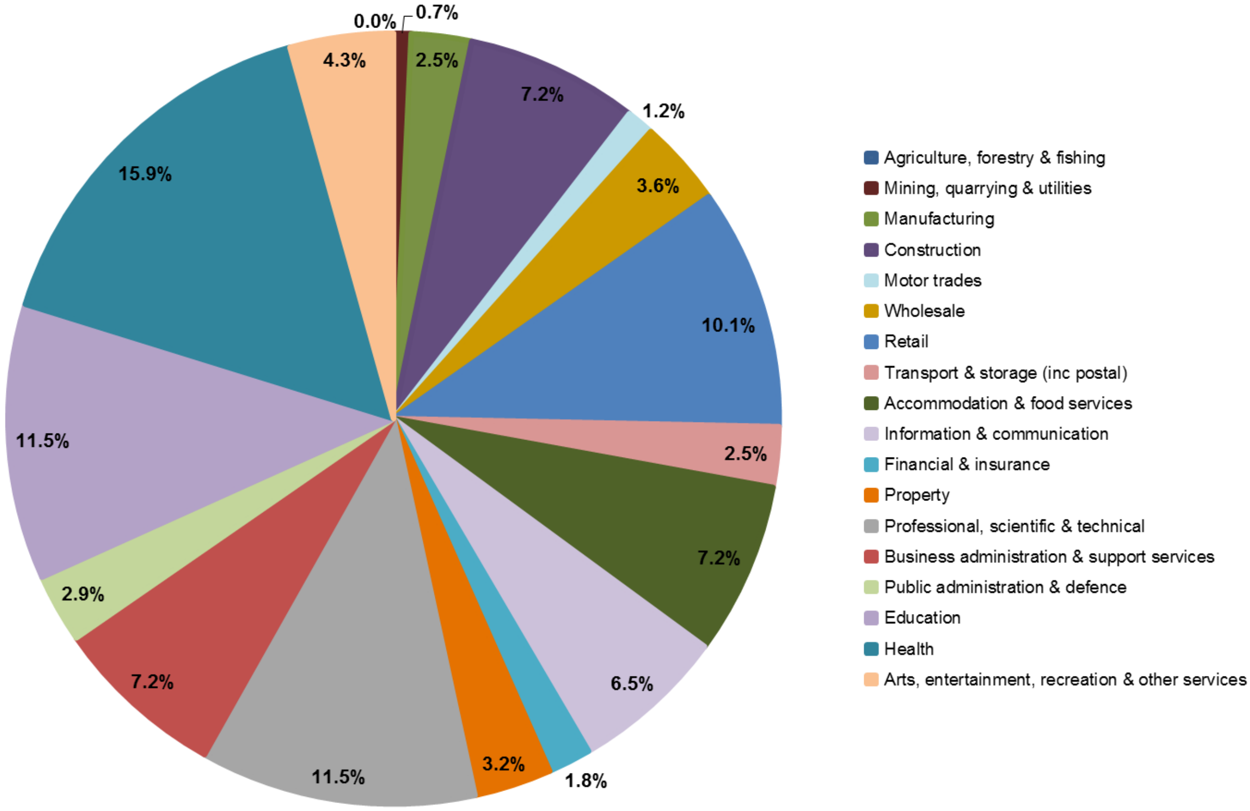
Source: Annual Business Inquiry (1998 to 2008) and Business Register & Employment Survey (2009-18), ONS
Note: The data for 2018 is provisional

7.2 BRES indicates that Harrow provided employment for approximately 70,500 people in 2018 (provisional results). The above graph shows the trend in the total number of employee jobs in Harrow since 1998. Overall, the number of employee jobs in Harrow has risen by just over 8% during this timeframe.

7.3 Harrow has by far the smallest employment base of all West London boroughs at 70,500. Brent has the next smallest employment base with 126,300 in employment, while Hillingdon provides the most employment with 186,800 jobs in 2018 (BRES, all 2018 data is provisional).

7.4 The chart and table below show the breakdown of Harrow employment by broad industrial groups and how numbers in each group have changed over recent years. Jobs in the health sector continue to account for the greatest proportion at 15.9% of all employment in the borough in 2018. This is followed by the professional, scientific and technical sector, and the education sector, each accounting for 11.5% of all employment. Unsurprisingly given the urban nature of the borough, agriculture, forestry and fishing are the sectors which have the lowest numbers of employees in Harrow.

Figure 7.2: Harrow Employment Base by Broad Groups, 2018



Source: Business Register & Employment Survey, ONS, 2018

Table 7.1: Harrow Employment by Broad Industrial Groups

<table>
<tr><th rowspan="2">Industry Group</th><th colspan="4">Number of Employees</th></tr>
<tr><th>2010</th><th>2013</th><th>2016</th><th>2018</th></tr>
<tr><td>1: Agriculture, Forestry & Fishing</td><td>less than 50</td><td>less than 50</td><td>less than 50</td><td>less than 50</td></tr>
<tr><td>2: Mining, Quarrying & Utilities</td><td>800</td><td>650</td><td>500</td><td>500</td></tr>
<tr><td>3: Manufacturing</td><td>2,900</td><td>3,000</td><td>2,000</td><td>1,750</td></tr>
<tr><td>4: Construction</td><td>5,300</td><td>3,450</td><td>5,000</td><td>5,000</td></tr>
<tr><td>5: Motor Trades</td><td rowspan="3">11,500</td><td rowspan="2">3,400</td><td>600</td><td>800</td></tr>
<tr><td>6: Wholesale</td><td>2,500</td><td>2,500</td></tr>
<tr><td>7: Retail</td><td>7,500</td><td>7,000</td><td>7,000</td></tr>
<tr><td>8: Transport & Storage (incl. Postal)</td><td>1,600</td><td>1,900</td><td>2,500</td><td>1,750</td></tr>
<tr><td>9: Accommodation & Food Services</td><td>3,200</td><td>3,750</td><td>4,500</td><td>5,000</td></tr>
<tr><td>10: Information & Communication</td><td rowspan="5">19,400</td><td>4,500</td><td>5,000</td><td>4,500</td></tr>
<tr><td>11: Financial & Insurance</td><td rowspan="2">2,950</td><td>1,250</td><td>1,250</td></tr>
<tr><td>12: Property</td><td>1,750</td><td>2,250</td></tr>
<tr><td>13: Professional, Scientific & Technical</td><td>8,650</td><td>10,000</td><td>8,000</td></tr>
<tr><td>14: Business Administration & Support Services</td><td>4,100</td><td>5,000</td><td>5,000</td></tr>
<tr><td>15: Public Administration & Defence</td><td rowspan="3">19,100</td><td>2,600</td><td>2,250</td><td>2,000</td></tr>
<tr><td>16: Education</td><td>7,750</td><td>8,000</td><td>8,000</td></tr>
<tr><td>17: Health</td><td>11,900</td><td>9,000</td><td>11,000</td></tr>
<tr><td>18: Arts, Entertainment, Recreation & Other Services</td><td>3,900</td><td>3,950</td><td>4,500</td><td>3,000</td></tr>
<tr><td>Total Employment</td><td>65,600</td><td>68,600</td><td>72,300</td><td>70,500</td></tr>
</table>

Source: Business Register & Employment Survey, ONS
Note: Figures may not sum due to rounding
Note: excludes self-employed people who are not registered for VAT or PAYE, HM Armed Forces and government-supported trainees

7.5 Several sector groups have experienced declines in the number of people employed since 2010. Manufacturing has seen the greatest decline, with a reduction of 40% since 2010, equating to a loss of 1,150 jobs in this sector. Employment in mining, quarrying and utilities has seen a reduction of 38% with the loss of 300 jobs. The arts, entertainment, recreation and other services group has 900 fewer jobs, a 23% decline since 2010. Motor trades, wholesale and retail industries have declined by 10% with 1,200 fewer jobs.

7.6 The group which has experienced the greatest increase in the number of employees and steady upward growth since 2010 is accommodation and food services, increasing by 56% from 3,200 jobs in 2010 to 5,000 in 2018. Some of these are likely to be part-time or seasonal opportunities however. Public administration and defence, education and health sectors have grown by 1,900 jobs equating to a 10% increase since 2010.

Table 7.2: West London Boroughs Percentage Employment by Broad Industrial Groups, 2018

Industry Group	Barnet	Brent	Ealing	H'smith & Fulham	Harrow	Hillingdon	Hounslow
1 & 2: Agriculture, Forestry & Fishing and Utilities, Mining & Quarrying	0.3	<u>1.0</u>	0.4	0.4	0.7	0.7	0.8
3: Manufacturing	2.3	6.6	<u>9.3</u>	1.3	2.5	4.9	2.2
4: Construction	6.1	5.7	4.7	2.2	<u>7.2</u>	3.3	2.5
5: Motor Trades	1.7	<u>1.8</u>	1.8	0.9	1.2	1.6	1.6
6: Wholesale	3.1	<u>7.4</u>	6.2	7.3	3.6	4.4	5.1
7: Retail	11.4	10.7	10.1	<u>11.6</u>	10.1	7.6	6.9
8: Transport & Storage (incl. Postal)	2.7	5.7	6.2	1.8	2.5	16.4	<u>24.6</u>
9: Accommodation & Food Services	7.6	8.2	7.0	8.7	7.2	<u>10.4</u>	6.3
10: Information & Communication	4.6	3.7	5.4	<u>13.8</u>	6.5	3.8	12.6
11: Financial & Insurance	1.5	1.0	1.0	1.3	<u>1.8</u>	1.2	1.3
12: Property	<u>4.6</u>	2.1	2.3	2.2	3.2	1.0	1.9
13: Professional, Scientific & Technical	9.9	6.6	7.8	<u>11.6</u>	11.5	9.3	6.3
14: Business Administration & Support Services	9.2	9.9	11.7	12.3	7.2	<u>13.1</u>	8.8
15: Public Administration & Defence	2.3	2.5	3.5	3.6	2.9	<u>4.4</u>	2.5
16: Education	<u>12.2</u>	8.2	8.6	5.8	11.5	7.1	5.7
17: Health	15.3	15.6	9.3	9.4	<u>15.9</u>	8.7	7.6
18: Arts, Entertainment, Recreation & Other Services	5.3	3.3	4.7	<u>5.8</u>	4.3	2.2	3.2
Total Employment	**134,500**	**126,300**	**129,500**	**139,300**	**70,500**	**186,800**	**159,200**

Source: Business Register & Employment Survey, ONS, 2018
Note: The data for 2018 is provisional
Note: Excludes self-employed people who are not registered for VAT or PAYE, HM Armed Forces and government-supported trainees

7.7 The table above shows employment by broad industrial groups for Harrow and the other West London boroughs, with the highest percentage for each industry group underlined.

7.7.1 Harrow has the highest proportion of people employed in the construction sector of all West London boroughs. This is partly due to the location of the head offices of two construction firms in Harrow and high numbers of employees. However, a significant proportion of the employees working for these businesses are not permanently based in Harrow, but are working on construction projects outside the borough. Lend Lease (formerly Bovis Lend Lease), one of these businesses with a very large workforce, moved out of the borough in 2012/13. Although the number of employees in construction jobs in Harrow declined in the years immediately following this, in the long-term the impact has not been as great as predicted, with around 5,000 estimated jobs in construction in the borough in 2018 (compared with 5,300 in 2010).

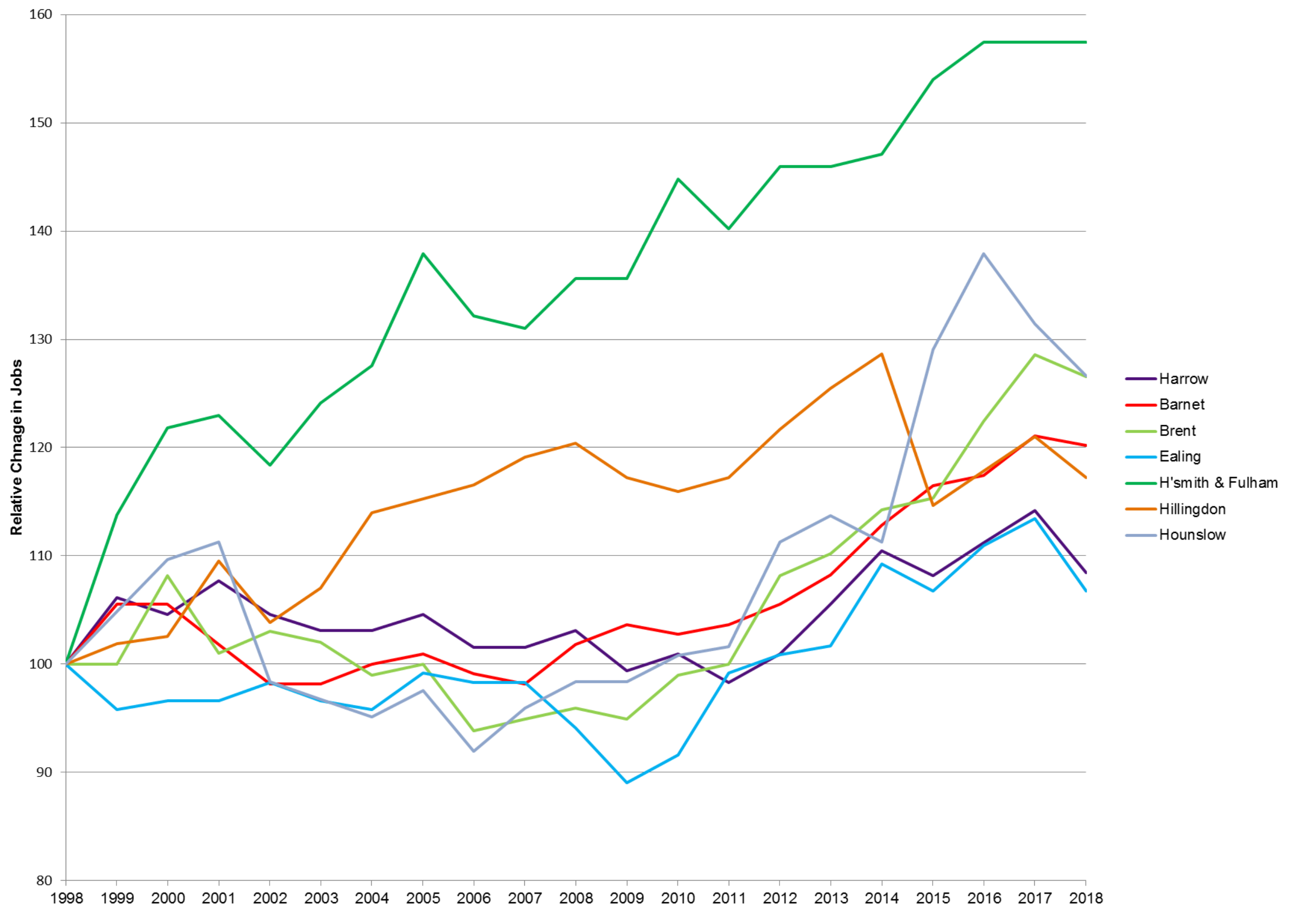
7.7.2 Only 2.5% of people are employed in the transport and storage sector, considerably lower than the West London average. Hillingdon and Hounslow have high rates largely due to Heathrow Airport and the associated industries which use and service the airport.

7.7.3 Harrow has the highest proportion of employees in financial and insurances services of the West London boroughs, with 1.8% of total employees working in this sector. Harrow is placed second for professional, scientific and technical sectors with 11.5%, marginally less than Hammersmith and Fulham with 11.6% of employees working in this sector. Jobs in these two industry groups are more likely to be high value and at lower risk of future automation.

7.7.4 Business administration and support services in Harrow account for the smallest proportion of total employees out of the West London boroughs at 7.2%. Jobs in this industry group are more likely to be at risk of future automation.

7.7.5 Harrow has the second highest proportion of jobs in education after Barnet and the highest percentage of jobs in the health sector. Harrow is home to numerous educational facilities including Harrow School, Harrow College and Stanmore College. In the health sector, the Royal National Orthopaedic Hospital and the Clementine Churchill Hospital are both located within the borough and are large employers in the area.

Figure 7.3: Relative Change in Employee Jobs in West London, 1998 to 2018



Source: Annual Business Inquiry (1998 to 2008), Business Register & Employment Survey (2009-18),ONS - Harrow Analysis
Note: 1998 = 100

7.8 The graph above shows that all West London boroughs saw a growth in employee jobs from 1998 to 2018. When compared with the other West London boroughs, Harrow has seen the lowest percentage increase in the number of jobs over this period, with the exception of Ealing. Harrow had an 8% growth in jobs with approximately 5,500 additional jobs over this timeframe. Hammersmith and Fulham had the greatest percentage increase at 57% equating to an additional 50,000 jobs. In comparison Ealing gained approximately 8,000 extra jobs which was a 7% rise.

Part-Time v Full-Time

7.9 Part-time is defined in the Business Register and Employment Survey as those employees working for 30 or fewer hours per week. Harrow has the greatest proportion of part-time employee jobs of all the West London boroughs at 35.2%, and is above the national average of 32.4%. Part-time employment can have many advantages for both the employer and employee. However, in 2018 full-time employees earnt more per hour (excluding overtime) than part-time employees at every percentile (source: Annual Survey of Hours and Earnings).

Table 7.3: Proportion of Total Employee Jobs which are Full-Time and Part-Time, 2018

	% Full-Time	% Part-Time
Harrow	63.4	35.2
Barnet	65.6	33.6
Brent	71.8	28.2
Ealing	70.9	29.1
Hammersmith & Fulham	72.3	28.5
Hillingdon	72.8	27.7
Hounslow	72.6	27.4
London	73.5	26.5
Great Britain	67.6	32.4

Source: Business Register & Employment Survey, ONS, 2018
Note: % split is based on rounded figures so may not sum
Note: % is a proportion of total employee jobs excluding farm-based agriculture. Employee jobs excludes self-employed, government-supported trainees and HM Forces

Job Density

Table 7.4: Job Density in West London Boroughs, 2017

	Total Jobs	Job Density
Harrow	97,000	0.61
Barnet	176,000	0.70
Brent	157,000	0.71
Ealing	168,000	0.74
Hammersmith & Fulham	159,000	1.21
Hillingdon	216,000	1.10
Hounslow	186,000	1.04
London	6,125,000	1.03
Great Britain	34,656,000	0.86

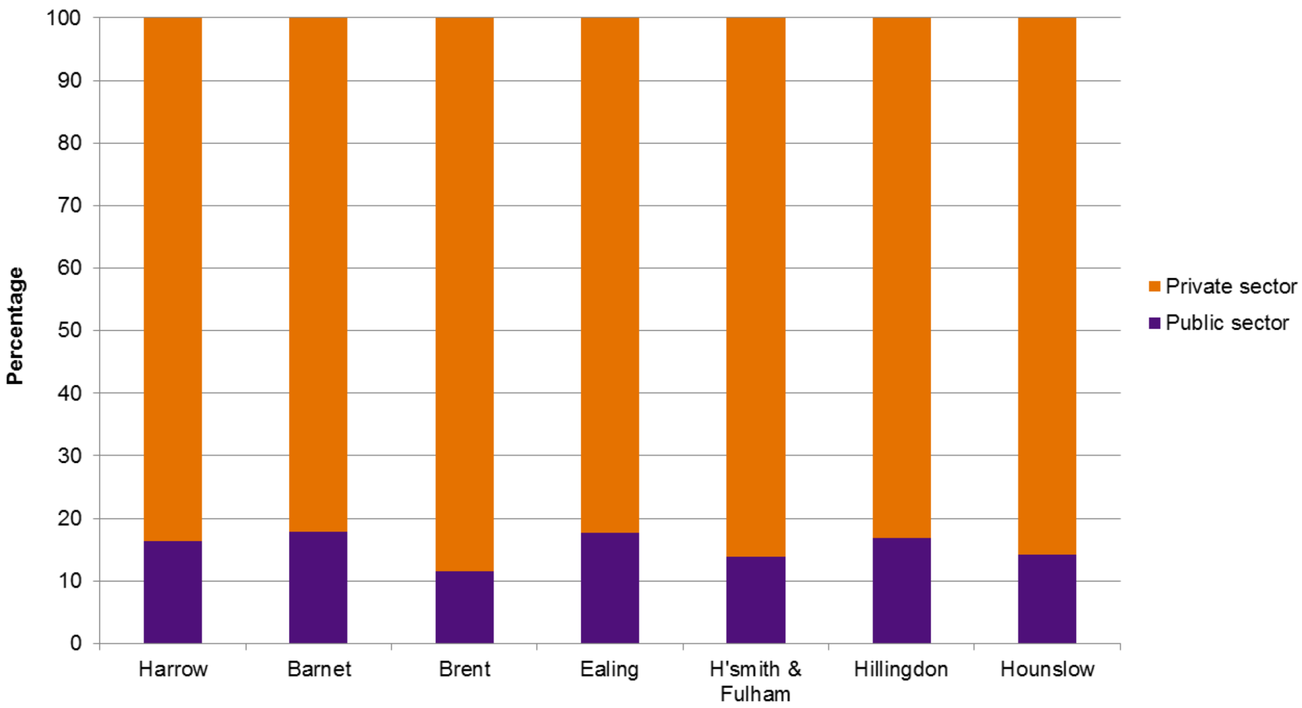
Source: ONS Jobs Density, 2017
Note: The number of residents aged 16-64 figures used to calculate job densities are based on the relevant mid-year population estimates.

7.10 The job density measure shows the level of jobs per resident aged 16-64. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64. The total number of jobs is a workplace-based measure and comprises employee jobs, self-employed, government-supported trainees and HM Forces, meaning job number estimates are higher than for BRES estimates. Harrow's job density of 0.61 is the lowest of any of the West London boroughs and less than the national average of 0.86. This means that Harrow is a net exporter of workers to other areas - a fact which was highlighted in 2011 Census data with approximately 60% of working residents in Harrow indicating that they travelled outside the borough for their work.

Public Sector Jobs

7.11 The public, or state, sector is defined as those industries that are owned, controlled or are supported financially by the government. These include the Civil Service, local government, state education, National Health Service, HM Forces and public corporations. Public sector jobs account for 16.3% of jobs located in Harrow (i.e. all persons employed in public sector as % of all persons in employment); this is lower than the average across Great Britain of 21.4% and the London average of 18.5%, but about average for the West London boroughs.

Figure 7.4: Percentage Employed in the Public Sector as a Percentage of All in Employment in Harrow, 2018/19



Source: Annual Population Survey, ONS, year to June 2019
Note: The preferred source of statistics for public sector employment is the Quarterly Public Sector Employment Survey (QPSES) and external sources, however, figures from this source are not available below government office region level. Individuals in the Annual Population Survey (APS) are classified to the public or private sector according to their responses to the survey. Consequently, the classification of an individual's sector may differ from how they would be classified in QPSES statistics. Official estimates of public sector employment compiled from QPSES are generally lower than estimates available from APS. This is partially because many people who work within public sector premises, whilst being employed by private sector organizations, will classify themselves as working in the public sector, e.g. cleaners or security guards employed by a contractor to work at public sector premises.

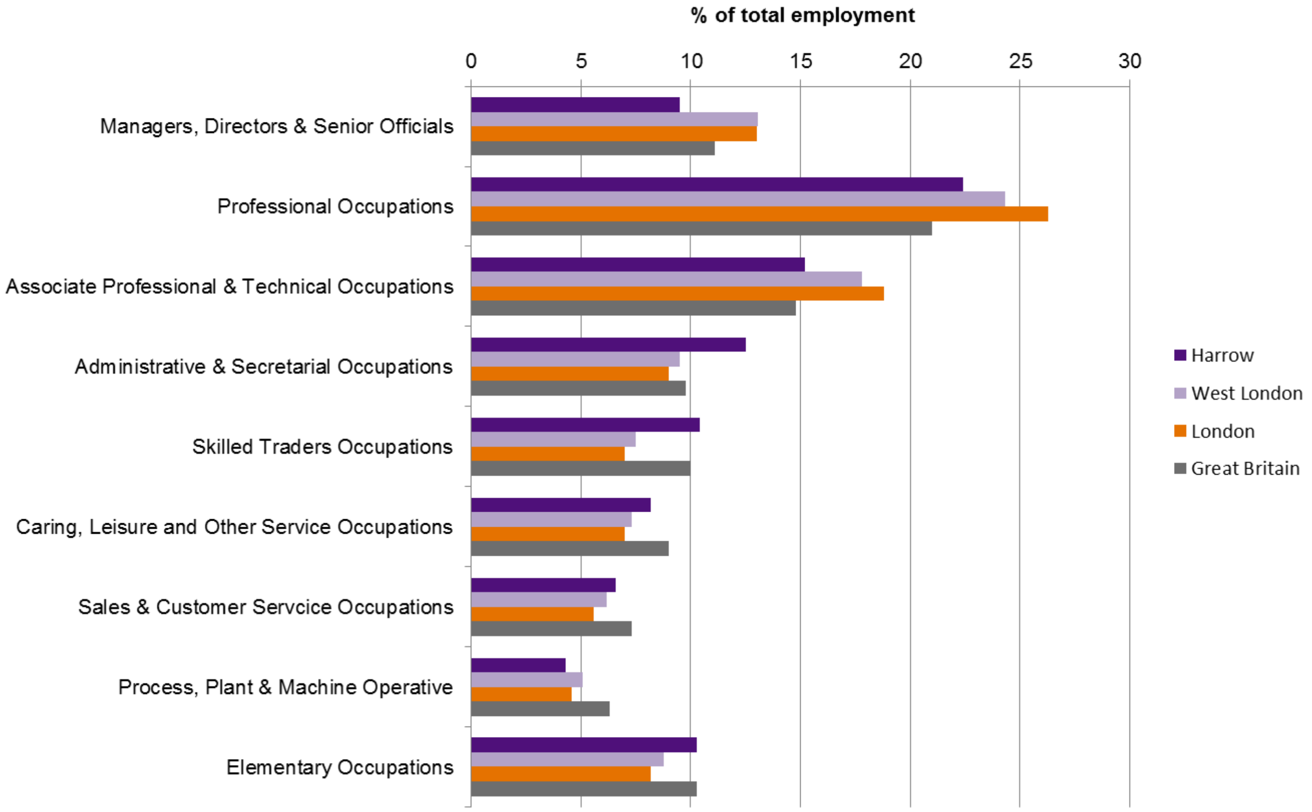
7.12 Harrow Council is the largest employer (public or private) in Harrow, with approximately 5,600 employees. This is over three times as many employees as the next largest employer in the borough. Two-thirds of Harrow Council employees work in schools and other education services across the borough and just over 20% of employees work at the Civic Centre. Employee numbers have fallen in recent years, with just under a 30% decline in staff numbers in the ten year period from 2008 to 2018. Part-time working is also on the rise; in 2008 approximately 56% of employees were part-time, by 2018 this had increased to 61% (source: Harrow Council).

7.13 When compared with other West London boroughs, a higher proportion of jobs in Harrow are local authority jobs. This is because Harrow has a much smaller employment base than all the other West London boroughs so council employees account for a higher percentage.

Occupation

7.14 The Annual Population Survey is a household sample survey and therefore reflects residents' employment, rather than the jobs located in the borough (although there is likely to be a considerable overlap between the two). The highest proportion of employment for Harrow residents is in those jobs which are classed as professional occupations at 22.4%, followed by associate professional and technical occupations at 15.2%. The lowest occupation group is process, plant and machine operatives at 4.3% of the total. There is a higher proportion of administrative and secretarial occupations, and skilled trader occupations amongst Harrow residents than the West London average, London average and national average at 12.5% and 10.4% respectively. Harrow also has a greater percentage of residents working in caring, leisure and other service occupations, sales and customer service occupations, and elementary occupations than West London or London, but the rate is below the national average. Harrow residents have below average employment levels in managerial and senior official roles, and process, plant and machine operative roles when compared with rates for West London, London and nationally.

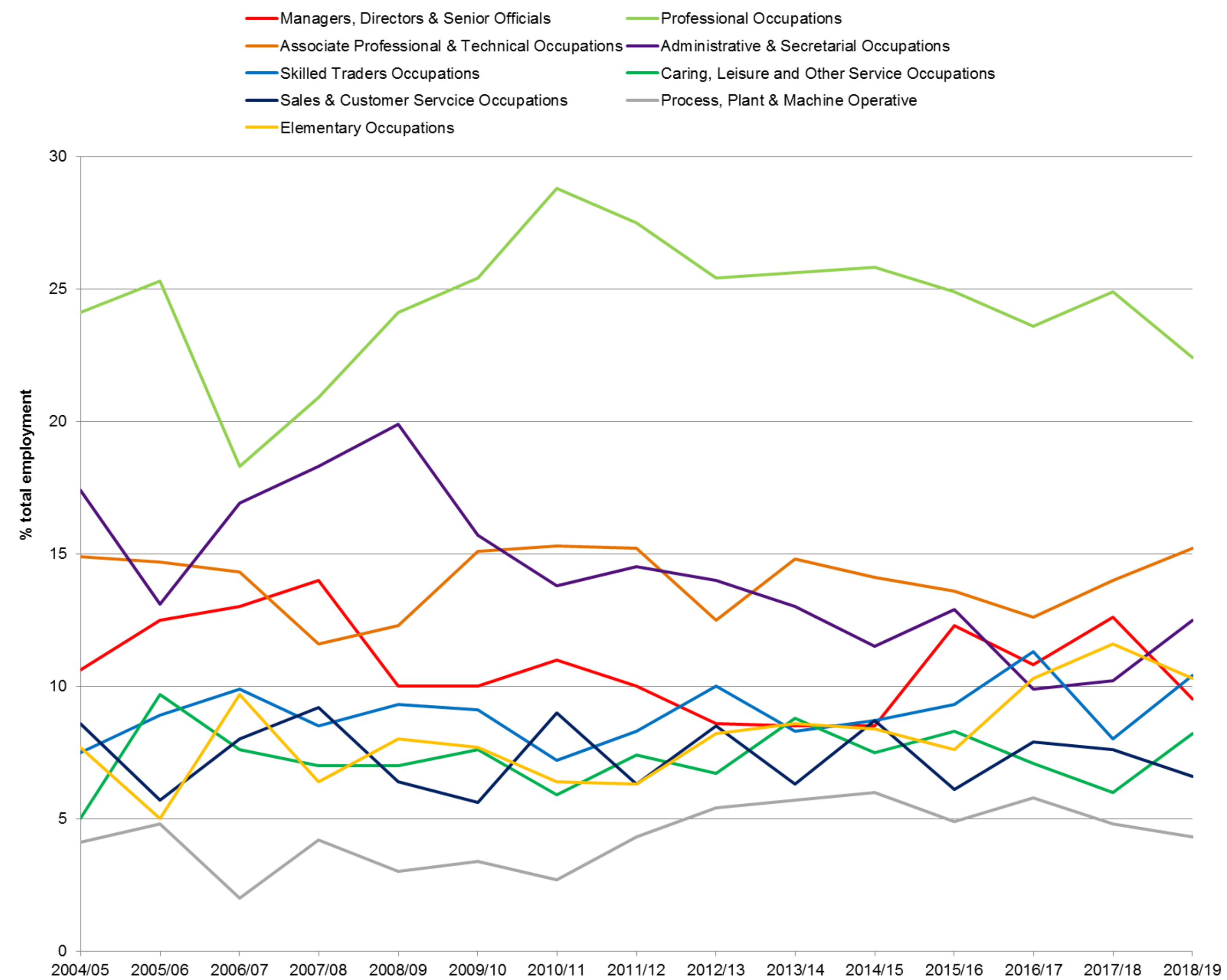
Figure 7.5: Employment of Residents by Occupation, 2018/19



Source: ONS Annual Population Survey, year to June 2019

7.15 The graph below shows how the proportion of major groups of employment has changed year on year. Over the past fifteen years, the most substantial change has occurred in caring, leisure and other service occupations. This sector group comprised 5.0% of total employment in 2004/05 rising to 8.2% in 2018/19; this was an increase of 64% in the number of roles over this timeframe. The next largest increases were in skilled trader occupations and elementary occupations at 38.7% and 33.8% respectively. The largest declines were seen in administrative and secretarial occupations with a decrease of 28.2% and sales and customer service occupations with a fall of 23.3%.

Figure 7.6: Change in Occupation Structure for Harrow Residents, 2004/05 to 2018/19



Source: ONS Annual Population Survey, ONS, 2004/05 to 2018/19, based on Q2 results

Self-employment

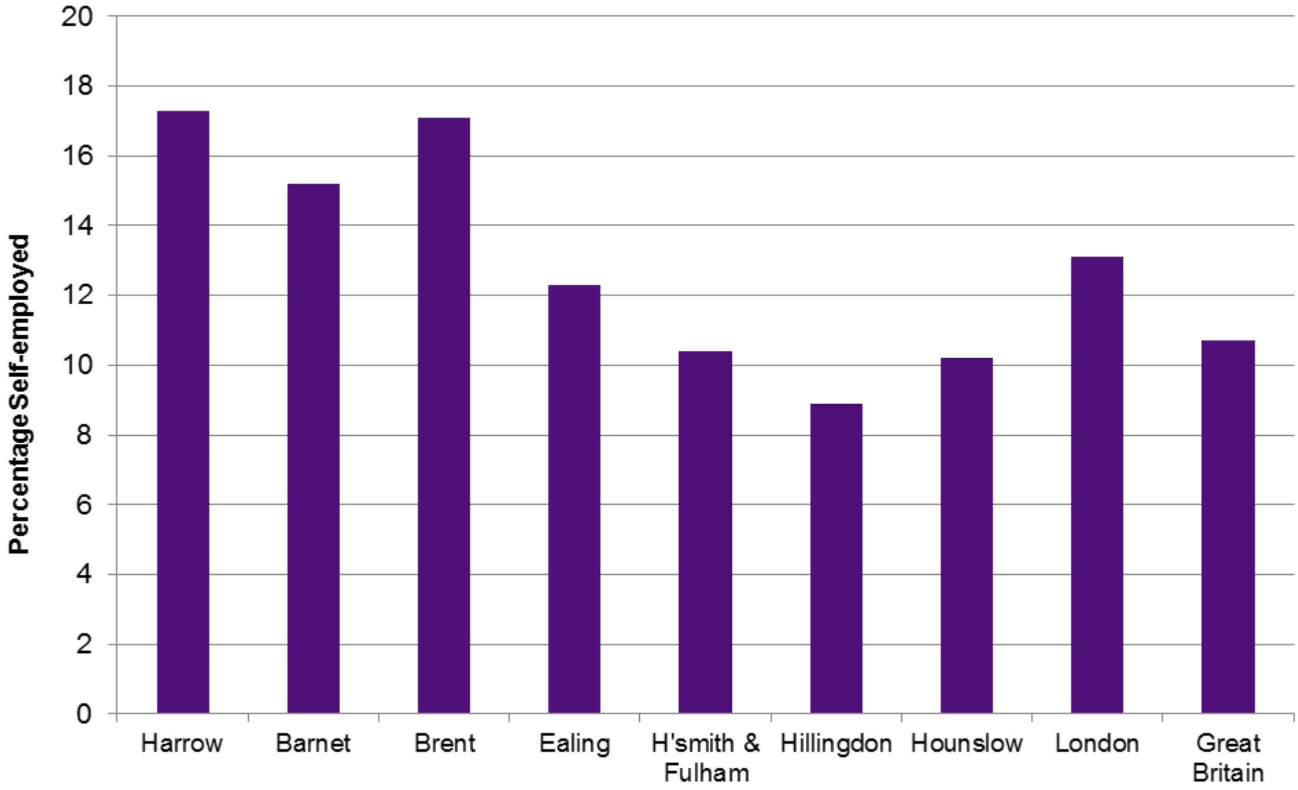
7.16 In the year July 2018 to June 2019 an average of 26,900 people or 17.3% of Harrow's residents were self-employed (based on residents in employment aged 16 to 64). This compares with a West London average of 13.2%. Harrow has the highest level of self-employment of all the West London boroughs. It is also higher than the average rates for London (13.1%) and Great Britain (10.7%).

Table 7.5: Number of Residents aged 16-64 who are Self-employed, 2018/19

	Number self-employed	Population aged 16-64	Percentage
Harrow	26,900	155,700	17.3
Barnet	39,300	258,900	15.2
Brent	37,800	221,000	17.1
Ealing	27,200	220,800	12.3
Hammersmith & Fulham	13,200	126,800	10.4
Hillingdon	17,800	200,300	8.9
Hounslow	18,500	182,000	10.2
London	793,800	6,046,200	13.1
Great Britain	4,281,200	40,123,500	10.7

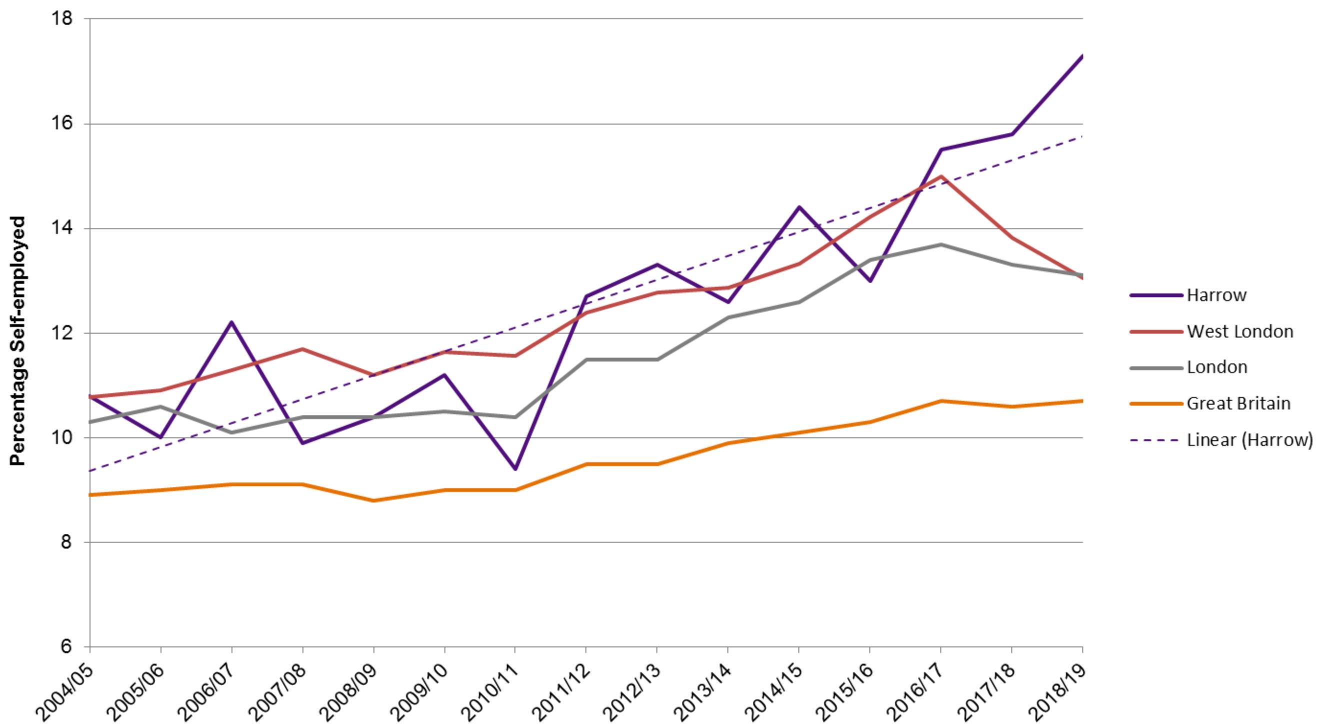
Source: Annual Population Survey, ONS, year to June 2019

Figure 7.7: Proportion of Residents aged 16-64 who are Self-employed, 2018/19



Source: Annual Population Survey, ONS, year to June 2019

Figure 7.8: Proportion of Residents aged 16-64 who are Self-employed, 2004/05 to 2018/19



Source: Annual Population Survey, ONS, 2004/05 to 2018/19 based on Q2 results

7.17 The rapid growth of self-employment has been a pronounced feature of the UK labour market in recent years. This is also true in Harrow, which has seen the proportion and number of self-employed increase at a much faster rate than nationally and London-wide, albeit with fluctuations from year-to-year. Harrow's level has been similar to the average for West London boroughs, although since 2016/17 Harrow has continued to experience an increase, whereas the West London average has declined.

7.18 One reason for high self-employment levels in the borough is that Harrow has a greater proportion of jobs in those sectors which tend to have a higher percentage of self-employment. For example, Harrow has the highest proportion of people employed in the construction sector of all West London boroughs as discussed previously. The construction sector has a 40% rate of self-employment (at the UK level), the highest rate of any sector. Professional, scientific and technical roles, which constitute a substantial proportion of Harrow's jobs, are also amongst those with relatively high levels of self-employment at 24% at the UK level (source: Labour Force Survey, Oct-Dec 2019)

7.19 Although self-employment is generally seen as positive and contributes to an entrepreneurial spirit of an area, it is important to consider that in some cases it may be the result of limited opportunities for employment.

<u>Employment Projections</u>

Harrow is closely linked to and dependent upon the West London, London and South East economy. However, many of the sectors that dominate the West London economy, such as logistics and creative industries, are not significant sectors in Harrow. Any economic forecast for Harrow therefore needs to take account of the specific nature of the Harrow economy.

7.20 It is important to recognise that employment forecasts, like population forecasts, are based on a number of assumptions and the longer the range the less accurate the prediction.

West London Projections

Table 7.6: Borough Employee Growth Projections

	Employee growth per annum with projected London output growth	Employee change from 2016 to 2041 with projected London output growth (average per annum)
Barnet	0.32%	420
Brent	0.18%	210
Ealing	0.06%	80
Hammersmith & Fulham	0.54%	780
Harrow	-0.01%	-10
Hillingdon	0.46%	900
Hounslow	0.49%	840

Source: London Labour Market Projections 2017, GLA Economics

Table 7.7: Borough Trend-based Employment Estimates (self-employed plus employee jobs)

	Employment growth per annum with projected London output growth	Employment change from 2016 to 2041 with projected London output growth (average per annum)
Barnet	0.69%	1,190
Brent	0.39%	550
Ealing	0.40%	650
Hammersmith & Fulham	1.60%	2,960
Harrow	0.28%	250
Hillingdon	0.66%	1,410
Hounslow	0.70%	1,390

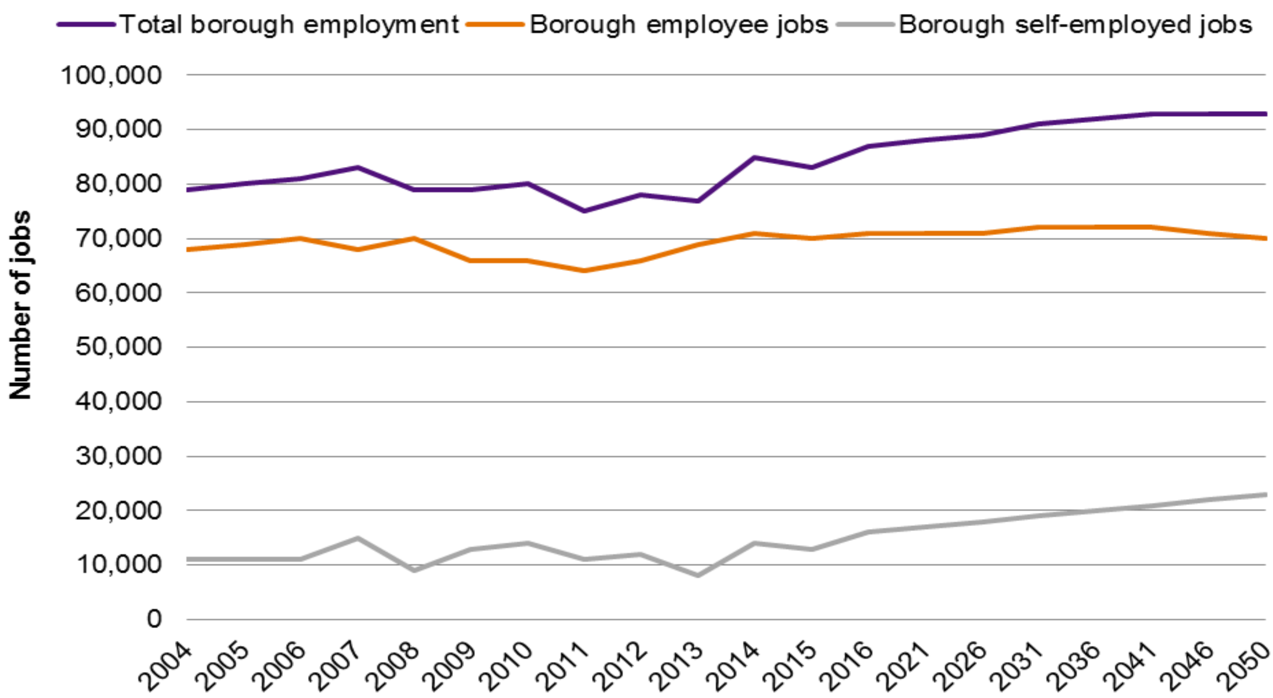
Source: London Labour Market Projections 2017, GLA Economics

7.21 The GLA's latest Labour Market Projections to 2041 were published in 2017, using the employment data point of 2016 from which to project. Borough employee projections combine trend projections and an assessment of employment site capacity of individual boroughs. The analysis also considered borough transport accessibility. Borough self-employment projections derive from borough shares of London self-employment jobs.

Harrow Projections

7.22 Based on the trends seen in Table 7.6 and Table 7.7, GLA Economics projections indicate that overall employment in Harrow will continue to grow but relatively gradually and then plateau at around 93,000 jobs from 2041 to 2050. Looking at the number of employee jobs only, any modest rise which may be seen from 2016 to 2031 is counteracted with a subsequent decline between the years 2041 and 2050. Out of the West London boroughs Harrow is the only one predicted to see negative annual growth for employee jobs. This could be a reflection of recent losses of large scale employers such as Kodak and ColArt and due to the limited capacity to provide additional employment land in the borough. By contrast, self-employment will see relatively strong growth in numbers and it is this segment of the workforce which will drive the overall job growth in Harrow over the medium to long-term.

Figure 7.9: Employment Projections for Harrow to 2050



Source: 2017 employment projections by borough, GLA Economics

Opportunity Areas in West London

7.23 Opportunity Areas are areas identified by the GLA for regeneration and intensification of employment and housing. They form the focus of attempts to raise the ability of London to house a rapidly growing population and create commercial space for jobs. These are not necessarily large-scale sites, but they are all linked to existing or potential improvements to transport accessibility. Together, the West London Opportunity Areas have the capacity to deliver 136,000 new jobs and 92,800 extra homes. These will be key areas for future employment in the region.

Table 7.8: Opportunity and Intensification Areas in West London

Place/Status	Borough	Employment Capacity	Minimum new homes
Opportunity Area			
Heathrow	Hillingdon	12,000	9,000
Southall	Ealing	3,000	6,000
Harrow & Wealdstone	Harrow	3,000	2,800
Wembley	Brent	11,000	11,500
Colindale/Burnt Oak	Barnet	2,000	12,500
Cricklewood Brent Cross	Barnet	20,000	10,000
Old Oak Common	Brent, Ealing, Hammersmith & Fulham	55,000	24,000
Park Royal	Brent, Ealing, Hammersmith & Fulham	10,000	1,500
White City	Hammersmith & Fulham	10,000	6,000
Earls Court & West Kensington	Hammersmith & Fulham with Royal Borough of Kensington & Chelsea	9,500	7,500
Intensification Area			
Mill Hill East	Barnet	500	2,000
Total		**136,000**	**92,800**

Source: GLA London Plan (2015) Annex 1
Note: Old Oak and Park Royal have been merged to form the Old Oak & Park Royal Development Corporation

Employment Forecasts by Sector

7.24 The council commissioned the Harrow Economic Development Needs Assessment (EDNA) which was undertaken by Lichfields and published in 2017. It forms the basis to assess future land and floorspace requirements in the borough.

7.25 As part of this review, employment forecasts were undertaken and the table below is based on this report. Two forecasts are shown:

- Scenario 1: Baseline job growth - this assumes that the existing sectoral structure in Harrow remains broadly similar over the period to 2036, and effectively represents a ‘business as usual’ trajectory of growth.
- Scenario 2: Growth sector based - in light of Harrow’s regeneration objectives and aspiration to introduce a step change in the delivery of homes and jobs in the borough particularly within the Harrow and Wealdstone Opportunity Area, an alternative scenario has been developed. This scenario assumes that employment growth and sector specific growth will be more reflective of projected trends across Greater London in the absence of sector growth data for Harrow specifically.

It should be noted that these forecasts are based on 2016 GLA employment projections rather than 2017 predictions used in the ‘West London Projections’ section above. They are only an indication of how Harrow's economy may change and do not take account of the full impact of other factors (including the wide-ranging effects of Brexit).

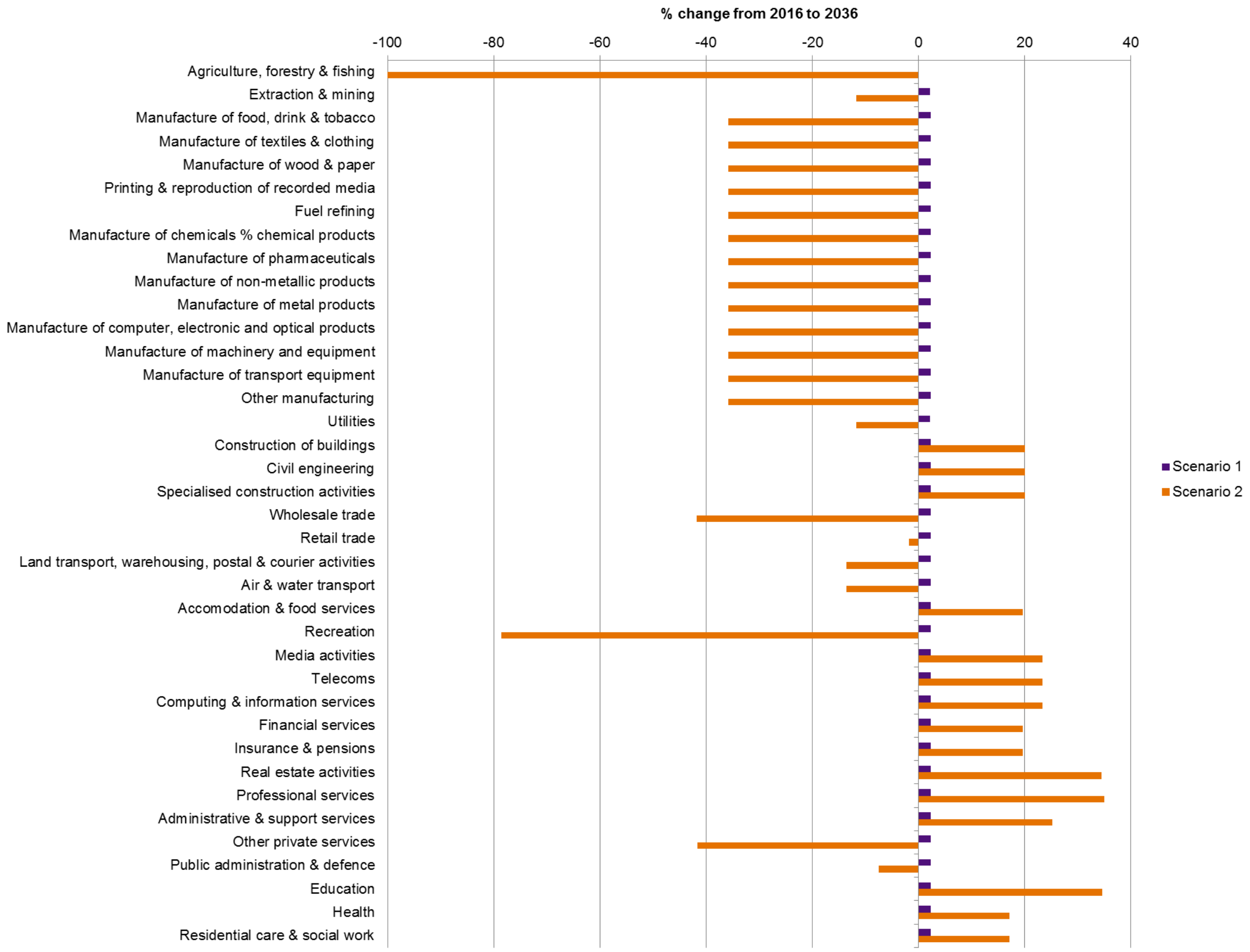
7.26 The table below shows that under Scenario 1 there is even percentage growth across all sectors, with 2.3% growth over the timeframe 2016 to 2036. Scenario 2 predicts declines in some industry sectors, notably in manufacturing, trade and recreation activities but rapid growth in other sectors, particularly professional services, real estate activities and education. Under Scenario 2 overall growth over this timeframe is 9.3%.

Table 7.9: Harrow Workforce Job Growth Forecasts by Sector

Sector	Harrow Workforce Jobs - Scenario 1			Harrow Workforce Jobs - Scenario 2		
	2016	2036	Change (2016-2036)	2016	2036	Change (2016-2036)
Agriculture, forestry & fishing	5	5	0	5	0	-5
Extraction & mining	365	373	8	365	322	-43
Manufacture of food, drink & tobacco	212	217	5	212	136	-76
Manufacture of textiles & clothing	212	217	5	212	136	-76
Manufacture of wood & paper	212	217	5	212	136	-76
Printing & reproduction of recorded media	212	217	5	212	136	-76
Fuel refining	212	217	5	212	136	-76
Manufacture of chemicals & chemical products	212	217	5	212	136	-76
Manufacture of pharmaceuticals	212	217	5	212	136	-76
Manufacture of non-metallic products	212	217	5	212	136	-76
Manufacture of metal products	212	217	5	212	136	-76
Manufacture of computer, electronic & optical products	212	217	5	212	136	-76
Manufacture of machinery and equipment	212	217	5	212	136	-76
Manufacture of transport equipment	212	217	5	212	136	-76
Other manufacturing	212	217	5	212	136	-76
Utilities	365	373	8	365	322	-43
Construction of buildings	1,562	1,598	36	1,562	1,875	314
Civil engineering	1,562	1,598	36	1,562	1,875	314
Specialised construction activities	1,562	1,598	36	1,562	1,875	314
Wholesale trade	4,183	4,281	97	4,183	2,438	-1,746
Retail trade	9,900	10,130	230	9,900	9,726	-174
Land transport, warehousing, postal & courier activities	1,397	1,429	32	1,397	1,207	-190
Air & water transport	1,397	1,429	32	1,397	1,207	-190
Accommodation & food services	4,744	4,854	110	4,744	5,674	930
Recreation	2,587	2,647	60	2,587	555	-2,031
Media activities	1,870	1,914	43	1,870	2,306	436
Telecoms	1,870	1,914	43	1,870	2,306	436
Computing & information services	1,870	1,914	43	1,870	2,306	436
Financial services	830	849	19	830	992	163
Insurance & pensions	830	849	19	830	992	163
Real estate activities	4,040	4,134	94	4,040	5,435	1,395
Professional services	12,128	12,410	282	12,128	16,378	4,249
Admin. & support services	1,428	1,462	33	1,428	1,788	360
Other private services	4,015	4,108	93	4,015	2,343	-1,671
Public administration & defence	2,395	2,451	56	2,395	2,217	-178
Education	10,120	10,355	235	10,120	13,624	3,504
Health	6,108	6,250	142	6,108	7,152	1,043
Residential care & social work	6,108	6,250	142	6,108	7,152	1,043
Total (rounded)	**86,000**	**88,000**	**2,000**	**86,000**	**94,000**	**8,000**

Source: Economic Development Needs Assessment, Lichfields analysis from GLA 2016 employment projections and Harrow sector breakdown from 2015 BRES data

Figure 7.10: Employment Growth Forecast by Sector for Harrow to 2036



Source: Economic Development Needs Assessment, Lichfields analysis from GLA 2016 employment projections and Harrow sector breakdown from 2015 BRES data

7.27 Under Scenario 2 Harrow is expected to see slightly larger gains in education than the London average. Wholesale trading activities are expected to decline London-wide, but the sector in Harrow will experience a much greater decline. The recreation sector is also expected to decline considerably in Harrow whereas across London as a whole it is predicted to grow.

Factors Impacting on Future Employment Levels

7.28 Factors affecting possible future employment in West London are covered in some detail in the West London Economic Assessment, commissioned by the West London Alliance in October 2015 and undertaken by Peter Brett Associates. Additionally, detailed analysis of employment space in the borough is given in the Economic Development Needs Assessment produced in 2017 by Lichfields. A very brief summary of key topics is given in the paragraphs below.

7.29 Future work culture and technology: Rather than growing economic output by increasing the number of workers, there will be a rise in ‘smart growth’ - that is raising output per worker by increasing skills, increasing capital, or better efficiency. This is achieved via technological improvements, ways of working and culture, management, economies of scale, regulation and competition. Automation of routine jobs may reduce the number of employees businesses require in the future.

7.30 Permitted Development Rights: In 2013 new regulations were introduced to allow office space to be converted to residential use without planning permission (‘Permitted Development rights’). The alteration has primarily impacted the supply of secondary space which would have been affordable for small businesses and new businesses. The change in Permitted Development rights was made permanent in 2015 and so a long term process of office space loss is likely - experts predict this may result in the hollowing out of West London's ability to host office employment. Any newly created space will not be affected by PD rights for conversion, but new office development is unlikely given the greater profitability of residential development and drive to increase housing within the region. A similar process is observed for industrial land, which is under increasing pressure from residential development; when compared to the GLA benchmarks for the borough, Harrow has been losing industrial space at an accelerated rate.

7.31 Following a period of recovery after the recession, economists believe that there is evidence for a slowdown in the UK's and London's economy. Recent business surveys suggest that the uncertainty caused by Brexit might have dampened business activity, business investment and employment - among other business decisions - in recent years. Latest forecasts (December 2019) expect the number of jobs in London to have increased 1.5% in 2019. Growth will slow markedly to 0.1% in 2020 then increase to 0.7% in 2021. This employment forecast is more subdued that in previous years which will impact the predictions discussed previously. Annual employment growth has been negative during much of 2019, being -0.6% in May to July 2019 and -0.4% in August-October 2019; these are the first two consecutive periods with negative rates since Q1 2012. (Source: London's Economy Today, Issue 208, GLA Economics, 2019)