

Harrow

Local Economic Assessment 2019 - 2020

Labour Market

Employment and Unemployment

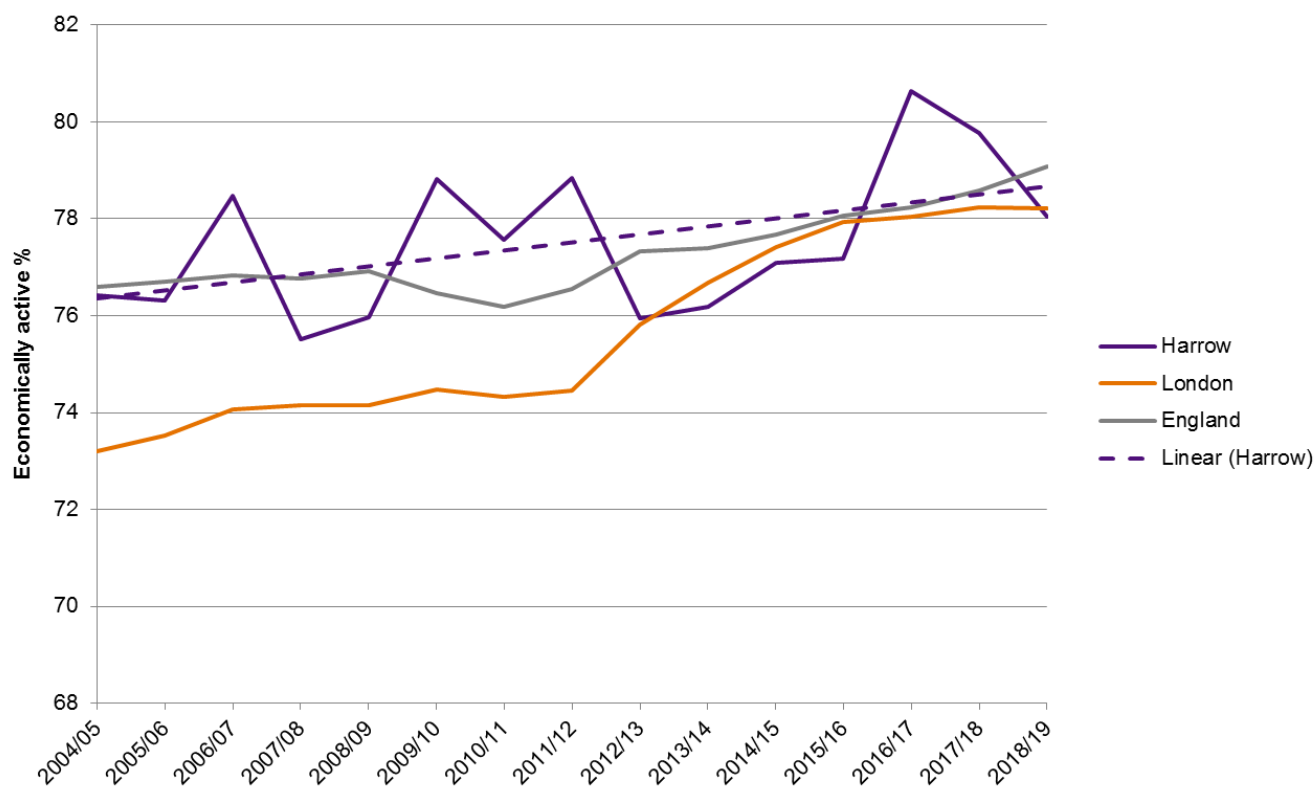
This section looks at employment, unemployment, the levels of benefit claimants and worklessness in Harrow, compared to West London and more widely with London and England. More detailed information on occupation and the type of employment is covered in the *Employment* chapter.

Residents in Employment

5.1 In Harrow 121,500 residents aged 16 to 64, equating to 78.0% of the working age population, were economically active for the year ending June 2019. This is slightly below the rates in London and England (78.2% and 79.1% respectively). Harrow is ranked 20th out of the 33 London boroughs for proportion of the working age population which is economically active - Merton is first at 84.9% while Kensington and Chelsea is ranked 33rd at 65.6%.

5.2 Harrow's overall employment rate for the year ending June 2019 was 74.6% which is close to the average rate for West London, slightly above London's rate of 74.5% and below the national rate of 75.8%.

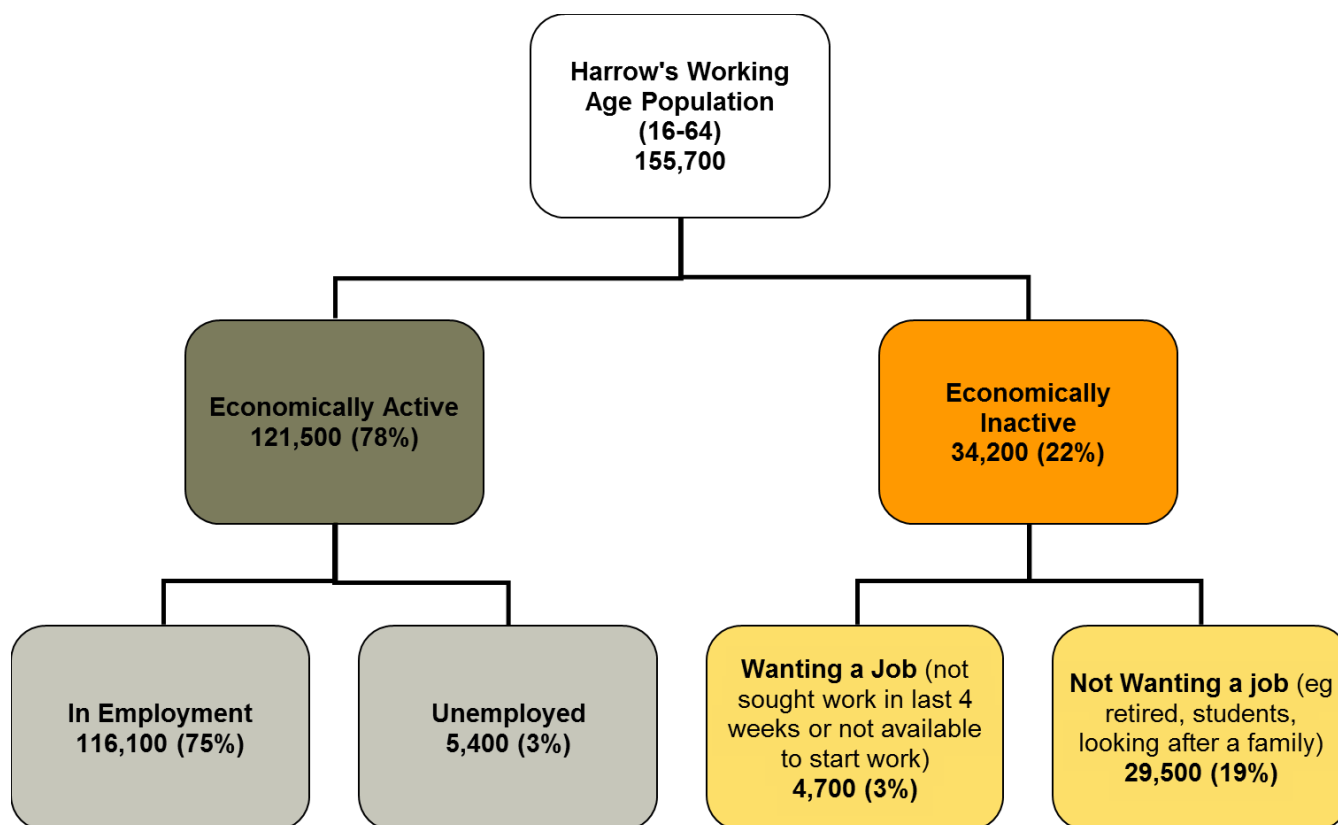
Figure 5.1: Economically Active Rates in the Working Age Population, 2004/05 to 2018/19



Source: ONS Annual Population Survey - Residents aged 16-64, Q2 data 2004/05 to 2018/19

5.3 Figure 5.1 shows that over the past 15 years the level of economic activity for Harrow residents has fluctuated, but the overall trend is a gradual upward rise. Harrow's linear average has generally been closer to the England trend rather than the London trend. The Harrow rate has, on average, been higher than that for London. Harrow's rate was considerably greater than the London and national rate in 2016/17 but by 2018/19 had dipped below the national rate and converged with the London rate. It should be noted that the rates at local authority level are less reliable and show greater fluctuations due to smaller sample sizes. Conversely Harrow's economically inactive rate shows a very gradual downward trend, although rates and numbers have increased over the past two years.

Figure 5.2: Economic Activity and Inactivity in the Working Age Population in Harrow, July 2018 to June 2019



Source: ONS Annual Population Survey - Residents aged 16-64, year to June 2019

Table 5.1: Employment and Unemployment in the Working Age Population, July 2018 to June 2019

	% Economically Active	% In Employment	% Employees	% Self-Employed	% Unemployed*
Harrow	78.0	74.6	56.8	17.3	3.5
Barnet	77.2	72.7	57.0	15.2	4.6
Brent	78.2	75.0	57.7	17.1	3.2
Ealing	77.4	73.8	60.8	12.3	3.6
Hammersmith & Fulham	80.6	75.9	65.4	10.4	4.7
Hillingdon	76.5	72.7	63.7	8.9	3.7
Hounslow	79.3	74.9	64.8	10.2	4.3
London	78.2	74.5	61.0	13.1	3.8
England	79.1	75.8	64.6	10.9	3.3

Source: ONS Annual Population Survey - Residents aged 16-64, year to June 2019

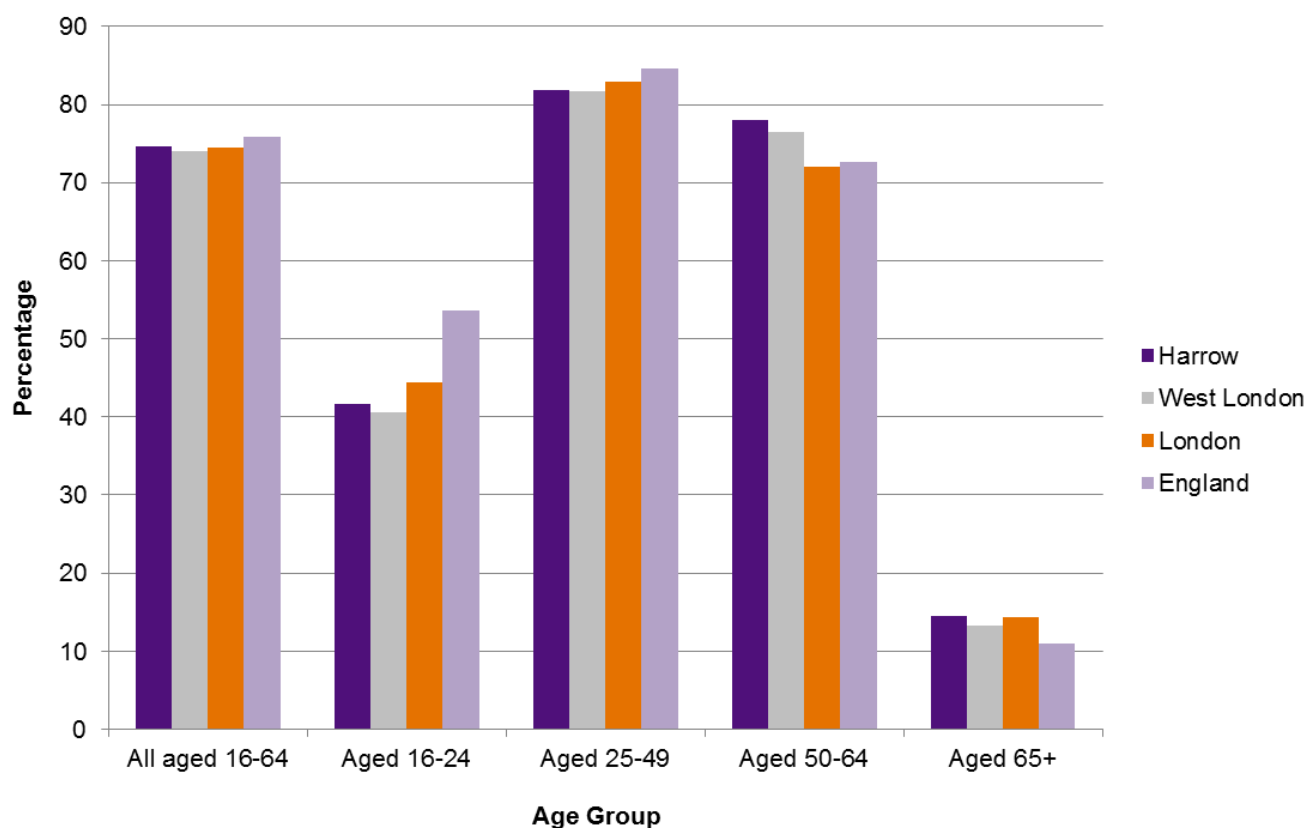
*These figures are unemployment expressed as a percentage of the working age population and so differs from the official unemployment rate discussed later in the chapter, which expresses unemployment as a percentage of the economically active population

5.4 Harrow has the highest percentage of self-employment of any West London borough, and the level is considerably higher than the London and England average (see Employment chapter for further analysis on self-employment). As a proportion of the working-age population, Harrow has the second lowest unemployment level after Brent out of the West London boroughs, and is lower than the overall London rate, but slightly higher than the national rate.

Employment Rates by Age Group

5.5 Figure 5.3 shows employment rates for various age groups within the borough, compared to West London as a whole, London and England. The employment rate for 16-24 years olds living in Harrow and West London is lower than the national and London averages, partly reflecting the high rates of participation in further and higher education in the area. The rates for the 25-49 age group in Harrow is also slightly lower than the London and national averages, but on par with West London. Harrow has a higher proportion of residents aged 50-64 in employment than the other comparator groups at 78%. 14.5% of Harrow residents aged 65 and over are in employment which is above the national and west London rates, but very similar to the overall London average.

Figure 5.3: Employment Rates by Age Group, July 2018 to June 2019

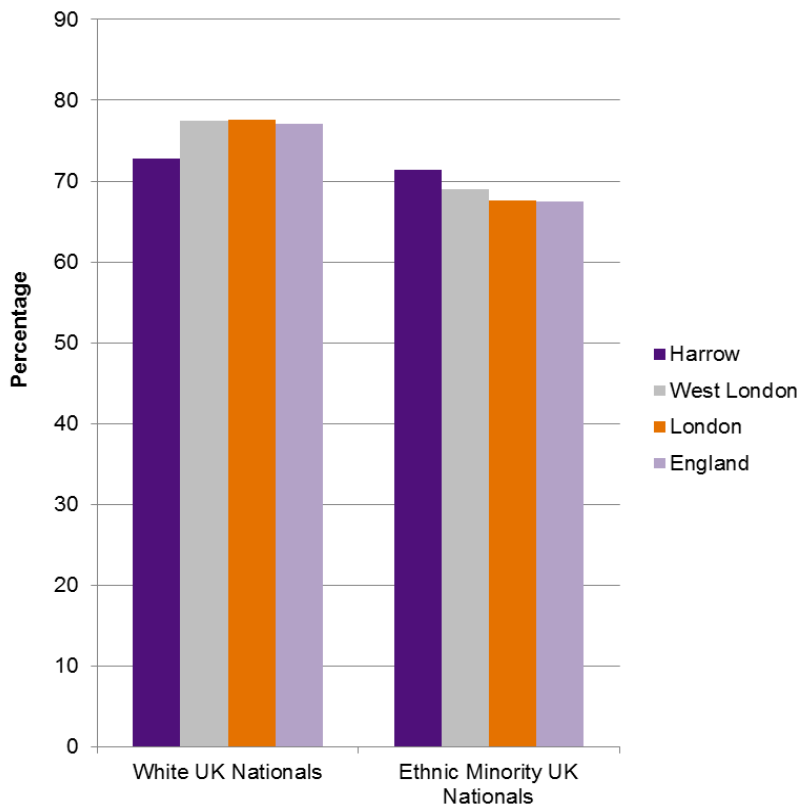


Source: ONS Annual Population Survey, year to June 2019

Employment Rates by Ethnicity

5.6 Figure 5.4 shows employment rates for UK Nationals of working age by ethnicity for Harrow, West London as a whole, London and England. Employment rates for Harrow residents who are UK nationals from ethnic minorities are roughly similar to those for white UK nationals (71.4% compared to 72.8%). Harrow does however have the lowest employment rate for white UK nationals of any of the West London boroughs and is below the London and national rate. The disparity between employment rates by ethnicity at the West London, London and national levels is more marked - white UK nationals have employment rates of between 77% and 78% at these larger geographies, compared with rates of 67% to 69% for UK nationals from ethnic minorities. Much research has been carried out nationally to examine the persisting disadvantages for ethnic minorities in entering employment; the factors are wide ranging and complex from educational opportunities to geographic dispersion.

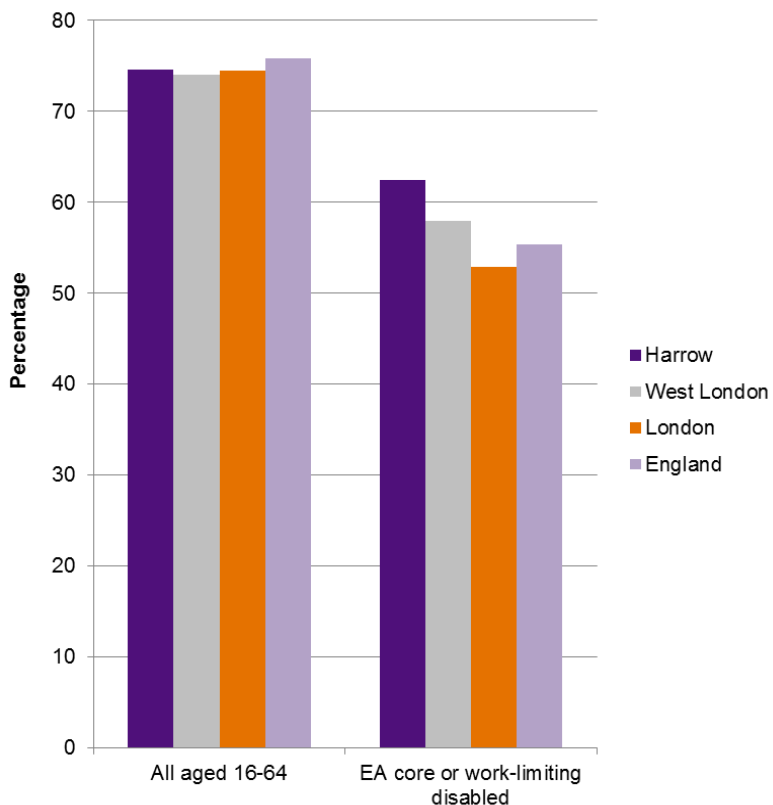
Figure 5.4: Employment Rates by Ethnicity for Working Age Population, July 2018 to June 2019



Source: ONS Annual Population Survey - Residents aged 16-64 in employment, year to June 2019

Employment Rates by Disability

Figure 5.5: Employment Rates for Disabled People of Working Age, July 2018 to June 2019

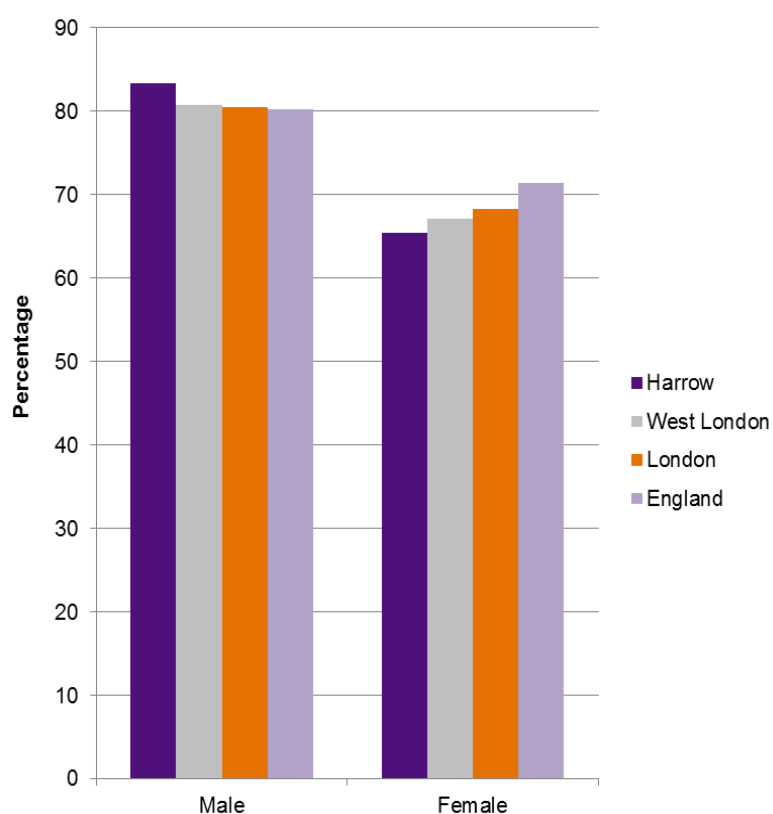


Source: ONS Annual Population Survey - Residents aged 16-64 in employment, year to June 2019

5.7 Figure 5.5 shows the employment rates for Harrow's working age residents with a disability and rates for West London as a whole, London and England compared to the average rate for the general population. Equalities Act (EA) core disabled includes those who have a long-term disability which substantially limits their day-to-day activities. Work-limiting disabled includes those who have a long-term disability which affects the kind or amount of work they might do. Employment rates for those residents having a core or work limiting disability are lower at all scales compared with the rate for the general population. Harrow has the highest employment rate for disabled residents (62.4%) of all the West London boroughs and is substantially above the London and national average rates. The employment rate for disabled people in Harrow has risen from 57.9% in 2012. This rise is on the one hand positive since it indicates that physical barriers and negative societal attitudes are reducing. However, the impact of the Welfare Reform Act passed in 2012 (implemented from April 2013 onwards) on disabled people may be such that some have been pushed into work despite it having a negative impact on their well-being.

Employment Rates by Gender

Figure 5.6: Employment Rates for Males and Females of Working Age, July 2018 to June 2019



Source: ONS Annual Population Survey - Residents aged 16-64 in employment, year to June 2019

5.8 Figure 5.6 shows employment rates for males and females of working age residing within the borough, compared to West London as a whole, London and England. At all scales male employment rates are higher than female employment rates. The employment rate for males living in Harrow is 83.4% - higher than the comparator groups which all have male employment rates between 80% and 81%. In contrast, the rate of female employment for Harrow residents is 65.4% which is lower than the comparator groups. The female employment rate in Harrow has increased however; in 2012 the rate was 59.3%. The difference in employment rates between the sexes for Harrow residents is 18 percentage points, compared with nine percentage points nationally.

Part-time and Full-time Employment

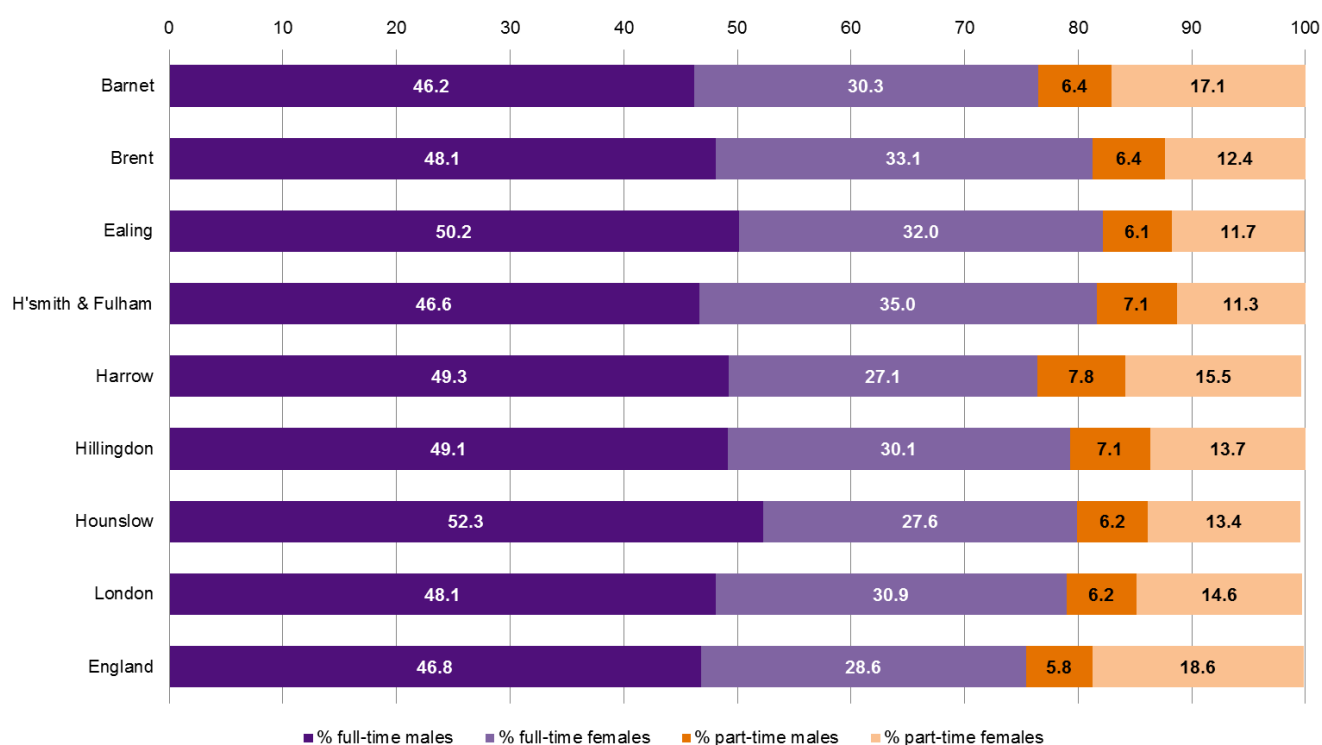
5.9 Part-time workers are classed as those who work 30 hours or fewer per week. Part-time employment can have many advantages for both the employer and employee. However, in 2018 full-time

employees earned more per hour (excluding overtime) than part-time employees at every percentile (source: Annual Survey of Hours and Earnings).

5.10 A higher proportion of Harrow's workforce work part-time (23.3%) compared with the average for London (20.8%). Harrow has the highest level of part-time workers out of the West London boroughs. Barnet (not usually included as a West London borough but used here for comparison because it is a neighbouring borough), has a similar rate of part-time workers. Harrow's proportion of part-time workers is lower than the England average of 24.4%.

5.11 At all scales there are more females working part-time than males. In Harrow, there are twice as many females as males in part-time employment. For comparison, at the national level three times as many females as males work part-time.

Figure 5.7: Part-time and Full-time Employment in the Working Age Population, July 2018 to June 2019



Source: ONS Annual Population Survey - Residents aged 16-64 in employment, year to June 2019

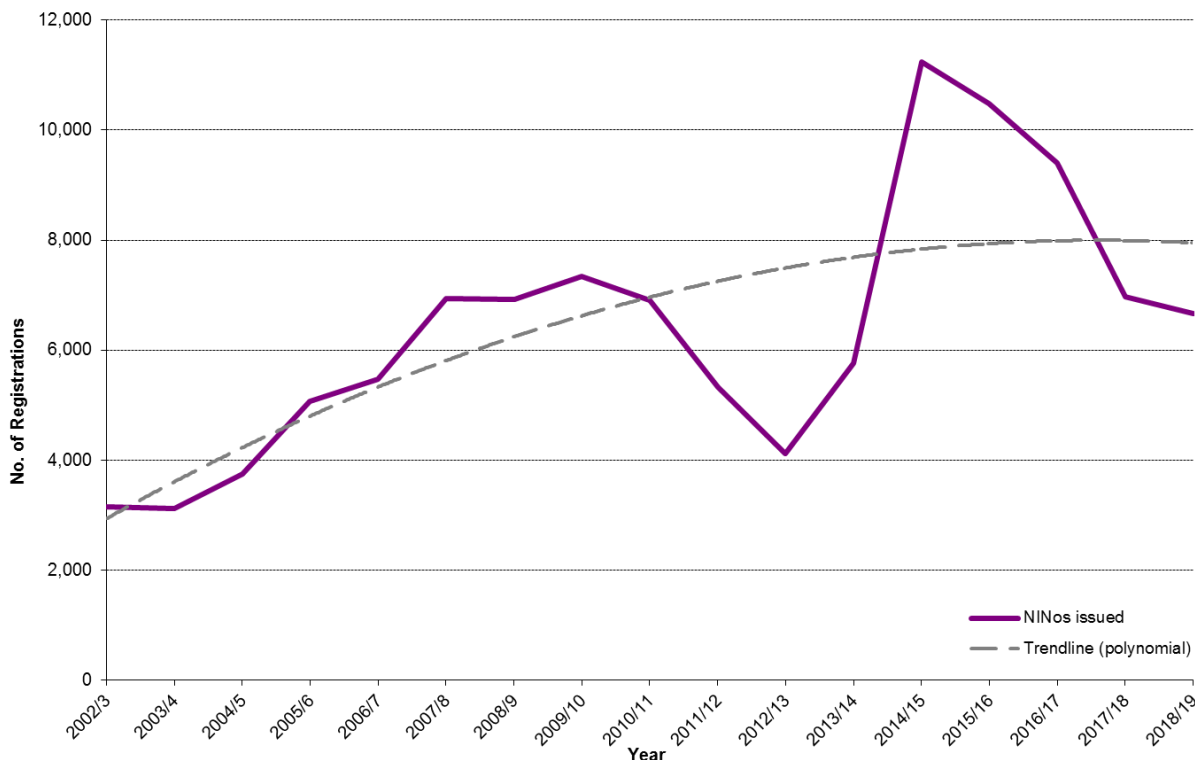
Note: Totals may not sum due to rounding

Migrant Workers

5.12 The National Insurance Registrations to Overseas Nationals (NINOs) provide information on migrant workers. These statistics have been released annually by the Department of Work and Pensions since 2002/03 and they give information on country of origin for new national insurance registrations by local authority, based on the address of the migrant worker. There are some limitations with this data, as these datasets do not provide any information on deregistrations or how long these NI numbers remain active. Additionally migrant workers may move elsewhere after registering in an area.

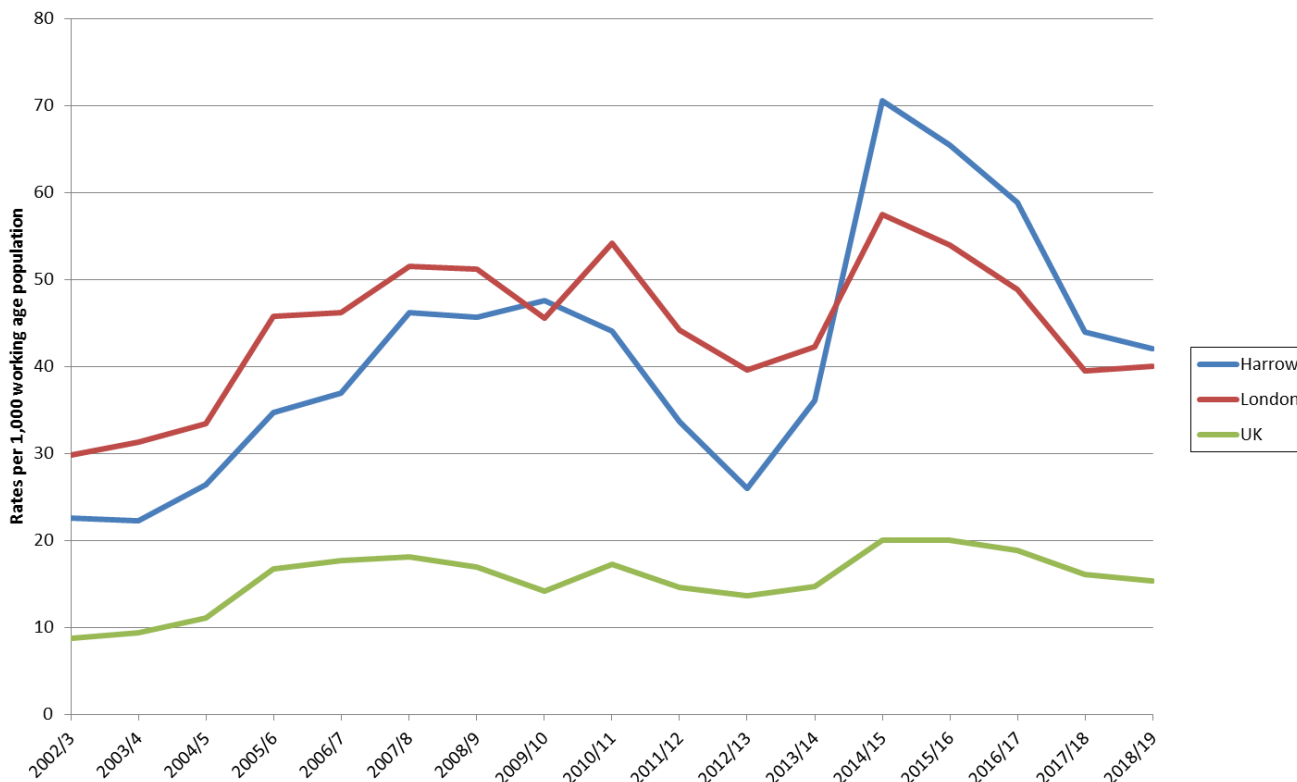
5.13 In 2018/19 there were 6,700 new NINO registrations issued in Harrow. Numbers for Harrow peaked in 2014/15 at 11,200, and have been declining year-on-year since then, as shown in Figure 5.8. However, Harrow still ranks 25th in the UK (out of 380 local authorities) for the number of new NINO registrations in 2018/19.

Figure 5.8: Number of National Insurance Registrations to Overseas Nationals in Harrow, 2002/03 to 2018/19



Source: National Insurance Number Registrations for Overseas Nationals, Dept. for Work & Pensions, 2002/03-2018/19

Figure 5.9: Rates of National Insurance Registrations to Overseas Nationals per 1,000 Working Age Population, 2002/03 to 2018/19, UK, London and Harrow

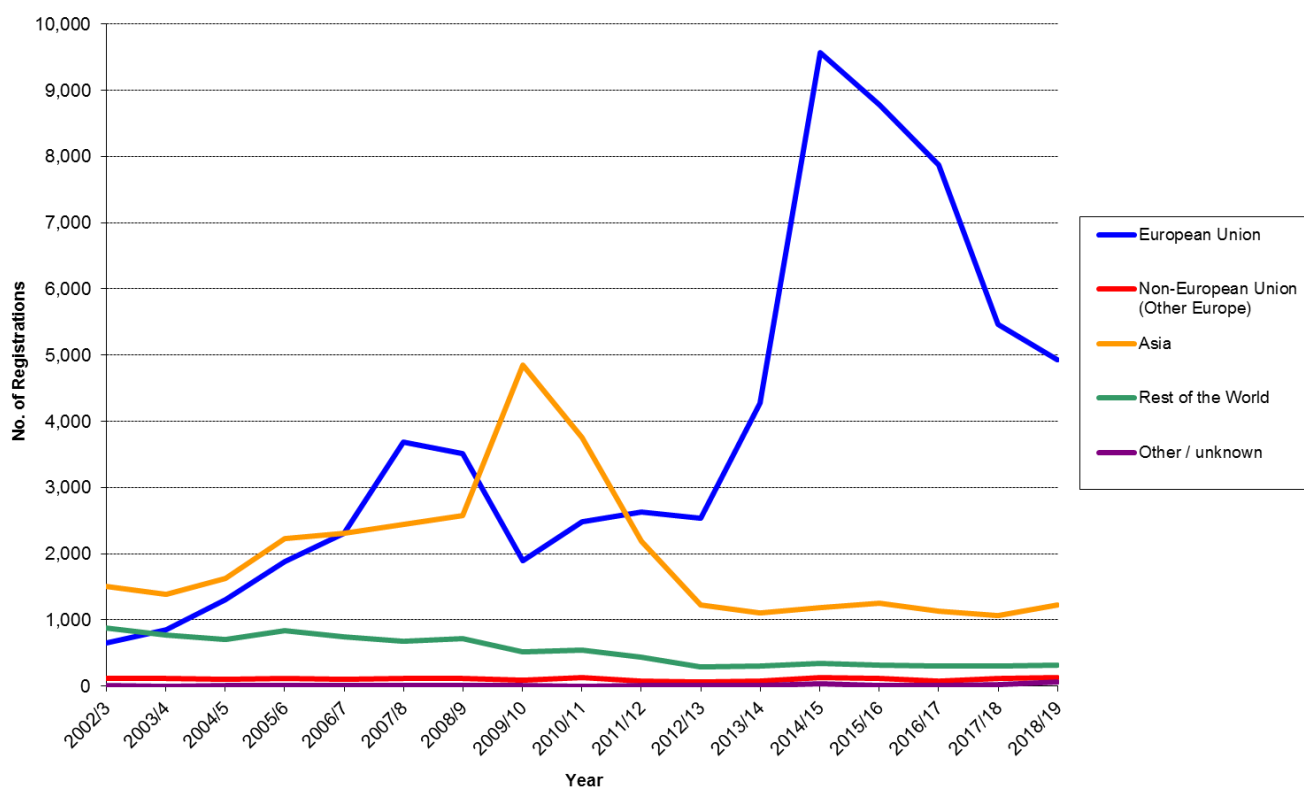


Source: National Insurance Number Registrations for Overseas Nationals, Dept for Work & Pensions, 2002/03-2018/19

5.14 Figure 5.9 illustrates trends in NINo registrations in terms of proportion of resident working population. London and its individual boroughs have considerably higher rates than the UK as a whole. The rate in Harrow was lower on average than in London until 2014/15. Since then Harrow has exceeded London rates, although the two appear to be converging in 2018/19.

5.15 The European Union has provided Harrow with the largest migrant labour supply over the past seventeen years, with 64,600 registrations from EU countries, representing 59.4% of total registrations for Harrow. Asia ranks second in world regions of origin with 33,100 or 30% of total NINo registrations in Harrow from 2002/03 to 2018/19. The UK's decision in the June 2016 referendum to leave the European Union has resulted in a significant reduction of NINo registrations from EU countries, both in Harrow and nationally - this is likely to be due to uncertainty around the future status of EU workers in the UK.

Figure 5.10: National Insurance Registrations by Region of Origin of Overseas Nationals, Harrow, 2002/03 to 2018/19



Source: National Insurance Number Registrations for Overseas Nationals, Dept. for Work & Pensions, 2002/03-2018/19

5.16 Romania tops the list of countries for total NINo registrations in Harrow from 2002/03 to 2018/19, with 37,800 new registrations, or 35% of all registrations. India is second with 17% (16,600) of all Harrow's NINo registrations being issued to Indian workers over this time period. Polish nationals are third with 7,500 registrations or 7% of the total.

Earnings by Harrow Residents

5.17 The main source of information about earnings is the Annual Survey of Hours and Earnings (ASHE) conducted by the ONS¹. From April 2018 to April 2019, Harrow residents who were employed full-time earned £693.40 per week on average. This is marginally below the London average of £699.20 and 17% higher than England's average of £591.30. These figures are based on the median average. The median is the value below which 50% of jobs fall. It is ONS's preferred measure of average earnings as it is less affected by a relatively small number of very high earners and the skewed distribution of

¹ ASHE is based on a 1% sample of employee jobs, drawn from HM Revenue & Customs Pay As You Earn (PAYE) records. ASHE does not include those who are self-employed.

earnings - it therefore gives a better indication of typical pay than the mean. Harrow's mean average weekly full-time wage was substantially higher, at £827.70 for 2018/19, which indicates that there are a number of high earners living in the borough.

Table 5.2: Gross Weekly Pay (£) of Resident Population, year to April 2019

	Full-time workers	Male full-time workers	Female full-time workers
Harrow	£693.40	£733.90	£616.00
Barnet	£681.00	£750.40	£633.50
Brent	£610.20	£645.00	£575.50
Ealing	£621.70	£650.50	£574.90
Hammersmith & Fulham	£792.60	£849.90	£705.40
Hillingdon	£621.00	£689.70	£574.90
Hounslow	£648.90	£689.90	£594.50
London	£699.20	£747.40	£655.90
England	£591.30	£634.70	£530.70

Source: ONS Annual Survey of Hours and Earnings (ASHE), place of residence by local authority, year to April 2019

Note: Figures are the median value of full-time workers' gross weekly pay (£) for employees on adult rates whose pay was not affected by absence

5.18 The median gross weekly pay for Harrow residents who are full-time was estimated to be £693.40 in the year to April 2019. This is the second highest of all the West London boroughs but slightly less than the London-wide average. It is substantially higher than the national average pay rate.

5.19 Women's average pay was lower than for men across the board. In Harrow female full-time employees on average earned only 84% of what full-time working males earned per week. This is very similar to the national average pay difference. The gap in earnings is wider in Harrow than for London as a whole though, where on average female full-time employees earn 88% of male pay.

Table 5.3: Hourly Pay Rate (£) for Part-Time and Full-Time Workers for Resident Population, year to April 2019

	Full-time workers	Part-time workers
Harrow	£17.94	£11.85
Barnet	£17.73	£11.36
Brent	£15.67	£10.23
Ealing	£15.66	£10.64
Hammersmith & Fulham	£20.60	£14.15
Hillingdon	£15.73	£10.50
Hounslow	£16.17	£10.00
London	£18.22	£10.61
England	£15.02	£9.96

Source: ONS Annual Survey of Hours and Earnings (ASHE), place of residence by local authority, year to April 2019

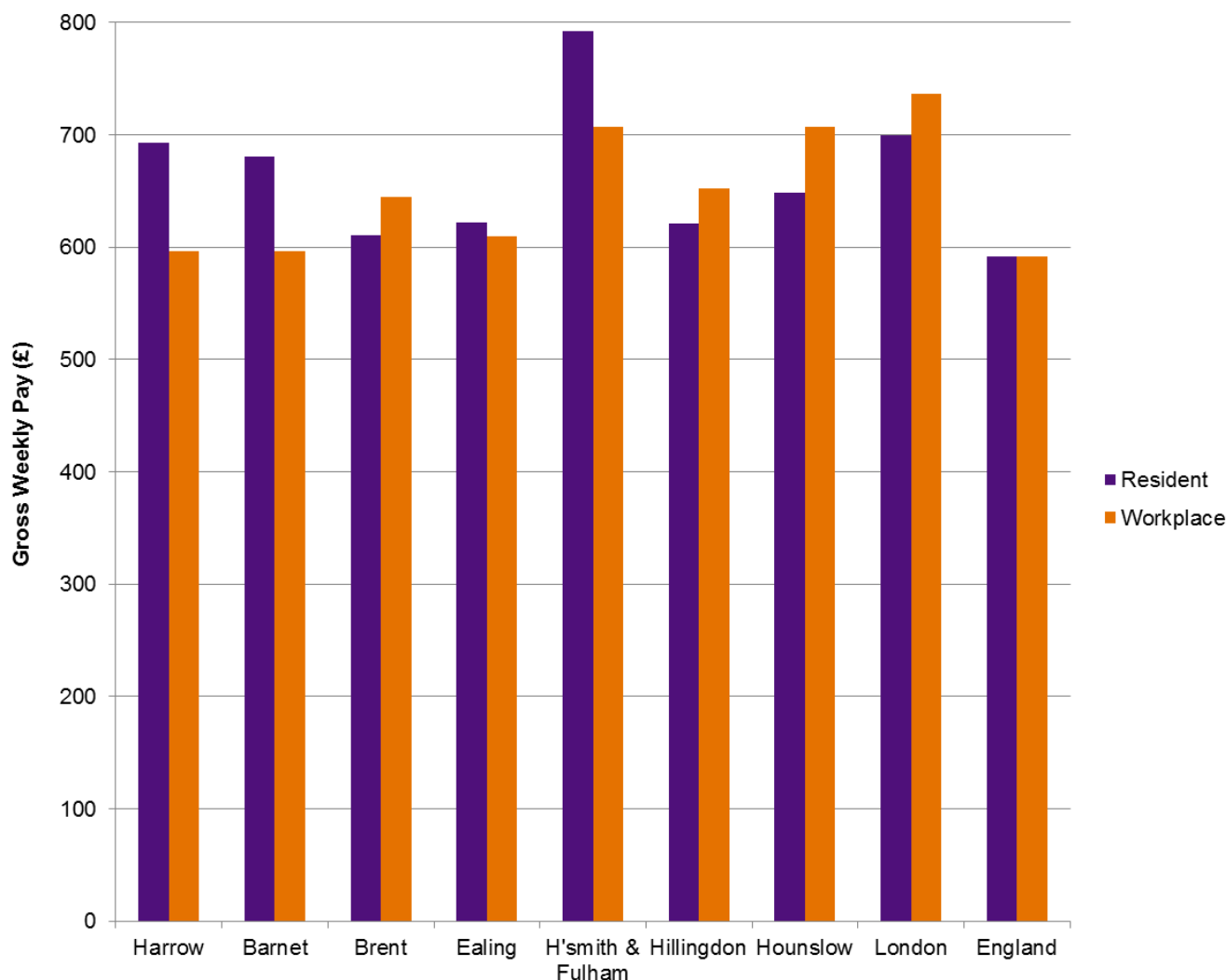
Note: Figures are the median pay per hour (£) for employees on adult rates whose pay was not affected by absence

5.20 Median pay per hour is substantially lower for part-time roles than full-time roles at all geographies. For Harrow residents the median hourly pay is 51% higher for those in a full-time role compared with those in part-time role. This is very similar to the difference between full and part-time hourly rates nationally. In London as a whole those in full-time work receive on average 72% more per hour compared with those who work part-time. There are multiple reasons for this such as the types of sector which employ more part-time employees (e.g. hospitality) which can be lower paying, and lower levels of skills and/or experience required on average for roles which are part-time. In general, there should be no difference in pay between part-time and full-time employees within a company when the employees are performing the same job with the same skill sets.

Wages for Jobs Located in Harrow

5.21 People working in Harrow earn, on average, less than Harrow residents. These lower wages could reflect lower level activities undertaken by businesses in the borough or a low demand for labour.

Figure 5.11: Gross Weekly Pay for Full-Time Workers - Comparison by Place of Residence and Place of Work, year to April 2019



Source: ONS Annual Survey of Hours and Earnings (ASHE), year to April 2019

Note: Figures are the median value of full-time workers' gross weekly pay (£) for employees on adult rates whose pay was not affected by absence

5.22 The gross weekly average wage (based on the median) in the year to April 2019 paid to people working in Harrow was £596.60, which is £96.80 (14%) lower than the average weekly wage of Harrow's residents. This difference in pay is lower than that seen in 2014 however, when the average weekly wage paid in Harrow was 18% lower than residents' wages. Average weekly pay for jobs located in Harrow in the year to April 2019 was similar to the national average of £591.40, and considerably lower than London's level of £736.50. Workplace wage levels were higher in all other West London boroughs. The comparator boroughs where worker wages also exceeded working residents wages were Barnet, Ealing and Hammersmith & Fulham. Of these, Harrow had the largest disparity both in actual monetary terms and as a proportion of wages.

5.23 Based on the median, the average weekly wage paid to women working full-time in Harrow was £510.40 - the lowest average weekly pay for female full-time workers of all West London boroughs. The rate is the third lowest for the whole of London as shown in Figure 5.12. Male full-time workers

undertaking jobs in Harrow have the second lowest average weekly pay of the West London boroughs, although it is ranked 14th of all London boroughs.

Table 5.4: Gross Weekly Pay (£) by Workplace, year to April 2019

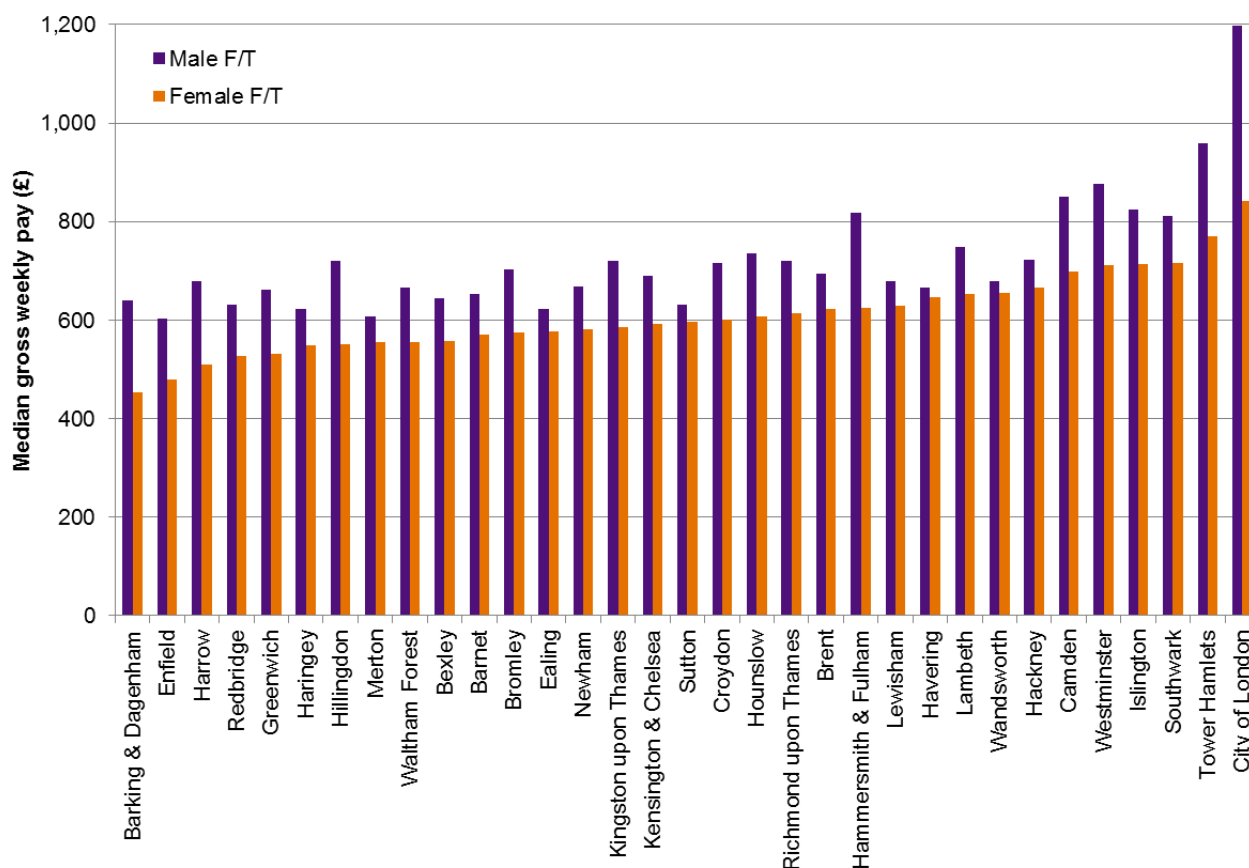
	Full-time workers	Male full-time workers	Female full-time workers
Harrow	£596.60	£678.40	£510.40
Barnet	£596.00	£653.10	£570.70
Brent	£644.6	£814.40	£622.20
Ealing	£610.00	£744.00	£577.90
Hammersmith & Fulham	£707.10	£818.50	£625.30
Hillingdon	£651.90	£721.20	£551.80
Hounslow	£707.50	£735.50	£607.90
London	£736.50	£805.20	£670.00
England	£591.40	£635.20	£529.90

Source: ONS Annual Survey of Hours and Earnings (ASHE), place of work by local authority, year to April 2019

Note: Figures are the median value of full-time workers' gross weekly pay (£) for employees on adult rates whose pay was not affected by absence

5.24 In London as a whole, female full-time wages averaged 83% of male full-time wages in the year to April 2019. For jobs based in Harrow, the proportion of female to male pay was 75% - this is the third largest gender pay gap in London after the City of London (70%) and Barking and Dagenham (71%). This is a change from five years ago when in 2014 jobs based in Harrow had the fifth most equal weekly pay for full-time male and female workers. Havering had the smallest gender pay gap in the year to April 2019, with females who work full-time earning 97% of the gross weekly pay of male full-time employees.

Figure 5.12: Gross Weekly Pay (£) by Workplace and Gender, year to April 2019



Source: ONS Annual Survey of Hours and Earnings (ASHE), place of work by local authority, year to April 2019

Note: Figures are the median value of full-time workers' gross weekly pay (£) for employees on adult rates whose pay was not affected by absence

Table 5.5: Hourly Pay Rate (£) for Part-Time and Full-Time Workers by Workplace, year to April 2019

	Full-time workers	Part-time workers
Harrow	£15.62	£10.98
Barnet	£15.44	£10.88
Brent	£16.43	£10.70
Ealing	£15.42	£10.70
Hammersmith & Fulham	£18.65	£10.62
Hillingdon	£16.38	£10.42
Hounslow	£17.05	£9.27
London	£19.32	£10.98
England	£15.01	£9.95

Source: ONS Annual Survey of Hours and Earning (ASHE), place of work by local authority, year to April 2019

Note: Figures are the median pay per hour (£) for employees on adult rates whose pay was not affected by absence

5.25 For employees working in Harrow the median hourly pay is 42% higher for those in a full-time role compared with those in a part-time role. This compares with an hourly rate which is 51% higher for full-time workers compared with part-time hourly pay nationally. For employees working in London, those in full-time work receive on average 76% more per hour compared with those who work part-time.

5.26 As Figure 5.7 in the previous section shows, a large proportion of part-time workers are women. These employees feel the double penalty of the gender pay-gap and the working hours pay-gap.

Range of Pay

5.27 Average pay analysis such as that above does not given any insight into the range of earnings. The table below shows full-time gross weekly pay (£) by decile for residents of Harrow and employees who work in Harrow, compared with equivalents for London and England.

Table 5.6: Full-Time Gross Weekly Pay (£) by Deciles, year to April 2019

Place of Residence	10	20	30	40	50 (median)	60	70	80	90
Harrow	355.8	440.3	530.4	605.5	693.4	760.7	849.6	1,030.3	x
London	389.1	467.1	539.6	613.3	699.2	797.6	924.6	1,110.0	1,494.9
England	346.4	402.5	460.1	521.6	591.3	672.0	769.0	912.9	1,179.0

Place of Work	10	20	30	40	50 (median)	60	70	80	90
Harrow	345.0	391.0	455.2	536.5	596.6	697.3	791.4	893.9	x
London	402.3	480.6	567.9	647.6	736.5	848.2	981.6	1,188.2	1,622.8
England	346.2	402.5	460.0	521.5	591.4	672.2	769.2	913.6	1,180.7

x = estimates are considered unreliable for practical purposes

Source: ONS Annual Survey of Hours and Earning (ASHE), year to April 2019

Note: Figures are the median value of full-time workers' gross weekly pay (£) for employees on adult rates whose pay was not affected by absence

5.28 The lowest decile of full-time workers living in Harrow earn up to £355.80 per week, whilst for those who work in Harrow it is £345.00 per week. This is close to earnings of the lowest decile for England as a whole, but below the lowest decile for London. The top 20% of full-time workers living in Harrow are paid in excess of £1,030.30 per week, which is higher than the national level but lower than for London. Those who are amongst the top 20% of employed earners working in Harrow earn in excess of £898.90 per week which is below both the London and national level for the top 20% of earners.

Unemployment and Worklessness

An understanding of the terms unemployment and worklessness are important when looking at employment issues.

The most commonly used definition of unemployment is based on those people in receipt of Jobseeker's Allowance (JSA) or more recently Universal Credit. This Claimant Count is really a by-product of the benefits administration system, so it only counts those unemployed people who are claiming benefits. For this reason, the claimant count is best viewed as an unemployment indicator not a comprehensive unemployment measure. Coverage of young people and women is known to be particularly poor using this indicator.

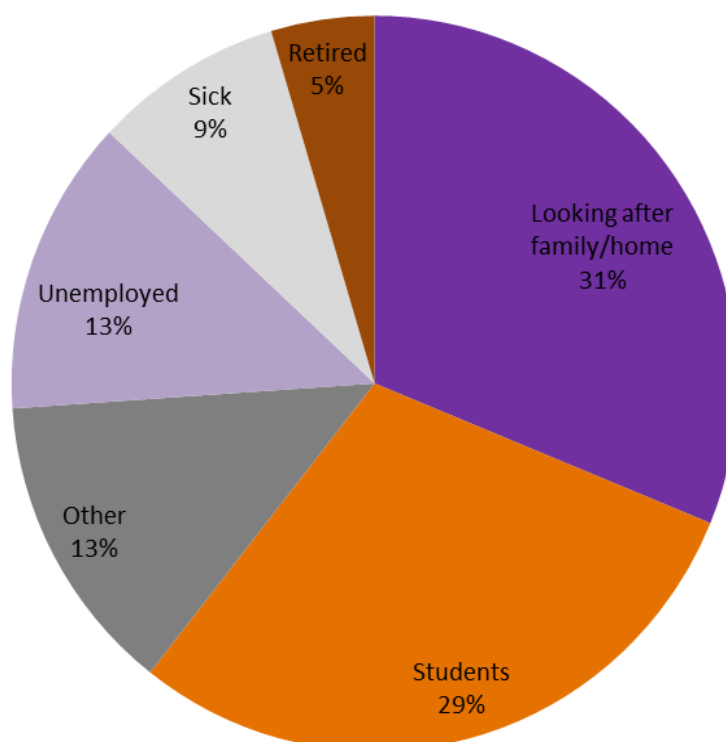
A wider measure of unemployment comes from the International Labour Organisation (ILO) - this is the definition used by the Office for National Statistics. It defines unemployed people as all those of working age who are not in employment, have carried out activities to seek employment during the past four weeks and are currently available to take up employment within the next two weeks given a job opportunity (who may or may not claim Jobseeker's Allowance/Universal Credit). The ONS unemployment rates give an indication of unemployment using the ILO definition.

Official unemployment rate =
$$\frac{\text{All those aged 16 and over classed as unemployed}}{\text{All those aged 16 and over classed as employed or unemployed}}$$

The UK's unemployment rate for Q3 2019 was 3.9% and for London it was 4.5%.

Worklessness is a wider definition - "workless people" are those who are not in paid work. Some of this group will be out of work due to ill health, caring responsibilities, studying and those who have taken early retirement, but there are others who given the right opportunities or incentives could take up work. Worklessness therefore includes all those who are economically inactive as well as those classed as unemployed.

Figure 5.13: Reasons for Worklessness in Working Age Population in Harrow, year to June 2019



Source: ONS Annual Population Survey – Economic inactivity in residents aged 16-64, year to June 2019

Worklessness is an important issue, as employment is the main means of income for the majority of UK society in general. Persistent workless households are more likely to experience poor health, poverty, crime, substance abuse, low school attainment and family breakdowns. The multiple and complex causes of worklessness vary from area to area but generally can include: young people raised in workless households and inter-generational worklessness, lack of aspiration and skill, health and debt issues, lack of financial incentive and stability to move from benefits to paid employment, lack of appropriate engagement, advice and guidance and access to suitable jobs.

Unemployment

5.29 In November 2019 the Claimant Count (which consists of claimants of Jobseeker's Allowance (JSA) and those claimants of Universal Credit who are required to search for work) in Harrow was 3,300 people (JSA = 400, UC = 2,900). This equates to 2.1% of the population - the joint fifth lowest rate out of all London boroughs. The average rate for London as a whole was 3.0% and for England it was 2.9% (source: ONS/Jobcentre Plus).

Universal Credit is in the process of being rolled out to replace JSA. Under Universal Credit a broader span of claimants are required to look for work than under Jobseeker's Allowance. As Universal Credit full service expands, the number of people recorded in the Claimant Count is therefore likely to rise. The policy changes have made the Claimant Count dataset a less reliable indicator of changes in labour market performance at both a local and national level and are no longer designated as Official Statistics. However, the data still allows comparisons to be made between areas.

5.30 In November 2019 1,780 claimants (54% of all claimants) were men and 1,515 were women (46%). The working age population (16-64) in Harrow is composed of 50.7% male and 49.3% female, so men are slightly more likely to claim out of work benefits than women. There has been a big change in the ratio of male and female claimants over the past two decade - in 2000 males accounted for nearly 72% of claimants, reducing to around 59% by 2014.

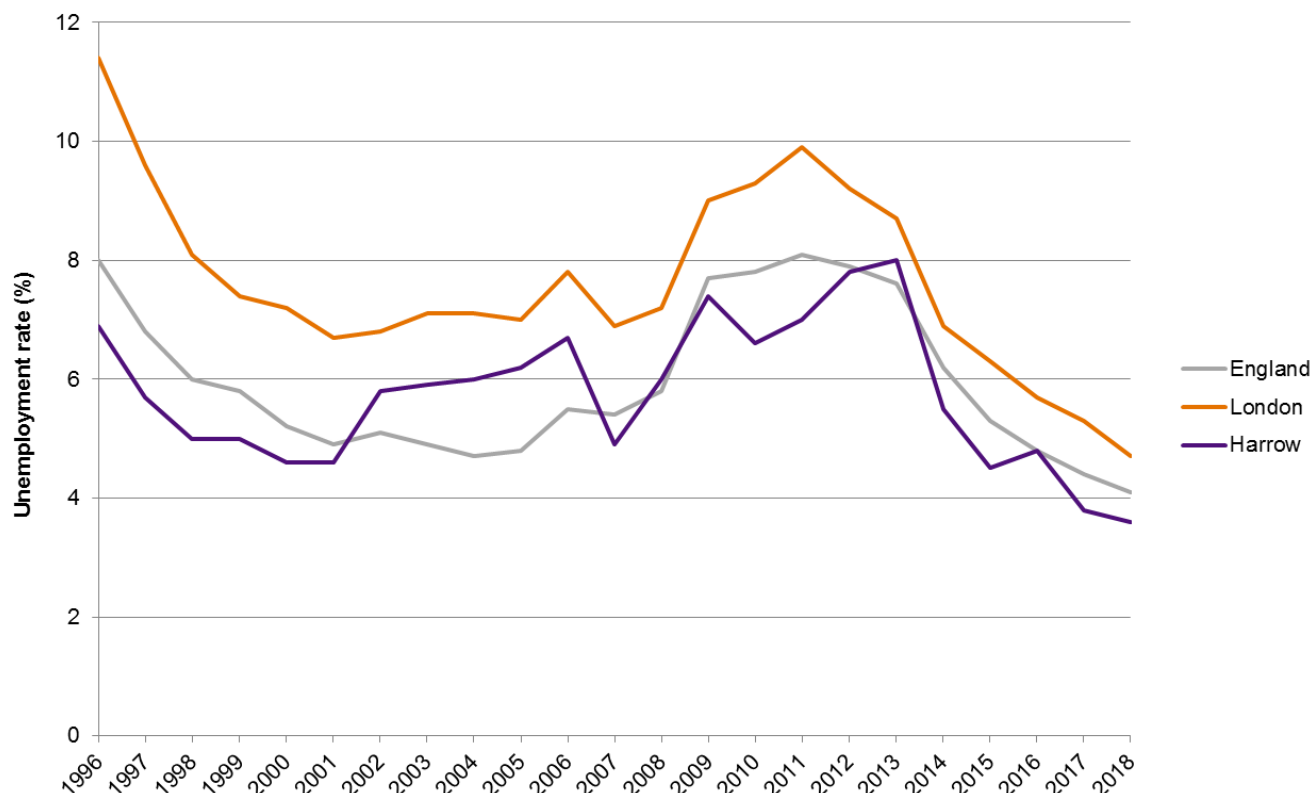
5.31 The number of unemployed in Harrow in the period July 2018 to June 2019 was estimated to be 5,100 - an unemployment rate of 4.1%. This was the joint third lowest rate out of all the London boroughs, after Richmond upon Thames (3.5%) and Bromley (4.0%). The Annual Population Survey unemployed estimates for local authorities are based on very small samples so for many areas are unreliable. To overcome this the ONS has developed model-based estimates that provide more reliable outputs of total unemployed for local authorities.

Table 5.7: Unemployment rates, year to June 2019

	Unemployment rate (%)
Harrow	4.1
Barnet	4.6
Brent	4.1
Ealing	5.2
Hammersmith & Fulham	5.8
Hillingdon	4.6
Hounslow	4.9
London	4.5
England	4.0

*Source: Annual Population Survey (regional and national data), ONS; model-based estimates (local authority data), ONS, year to June 2019
Note: Local authority rates are based on a model which utilises Annual Population Survey estimates of unemployment along with the Claimant Count averaged over 12 months*

Figure 5.14: Annual unemployment rates, 1996 to 2018



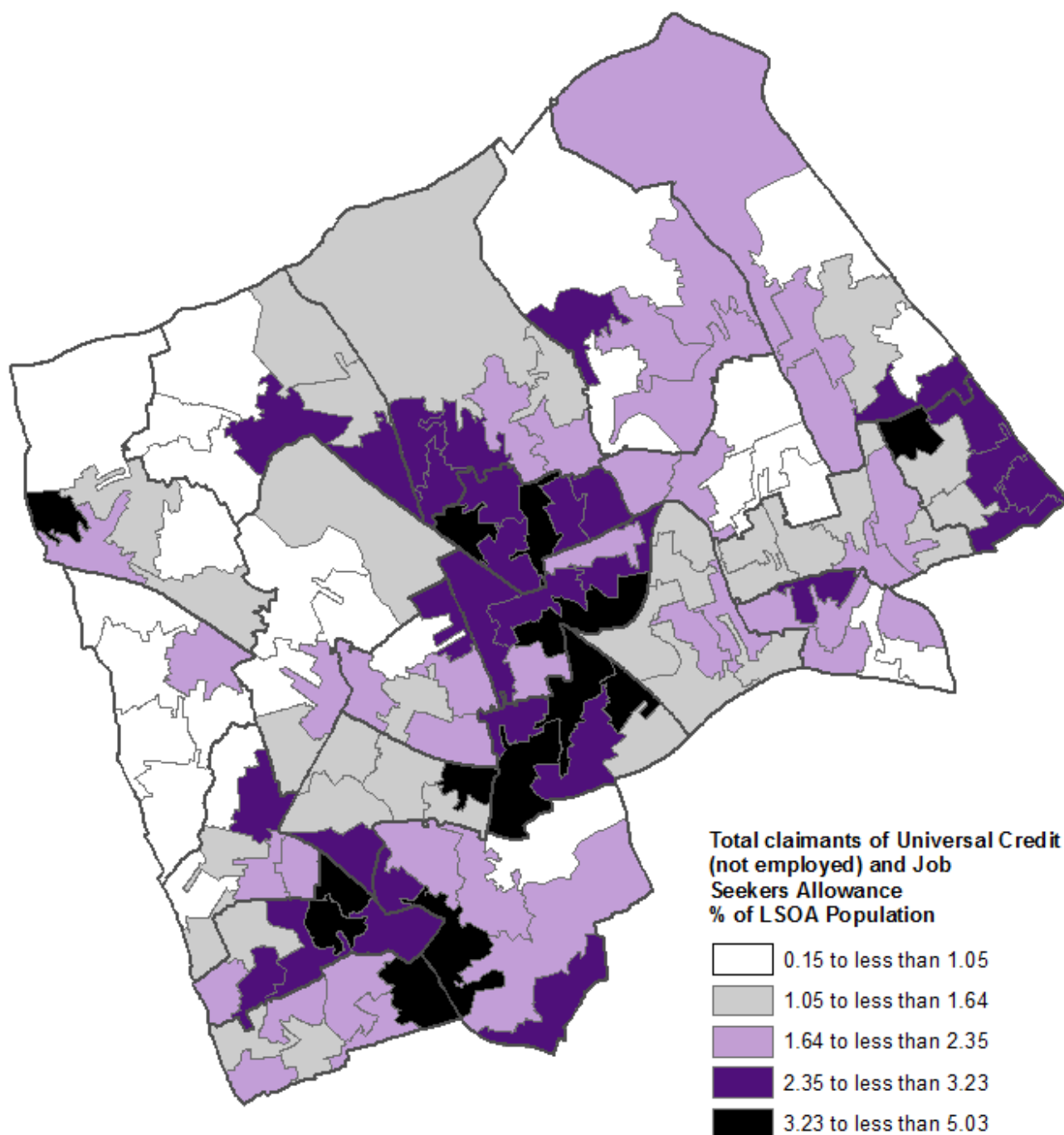
Source: Labour Force Survey/Annual Population Survey (regional and national data), ONS; model-based estimates (local authority data), ONS, 1996-2018

Note: Local authority rates are based on a model which utilises Annual Population Survey estimates of unemployment along with the Claimant Count averaged over 12 months

5.32 Figure 5.14 above shows how unemployment increased rapidly between 2008 and 2013, which was during the time of the last recession in the UK, the deepest recession since the Second World War. Since then Harrow's unemployment rate has generally shown a downward trend, falling more quickly than in London and England generally in the immediate aftermath of the recession. Harrow has consistently had a lower unemployment level than London and in general is more similar to the national rate. The gap between Harrow's unemployment rate and London's rate averaged 1.9 percentage points between 1996 and 2018, whilst the gap between Harrow and England's unemployment rates averaged 0.2 percentage points.

5.33 In addition to those classed as unemployed there are those who are economically inactive (i.e. not claiming out of work benefits) who would like to work. In the year to June 2019 there were approximately 4,700 people in this category, equating to 14% of the economically inactive population of Harrow.

Map 5.1: Total proportion of claimants of Universal Credit (not in employment) and Jobseeker's Allowance by LSOA, October 2019



London Borough of Harrow 100019206, 2020

Source: Dept. for Work & Pensions (Universal Credit data) and Jobcentre Plus (Jobseeker's Allowance data), October 2019.

LSOA populations based on ONS Mid-Year Estimates 2018

5.34 Unemployment is generally low in Harrow as a whole, but as the map above shows there are pockets of higher unemployment. These areas are predominantly in Harrow's central and south western LSOAs.

Table 5.8: Universal Credit ‘out-of-work’ categories - composition by duration and claimant age, November 2019

	Harrow	London	England
All claimants by duration (%)			
Less than 3 months	25.8%	20.8%	21.3%
Over 3 months to 6 months	20.4%	16.9%	17.0%
Over 6 months to 1 year	31.4%	27.6%	27.2%
Over 1 year	22.4%	34.7%	34.5%
All claimants by age (%)			
16-24	13.2%	12.9%	16.8%
25-49	65.9%	64.5%	63.4%
50 to retirement age	20.9%	22.6%	19.8%

Source: Dept. for Work & Pensions, November 2019

5.35 In November 2019, just under half of Harrow residents claiming Universal Credit (‘out-of-work’ categories) had been out of work for less than six months (46.2%). Compared to both London overall and England, a higher proportion of Harrow’s residents claim Universal Credit for less than three months and less than six months, and a much lower proportion are out of work for more than a year.

5.36 The majority of Harrow’s Universal Credit claimants are aged 25 to 49. Just over 1 in 8 claimants is aged 24 and under; this is slightly above London’s overall level, but below the national rate. Those aged 50 to retirement age account for just over a fifth of claimants in Harrow. This is above the national rate, but below the rate for London as a whole. State Pension age for men and women is currently just over 65; it will reach 66 by October 2020, with further rises legislated to 67 by 2028. Numbers in this age category claiming Universal Credit are therefore likely to rise over the next few years.

Other Benefits

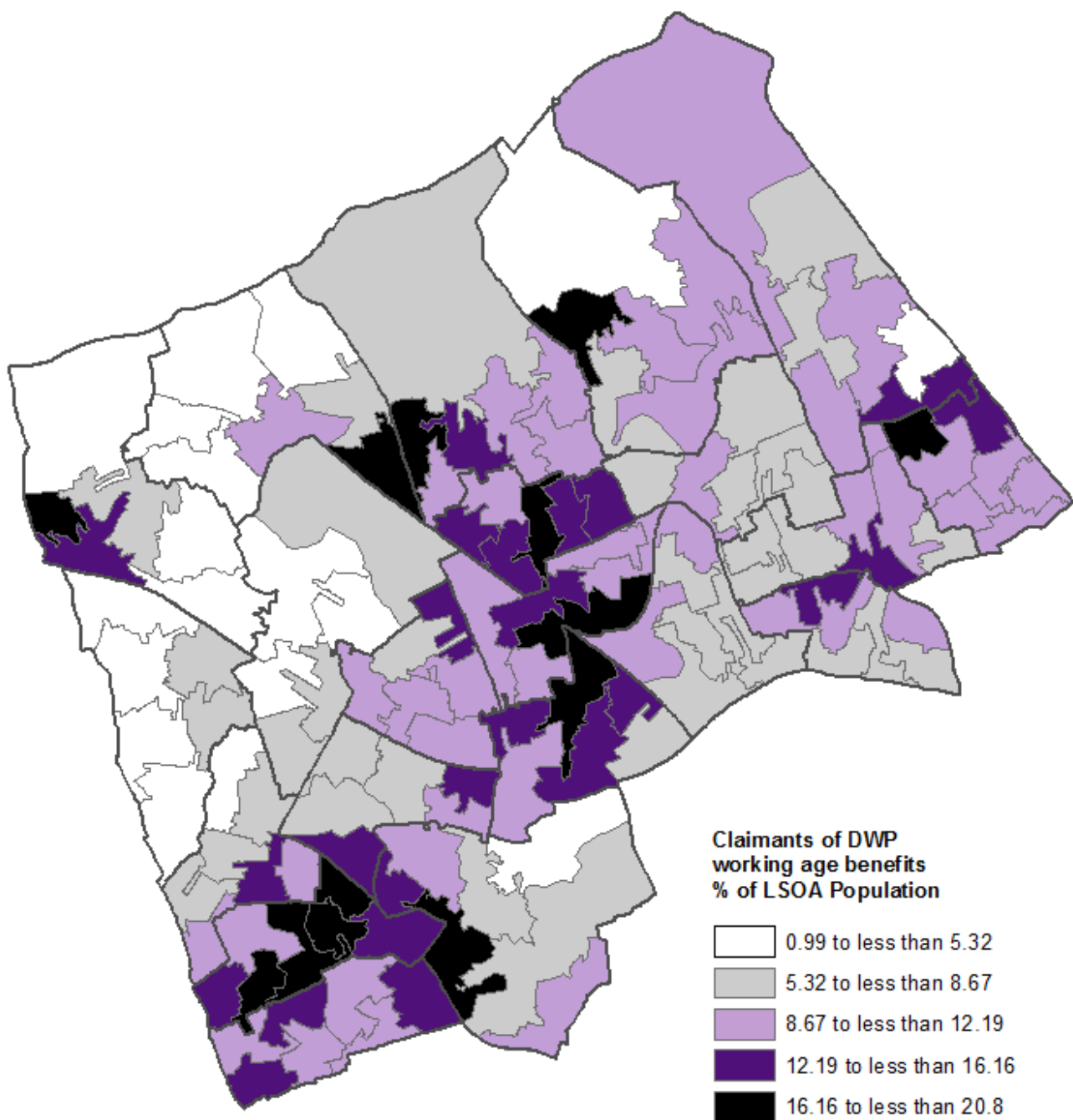
5.37 Working age benefits are also available to the wider group of workless residents. As previously stated, worklessness includes all those who are economically inactive as well as those classed as unemployed. These benefits include:

- Employment and Support Allowance (ESA)
- Housing Benefit (HB)
- Incapacity Benefit (IB)
- Income Support (IS)
- Jobseeker’s Allowance (JSA)
- Personal Independence Payment (PIP)
- Universal Credit (various categories)

Some of these benefits can also be claimed by those who are in work but on low incomes. Certain working age benefits are being replaced by the Universal Credit payment scheme. The roll-out commenced in October 2013 and is expected to be completed by December 2023.

5.38 An analysis of working age benefit claimant rates at Lower Super Output Area (LSOA) level shows that the highest rates coincide with the areas where there is a higher percentage of social housing, with particular concentrations in Roxbourne and central LSOAs located in Wealdstone, Marlborough and Greenhill wards. There are pockets of high concentrations in Edgware, Harrow Weald, Harrow on the Hill, Pinner, Stanmore Park and Hatch End wards too. These areas correlate with the areas showing the highest levels of deprivation (see Population chapter).

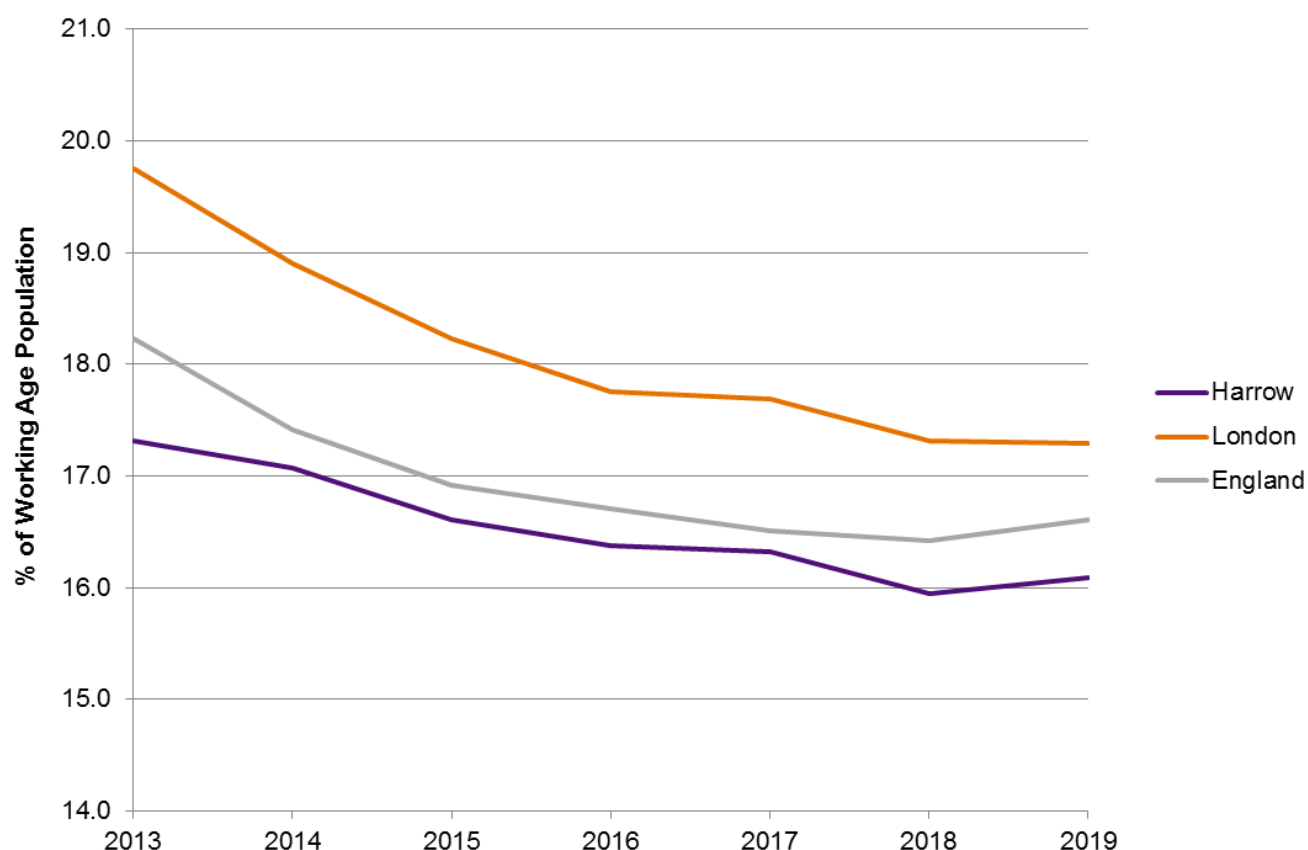
Map 5.2: Claimants of working age benefits by LSOA, May 2019



*Crown Copyright
 London Borough of Harrow 100019206, 2020
 Source: Dept. for Work & Pensions, May 2019
 LSOA populations based on ONS Mid-Year Estimates 2018*

5.39 The overall number and proportion of people on key out-of-work benefits has fallen year-on-year between 2013 and 2018 in Harrow, mirroring the London and national trends. In 2019 there appears to have been a slight increase in claimant numbers. Overall, Harrow has a lower percentage of its working age population claiming benefits than in London and England.

Figure 5.15: Working Age Benefit Claimants, 2013 to 2019



Source: Dept. for Work & Pensions, based on May figures, 2013-2019

Employment and Support Allowance (ESA)

ESA is one of the most common working age benefits claimed. ESA can be applied for by those who have a disability or health condition that affects how much they can work. It gives the individual money to help with living costs if they are unable to work. It also gives support to get back into work if they are able to. Contribution Based ESA will not change to Universal Credit.

Table 5.9: ESA claimants by age and gender, May 2019

	Harrow	London	England
ESA claimants by age (%)			
16-24	5.4	3.9	5.1
25-49	44.1	42.1	43.0
50 to retirement age	50.5	54.0	51.9
ESA claimants by gender (%)			
Male	48.5	50.3	50.4
Female	51.5	49.7	49.6
ESA claimants by age (%)			
16-24	5.4	3.9	5.1

Source: Dept. for Work & Pensions, ESA Benefit Claimants May 2019

Note: Figures may not sum due to rounding

5.40 At all geographies, those aged 50 and over are the highest percentage of claimants. Harrow has a slightly higher percentage of younger claimants (aged 49 and under) compared to London and England generally. In Harrow a greater percentage of ESA claimants are female, in contrast to London as a whole and nationally where male claimants slightly outnumber female claimants.

Workless Households

Workless households are defined as those where no one aged 16 years or over is in employment. These members may be unemployed or economically inactive. Economically inactive members may be unavailable to work because of family commitments, retirement or study, or unable to work through sickness or disability. Other types of household include working households - where all members aged 16 years or over are employed, and mixed households - those that contain both working and workless members.

5.41 Information on workless households is available from the ONS Annual Population Surveys, although the information for Harrow, and at borough level generally, should be treated with some caution owing to the small sample sizes for this geography. Nevertheless comparison with other areas is useful in order to give a better understanding of worklessness in Harrow in a wider context.

Table 5.10: Working, Mixed and Workless Household Rates, January to December 2018

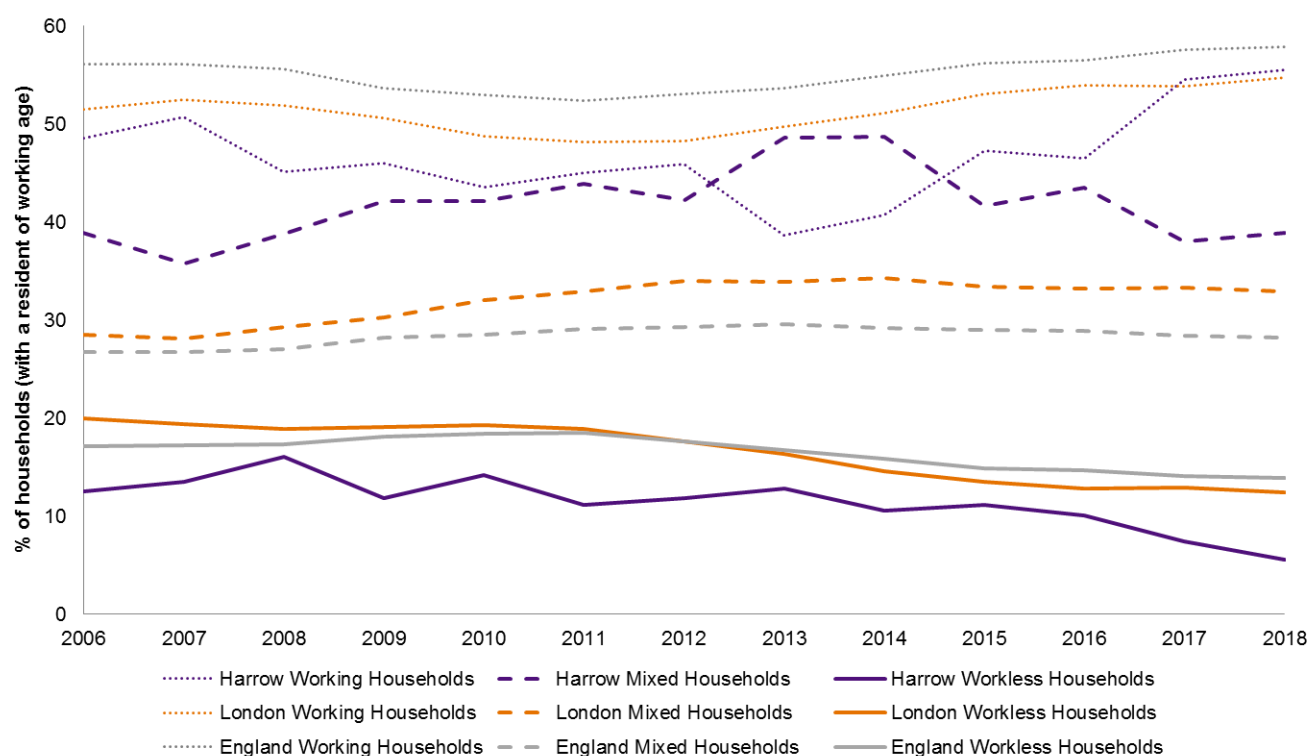
	Harrow		London	England
	Number of households	%	%	%
Working households	37,000	55.5	54.7	57.9
Mixed households	26,000	38.9	32.9	28.2
Workless households	4,000	5.6	12.4	13.9

Source: ONS Annual Population Survey, 2018 - households with at least one resident aged 16 to 64

Note: Figures may not sum due to rounding

5.42 In 2018, an estimated 4,000 households (5.6%) in Harrow were workless households. This is substantially below the average rates for London and England.

Figure 5.16: Household Working Rate Comparisons, 2006 to 2018



Source: ONS Annual Population Survey, 2018 - households with at least one resident aged 16 to 64

5.43 The proportion of workless households in Harrow has fluctuated over this thirteen year period, reaching a high of 16.1% in 2008 and a low of 5.6% in 2018. The overall trend has been downward and

Harrow's proportion of workless households has consistently remained below the London and national levels.

5.44 Harrow has a far higher level of mixed households compared to London and England as a whole. These households comprise at least one individual aged 16 and over in employment and at least one other who is either unemployed, or economically inactive. Three-generational households are included in these statistics and areas with higher numbers of three-generational households may have higher numbers of mixed economic status households. At 38.9% in 2018, Harrow's level of mixed households is considerably higher than the national rate of 28.2% and higher than the London rate of 32.9% for that year.

5.45 Working households (where all working age residents are in employment) now account for over half of all households in Harrow which have at least one person of working age. There has been a marked increase since 2013. Harrow's proportion of working households has been less than that of the London and national rates for some time, but since 2017 it has been slightly above the London rate and appears set to converge with the national rate over the next few years.

5.46 Workless households with children are of particular concern. The Department for Work and Pensions research project *Improving Lives: Helping Workless Families (2017)* shows that there is a stark difference between outcomes for children in working and workless families. Children growing up in workless families are almost twice as likely as children in working families to fail to reach the expected levels at all stages of their education. There are differences even between children in workless families and children in lower-income working families. For instance, three quarters (75%) of children who live in workless families failed to reach the expected level at GCSE (key stage 4), compared with around half (52%) of children from lower-income working families.

Table 5.11: Children in Workless Households, January to December 2018

	Harrow		London	England
	Number of households	%	%	%
Children in workless households	2,000	3.8	10.1	10.1

Source: ONS Annual Population Survey, 2018 - households with at least one resident aged 16 to 64

Note: Children refers to all children under 16

Note: At borough level sample sizes are small so are less reliable than at larger geographies

5.47 The information on children living in workless households is potentially unreliable at borough level owing to the small sample size. A broad estimate is that around 4% of all Harrow's households are workless and have children. This is substantially less than the estimates at London and national levels. Nevertheless these are households which need support in order to prevent the next generation continuing in a cycle of worklessness and associated deprivation.