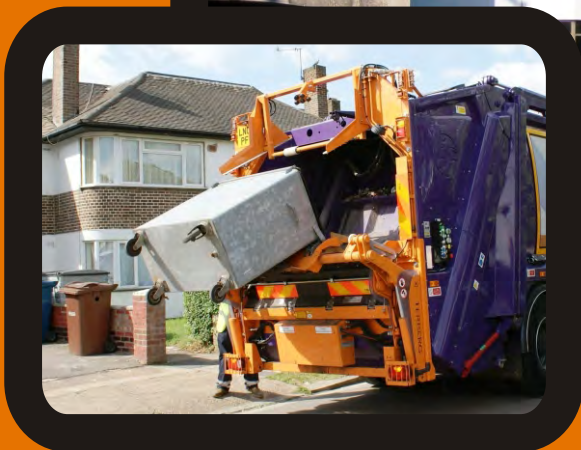


Harrow

Local Economic Assessment 2013-14



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Introduction, Aims and Objectives

1

Local Economic Assessment 2013-14

1 Introduction, Aims and Objectives



Introduction

1.1 This is Harrow's third Local Economic Assessment (LEA), the previous one being produced in 2011/12. The emphasis of this report is on describing Harrow and its economic position within the West London and London economy. It presents a wide range of economic statistics, comparing Harrow with other West London boroughs, as well as London and nationally.

1.2 In April 2010 a statutory duty was placed on all upper tier local authorities (as part of the Local Democracy, Economic Development and Construction Act) to prepare a Local Economic Assessment. The duty was part of a policy to grant local authorities greater power and influence to support economic growth in their area. In September 2010 the Coalition Government removed the statutory requirement for local authorities to prepare a Local Economic Assessment. Local authorities are now free to determine the breadth and scope of their assessments reflecting local priorities and 'without interference from Government'. In addition, the Government has stated that it does not intend to monitor or assess LEAs.

1.3 Harrow's LEA still continues to take account of the Memorandum of Understanding agreed between London Councils and the GLA to ensure consistency of approach. The Memorandum of Understanding was a response to the initial set of Government guidance on the preparation of LEA.

1.4 The Memorandum of Understanding agreed a number of actions for the GLA and London boroughs in relation to the LEA including:

- Setting out a core indicative data set for inclusion in all economic assessments in London for benchmarking between London boroughs and groups of boroughs
- Review the process of preparing Local Economic Assessments in London and the usefulness and impact of these on local, sub-regional and regional strategic planning, alignment of activities and joint investment planning, six months or more after all initial assessments are complete

1.5 In line with London Councils' Memorandum of Understanding, Harrow's first Local Economic Assessment was developed in consultation with a range of partners. This included the voluntary, public and private sectors, and strategic partners both within and outside of Harrow.

The LEA Area

1.6 Harrow is an attractive Outer London borough situated in north-west London, approximately ten miles from Central London. Hertfordshire lies to the north, with the District Councils of Three Rivers and Hertsmere immediately adjoining.

1.7 There is considerable partnership working between a wide range of agencies, bodies and groups in the sub-region, and importantly the six local authorities which comprise the West London Alliance (Barnet, Brent, Ealing, Harrow, Hillingdon and Hounslow) are working together on a range of sub-regional issues.

Map 1 Harrow in a Regional Context



Source: West London Alliance

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1.8 The borough is also part of the West London Sub-Region,⁽¹⁾ which currently (from 2011) comprises six other London boroughs: Brent, Ealing, Hammersmith & Fulham, Hillingdon, Hounslow and Richmond upon Thames. The borough is located in the north-east of the West London Sub-Region, identified in the Mayor's London Plan as the 'Western Wedge', a vibrant part of the London economy.

1.9 Hammersmith & Fulham is working more closely with Kensington & Chelsea and Westminster as part of a tri-borough project. The aim of this project is to combine specific areas of service delivery as a response to the financial pressures facing local government.

1.10 Harrow is one of London's most attractive suburban areas. With a population of over 243,400 and growing, only a relatively small amount of land and buildings are devoted to employment and industrial activity compared to other Outer London and West London boroughs. Harrow covers an area of approximately 50 sq km (just under 20 square miles) and over a quarter of the borough (more than 1,300 hectares) consists of open space, much of which is designated Green Belt or Metropolitan Open Land. The borough is well connected to the rest

1 The London Plan, Greater London Authority (GLA)

of London by underground, and to the rest of the UK by train and by car via the M1, M25 and M40 motorways. Heathrow Airport is also in close proximity, situated in the adjoining West London boroughs of Hillingdon and Hounslow.

Aims and Objectives

1.11 The aim of LEAs is to ensure that local partners are equipped with a sound understanding of the local economy, based on a robust evidence base, and that this understanding should lead to improved economic interventions.

1.12 The core objectives⁽²⁾ of LEAs are to:

- Provide a sound understanding of the economic conditions in the area and how they affect residents and businesses
- Identify the comparative strengths and weaknesses of the local economy and the nature and form of local economic challenges and opportunities
- Identify the local economic geography, including the economic linkages between the area being assessed and the wider economy
- Identify the local constraints to economic growth and employment and the risks to delivering sustainable economic growth

1.13 The Harrow LEA will inform local strategies including: the Harrow Regeneration Strategy; and Housing and Transport strategies. In addition, the LEA formed part of the evidence base for the preparation of Local Development Framework (LDF) Core Strategy and the Harrow & Wealdstone Area Action Plan.

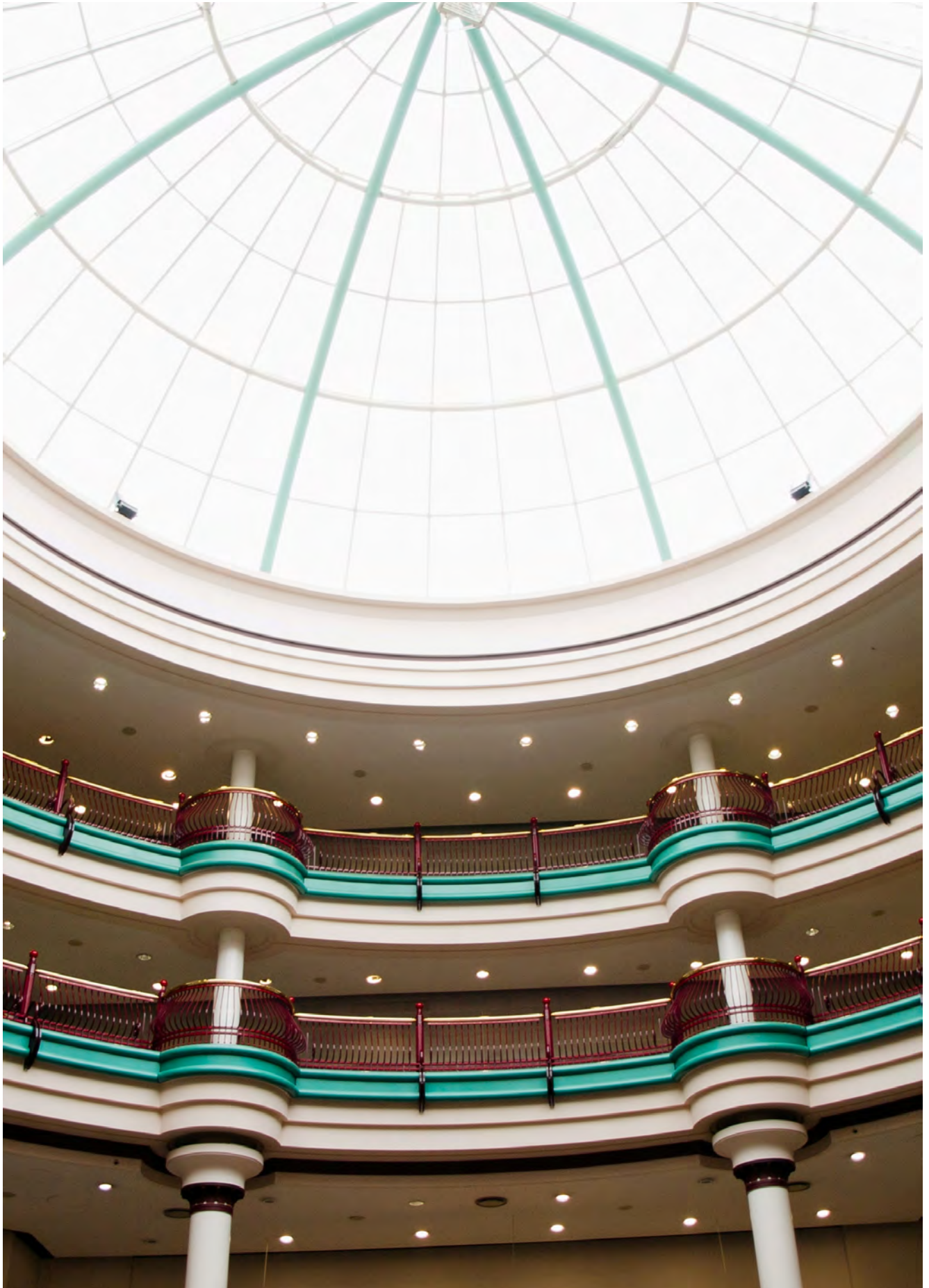
1.14 The Harrow LEA also provides investors, developers, and local businesses with an understanding of the economic conditions in the area as an aid to decision making.

Note: This 2013/14 Local Economic Assessment uses statistics that were available at the end of 2014. West London comparator boroughs considered in this report are: Brent; Ealing; Hammersmith & Fulham; Hillingdon; and Hounslow. Barnet was not included in this report in order to be consistent with previous LEAs for Harrow. However, data for Barnet will be included and data for Hammersmith & Fulham excluded in the next LEA.

2 CLG Statutory Guidance on Local Economic Assessments, March 2010

Executive Summary 2

Local Economic Assessment 2013-14



Population

- With an estimated resident population of 243,400 (2013 ONS Mid-Year Estimate), Harrow's population has been steadily increasing over the past 25 years. Since 2003 Harrow's population has grown by 13.9%, similar to London's growth rate of 13.8% and the West London rate of 14.1% over the same period.
- Population projections indicate that over the five year period to 2018 Harrow's population will continue to increase, by around 6% or 14,500
- Harrow has one of the most ethnically diverse populations in the country. The 2011 Census shows that over 69% of Harrow's residents were of ethnic minority, where ethnic minority is defined as all people who are non-White British. A significant proportion of Harrow's residents are of Indian origin, estimated to be around 26% in 2011.
- The 2010 Indices of Deprivation rank Harrow the 203rd most deprived local authority district in England (out of 326) based on Multiple Deprivation, and the seventh least deprived London borough, both improved rankings since 2007. New Indices of Deprivation are due to be published in 2015.
- Employment deprivation, as measured by the 2010 Indices of Deprivation, show Harrow to be less deprived for this measure. Harrow has no Lower Super Output Areas (LSOAs) in the most deprived 10% nationally and the number in the most deprived 20% has decreased from eight to three, since 2007. There is a correlation between high levels of income deprivation and employment deprivation, and areas with a higher concentration of social housing and the 2011 Census showed that Harrow has the lowest concentration of social housing in London.

Employment Forecasts

- Modest employment growth is forecast in the borough over the next 15 years. The focus of this growth will be within the Harrow and Wealdstone Opportunity Area, where 3,000 additional jobs could be created through comprehensive and co-ordinated regeneration alongside a minimum of 2,800 new homes.
- Key growth sectors are likely to be in Other Services, Accommodation and Food Services and Other Business Services. The largest decreases in employment are expected to be in the Manufacturing, Construction and Public Administration sectors by 2026.

Linkages and Flows

- Commuting patterns show that Harrow is a net exporter of labour with large numbers of workers commuting into Inner London (22%) and the neighbouring London boroughs of Ealing, Brent, Hillingdon, and Barnet (23%). 40% of Harrow's residents work within the borough itself.
- Just under 30% of Harrow's jobs are filled by its residents, with a similar proportion either having no fixed workplace or working mainly at or from home. The neighbouring boroughs of Brent, Hillingdon, Barnet and Ealing supply 20% of the borough's workforce.

Labour Market

- Harrow's economic activity rate shows a general upward trend and, at 76.9% (year ending June 2014), is very similar to London's rate. Harrow's overall employment rate was 70.4%, the second lowest rate in West London, and just below national and London rates.
- In 2013/4 (July to June) the employment rate (66%) for those from minority ethnic groups in Harrow was lower than the rate for the overall population, but higher than the comparator rates for London, England and West London generally
- Wages in Harrow are generally lower than in West London and London, leading to a high proportion of residents commuting to other areas for better paid jobs. The average weekly wage paid to women working full-time in Harrow in 2014 was the third lowest level in London.
- At 2.3% (August 2014), the unemployment rate in Harrow was below the rates for West London, London and England. However, unemployment in Wealdstone and Marlborough wards (at 4.1% and 3.9% respectively) was above the London average of 3.7%.
- The number of residents of working age on key out-of-work benefits has been falling since August 2009, but worklessness rates in 24 of Harrow's 137 LSOAs exceeded the London average of 9.6% in May 2014

Skills

- Harrow's workforce is well qualified - nearly half of working age residents held a degree level qualification in 2013 and only 4.3% of residents were lacking in qualifications
- A significantly high proportion of Harrow residents hold 'Other Qualifications', which includes foreign qualifications and some professional qualifications. At 13%, this proportion is twice the national rate of 6.3%.
- Students in Harrow's schools and colleges are high achievers as attainment in Harrow's schools is consistently above national averages at all levels
- The proportion of young people aged 16 to 18 who were not in education, employment or training (NEET) in Harrow is 1.8%, the joint lowest level in the country
- The West London Economic Assessment (March 2011) identified a skills gap in West London and forecasts indicate that there will be a greater demand for skills at NVQ Level 4 and above in the future

Employment

- The 2013 Business Register and Employment Survey shows that Harrow provides employment for over 69,000 people. This is the smallest employment base of all the West London boroughs.

- In terms of employment sectors, the most dominant sectors in Harrow are: Public administration, education & health (32%), Finance, IT, property and other business surveys (23%); and Wholesale/retail trade and vehicle repairs (16%)
- The local authority is the largest employer in Harrow, but over 57% of local government jobs in Harrow are part-time jobs
- A high proportion of Harrow's employed residents (26%) are engaged in 'Professional Occupations'. This compares to 22% in West London and 24% in London overall.
- In 2013/14 just over 20% of Harrow's workers (aged 16+) were self-employed, above the levels for West London, London and England

Business and Enterprise

- Small businesses (0-4 people) in the borough represent nearly 80% of the total number of Harrow's businesses. Harrow has the highest proportion of small businesses compared to the other West London boroughs.
- There are relatively few very large businesses in the borough and the number employing 100 or more people is slowly declining. However, the number of medium-sized businesses, employing between 11-24 and 25-49 people, has been growing in recent years. Those businesses employing over 100 people provide a third of the total number of jobs in the borough.
- The highest concentration of businesses in the borough are Professional, scientific and technical based with nearly 2,280 (20%) businesses. This is also the most dominant industry group within West London and London. Information and Communication forms the second largest industry group in Harrow with 13.6% of businesses.
- Over a fifth of Harrow's (and London's) businesses were established less than two years ago, higher than the national average of 17.4% and perhaps indicating a higher level of entrepreneurship within the capital city.
- There has been a steady increase in the number of new businesses since 2006, but business survival rates have been worsening in recent years
- The borough has been experiencing a decline in the amount of business rates generated over the past ten years
- Around 57% of Harrow's workforce are employed in the 'Knowledge Economy' compared to 50.4% nationally
- Harrow has a ranking within the top 20% of local authorities nationally in the 2010 UK Competitiveness Index

Housing

- Harrow has higher levels of home ownership compared to West London, London and England generally
- Affordability is a key issue - relatively high housing costs in the borough mean that lower paid workers are unable to purchase even the lowest cost open market housing

Planning, Development and Infrastructure

- The Harrow Core Strategy was adopted in February 2012. It sets out the long-term vision of how Harrow, and the places within it, should develop by 2026 and sets out the council's strategy for achieving that vision.
- An Action Area Plan for the Harrow and Wealdstone Intensification Area was adopted in July 2013. A change to the designation from an Intensification Area to an Opportunity Area is proposed in the Further Alterations to the London Plan (FALP).

Town Centres, Offices and Industrial Estates

- Harrow Town Centre is one of London's twelve Metropolitan Centres and regarded as one of the UK's top 100 retail locations
- A Business Improvement District (BID) was set up in Harrow Town Centre in April 2014 and will see over £1.5m invested in the town centre over five years
- In the 2012 Retail Risk Index (BNP Paribas Real Estate), Harrow Town Centre is regarded as one of the country's least risky towns and therefore less vulnerable to retail collapse/closure and best placed to withstand a weakening retail economy
- Harrow has a relatively modest supply of commercial floorspace, with less office and warehousing space than the surrounding London boroughs
- Valuation Office Agency commercial floorspace statistics for Harrow over the period 2002 to 2012 show: a significant loss (33%) of office floorspace; a small increase in retail floorspace; and a 20% decrease in industrial buildings
- Commercial property rental levels are generally lower in Harrow when compared to other centres across London, however, they are similar to the rents achieved in other West London centres such as Ealing and Hounslow
- There has been a general decline in footfall across the borough's town centres since 1999, in line with national trends

Issues and Analysis

- Based on this latest Local Economic Assessment, key issues have been summarised in Chapter 14
- The council and other local partners therefore need to continue to work together to develop policies, actions and projects that address these issues and help to deliver suitable outcomes. Many of these objectives and policies are set out in various council strategies, including: Harrow Core Strategy; Harrow and Wealdstone Area Action Plan and the Regeneration Strategy.

Employment Forecasts 3

Local Economic Assessment 2013-14

3 Employment Forecasts



Harrow is closely linked to and dependant 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.

3.1 It is important to recognise that employment forecasts, like population forecasts, are based on a number of assumptions.

West London Employment Forecasts

3.2 GLA Economics has provided employment forecasts for West London and these are covered in some detail in the West London LEA.⁽³⁾ Three sets of projections were produced based on: (1) local employment trends – in which employment shares are estimated on the basis of existing sectoral mix and the preference of employers to locate in certain boroughs; (2) predictions in employment space availability – where increases in employment space are assumed to result in increases in employment locally; (3) changes in local accessibility levels – with increases in accessibility (based on planned transport investments) leading to increased employment. These three sets of projections have then been combined into a 'triangulated' projection.

3.3 The forecasts project an increase in employment of 99,000 jobs across West London between 2007 and 2031, although, given that 2007 was likely to represent a peak in employment, these figures may be an overestimate. The distribution of this employment growth is spatially uneven across West London. Almost half of the jobs growth across the sub-region is concentrated in Hammersmith & Fulham (46,000 jobs), whilst relatively small increases are predicted to be in Harrow (6,000 new jobs created) and Hounslow (4,000).

3.4 The London Plan promotes the concept of identifying, developing and promoting strategic development centres in Outer London.⁽⁴⁾ A number of centres within West London have been identified by the Outer London Commission with specialist strengths which could potentially function above the sub-regional level and generate employment growth significantly above the long-term Outer London trend. These sectors include:

- Leisure, tourism, arts, culture and sports
- Media
- Logistics
- Other transport related functions
- Higher education

3.5 Added to this, a potential growth sector would be the development of 'green industries' across the sub-region (possibly at Park Royal, located within the London boroughs of Brent, Ealing and Hammersmith & Fulham). Although this is a very broad catch-all term, potential skills required could be around waste management, energy from waste, design, development and manufacturing of low carbon technologies, renewable energy technologies etc. The potential for Harrow to take advantage of the predicted growth in 'green industries' is difficult to quantify without further research.

3 West London Economic Assessment, West London Alliance, March 2011

4 Policy 2.16 (Strategic Outer London Development Centres) of The London Plan, Mayor of London, July 2011

3 Employment Forecasts

3.6 As the baseline for these trends is pre-recession, any post recession projections will give a better estimate of the future trends. The latest Working Futures⁽⁵⁾ data available is for the period 2012 to 2022, it does not include data for West London but gives the following trends for London:

- Professional Services, Information Technology and Health & Social Work show the largest predicted increases
- Public Administration, Media and Manufacturing are all predicted to decline

Harrow Employment Forecasts

3.7 The council undertook an Employment Land Review (Nathaniel Lichfield and Partners, 2010) as the basis to assess future land and floorspace requirements in the Borough. This informed the policies in the adopted Harrow Local Plan documents to manage employment land supply to 2026.

3.8 As part of this review, employment forecasts were undertaken and Table 1 is based on this report. The forecasts show that total employment in Harrow will steadily increase over the period 2009 to 2026, showing an overall 7.6% increase over this period and equating to nearly 6,300 additional jobs. The forecasts are calculated using long-term historic employment trends data since 1982, and uses 2007 as a base year. It should be noted that these forecasts are only an indication of how Harrow's economy may change and do not take account of the full impact of the recent recession.

3.9 The Harrow Local Plan⁽⁶⁾ identifies that 3,000 additional jobs could be created through comprehensive and co-ordinated regeneration within the Harrow and Wealdstone Opportunity Area alongside a minimum of 2,800 new homes. The adopted Harrow and Wealdstone Action Area Plan details how this will be achieved.

3.10 The forecasts show decreases in seven out of the twelve employment sectors, with the largest decreases in employment in the Manufacturing, Construction and Public Administration sectors by 2026. Major increases in the Other Services and Hotels & Restaurants sectors are forecast over the same period.⁽⁷⁾ However, the future of two of Harrow's larger hotels is uncertain and this information is not reflected in these employment projections.

5 UK Commission for Employment and Skills (UKCES)

6 Harrow Local Plan. Harrow Council, July 2013

7 For Harrow, these forecasts have only been modelled on sectors which account for more than 10% of the borough's employment (retail, business services, education and health sectors), so London average growth rates have been applied to all other sectors, as there is insufficient information about the relative prospects for these sub-sectors to project forward with any significant degree of confidence at borough level.

Table 1 Total Employment Change by Sector

Sector	2009	2016	2021	2026	% Change 2009 - 2026
Primary & Utilities	81	68	60	53	-34.6
Manufacturing	4,556	3,816	3,362	2,962	-35.0
Construction	5,833	5,398	5,108	4,833	-17.1
Wholesale	4,628	4,468	4,357	4,249	-8.2
Retail Trade	9,635	9,656	9,670	9,685	0.5
Hotels & Restaurants	4,697	5,856	6,855	8,025	70.9
Transport & Communications	3,225	3,114	3,037	2,962	-8.2
Financial Services	2,788	2,808	2,822	2,836	1.7
Business Services	17,664	18,291	18,753	19,227	8.8
Public Administration	3,858	3,596	3,419	3,252	-15.7
Health & Education	19,097	19,003	18,937	18,871	-1.2
Other Services	6,303	8,129	9,748	11,691	85.5
Total	82,365	84,203	86,130	88,645	7.6

Source: Harrow Employment Land Review – Baseline Scenario NLP analysis of GLA trend-based employment projections (October 2009), Harrow Council Analysis

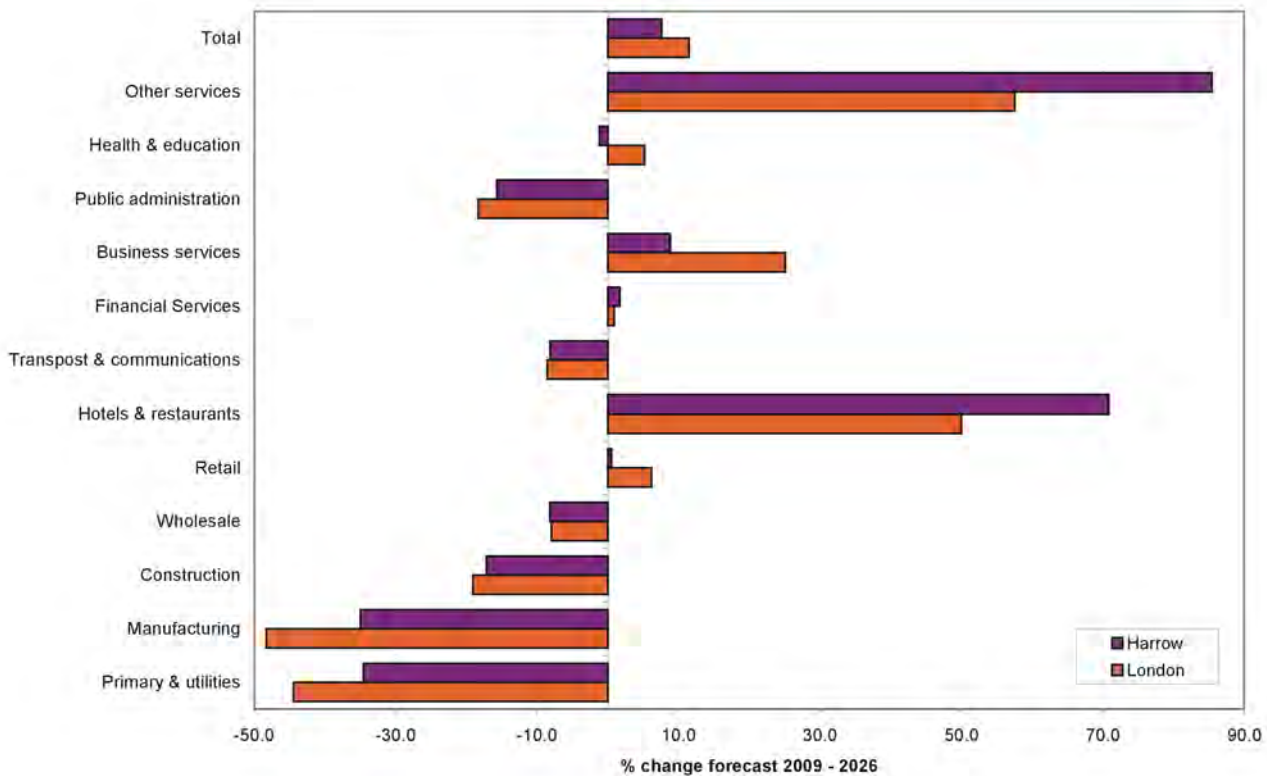
3.11 Figure 1 shows that, by sector, the future levels of employment growth and decline in Harrow will largely follow London trends, but that is largely to be expected as the sector forecasts are mainly based on the London average growth rates. It is interesting to note that Health and Education is the only sector where the Harrow and London forecasts go in different directions. However, these changes are fairly small with employment in this sector in Harrow predicted to decline by 1.2% by 2026, but within London overall 5.2% growth is forecast.

3.12 Compared to London as a whole, Harrow is expected to see larger gains in the Other Services and Hotels & Restaurants sectors - both sectors which generally do not require the highest levels of skills and qualifications. Harrow is well placed to take advantage of the predicted growth in the knowledge based sectors such as Other Business Services, as well as in the Hotels & Restaurants sectors. This is supported by trends in business start up figures (see Section 9 - Business and Enterprise) which shows that the largest level of new starts since 2008 have been in Real Estate, Professional Services and Support Activities, followed by Wholesale & Retail Trade and Construction.

3.13 The forecast reduction in the Public Administration sector may be an underestimate of the likely reduction in this sector in the short to medium term, as these employment forecasts were produced before the full extent of public sector cuts over the coming years was known. Similarly the forecast reduction in the Health and Education sector may also be an underestimation for the same reason.

3 Employment Forecasts

Figure 1 Employment Growth Forecasts by Sector, 2009 - 2026



Source: Harrow Employment Land Review – Baseline Scenario NLP analysis of GLA trend-based employment projections (October 2009), Harrow Council Analysis and GLA Economics - London Sectoral Employment Forecasts (Table 4, Working Paper 38)

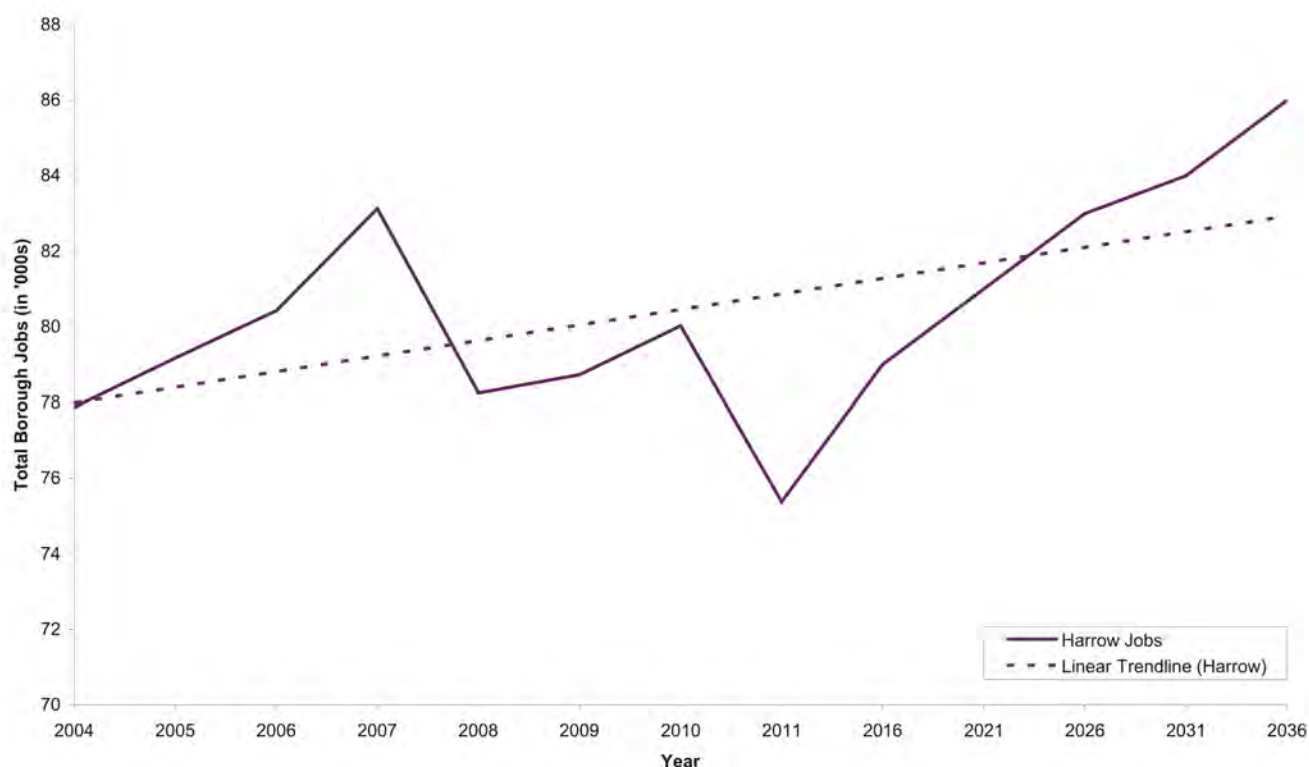
3.14 The 2013 GLA industry sector projections for the period 2009 to 2026 follow a similar pattern to the forecasts seen in Figure 1, showing that Harrow's employment trends will continue to closely follow those of London. The GLA projections show that the Manufacturing sector will see the greatest decline, with 54.3% fewer people employed within this sector. The trend in Harrow is also for a sharp decline in the number of people employed in manufacturing, however, this is predicted to fall by just 35%. The latest projections for London show that the Accommodation and Food Service Activities sector will see the largest growth in employment at 44.7%, whereas in Harrow the projection for the Hotels & Restaurants sector shows that it has the second highest predicted growth in employment at 70.9%, after Other Services (85.5%).

Summary

3.15 The UK economy is now in a period of recovery, although there is still some distance to make up after a very deep recession, which ended in late 2010, and a delayed return to growth. During those tough times, the rise in UK unemployment following the recession was smaller and less sustained than previous experience would suggest, and unemployment is now falling rapidly as the economy grows. All regions and nations within the UK have been affected by the recession, but there has been some variation, typically strengthening existing differences. London currently seems to be faring better than most of the other regions, likewise Harrow (as evidence presented throughout this report shows).

3.16 In terms of employment projections the 2013 GLA forecasts (Figure 2), which show modest employment growth in the borough over the next 20 years, are possibly the most realistic assessment of future employment levels in Harrow, based on the current economic climate. It is important to note that these borough forecasts are not necessarily the ones that would be used for a future replacement London Plan. The forecasts that were used for the current London Plan published in July 2011 used the trend-based methodology, but in addition compared ('triangulate')⁽⁸⁾ the results with forecasts for transport accessibility and for workplace capacity.

Figure 2 Employment Forecast, Harrow, 2004 - 2036



Source: GLA Economics - 2013 Borough Projections

3.17 The adoption of the Regeneration Strategy, Harrow Core Strategy and the Harrow & Wealdstone Action Area Plan will help facilitate the regeneration of the Harrow and Wealdstone Opportunity Area through a positive planning framework to support high quality new development, including essential infrastructure to support growth, as this is where most of Harrow's future employment is likely to locate.

8 Triangulated forecasts use three different forecasts to produce a full set of employment forecasts. Triangulated forecasts additionally consider forecasts for transport accessibility and for workplace capacity.

Linkages and Flows 4

Local Economic Assessment 2013-14



Economic Linkages

Economic linkages between Harrow and surrounding areas help to strengthen the economic sustainability of the borough by giving the borough a competitive advantage. On an individual company basis, the greater the linkages to the local economy (e.g. through supply chains), the greater the company is embedded within the local economy.

4.1 Initial surveys of businesses in the borough show that many of the larger businesses do not have significant local supply chains. Similarly, the West London Business Sentiment Survey (see Appendix 1) suggests that many small businesses locate in Harrow for convenience, rather than any obvious competitive advantage.

Transport Connections

The efficiency and reliability of the transport network in Harrow and West London as a whole is important for both business and individuals.

Congestion remains a significant issue for many road users in West London and Harrow, especially those travelling east-west, affecting journey times and journey time reliability. With demands on both public transport and the road system projected to increase, reliability and resilience to disruption are likely to suffer without continued investment and action.

4.2 Harrow, like many Outer London boroughs, has good radial public transport links into Central London. The Jubilee, Bakerloo, Metropolitan and Piccadilly underground lines traverse the area, with stations situated across the borough. Mainline rail services are provided by Chiltern Railways, London Overground, London Midland and Southern Railways, with services to London Euston and Marylebone, Milton Keynes, East Croydon, Watford and Aylesbury. The nearest orbital route is the North London line, a Network Rail line which intersects the Bakerloo/London Overground line at Willesden Junction.

4.3 The areas immediately around Harrow-on-the-Hill Station and Harrow and Wealdstone Station have the best Public Transport Accessibility Levels (PTALs), as these stations are Harrow's main transport hubs, both served by the underground and mainline rail services (Map 2).

4.4 Public transport continues to be a challenge for the borough despite Harrow being well served by the rail and tube network with radial routes leading into London supported by a comprehensive network of local and sub-regional bus services. The borough-wide average Public Transport Accessibility Level (PTAL) score was 2.8 in 2012, reflecting its geographical location as an Outer London borough. This is significantly lower than the Central London borough average of 4.8 and slightly lower than the average 3.02 for the Outer London boroughs, resulting in the borough ranked being sixth lowest PTAL score among the 33 London boroughs.⁽⁹⁾

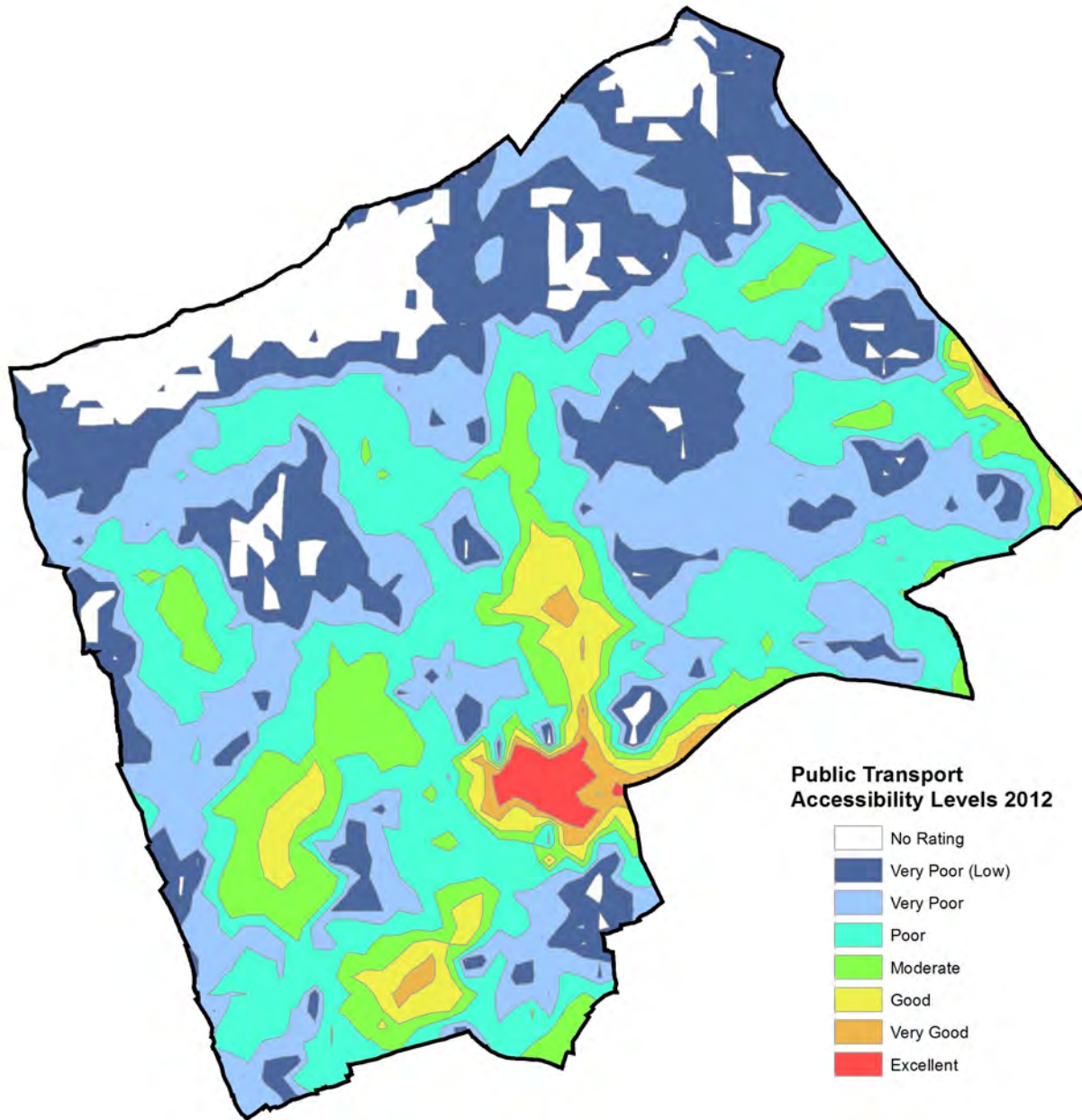
4.5 Car ownership levels in Harrow are higher than the national average and are the fifth highest level in London. Nearly one-third of households in Harrow have two or more cars, which is the third highest level in London (2011 Census). Car ownership levels are lowest in the central wards of Greenhill, Marlborough, Wealdstone wards, and in Roxbourne ward. These wards are regarded as the borough's most deprived wards (CLG, Index of Multiple Deprivation, 2010).

9 <https://londondatastore-upload.s3.amazonaws.com/london-borough-profiles.xls>

4 Linkages and Flows

Whilst the PTAL scores are 'excellent' or 'very good' in the central wards, some of the lowest PTAL scores are in Roxbourne ward, where there is the highest concentration of social housing in the borough.

Map 2 Public Transport Accessibility Levels, 2012



Source: *Public Transport Accessibility Levels, 2012*, Transport for London

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4.6 Traffic congestion remains a key challenge for the borough, although Harrow's average traffic delays appear to be similar to those of the surrounding West London boroughs, with average journey times better than all the surrounding boroughs, other than Hillingdon. The borough is surrounded by high capacity trunk roads - the M40 and M4, close to the southern boundary, and the M1, A1 and A41, near the north-east corner. Despite the absence of trunk

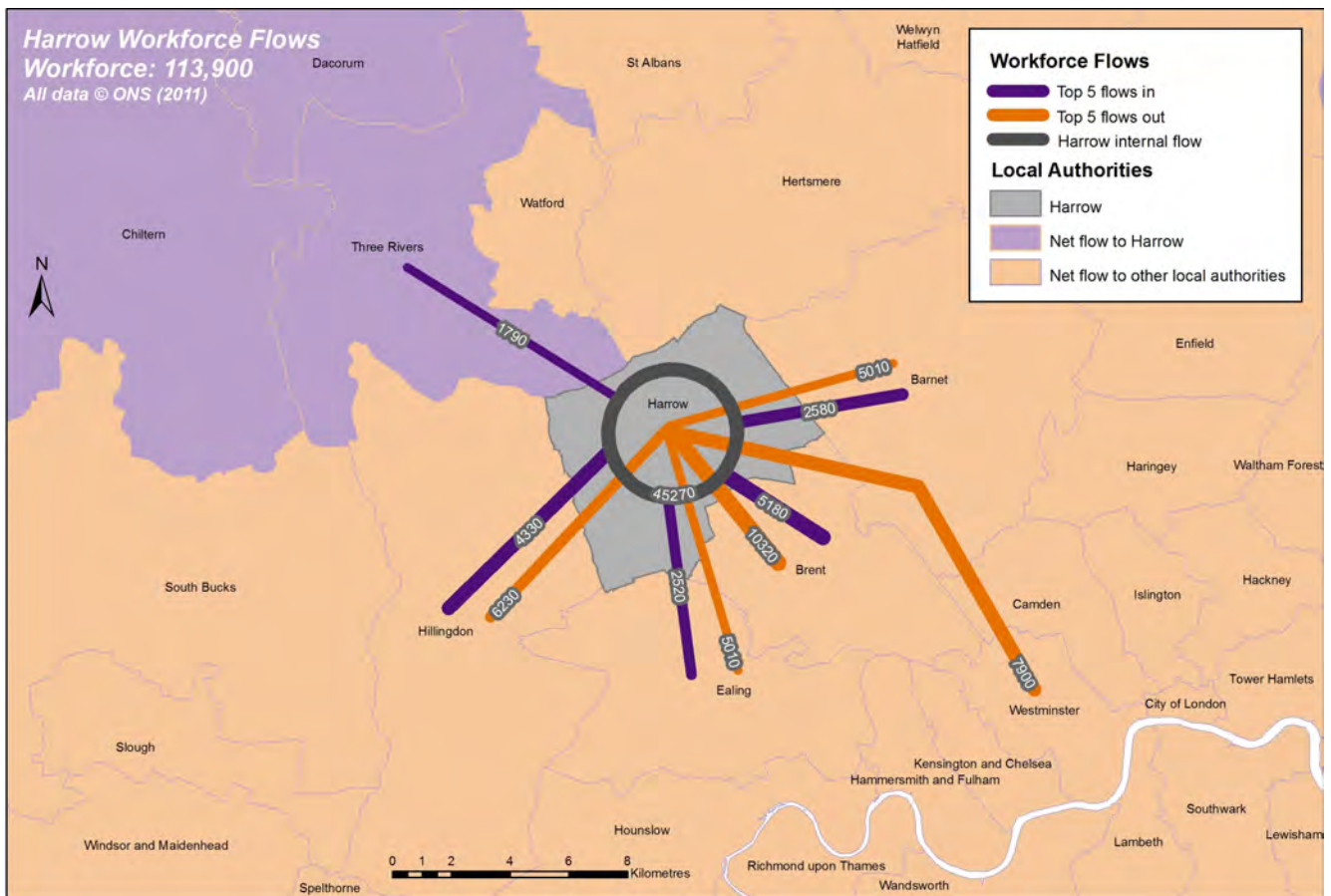
routes or Transport for London Road Network (TLRN) within the borough, the borough is well connected to London's strategic road network, the M25, the major orbital route to the north and west and the A406 North Circular Road to the south.⁽¹⁰⁾

Travel to Work Patterns

Being an Outer London borough, it is recognised that a significant proportion of residents will commute out of the borough for work. However, a choice of employment opportunities needs to be maintained within the borough for a number of reasons, including to help maintain work/life balance for Harrow residents, and to reduce the need to travel.

4.7 Travel to work data is available from the 2011 Census and provides an indication of the areas where Harrow residents go to work and where other workers travel from, to work in Harrow. Map 3 shows the areas with the five highest workforce flows both into and out of Harrow.

Map 3 Key Harrow Workforce Flows



Source: Census 2011, ONS

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4.8 Since 2001 the number of Harrow's working residents (aged 16 to 74) has increased by nearly 17%, from around 97,400 to 113,900 in 2011. The 2011 Census shows that around 40% of Harrow's residents work within the borough, a 1.4% increase from 2001. A further 23% work in the neighbouring London boroughs of Brent, Hillingdon, Barnet and Ealing (Table 2). 22% of

4 Linkages and Flows

Harrow's workers commute to the Inner London boroughs,⁽¹¹⁾ taking advantage of Harrow's good radial public transport links into Central London. Whilst this is roughly the same proportion of workers as in 2001, this represents a 16.5% (3,600) increase in numbers over the decade. The number of Harrow's workers employed in the City of London and Westminster has risen slightly over the decade - from just over 11,000 to 11,800 in 2011. The percentage working in Tower Hamlets (including Canary Wharf) has more than doubled over the past ten years and there has been a 50% increase in the number working in Southwark, which has benefited from new employment opportunities in recent years, particularly at London Bridge City. These locations are both easily accessible to Harrow's residents, due to the extension of the Jubilee Line and it is likely that there are a higher proportion of well paid jobs in these areas.

4.9 Perhaps the most significant change in commuting patterns lies with the percentage of Harrow residents working from home, which has increased from 5.1% to 10.2% over a 10 year period. There have been numerous technological advances over the past decade, with the introduction of video conferencing (using Skype) and the development of the Internet, allowing people to access work files from home, thereby leading to a 20% increase in the number of residents working from home since 2001 and cutting down on commuting.

Table 2 Place of Work for Harrow Residents - Age 16-74 (out-flows)

Rank	Location	2001		2011	
		Number	%	Number	%
1	Harrow	22,670	23.3	21,320	18.7
2	No fixed workplace	9,640	9.9	12,380	10.9
3	Working mainly at or from home	5,010	5.1	11,570	10.2
4	Brent	9,470	9.7	10,320	9.1
5	Westminster	7,890	8.1	7,900	6.9
6	Hillingdon	6,170	6.3	6,230	5.5
7	Barnet	5,010	5.1	5,010	4.4
8	Ealing	4,540	4.7	5,010	4.4
9	Camden	3,680	3.8	4,120	3.6
10	City of London	3,160	3.2	3,860	3.4
11	Watford	2,070	2.1	2,360	2.1
12	Tower Hamlets	1,010	1.0	2,180	1.9
13	Hammersmith & Fulham	1,470	1.5	1,980	1.7
14	Hertsmere	1,530	1.6	1,700	1.5
15	Islington	1,390	1.4	1,630	1.4
16	Hounslow	1,130	1.2	1,490	1.3
17	Three Rivers	930	1.9	1,360	1.2

11 The Inner London authorities are: City of London; Camden, Greenwich, Hackney, Hammersmith & Fulham, Islington, Kensington & Chelsea; Lambeth; Lewisham; Southwark; Tower Hamlets; Wandsworth and Westminster

Rank	Location	2001		2011	
		Number	%	Number	%
18	Kensington & Chelsea	1,160	1.2	1,310	1.1
19	Southwark	850	0.9	1,260	1.1
20	Lambeth	490	0.5	650	0.6

Source: 2011 Census Table WU02EW & 2011 Census Table TT010, ONS, Crown copyright

4.10 Comparisons with the 2001 Census (age 16-74) show an overall 6% increase in the number of people working in the borough over the decade. However, when people working at home, or having no fixed address are excluded, the data shows a fall of over 2,800 potentially working in business premises in the borough. In terms of the people who work in Harrow, a significant number of people commute into the borough from elsewhere - just under 20% of Harrow's jobs are filled by residents from the adjacent London boroughs of Hillingdon, Brent, Barnet and Ealing. Overall from 2001 to 2011, there has been a 5% decrease in residents commuting into the borough (Table 3). The 2011 Census showed that flows from Harrow into neighbouring Hertfordshire slightly exceeded flows from Hertfordshire to Harrow, with 7,180 people commuting to Hertfordshire and 6,230 travelling into Harrow.

Table 3 Place of Residence for Harrow Workers - Age 16-74 (in-flows)

Rank	Location	2001		2011	
		Number	%	Number	%
1	Harrow	22,670	27.6	21,320	28.9
2	No fixed workplace	9,640	11.8	12,380	16.8
3	Working mainly at or from home	5,010	6.1	11,570	15.7
4	Brent	5,110	6.2	5,180	7.0
5	Hillingdon	4,680	5.7	4,230	5.9
6	Barnet	2,620	3.2	2,580	3.5
7	Ealing	2,590	3.2	2,520	3.4
8	Three Rivers	1,910	2.3	1,790	2.4
9	Hertsmere	1,540	1.9	1,550	2.1
10	Watford	1,500	1.8	1,410	1.9
11	Dacorum	810	1.0	550	0.7
12	St Albans	510	0.6	430	0.6

Source: 2011 Census Table WU02EW & 2011 Census Table TT010, ONS, Crown copyright

4.11 A high proportion of Harrow's working residents travel to work by car. The 2011 Census showed that just over 42% of Harrow's residents travelled by car or van to work, higher than the West London average of 35.2% and London's level of 28%. Over 45,500 residents drove their car or van to work, with over 77% of these commutes made to workplaces outside the borough. In addition 17,300 workers travelled to work in Harrow, from places outside of the borough.

Trading Links and Movement of Goods and Services

4.12 Harrow Council has the distinction of being one of two London boroughs which have been awarded the Freight Operators Recognition Scheme (FORS) Silver Accreditation by TfL (as of August 2014). FORS is an accreditation scheme that aims to improve fleet activity in London and throughout the UK and beyond.

4.13 There are relatively low levels of movement of road freight through the borough compared to the rest of West London and this mainly serving local destinations and businesses. Most of West London's road freight is transported through the strategic M1/A406/A40/M4 corridors, all which lie outside the borough boundary.⁽¹²⁾

Population 5

Local Economic Assessment 2013-14

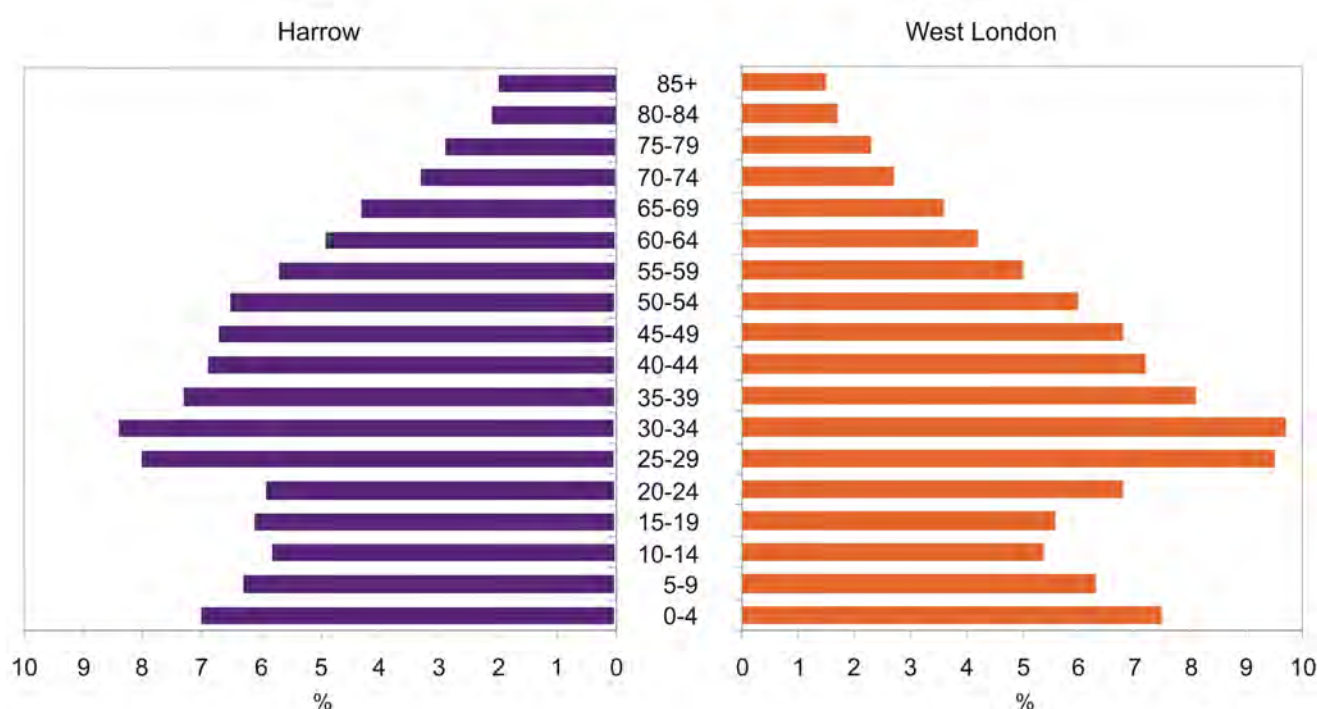


5.1 In 2013 Harrow's resident population (Office for National Statistics Mid-Year Population Estimates) was estimated to be 243,400, showing a growth rate of 0.4% (995) between mid-2012 and mid-2013. This gives a population density of nearly 49 persons per hectare, below the London average of 53.5 persons per hectare. Over a fifth of Harrow is designated Green Belt, where population densities are considerably lower than the built-up areas of the borough. Harrow is the 12th largest borough in Greater London in terms of size and 16th in terms of population.

5.2 Harrow's population has been steadily increasing over the past 25 years. The estimates show that Harrow's population has grown by 20% since 1988, an increase of 40,100 people, with most of this growth occurring in the past ten years. Since 2003, Harrow has seen a population growth of 13.9%, which is relatively the same as London's growth rate of 13.8% and the West London rate of 14.1% over the same period. Harrow's estimated population growth means that the borough is in the top 10% of all local authorities for population growth in England & Wales between mid-2003 and mid-2013. Harrow's growth rate is ranked 30th out of 326 local authorities in England, based on those in existence in 2009.

Age Structure

Figure 3 Population by Age Group - Harrow and West London



Source: 2013 ONS Mid-Year Estimates

5.3 Harrow has a slightly older age profile compared to London as a whole and West London (Figure 3). The 2011 Census shows that the average age in Harrow is 37.6, older than London's average of 35.6 years, but younger than the average age for England & Wales at 39.4 years.

5.4 Compared to West London, Harrow has a higher proportion of young people aged 5-19 and residents aged 45 and older. However, in the 20-44 age group Harrow has a lower proportion of people, at 36.5%, compared to 41.3% over West London as a whole. Harrow has the lowest proportion of 20-24 year olds of all the West London Boroughs, but unlike most of the other

5 Population

West London Boroughs, Harrow does not have a university campus in the borough. 65.1% (158,300 people) of Harrow's residents are of working age (16-64), which is lower in comparison to West London's at 67.9% and 68.4% in London as a whole. The level in England & Wales is below Harrow's, at 63.7%.⁽¹³⁾ Projections show that Harrow's working age population will continue to increase over the next five years and beyond.⁽¹⁴⁾

Population Movement

5.5 Like many London boroughs Harrow experiences a significant level of population churn and population transience, with a significant number of people coming into the borough, and leaving, each year. There are several data sources which evidence this. The ONS Mid-Year Estimates show that from 2002/03 to 2008/09, overall net migration in Harrow has been positive, peaking in 2004/05 at over 2,900. However, after this period net migration has been decreasing for the past 4 years, reaching its lowest level in 2012/13, at -1,200. Looking at the level of the internal and international flows which contribute to the net migration figure, it is estimated that nearly 13,300 people moved into Harrow in 2012/2013 and over 15,700 moved out of the borough, showing a considerable amount of annual population churn.⁽¹⁵⁾

Ethnic Diversity

5.6 Harrow has one of the most ethnically diverse populations in the country. The 2011 Census shows that 69.1% of Harrow's residents are of ethnic minority, where ethnic minority is defined as all people who are non-White British. Based on this definition, Harrow now has the fourth highest proportion of residents from minority ethnic groups nationally, compared to a ranking of eighth in 2001. The Greater London Authority's (GLA) 2011 Census Ethnic Diversity Indices (based on the 18 ethnic group classification) show that Harrow is ranked seventh nationally for ethnic diversity. Diversity indices measure the number of different/distinct groups present in the population and the sizes of these groups relative to each other.

5.7 Harrow's largest minority ethnic group is the Indian group and 2011 Census results show that 26% of Harrow's population are currently of Indian origin. Harrow's population is more diverse than West London's and London overall with 69.1% from minority ethnic groups, in comparison to 64.3% in West London and 53.7% in London (Figure 4).

5.8 Ethnic group projections currently amalgamate some of the 18 ethnic groups into fewer categories, with no sub-division of the White group. In Harrow the overall White group accounted for 42.2% of Harrow's population (in 2011) and includes sizable communities of residents from Eastern European countries. All other groups represent 57.8% of the borough's population. By 2018, 64.8% of Harrow's residents are likely to be from Black, Asian and other minority ethnic groups (excluding all White groups) - this proportion could be around 69% by 2026.⁽¹⁶⁾

5.9 Within Harrow's maintained primary and secondary schools, 84% of pupils are from minority ethnic groups (January 2014 School Census), which includes all children and young people who are not White British, and is a rise of 4% since the January 2011 School Census.

13 ONS 2013 Mid-Year Estimates. The Mid-Year Estimates record students at their term-time address.

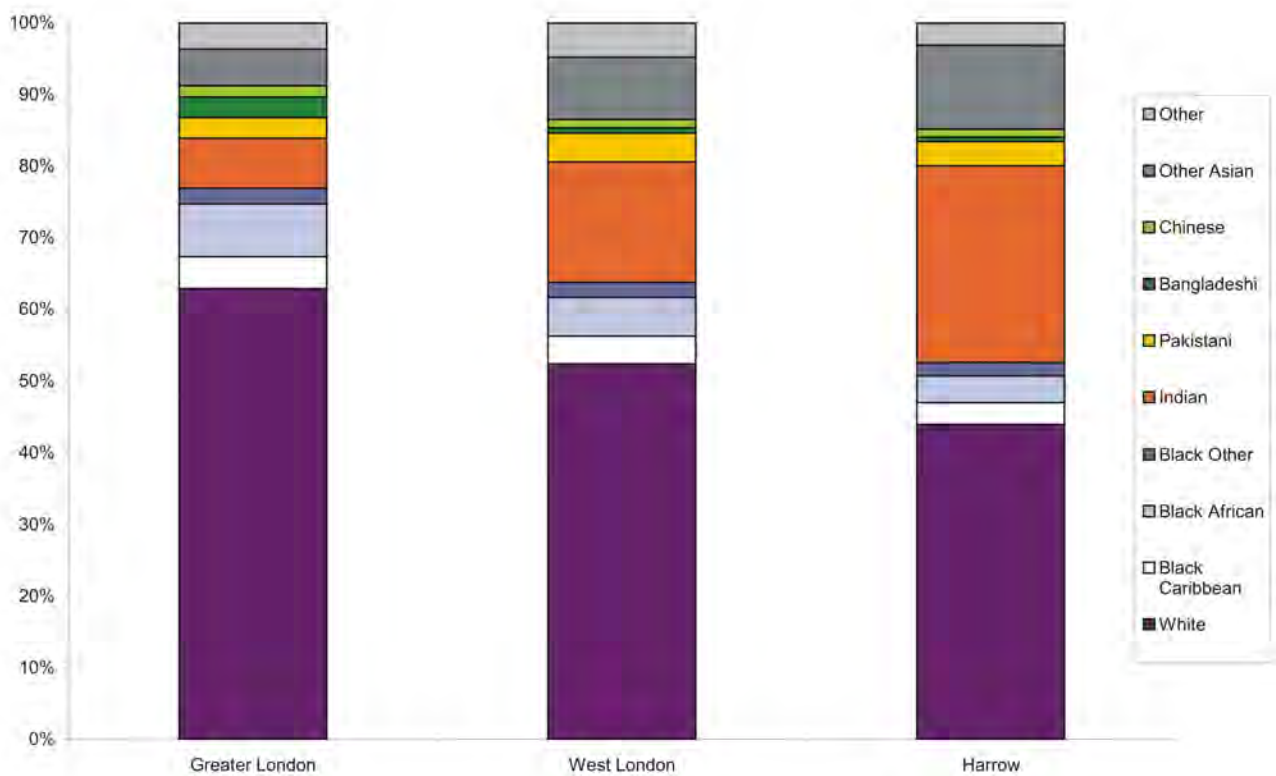
14 ONS 2012-based Sub-National Population Projections

15 ONS Mid-Year Estimates

16 GLA 2013 Round Ethnic Group Projections (Trend-based, Central scenario)

5.10 In 2011 Harrow had the second highest level of religious diversity of any local authority in England & Wales. Christianity is Harrow's most common religion with 37.3% of followers, followed by Hindu (25.3%), which is the highest proportion nationally.⁽¹⁷⁾

Figure 4 Population by Ethnic Group, 2011



Source: 2011 Census, Table KS201EW, ONS

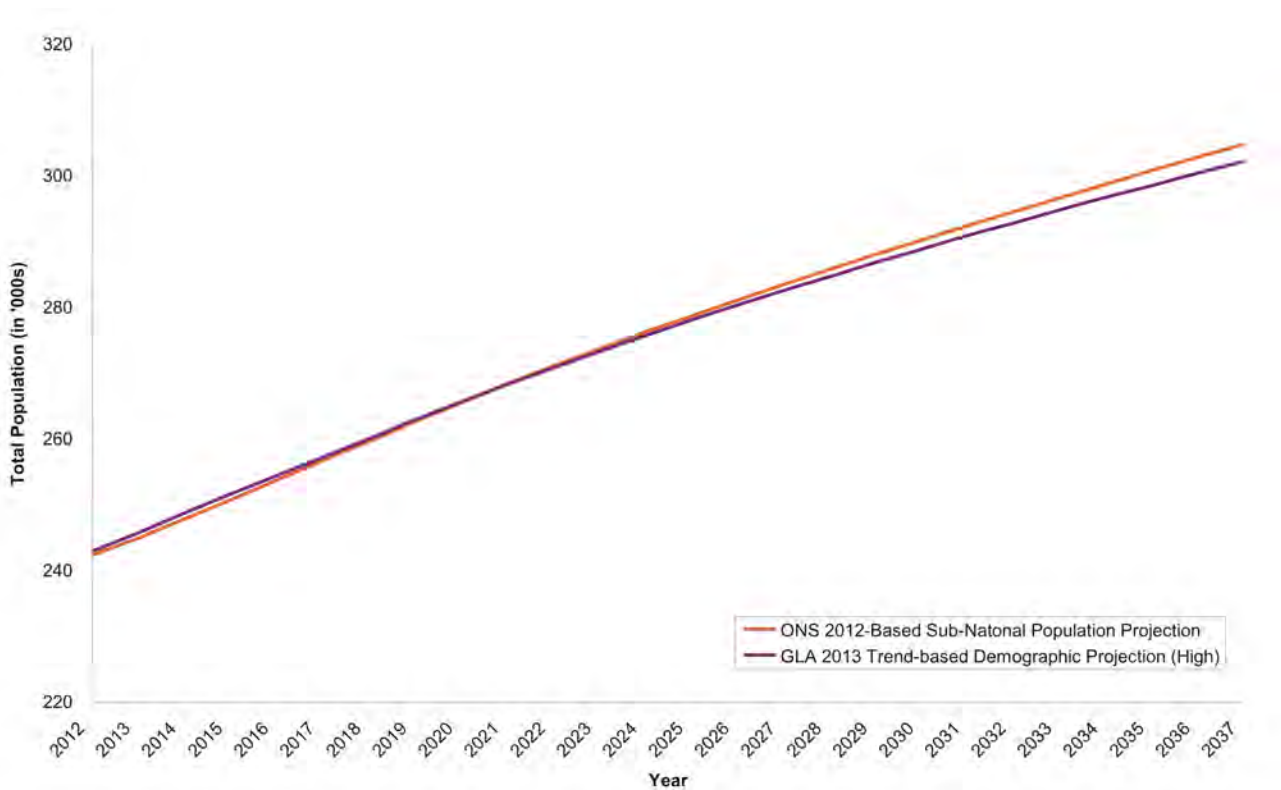
Population Projections

5.11 Over the five year period to 2018 the ONS and GLA population projections indicate that Harrow's population will continue to increase, by around 6% or 14,500. The GLA produce a number of different variant population projections which fall under two main types: trend-based projections and dwelling-led (or housing linked) projections. The trend-based projections are more akin to the ONS 2012-based Sub-National Population Projections (SNPP).⁽¹⁸⁾ The council currently favours these trend-based projections as the 2011 Census and recent Mid-Year Population estimates show that the increase in the borough's population is not solely linked to new housing provision and that a very significant proportion of population growth is occurring within the existing housing. Over the 25 year period Harrow's population is projected to grow by 25.8% (+62,500), compared to the national growth rate of 16.2% and London's at 28.3%. Although the SNPPs and GLA demographic projections provide a forecast to 2037, projections become more uncertain over time.

17 GLA's 2011 Census Religious Diversity Indices - based on all those who responded that they do have a religion. The 2011 Census question on religion was a voluntary question.

18 The SNPP are based on the 2012 Mid-Year Population Estimates and a set of underlying demographic projections regarding fertility, mortality and migration based on local trends

Figure 5 Population Projections, Harrow, 2012 - 2037, All Ages



Source: ONS 2012-based Sub-National Population Projections and GLA 2013 Round of Demographic Projections (trend-based, high variant)

5.12 The Mid-Year Estimates show that Harrow's population is growing annually largely through natural population change - the difference between births and deaths. As a result of the increasing number of births and the falling number of deaths, the natural change in Harrow's population has been increasing every year since 2001/02, with 2,171 more births than deaths between mid-2012 and mid-2013.

Deprivation

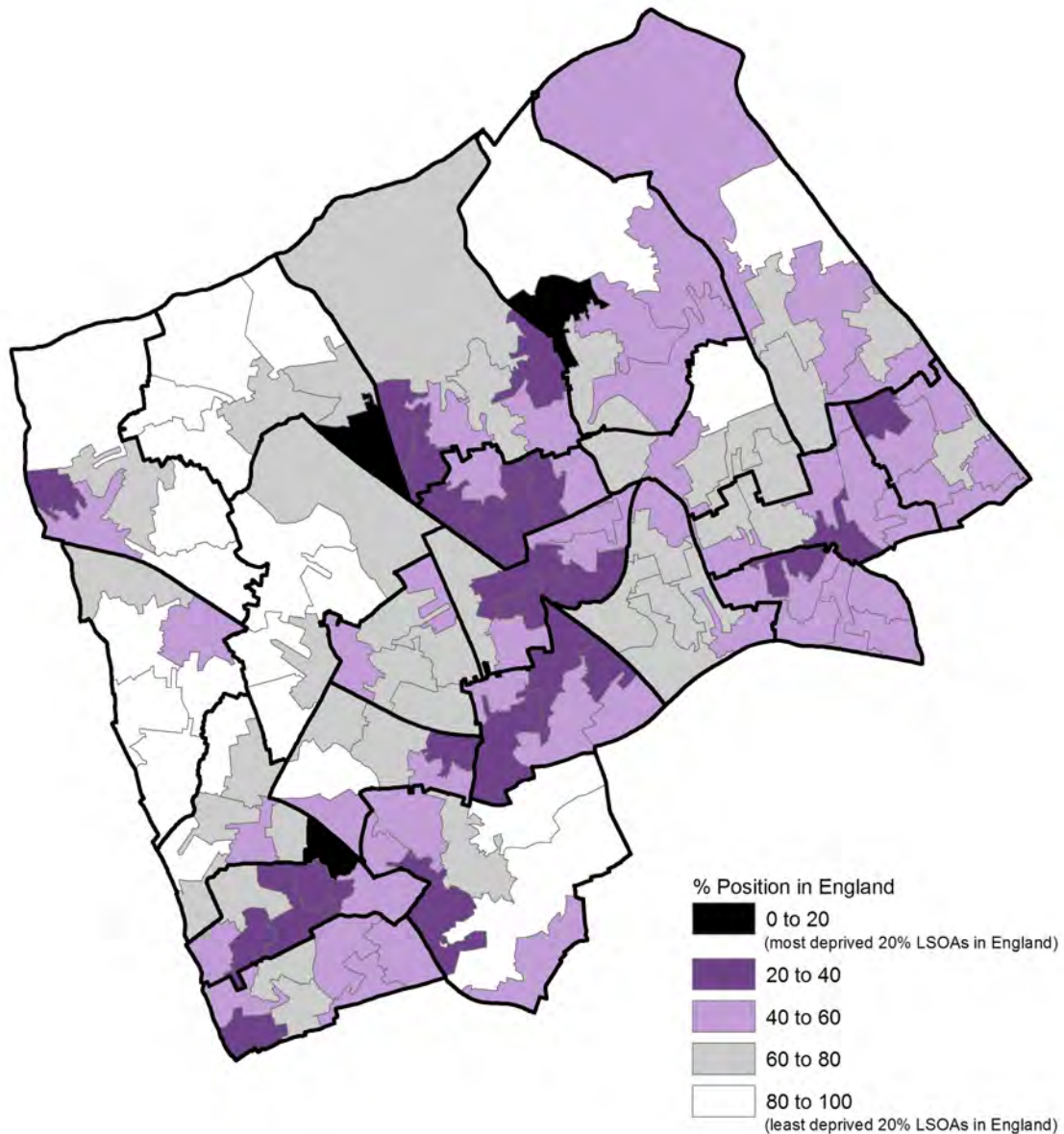
5.13 The Government's 2010 Indices of Deprivation provide an opportunity to consider deprivation in Harrow in a national context. They also enable comparisons at the local level, and the identification of 'pockets' of deprivation which can be addressed through policy and intervention.

5.14 The 2010 Indices rank Harrow the 203rd most deprived local authority district in England, an improvement since 2007. This is based on the overall measure of deprivation, the Index of Multiple Deprivation. By the same measure Harrow is the seventh least deprived London borough out of 33, an improvement of two places on 2007.⁽¹⁹⁾ New Indices of Deprivation are due to be published in 2015.

19 For a full analysis see the report 'Indices of Deprivation 2010: Harrow Summary' available on the council website

5.15 Map 4 is a representation of deprivation within Harrow. The data is presented at Lower Super Output Area (LSOA) level, the smallest geography available. The LSOAs are coloured according to their rank within England, with areas falling into the most deprived 20% of LSOAs nationally darkest; the map shows that Harrow has three LSOAs in the most deprived 20% in England. The most deprived areas are in the centre of the borough, with pockets of deprivation in the south and east. There are 23 LSOAs in Harrow in the least deprived 20% in the country and these are concentrated in the west of the borough.

Map 4 Multiple Deprivation, 2010



Source: *Indices of Deprivation 2010, CLG*

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5 Population

5.16 The Index of Multiple Deprivation is a composite indicator which aggregates a series of domains which define deprivation in terms of employment, income, education, health, crime, living environment and housing. The domains themselves provide additional useful indications of deprivation within the borough and may identify pockets of particular types of deprivation that the aggregated indicator misses. Map 5 & Map 6 show the varying levels of employment deprivation⁽²⁰⁾ and income deprivation⁽²¹⁾ in the borough, respectively. The darker areas identify the Super Output Areas (LSOA) with higher levels of deprivation.

5.17 The picture of income deprivation in Harrow is different from the overall IMD. The map is in general much darker indicating a greater level of deprivation across the borough. 15 of the LSOAs in Harrow rank in the 20% most deprived in this domain; these are spread across 12 different wards.

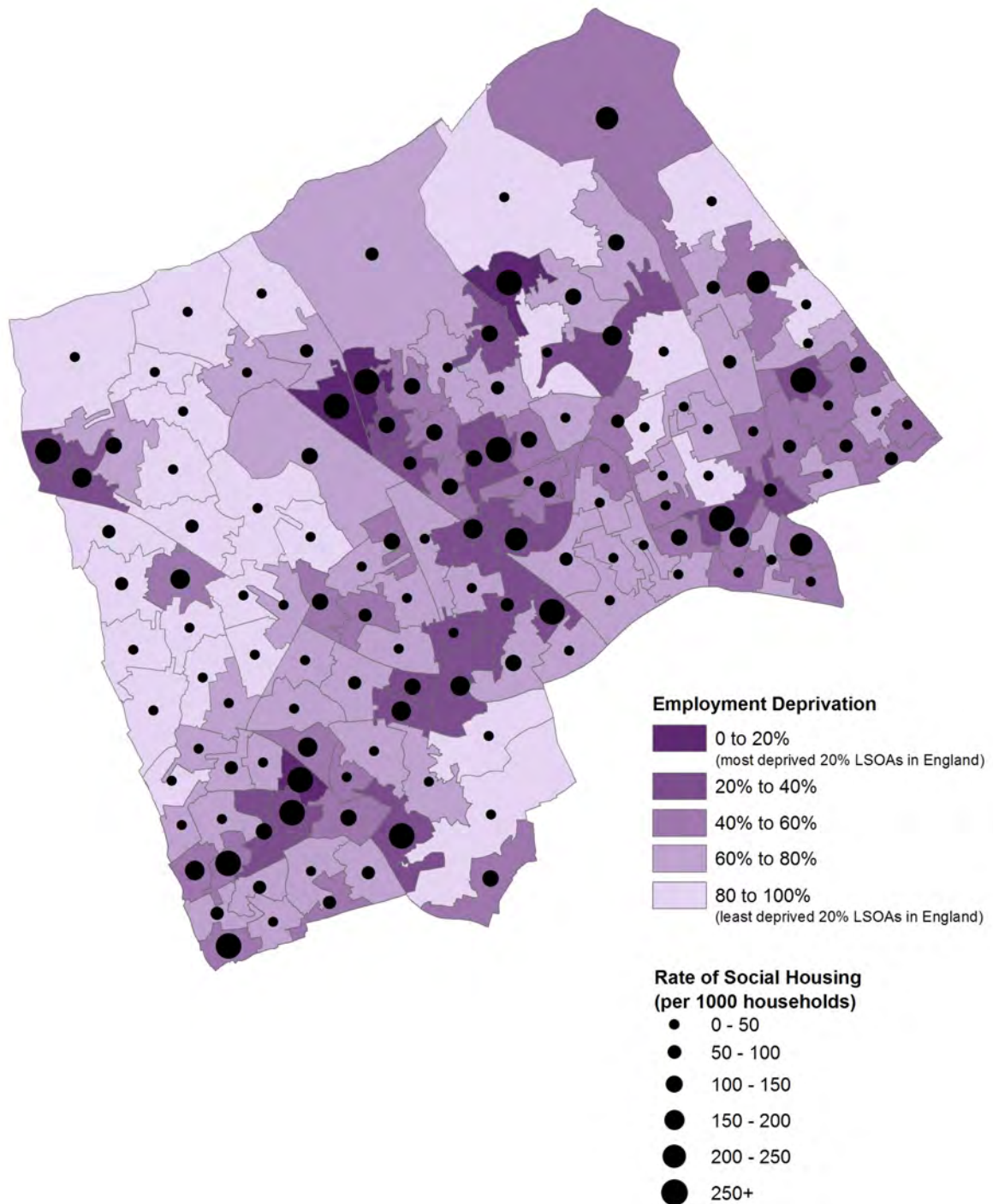
5.18 The employment domain, on the whole, shows a more positive picture. 27 of Harrow's LSOAs are in the least deprived 20% nationally. Only three of the borough's LSOAs fall within the most deprived 20% in the country, compared to eight in 2007. Harrow is ranked 237th out of 354 Districts in England for this index.

5.19 Overlaid on each map is an indication of the amount of social housing provision within each LSOA. A larger circle represents more social housing (as a percentage of the total housing stock) in a particular LSOA. This demonstrates a correlation between high levels of income and employment deprivation and locations with above-average levels of social housing.

20 Employment deprivation in the ID 2010 is a basket of indicators: recipients of Jobseeker's Allowance (JSA); Incapacity Benefit and Severe Disablement Allowance (all these among people of working age); and people taking part in New Deal programmes (not in receipt of JSA) and New Deal for Lone Parents.

21 Indicators constituting Income Deprivation in the ID 2010 are: adults and children in Income Support households; adults and children in income based Jobseeker's Allowance households; adults and children in Pension Credit households; adults and children in Child Tax Credit households whose income is below 60% before cost of housing; National Asylum Support Service supported asylum seekers in England in receipt of subsistence only and accommodation support.

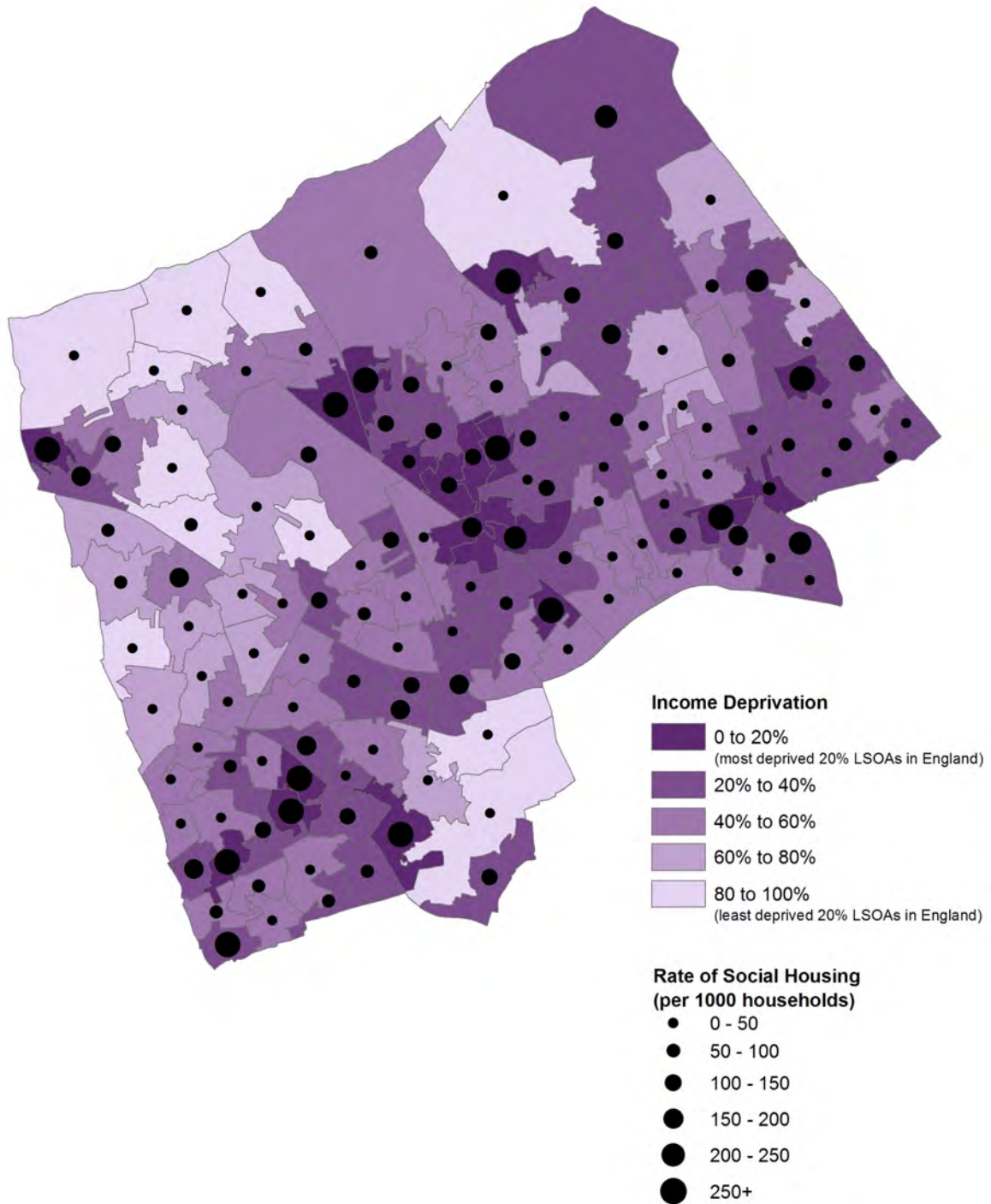
Map 5 Employment Deprivation and Social Housing



Source: Indices of Deprivation 2010, CLG, 2011 Census, Key Statistics KS402EW, ONS, Crown copyright

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Map 6 Income Deprivation and Social Housing



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Labour Market 6

Local Economic Assessment 2013-14



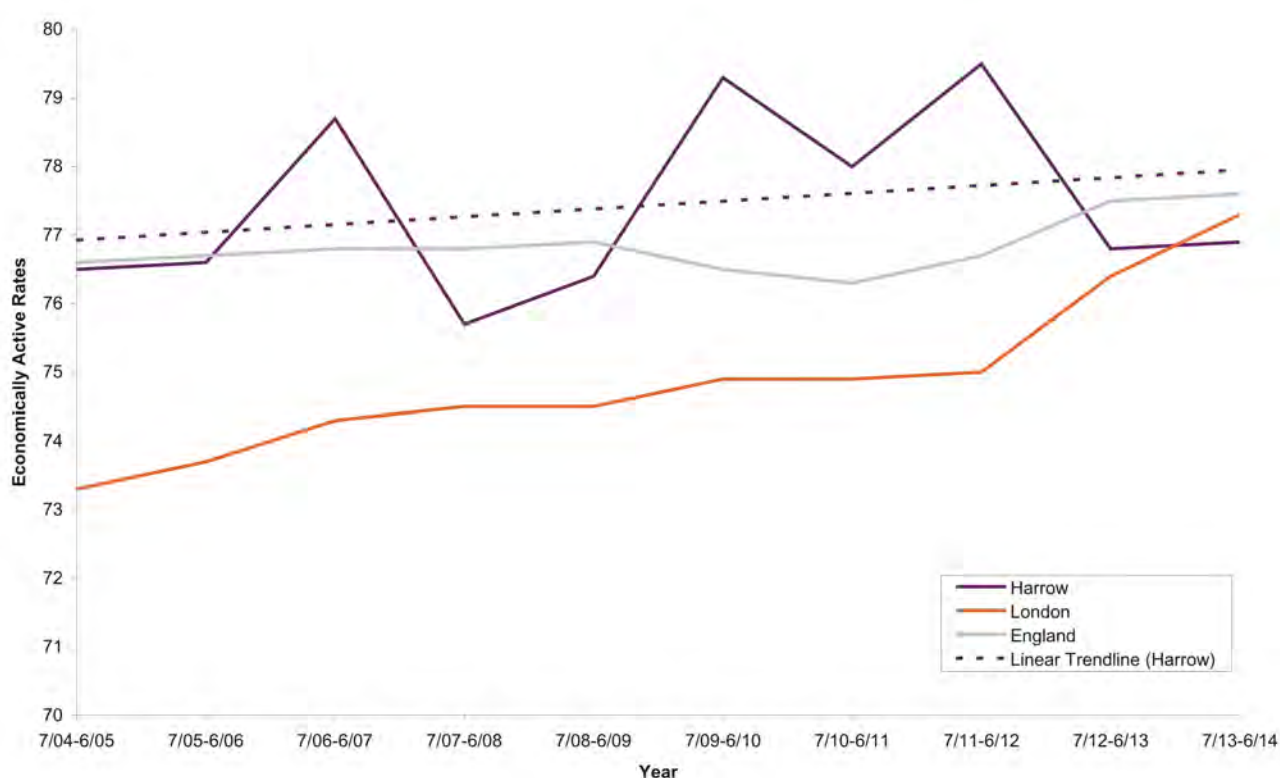
Employment and Unemployment

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 Chapter 8 on Employment.

Residents in Employment

6.1 In Harrow 76.9% of the working age population are economically active, compared to 77.3% for London, in the year ending July 2014. 119,200 residents are classified as economically active, ranked 16th out of the 32 boroughs in London (excluding the City of London). Harrow's overall employment rate was 70.4%, the second lowest rate in West London, and below London's rate of 71.4% and the national rate of 72.2%. Employment rates vary by gender, with a male employment rate of 81.1% and a female employment rate of 59.3%, with only the male employment rate being above the London average of 78.7%. Figure 7 shows Harrow's working age population by economic activity and economic inactivity and Table 4 details the economically active population in West London.

Figure 6 Economically Active Rates, July 2004 - June 2014

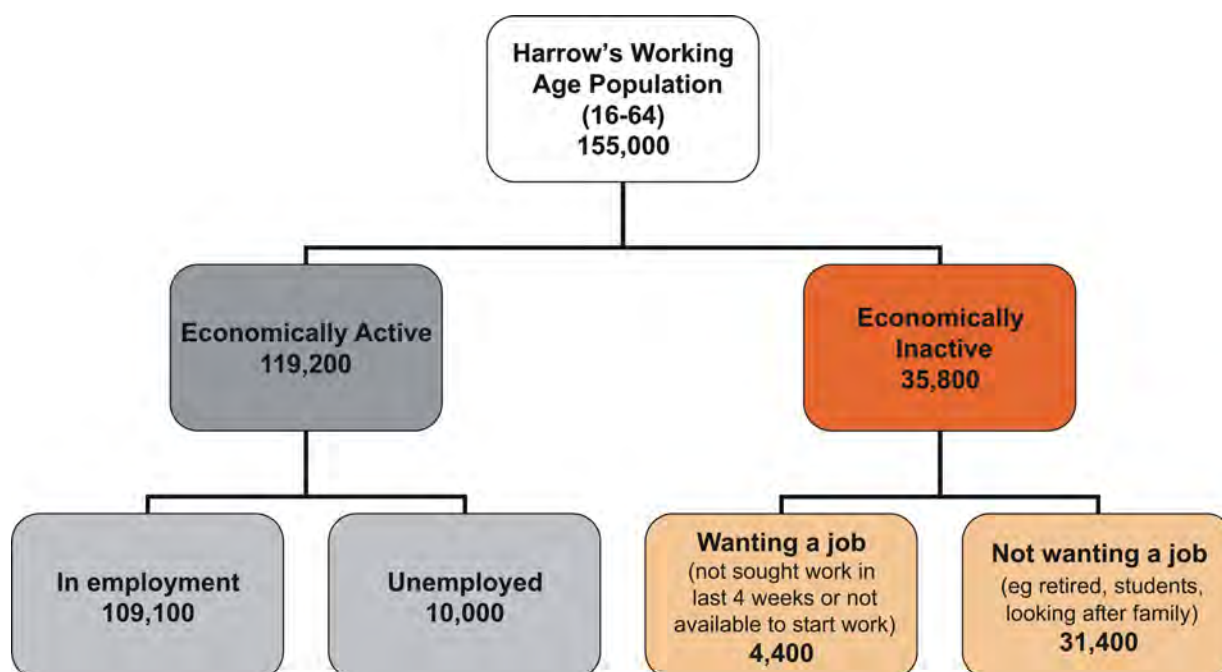


Source: ONS Annual Population Survey - Residents aged 16-64

6.2 Over the past nine years (Figure 6) the level of economic activity in Harrow has fluctuated, but the general trend is upwards. Harrow's rate has generally been higher than London's rate, but has fallen below both London's and the national rate over the past year. Nationally, the percentage of the economically active population has risen over the past two years, which is

the same in London. It should be noted that the rates at local authority level are less reliable and show greater fluctuations, due to the smaller sample sizes. Conversely the level of those who are economically inactive shows a general downward trend.

Figure 7 Economic Activity and Inactivity in Harrow, July 2013 - June 2014



Source: ONS Annual Population Survey - Residents aged 16-64, July 2013 to June 2014

Note: Numbers may not add up due to rounding

Table 4 Employment and Unemployment, July 2013 - June 2014

	Harrow	Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow	London	England
All People								
Economically Active	119,200	76.9	73.1	72.7	80.2	78.3	81.9	77.3
In Employment	109,100	70.4	77.8	65.2	75.3	73.2	76.9	71.4
Employees	88,500	57.1	55.2	52.1	61.1	65.0	62.8	58.6
Self-Employed	20,000	12.9	11.3	12.8	13.8	8.2	13.8	12.4
Unemployed	10,000	8.2	8.4	10.00	5.9	6.4	6.1	7.4

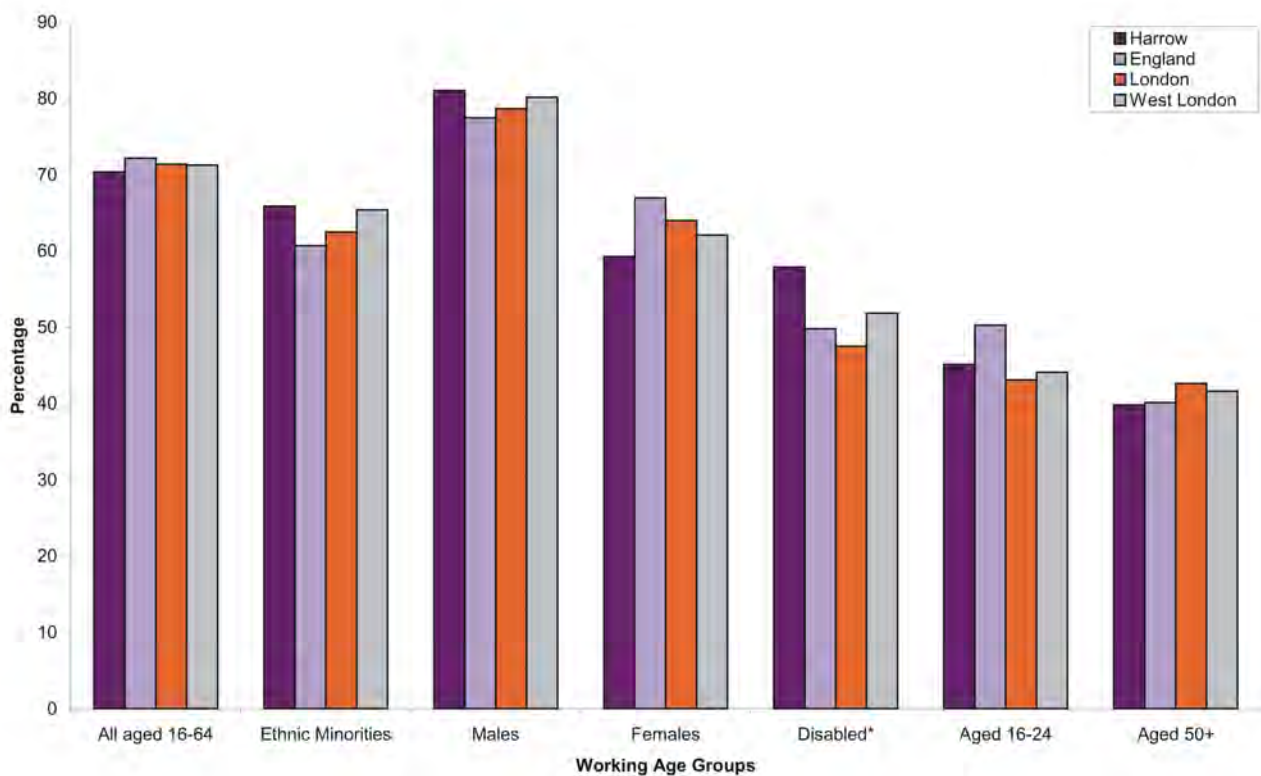
Source: ONS Annual Population Survey, July 2013 to June 2014

Note: Numbers are for those aged 16 & over and percentages are for those aged 16-64. % unemployed is a proportion of economically active.

6.3 Figure 8 shows employment rates for selected groups within the borough, compared to West London as a whole, London and England.

- Within Harrow, the employment rate for those from minority ethnic groups is lower than the employment rate for the overall population. At 65.9% this level is higher than the rates for London and England, and the third highest in West London.⁽²²⁾
- The employment rate for men in Harrow is 81.1% - again higher than the rates for London and England, and fourth highest in West London
- At 59.3%, employment rates for women in the borough are fourth highest in West London, but lower than London and England overall
- The employment rate for disabled people in Harrow was 57.9% in 2012, the highest level in West London
- The employment rate for 16-24 years olds is slightly lower than the national and London averages, part reflecting the high rates of participation in further and higher education in Harrow

Figure 8 Employment Rates for Selected Groups, July 2013 - June 2014



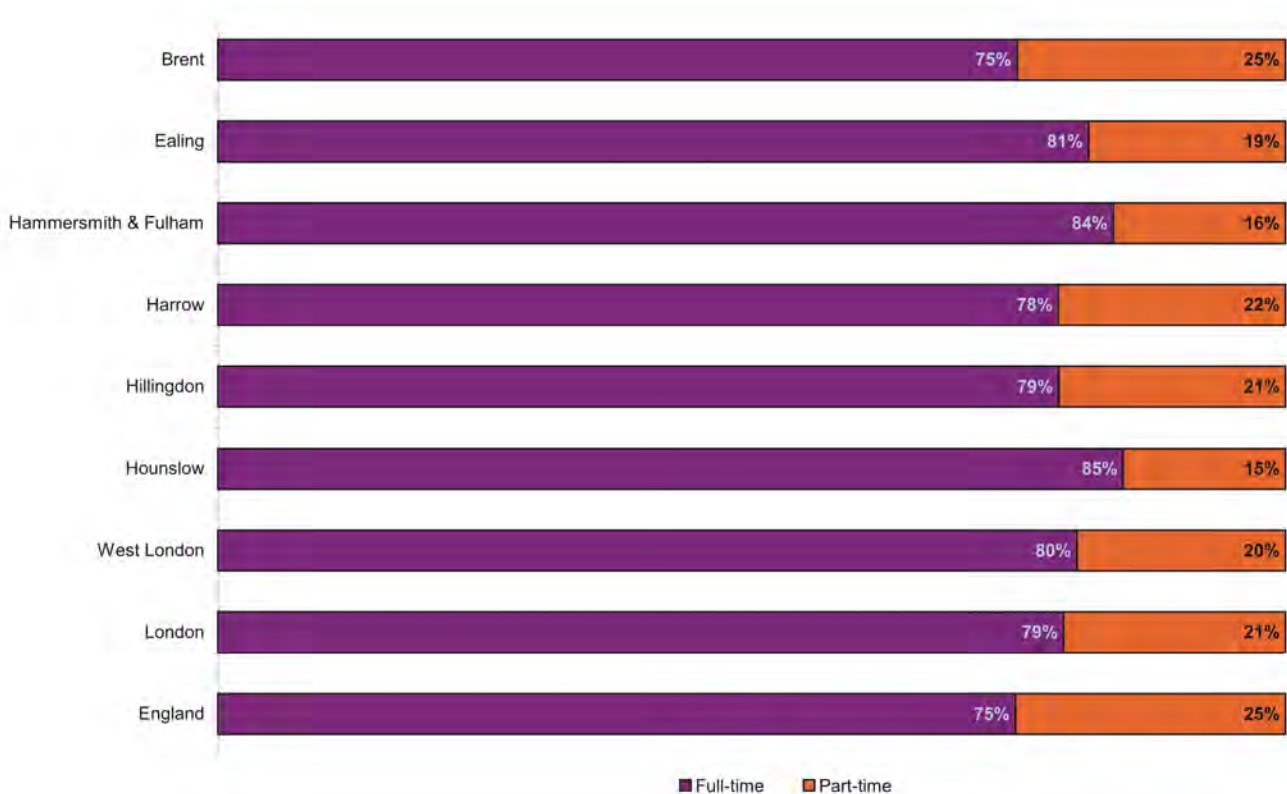
Source: ONS Annual Population Survey - Residents aged 16-64, July 2013 to June 2014

*Note: Rates for the Disabled group are for January 2012 - December 2012

Part-time and Full-time Employment

6.4 A high proportion of Harrow's workforce work part-time, compared to the other West London boroughs. Just under 22% of Harrow's employees are part-time workers, above the level of the other West London comparator boroughs, except Brent, and higher than London generally. Nationally the proportion of part-time workers is higher than Harrow's level, at 25.2% (Figure 9).

Figure 9 Part-time and Full-time Employment, July 2013 - June 2014



Source: Annual Population Survey, July 2013 to June 2014, ONS - Residents in employment and aged 16-64

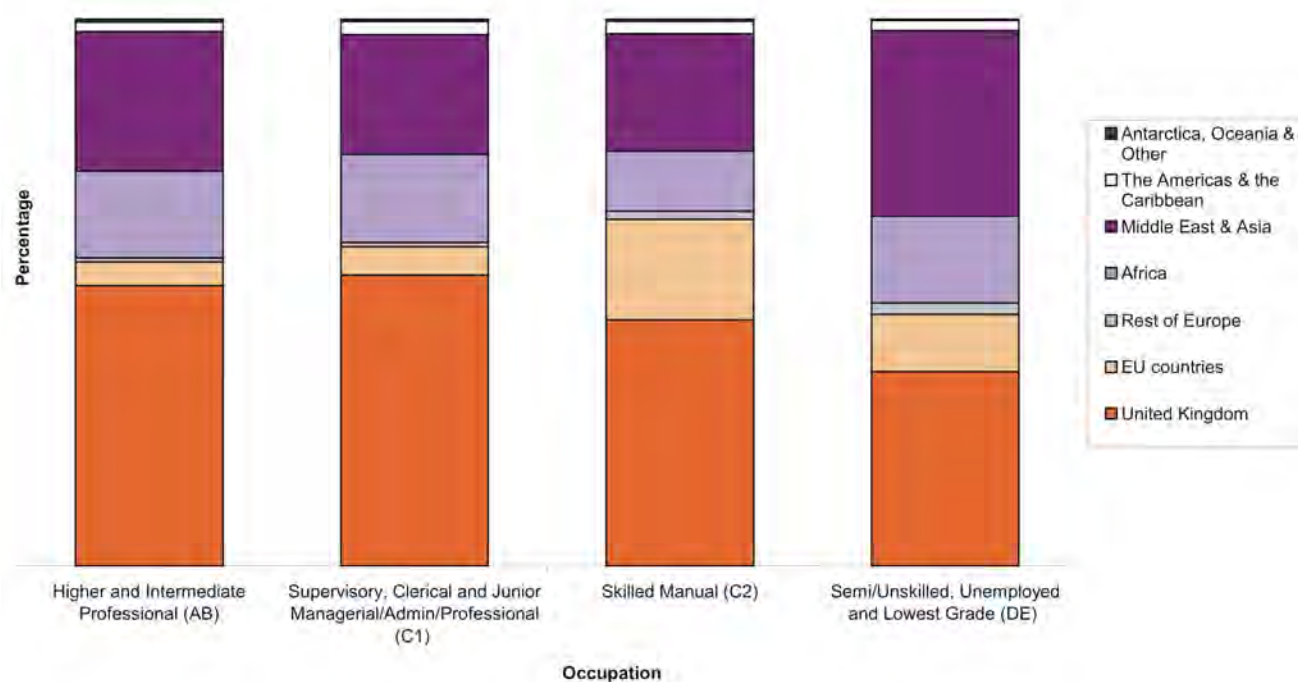
Migrant Workers

6.5 London attracts more migrant workers than any other Government region and Harrow and the other West London boroughs have provided homes and jobs for an increasing number of migrant workers and their families over the past twenty years. London-wide research undertaken by the London School of Economics & Political Science (LSE) shows that migration from abroad has played a key long-term role in London as a whole.⁽²³⁾ The report's findings show that migrants work in most types of job in London and that there are concentrations mainly from richer countries in the financial and business services. Many work in catering and hospitality. A8 in-migrants are particularly concentrated in skilled manual occupations like construction. This is further evidenced by information from the 2011 Census (as can be seen in Figure 10).⁽²⁴⁾ Those coming from less developed countries tend (at least initially) to take up lower status jobs than their qualifications would warrant, but over time this differentiation tends to disappear.

23 The Impact of Recent Immigration on the London Economy, LSE, July 2007

24 A8 countries - Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia, Cyprus & Malta

Figure 10 Social Grade by Country of Birth, 2011



Source: 2011 Census, Table DC6218EW, ONS

Note: Data includes all usual residents aged 16 to 64 in households. Approximated social grade by country of birth.

6.6 Other data sources available to us which give some measure of the number of overseas migrants based in Harrow are based on new GP registrations (Flag 4) and National Insurance Registrations to Overseas Nationals (NINOs).

6.7 A 'Flag 4' is generated when a person registers with a GP and has either been born outside the UK or has a previous address outside the UK and has been outside the UK for at least 3 months. The 'Flag 4' is removed from the record when the person re-registers with another GP. There has been a general upward trend in the number Flag 4 registrations in Harrow, rising from around 3,500 registrations in 2001/02 to a high of nearly 6,000 registrations in 2009/10, which is a rate of 25 per 1,000 population in 2009/10. Over the past three years numbers have fallen slightly and in 2012/13 there were 5,150 registrations in Harrow, a rate of 21 per 1,000 population. This rate is below London's overall rate of 25 and the West London rate of nearly 30. However, it is considerably higher than the overall rate for England & Wales at 11 new registrations per 1,000 population in 2012/13. Flag 4 registrations include people of all ages, not just those of working age.

6.8 One of the limitations of this GP registration data is the fact that it is not compulsory to register with a GP, so this dataset is likely to provide an under-estimate of new entrants to the borough. Young men, in particular, are less likely to register with a GP. It is likely though that some short-term migrants are also included in the 'Flag 4s'.⁽²⁵⁾

25 The latest Flag 4 data has not yet been released.

6.9 The National Insurance Registrations to Overseas Nationals, or NINOs provide information on migrant workers. These statistics have been released annually by the Department of Work & Pensions since 2002/03 and they give information on country of origin for new national insurance registrations (NI) 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.

Figure 11 Flag 4 GP and National Insurance Registrations to Overseas Nationals (NINo)



Source: ONS - Flag 4 records are produced as part of the Patient Register Data Service (PRDS) held by NHS Connecting for Health (NHSCfH); and DWP NINo Registrations

6.10 In 2013/14 there were approximately 5,770 NINo registrations in Harrow, 40% higher than the number of registrations in 2012/13 (4,120). In West London 54,900 NINOs were issued in 2013/14, 23.7% of London's overall total of 231,830. 2010/11 was West London's and London's peak year for NINOs. The rate of NINOs per 1,000 working age population in Harrow in 2013 was 28, below the West London rate of 49 and London's rate at 43 (per 1,000 residents aged 16-64).

6.11 21% (13,447) of Harrow's NINo registrations have been issued to Indian workers since 2002/03, the largest national group overall and perhaps reflecting the fact that Harrow has a large settled Indian community, which attracts migrant Indian workers to the area. Romania, Sri Lanka and Poland are ranked 2nd, 3rd and 4th respectively, with between 5,540 and 9,860 registrations, per country, in total over the past eleven years. In 2013/14 the number of Romanian workers issued with NINOs in Harrow, more than doubled compared to the previous year, rising from 940 registrations in 2012/13 to over 2,470 registrations in 2013/14 and the largest influx

of Romanian workers recorded in the borough. This large increase may partly be due to the lifting of restrictions on Bulgarian and Romanian nationals' rights to work in the UK on 1st January 2014.

Earnings

6.12 The main source of information about earnings is the Annual Survey of Hours and Earnings (ASHE)⁽²⁶⁾ conducted by the ONS. In 2014, Harrow residents who were employed full-time earned, on average, £595 per week. This is 3.9% below the London average of £618, but nearly 12% higher than England's average of £524. Within West London the average full-time weekly wage earned by residents was £588 in 2014, £7 below Harrow resident's average weekly full-time wage. These figures are based on the median, or middle point wage. Harrow's mean average weekly full-time wage was nearly 18% higher, at £700 in 2014, which indicates that there are a number of high earners living in Harrow, as the mean is an average of all weekly earnings and therefore distorted by the very high earners.

Table 5 Earnings of Residents, 2014

	Harrow	Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow	London	England
Full-time workers	594.6	547.5	575.3	670.8	576.8	563.3	617.8	523.6
Male full-time workers	636.8	578.9	589.9	708.4	613.3	618.3	661.3	565.3
Female full-time workers	539.5	522.8	556.2	625.4	542.1	517.5	574.9	466.0

Source: ONS Annual Survey of Hours and Earnings - Resident Analysis (April 2014)

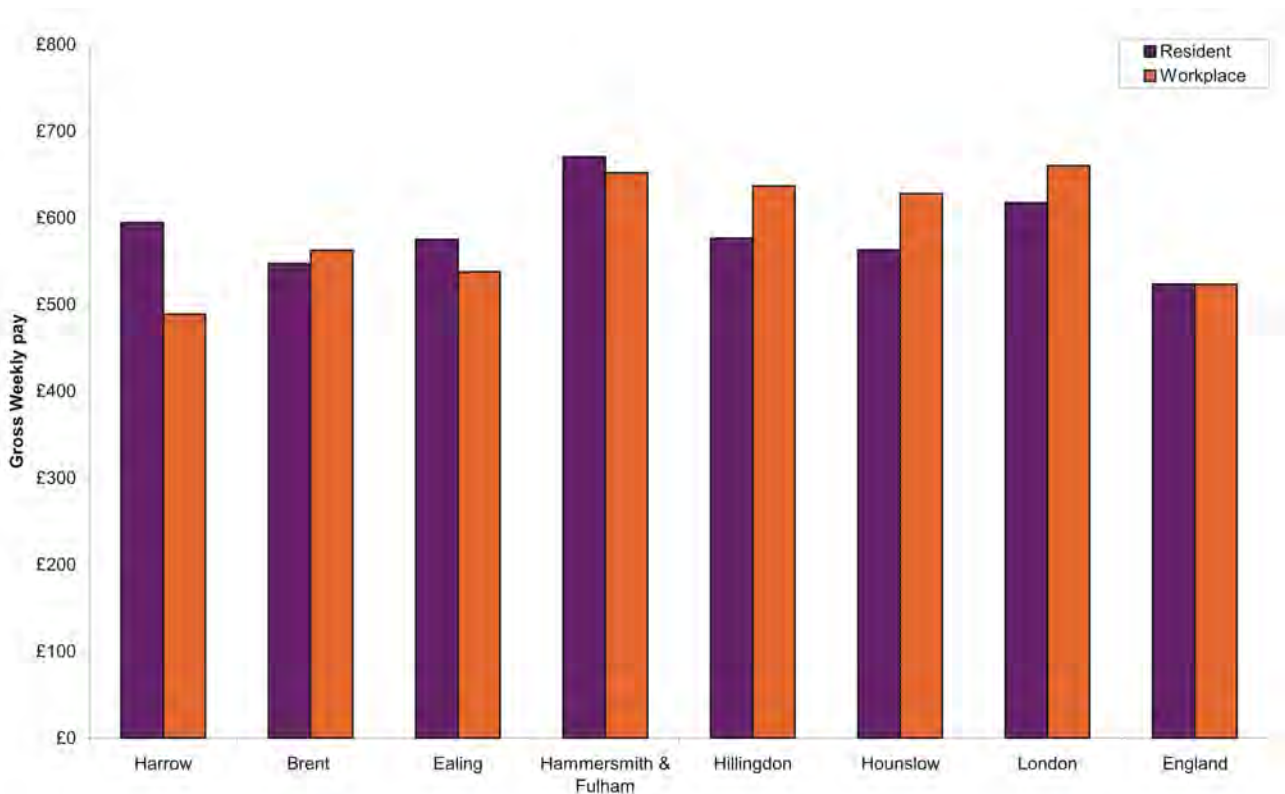
Note: Median of full-time workers gross weekly pay

6.13 The gross median pay for male full-time residents in Harrow was estimated to be £637. This is the second highest of all the West London boroughs, less than the London average pay, but higher than England's average of £565.

6.14 Figures for female full-time residents (at £539.50) are the third lowest of the West London comparator boroughs, although higher than in Brent and Hounslow. London's average pay is £575, over £35 higher than Harrow's average female full-time workers wage, but considerably higher than the national average of £466.

26 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.

Figure 12 Gross Weekly Pay by Place of Residence and Place of Work, 2014



Source: ONS Annual Survey of Hours and Earnings, April 2014

Wages in Harrow

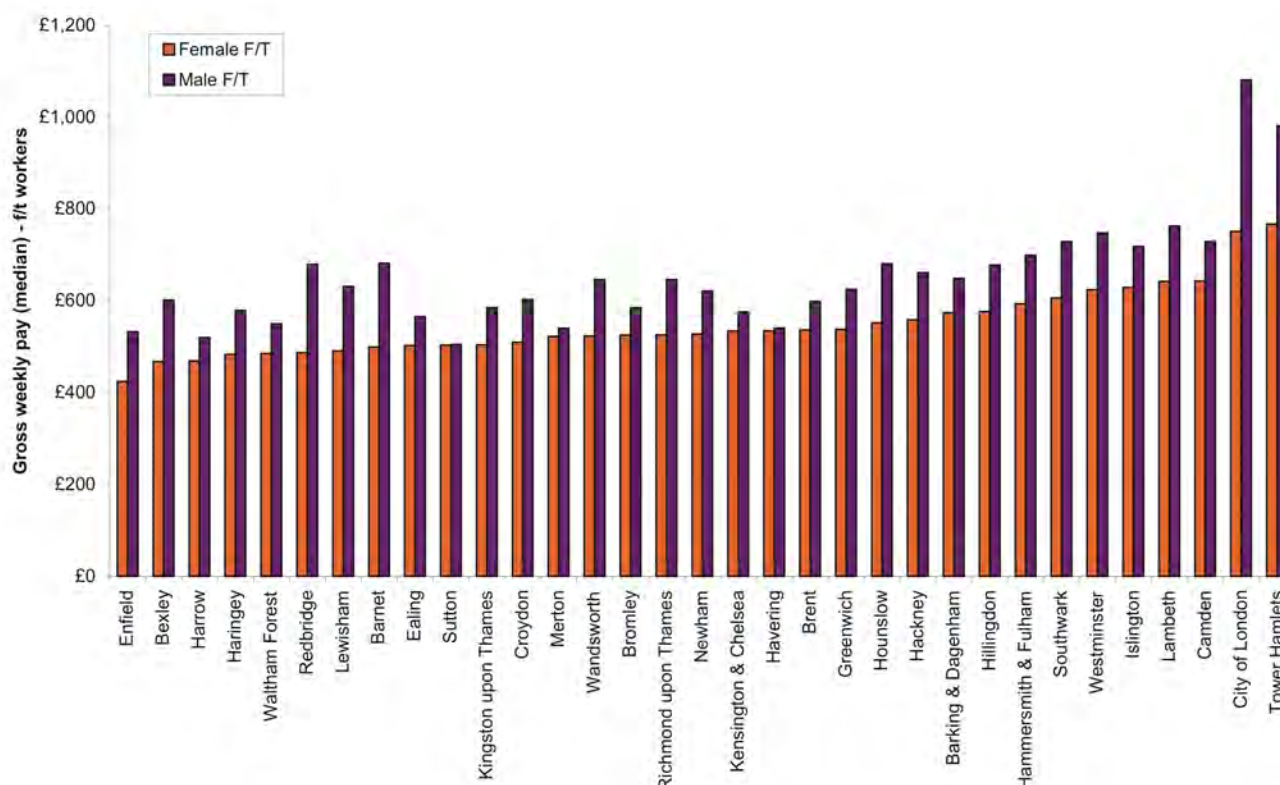
6.15 Wages in Harrow are generally lower than in London and in West London as a whole, leading to a high proportion of residents commuting to other areas for better paid jobs. People working in Harrow earn, on average, less than the average weekly pay for Harrow residents. These lower wages could reflect lower level activities undertaken by businesses in the borough or a low demand for labour.

6.16 The gross weekly average wage (based on the median) in 2014 paid to people working in Harrow was £489, which is £105.60 (17.8%) lower than the average weekly wage of Harrow's residents. This differential is even higher than in 2013, when the average weekly wage paid in Harrow was £69 (12%) lower than the average weekly wage of Harrow's residents. Wages paid in Harrow in 2014 were below the national average of £523.30, and considerably lower than London's level of £660.50. Workplace wage levels were higher in all the other West London boroughs. Other than Harrow, there are two other West London boroughs where worker wages in the borough exceeded working residents wages, Ealing and Hammersmith & Fulham, but Harrow's differential was much bigger.

6.17 Based on the median, the average weekly wage paid to women working full-time in Harrow was just over £468 in 2014, which is the third lowest level in London, but an improvement since the borough's lowest ranking in London in 2013. This wage level is now just above the national average of £465.50. Average weekly wages for men working full-time in Harrow were the second lowest in London, the same ranking as in 2012, but a worsened position since Harrow's seventh lowest ranking in London in 2013.

6.18 Within London as a whole, female full-time wages averaged 83% of male full-time wages in 2014. For jobs based in Harrow, this proportion was just over 90% - the fifth highest level in London after Sutton (99.7%), Havering (98.9%), Merton (96.7%) and Kensington & Chelsea (92.8%).

Figure 13 Gross Average (median) Weekly Full-time Pay by Workplace, 2014



Source: ONS Annual Survey of Hours and Earnings, April 2014

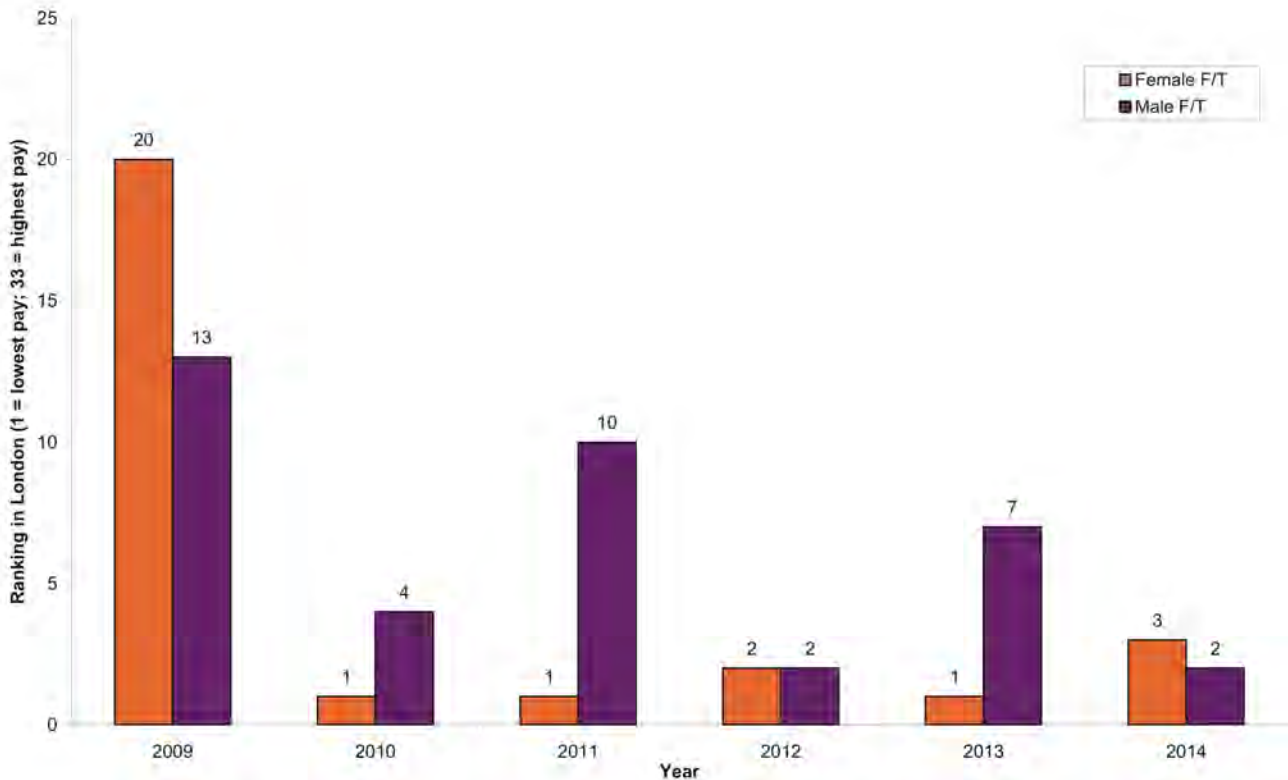
Table 6 Earnings by Workplace, 2014

	Harrow	Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow	London	England
Full-time workers	489.0	562.6	537.8	652.2	636.9	628.3	660.5	523.3
Male full-time workers	519.5	597.9	564.7	698.6	677.5	679.9	715.6	564.9
Female full-time workers	468.1	535.7	501.9	593.1	576.0	551.3	594.1	465.5

Source: ONS Annual Survey of Hours and Earnings - Workplace Analysis (April 2014)

Note: Median of full-time workers gross weekly pay

Figure 14 Gross Average (median) Weekly Full-time Pay, Harrow, 2009 - 2014



Source: ONS Annual Survey of Hours and Earnings, 2009 - 2014

6.19 The range of pay for full-time employees varies considerably. For example, the lowest decile of full-time workers in Harrow earn up to £292 per week (just above the average national level of £289), while the top twenty per cent of full-time earners are paid in excess of £773 per week, but again below the West London, London and national levels (Table 7).

Table 7 Average Full-Time Gross Weekly Pay (£), by Workplace and Quartile 2014

Percentiles/ Quartiles	Harrow	West London	London	England
10 (lowest 10%)	292.1	320.3	344.6	289.4
25	341.9	417.1	467.5	372.4
50 (median)	489.0	584.5	660.5	523.3
75	720.3	815.9	944.5	744.4
80	773.5	885.9	1051.4	807.6
90	n/a	n/a	1418.4	1045.4
Average (mean)	582.9	674.2	819.4	629.6

Source: ONS Annual Survey of Hours and Earnings - Workplace Analysis (April 2014)

Worklessness and Unemployment

6.20 There are a number of different definitions of worklessness, which is a wider concept compared to unemployment. Both concepts of unemployment and worklessness are important when looking at employment issues.

6.21 The most commonly used definition of unemployment is based on those people, in receipt of Jobseeker's Allowance (JSA) and National Insurance Credits, who are not in employment but available for work. This claimant count of the unemployed 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.

6.22 A wider measure of unemployment from the International Labour Organisation (ILO), includes those people who are out of work, who are actively seeking work and available to start work, irrespective of whether a person is eligible to claim JSA or not). The ONS unemployment rates give an indication of unemployment rates using the ILO definition. These are shown in Table 4 and show that Harrow's 8.2% ILO unemployment rate was the fourth lowest rate in West London from July 2013 to June 2014, but higher than London's rate of 7.4%.

6.23 Worklessness is a wider definition which generally includes those not in employment and/or economically inactive. Many of those who are economically inactive may be voluntarily outside of the labour market - perhaps retired early or looking after a family. However there may be others (perhaps on other key out-of-work benefits - see Glossary), given the right opportunities or incentives would work. Therefore worklessness could be considered to be those people of working age who are unemployed and claiming benefits, and also those who are not claiming benefits but who are involuntarily out of work and therefore considered economically inactive.

6.24 The generally accepted measure for worklessness is the total number of working age people claiming key out-of-work benefits divided by the resident working age population expressed as a percentage, referred to as the worklessness rate.

6.25 Worklessness is an important issue, as work is the main means of income for the majority of UK society in general. Lack of work can be linked to a number of factors such as, poor health, poverty, crime, substance abuse, low school attainment, and lead to 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

6.26 In August 2014 there were 2,490 people in Harrow claiming Jobseeker's Allowance, a rate of 2.3%, based on the percentage of the economically active population, excluding economically active students.⁽²⁷⁾ This was the lowest level of unemployment of all the West London boroughs (a rate which averaged 3.3%) and lower than London's rate of 3.7% and the national rate of 3.2%.

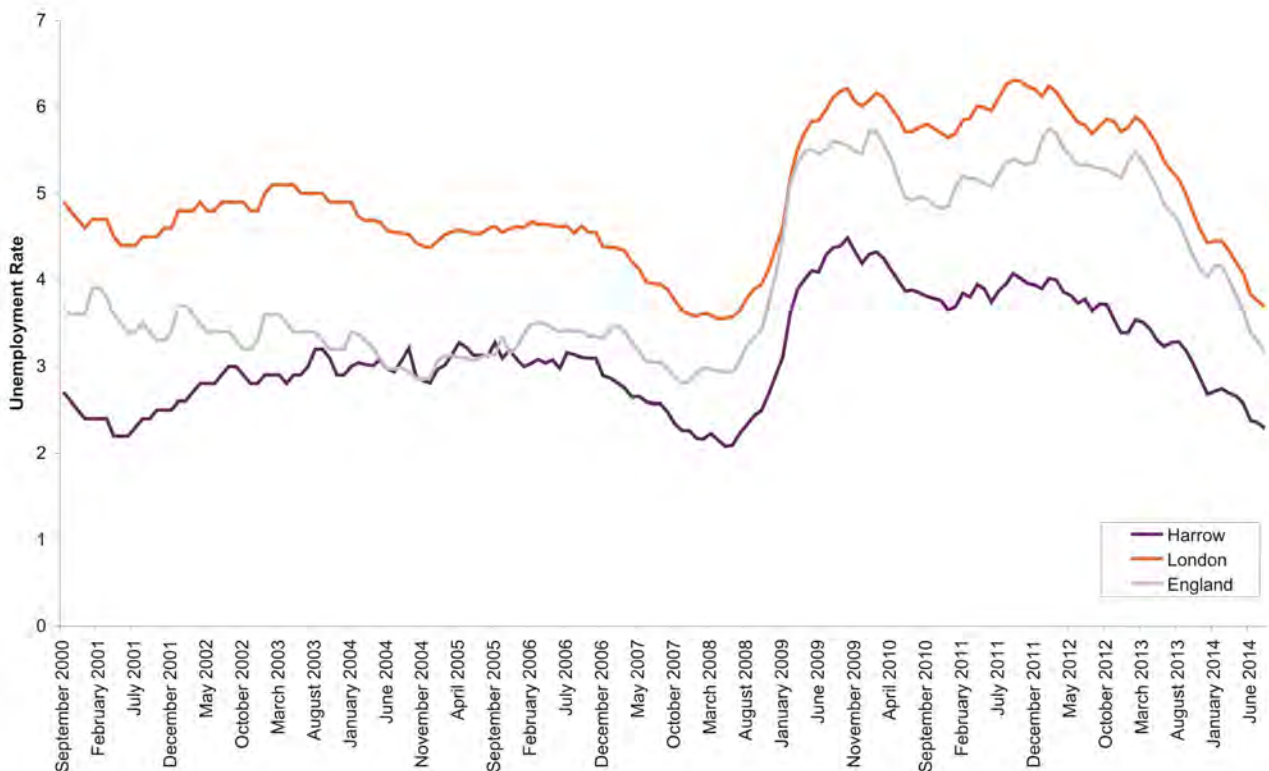
27 Office for National Statistics (Jobcentre Plus administrative system) and GLA rate estimates

6 Labour Market

6.27 Figure 15 shows how unemployment increased rapidly between July 2008 and October 2009, which was during the time of the last recession in the UK, the deepest recession since the Second World War. Over this period Harrow's unemployment rate increased from 2.2% to 4.5%. 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. In the year ending August 2014 unemployment in Harrow averaged 2.7%, with the lowest level in August 2014, at 2.3%. The gap between Harrow's unemployment rate and London's rate has averaged 1.8% over the past fourteen years and 2% over the past three years. In the past year (to August 2014), the gap between Harrow and London's unemployment rates has narrowed to 1.6%, signifying that Harrow and London now have a similar economic climate.

6.28 An indication of the level of 'hidden' unemployment is to look at the number of people who are economically inactive, but who wish to work and are not claiming JSA. In the year ending June 2014 35,800 people of working age were classified as economically inactive in Harrow and of these 4,400 (12.2%) would like to work. This level has been increasing slowly in Harrow over the past two years (from 10% in mid-2011 to mid-2012), with a high of 9,000 (28.5%) from mid-2006 to mid-2007 and a low of 3,200 people (10%) in mid-2011 to mid-2012. This level of hidden unemployment in the borough (an average of 16.5% since mid-2004) is consistently lower than London's rate (average of 25.1% of total economically inactive) and the national rate (average 23.2%) over this nine-year period. Those less likely to be eligible for JSA include young people and women with little previous employment history.

Figure 15 Unemployment Rates, September 2000 - August 2014

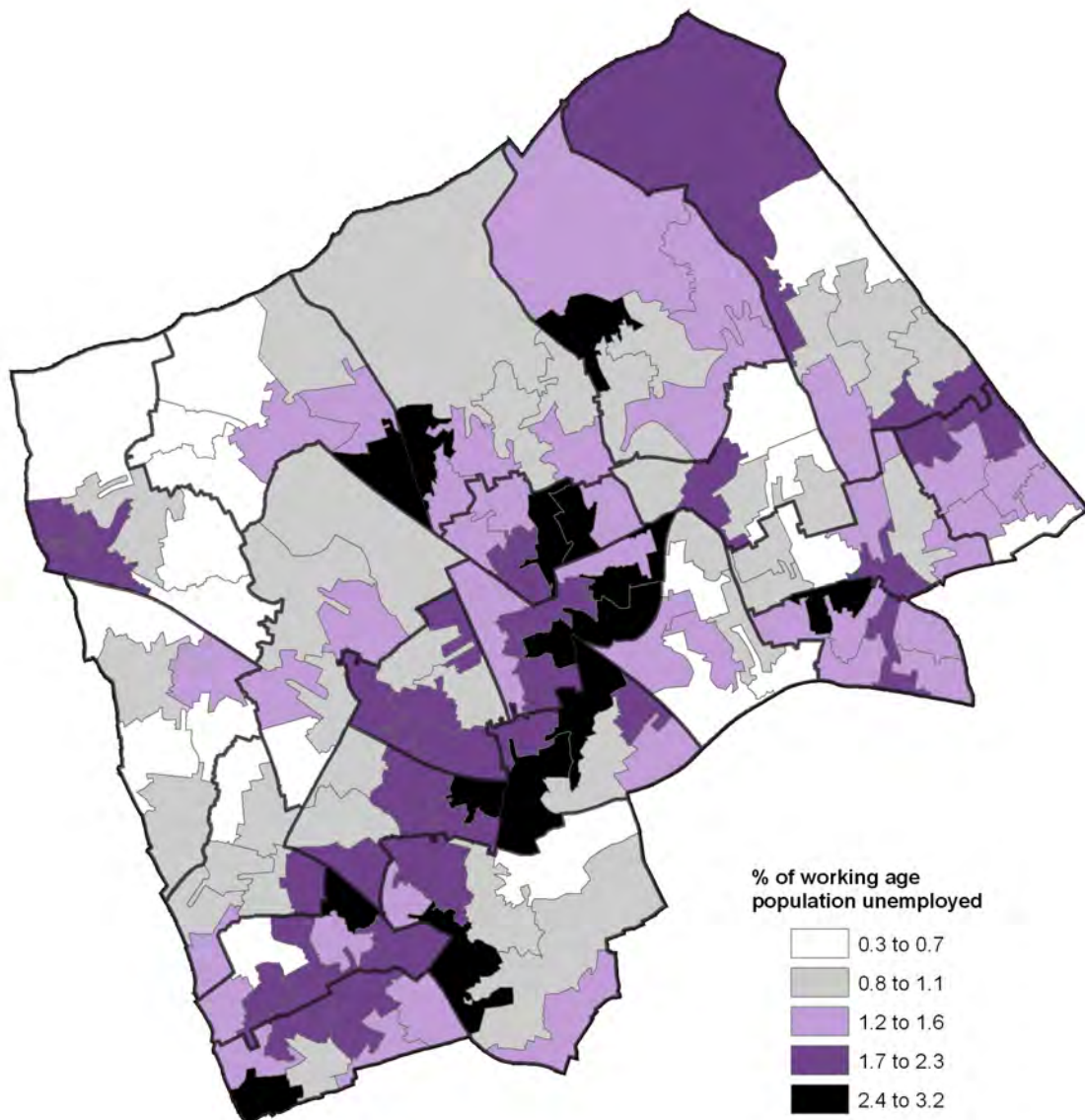


Source: ONS/DWP Claimant Count data, using GLA estimates of the economically active population

6.29 The number of male unemployment benefit claimants is higher than the number of female claimants. In November 2014 1,290 of Harrow's male residents were in receipt of JSA, compared to 960 females. Since January 2000 the number of males claiming JSA has averaged two-thirds of total claimants, compared to one-third of female claimants. However over this period this ratio has changed with males accounting for nearly 72% of claimants in 2000, falling to around 59% by 2014.

6.30 Unemployment is generally highest in the wards in the centre and south-west of Harrow (Map 7). Wards with the highest unemployment rates in August 2014 were Wealdstone and Marlborough with rates of 4.1% and 3.9% respectively, above the London average of 3.7%. The lowest unemployment rates were in Pinner South (1.2%) and Headstone North (1.3%).

Map 7 Unemployment in Harrow, November 2014



Source: ONS/DWP Claimant Count data

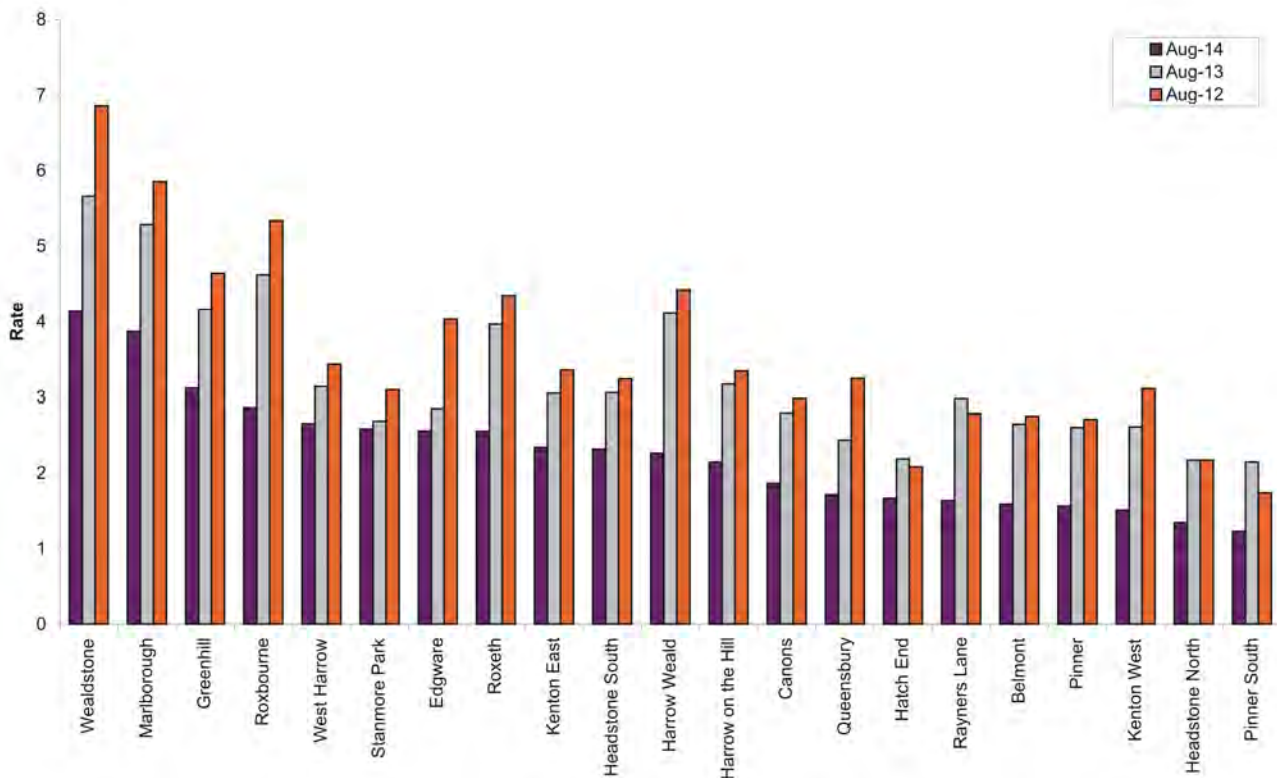
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6 Labour Market

6.31 Based on unemployment rates in August, Wealdstone and Marlborough wards have been ranked first and second respectively in the borough for the past three years for the highest unemployment rates. Pinner South, Headstone North and Hatch End wards have had the lowest average unemployment rates over the past three years (Figure 16).

6.32 The majority of Harrow's JSA claimants have been out of work for less than six months (60.2% in October 2014), just above the October 2013 level of 59.8%, but below the October 2012 level of 63.4%. Whilst the percentage of long-term benefit claimants in the borough has increased slightly over the past three years, from 22% (October 2012) to just over 25% in October 2014, the actual number of long-term benefit claimants is falling. In October 2012 890 claimants had been unemployed for over one year, falling to just under 600 people in October 2014. Compared to both London overall and England, a higher proportion of Harrow's residents claim JSA benefits for less than six months and a lower proportion are out of work for more than a year (Table 8).

Figure 16 Unemployment Rates by Ward, 2012 - 2014



Source: ONS/DWP Claimant Count data, using GLA estimates of the economically active population

Table 8 Claimant Count by Duration, Age and Ethnicity

	Harrow			London	England
	2012	2013	2014	2014	2014
All claimants by duration (%)					
Less than 6 months	63.4%	59.8%	60.2%	55.5%	55.3%
Over 6 months to 1 year	14.3%	16.6%	14.5%	15.2%	14.9%
Over 1 year	22.0%	23.6%	25.1%	29.3%	29.8%
All claimants by age (%)					
16-24	23.1%	21.2%	21.5%	20.0%	23.9%
25-49	58.2%	58.1%	56.0%	59.0%	56.2%
50 to retirement age	18.5%	20.9%	22.5%	21.0%	20.0%
All claimants by ethnicity (%)					
White	30.7%	31.3%	29.9%	38.5%	72.6%
Ethnic minority	62.2%	63.5%	63.6%	50.3%	21.1%
Prefer not to say	4.7%	3.2%	4.0%	8.8%	4.8%
Unknown	2.3%	2.1%	2.3%	2.5%	1.5%

Source: ONS/DWP Claimant Count data, based on claimant count in October each year. Figures may not sum due to rounding

6.33 The majority of Harrow's JSA claimants are aged between 25-49, and less than a quarter of claimants were aged 24 and under (21.5%) in October 2014. This is just above London's overall level of 20%, but below the national level. Youth unemployment has been falling in Harrow over recent years, from over 900 in Oct 2012, to just over 500 in October 2014.

6.34 In October 2014 the claimant count data shows that 63.6% of those claiming unemployment benefits in Harrow were of ethnic minority. Population projections⁽²⁸⁾ show that 62% of Harrow's working age population were likely to be of ethnic minority in 2013, so this indicates that those of ethnic minority may be slightly over-represented in the claimant count.

Vacancies

6.35 Vacancy information on a local authority basis is only available up to November 2012 and this information is shown in the following paragraphs and tables. There are some limitations to this vacancy data, as it only includes vacancies notified to Jobcentre Plus. This data was thought to account for around one third of total vacancies in the economy (the rest being advertised directly or through agencies). This data ceased to be published in November 2012, to be replaced by data from Department of Work and Pension's Universal Jobmatch system. Jobmatch is a web-based database of vacancies for jobseekers. The Office for National Statistics now releases vacancy information on a quarterly basis sourced from its own Vacancy Survey, but this information is only available for the United Kingdom as a whole.

Figure 17 Vacancies Notified to Jobcentre Plus, Harrow, 2010 - 2012



Source: DWP. Data sourced from Jobcentre Plus' Labour Market System, an administrative computer system covering 100% of vacancies notified to Jobcentre Plus.

6.36 There were 788 vacancies in Harrow notified to Jobcentre Plus in November 2012. Over the past year there has been a slight increase in the number of vacancies within the borough, with peaks in June 2012 and September 2012. Vacancies have generally decreased since September 2012, however there are still more vacancies than January 2012. Usually there are peaks in the number of vacancies towards the end of the calendar year, with the number of vacancies falling back again in January, after the Christmas period.

6.37 Table 9 shows the local supply of jobs in Harrow. Elementary cleaning occupations headed the list of job vacancies in November 2012 with nearly 170 vacancies. There were also a considerable number of vacancies for care workers, cleaning jobs, electrical trades and transport drivers.

Table 9 Top Ten Notified Vacancies to Jobcentre Plus for Harrow, November 2012

Occupation	Vacancies	% of all Vacancies
Elementary Cleaning Occupations	169	21.4
Sales and Related Associate Professionals	72	9.7
Healthcare and Related Personal Services	72	9.1
Sales Assistants and Retail Cashiers	33	4.2
Electrical Trades	30	3.8
Administrative Occupations: Records	30	3.8

Occupation	Vacancies	% of all Vacancies
Transport Drivers and Operatives	28	3.6
Customer Service Occupations	27	3.4
Sales related Occupations	26	3.3
Health Associate Professionals	25	3.2
Total of 'Top Ten' Vacancies & Percentage	512	64.9%

Source: Jobcentre Plus

6.38 Table 10 shows the demand for particular types of job by Harrow's JSA claimants in November 2014. Over 50% of claimants reported that they were looking for retailing jobs, showing far more demand than there are likely to be opportunities within the borough for this type of work. There may also be an oversupply in people seeking general administrative jobs.

Table 10 Top Ten Sought Occupations by JSA Claimants in Harrow, November 2014

Sought Occupation	Number of JSA claimants	% of claimants
Sales Assistants and Retail Cashiers	1,165	51.7
Occupation Unknown	170	7.5
Administrative Occupations: General	145	6.4
Corporate Managers And Senior Officials	70	3.1
Elementary Goods Storage Occupations	60	2.7
Elementary Personal Service Occupation	55	2.4
Customer Service Occupations	50	2.2
Elementary Cleaning Occupations	50	2.2
Elementary Process Plant Occupations	35	1.6
Administrative Occupations: Finance	30	1.3
Transport Drivers and Operatives	30	1.3
Total of 'Top Ten' Sought Occupations & Percentage	1,860	82.5%

Source: Jobcentre Plus

Worklessness

6.39 Worklessness benefits include the key out-of-work benefits. These include: unemployed people on Jobseeker's Allowance; those of working age on Employment and Support Allowance (ESA) and Incapacity Benefits;⁽²⁹⁾ Lone Parents; and Others on income related benefits. They exclude the carer, disabled and bereaved client groups, who are not subject to activation policies in the same way as the other groups.

29 ESA replaced Incapacity Benefit and Income Support paid on the grounds of incapacity for new claims from 27th October 2010

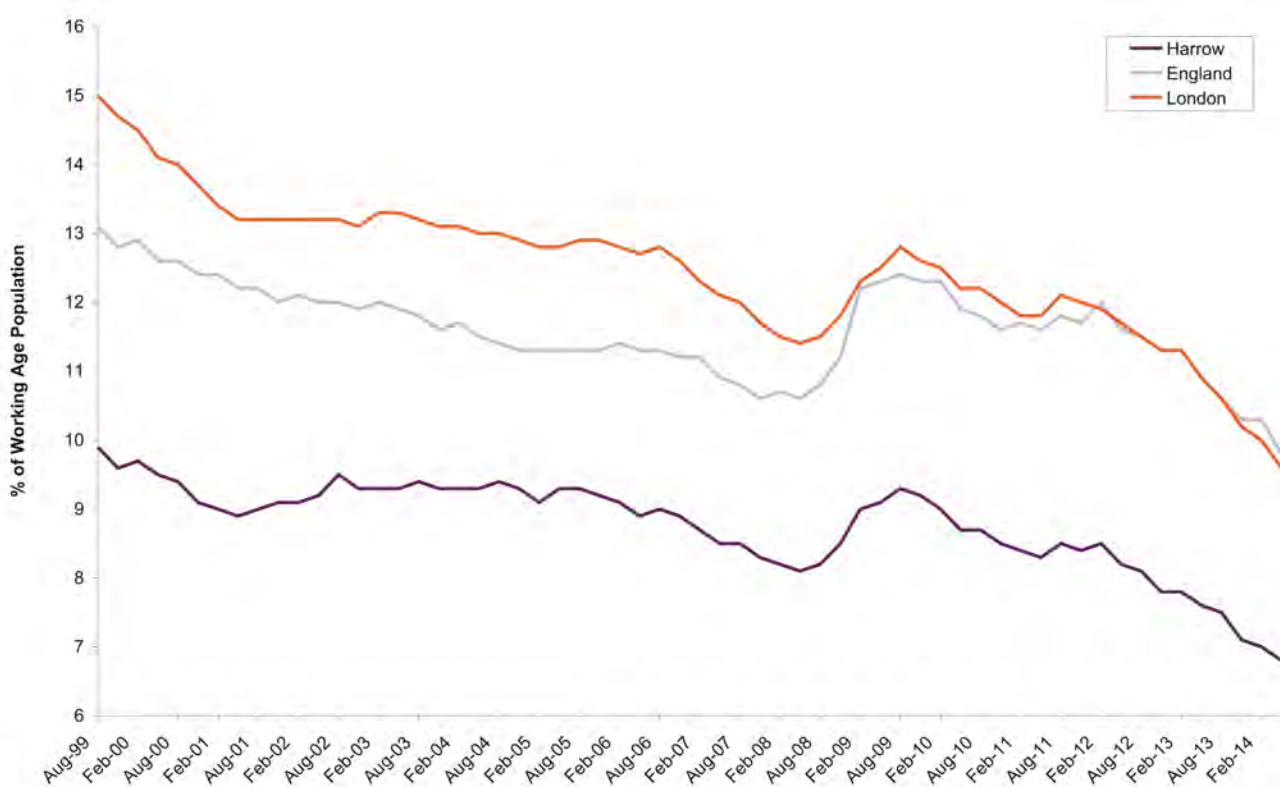
6.40 Universal Credit is a new benefit which will replace a number of working age benefits, including Jobseeker's Allowance. The roll-out of Universal Credit commenced in October 2013, in areas outside London. Currently claimant count figures do not include claimants of Universal Credit, but the absence of Universal Credit claimants has not yet affected the claimant count in Harrow.

Table 11 Worklessness Rates

	Harrow				West London	London	England
	2012	2013	2014	2014 (number)	2014		
Jobseeker's Allowance	2.6%	2.2%	1.7%	2,620	2.3%	2.6%	2.4%
ESA & Incapacity Benefits	4.3%	4.3%	4.2%	6,620	5.2%	5.5%	5.9%
Lone Parents	1.1%	0.9%	0.7%	1,140	1.1%	1.3%	1.2%
Others on Income Related Benefits	0.3%	0.3%	0.2%	390	0.3%	0.3%	0.3%
All on Key Out-of-Work Benefits	8.3%	8.2%	6.8%	10,770	8.9%	9.6%	9.8%

Source: DWP Benefit Claimants - working age client group (based on May figures each year)

Figure 18 Key Out-of-work Benefit Claimants

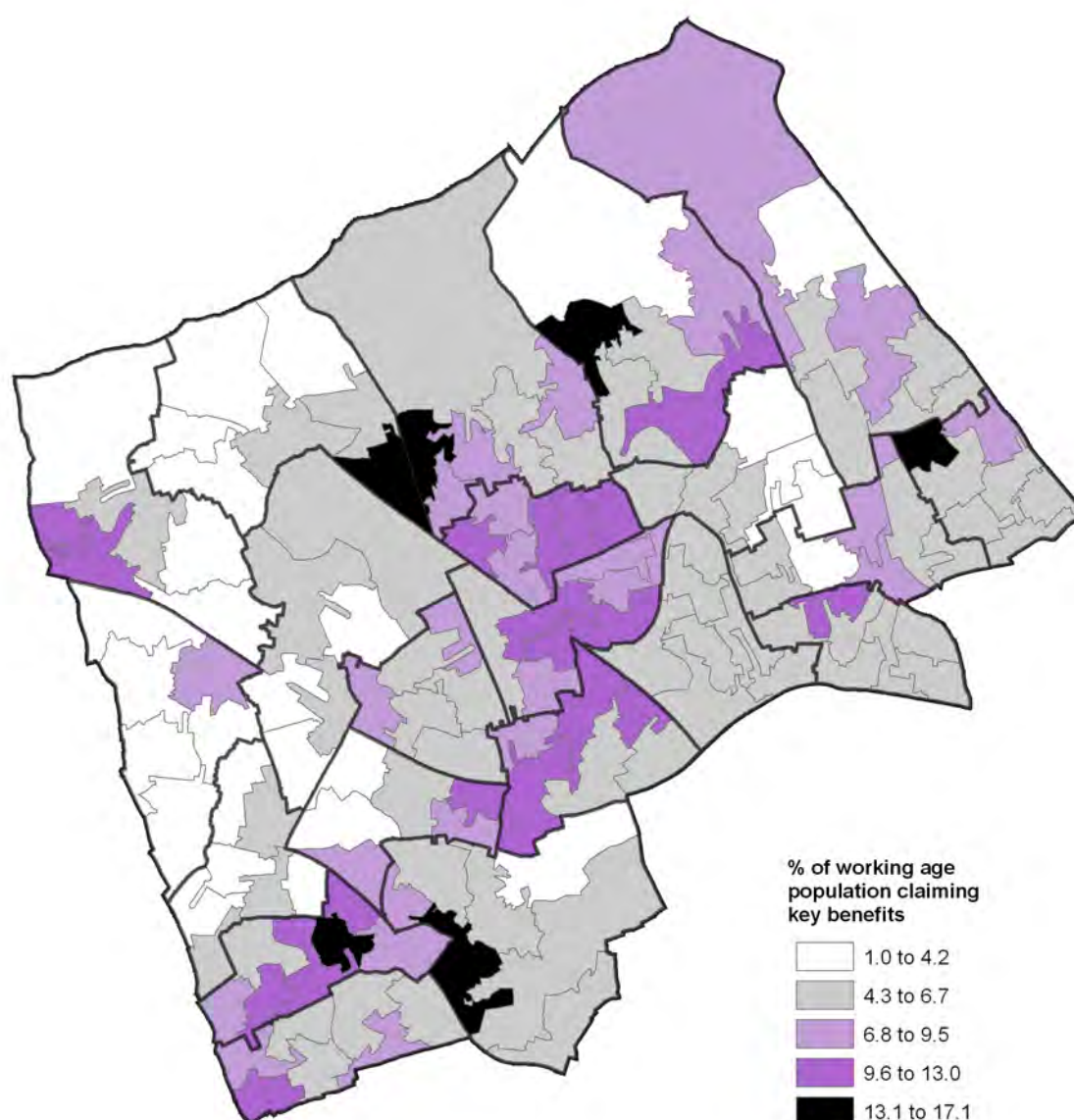


Source: DWP Benefit Claimants

6.41 The largest group of claimants in Harrow (and in West London, London and England) were those on sickness benefits (ESA and Incapacity Benefits), who made up 4.2% of the working age population in May 2014. However, Harrow's rate is lower than the rates of all the other comparator areas (shown in Table 11). Harrow's rate is also lower than all of the other West London boroughs individually. Jobseeker's Allowance was the next largest category with 1.7% of the working population, lone parents with 0.7% and others on income related benefits on 0.2%.

6.42 Trends in worklessness, based on key out-of-work benefits, show that the overall number and level of people on these benefits has been falling since 1999, not only in Harrow but in London overall, and nationally. There was a sharp upturn in benefits claimants in 2008/09, peaking in August 2009, but since then the number of claimants has been falling (Figure 18).

Map 8 Proportion of Residents Claiming Key Out-of-work Benefits, Harrow, May 2014



Source: Department for Work & Pensions (DWP)

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6.43 An analysis of the worklessness rates at Lower Super Output Area (LSOA) level shows that in 36% of Harrow's 137 LSOAs the level of worklessness is above the borough average of 6.8% (May 2014). 24 of Harrow's LSOAs have rates above the London average of 9.6%. The highest rates coincide with the areas where there is a high percentage of social housing, with particular concentrations of worklessness in Roxbourne, Wealdstone and Marlborough wards and pockets in Edgware, Harrow Weald, Harrow on the Hill, Stanmore Park and Hatch End wards (Map 8). These areas also correlate with the areas showing the highest levels of deprivation (see Chapter 5).

Employment and Support Allowance (ESA)

6.44 In Harrow, the largest group of ESA claimants are aged 45 and over, similar to West London and England overall. Harrow has a higher percentage of younger claimants (aged 24 and under), compared to West London and London generally. There is no difference in the proportion of male and female claimants in Harrow, although in the other comparator areas there tends to be a slightly higher proportion of male claimants. The statistics giving the breakdowns of ESA by ethnicity are not very conclusive generally, as this information is not available for a high proportion of claimants (Table 12).

Table 12 ESA Claimants by Age, Gender & Ethnicity, May 2014

	Harrow	West London	London	England
All claimants by age (%)				
16-24	8.1	6.2	6.6	8.3
25-44	36.4	35.1	36.0	35.0
45 to retirement age	55.6	58.7	57.4	56.7
All claimants by gender (%)				
Male	50.0	52.2	52.1	53.9
Female	50.0	47.8	47.9	46.1
All claimants by ethnicity (%)				
White	32.4	34.1	39.9	63.7
Ethnic Minority	39.8	37.8	31.2	9.5
Prefer not to say or unknown	27.9	28.1	28.9	26.8

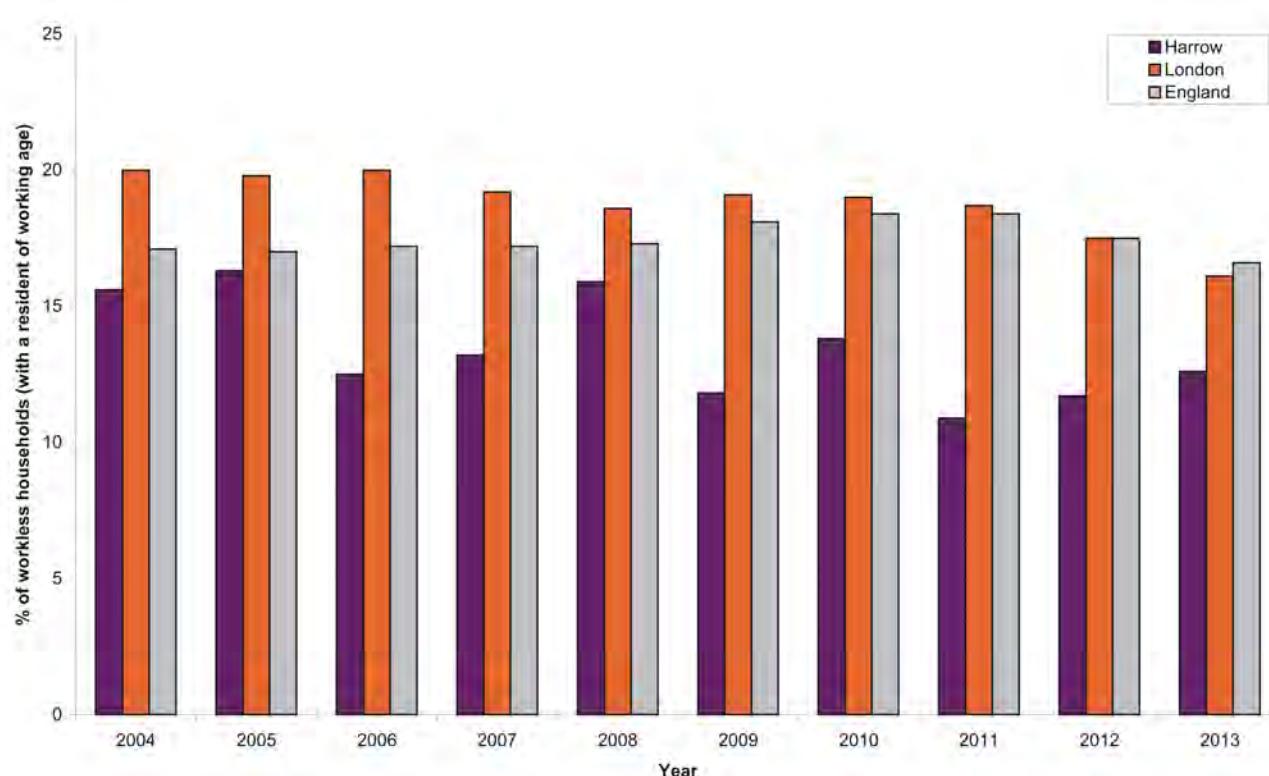
Source: DWP, ESA Benefit Claimants, May 2014. Figures may not sum due to rounding

Workless Households

6.45 Workless households are defined as households where no individuals aged 16 and over are in paid employment (based on households where at least one person is aged 16-64). Other types of household include working households and mixed households. Working households are ones where all individuals aged 16 and over are working (including part-time and self-employed). Mixed households contain at least one person aged 16-64 who is in employment and one or more persons who are unemployed or economically inactive.

6.46 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 some comparisons with other areas are useful in order to give a better understanding of worklessness in Harrow in a wider context.

Figure 19 Workless Household Rates, 2004 - 2013



Source: ONS Annual Population Survey

6.47 In 2013, an estimated 8,300 households (12.6%) in Harrow were workless households. This is below the rates of West London, London and England generally. The proportion of workless households in Harrow has fluctuated quite considerably over the past nine years, reaching a high of 16.3% in 2005 and a low of 10.9% in 2011, but in recent years Harrow's rate has been increasing. Harrow's rate was closest to London's rate in 2008, only 2.7 percentage points lower, but the differential increased since then, to 5.8 percentage points in 2012, but narrowing again in 2013 to 3.5 percentage points (Figure 19).

Table 13 Working, Mixed and Workless Household Rates, 2013

	Harrow		West London	London	England
	Number	%	%	%	%
Working households	25,400	38.8	45.7	50.2	54.0
Mixed households	31,800	48.6	39.8	33.8	29.4
Workless households	8,300	12.6	14.5	16.1	16.6

Source: ONS Annual Population Survey - Households with at least one resident aged 16-64

6.48 Harrow has a far higher level of mixed households compared to London and England as a whole, as shown in Table 13. These households contain both an individual aged 16 and over in employment and another 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 48.6%, Harrow's level of mixed households is considerably higher than the national rate of 29.4%. London, as a region, has a higher rate of mixed households compared to all the other national regions. Over 61% of Harrow's households (with a person of working age) are either mixed or workless, a higher percentage than London and England. Brent is the only West London borough with a lower percentage of working households and a higher level of mixed households, compared to Harrow.

6.49 Based on households that include at least one person aged 16 to 64, workless households can be broken down by three types: all unemployed; unemployed and inactive; and all inactive. In 2013, 10,800 (6.8%) of Harrow's residents aged 16-64 lived in workless households. This level is below West London's rate of 9.9%, London's rate of 11.2% and the national rate of 11.9%. Within this workless category, the majority of adults (73.2%) are classified as inactive; 18.5% live in households where there is an unemployed person as well as someone who is inactive; and 8.3% of adults live in households where all working age adults are unemployed (although the sample sizes mean that this sub-division of workless data may be unreliable).

Table 14 Composition of Workless Households

	Harrow					West London	London	England
	2010	2011	2012	2013		2013	2013	2013
People aged 16-64 in workless households	9.0%	6.6%	7.1%	10,800	6.8%	9.9%	11.2%	11.9%
Children in workless households	22.6%*	16.2%*	9.6%*	5,800*	13.8*	14.3%*	16.9%	14.1%

Source: ONS Annual Population Survey - Households with at least one resident aged 16-641.5

Note: Percentages are based on all people aged 16-64 or all children aged under 16. *These estimates are potentially unreliable at borough level due to sample sizes

6.50 The number and percentage of adults living in workless households in Harrow has fluctuated over the past nine years, but the overall trend is a downward trend. Since 2004 this level has averaged 8.7%, with the lowest level recorded in 2011, at 6.6%.

Child Poverty

6.51 The information on children living in workless households is potentially unreliable at borough level owing to the small sample size. What the latest sample from the Annual Population Survey does indicate is that nearly 14% of Harrow's children under 16 could be living in a workless household, around 5,800 children. This is just below the average level of 15%, from 2004 to 2013. The data shows that Harrow's 2013 level is lower than West London, London and England, although the uncertainty over the reliability of this data means that this fact cannot be verified. According to The Children's Society,⁽³⁰⁾ the UK has a higher proportion of its children living in workless households than any other European Union country, with London having the highest rate of any the UK's regions.

6.52 In October 2014 the latest Child Poverty Map of the UK was produced by the Centre for Research in Social Policy, Loughborough University, for the Campaign to End Child Poverty. Low income means families where no-one is working more than 16 hours a week or where the family is receiving the full amount of Working Tax Credit. The campaigners say this is not a direct measure of exactly how many children are in poverty, but is a good indicator of which areas have the highest child poverty levels. The estimates are based on official benefit and HMRC tax credit data and have been adjusted to reflect unemployment rates and the differing risks of child poverty for in and out of work families. The latest report indicates that 18.5% of Harrow's children are living in poverty (before housing costs are taken into account, 28.7% after housing costs are taken into account). This 'after housing costs' level is below the levels of all the West London boroughs, except Hillingdon, and ranking Harrow 21st highest in London.

6.53 The Parliamentary Constituency breakdowns show that for Harrow's constituencies child poverty is the lowest in Ruislip, Northwood & Pinner at 10.2% before housing costs (16.5% after housing costs) and highest in Harrow West, at 20.5% before housing costs (31.4% after housing costs). Harrow East's rates are 18.5% before housing costs (28.7% after housing costs). Ward level data shows that child poverty is highest in Roxbourne (28.5% before housing costs, 41.9% after housing costs) and Wealdstone (25.3% before housing costs, 38.2% after housing costs).

Welfare Reform

6.54 On 9th March 2012 the Welfare Reform Act was given Royal Assent. The act introduces a wide range of reforms to make the benefits and tax credits system fairer and simpler by:

- creating the right incentives to get more people into work by ensuring work always pays
- protecting the most vulnerable in our society
- delivering fairness to those claiming benefit and to the tax payer

6.55 A key proposal in the Welfare Reform Act is to replace Disability Living Allowance (DLA) for people of working age with a new benefit, Personal Independence Payment (PIP). PIP started to replace DLA for people aged 16 to 64 from 8th April 2013 and helps with some of the extra costs caused by long-term ill-health or a disability. Universal Credit is another major feature of the Welfare Reform Bill, which replaces means-tested benefits and tax credits, thus simplifying the current benefits system to make work pay - the Government began to introduce this in 2013.

Skills 7

Local Economic Assessment 2013-14

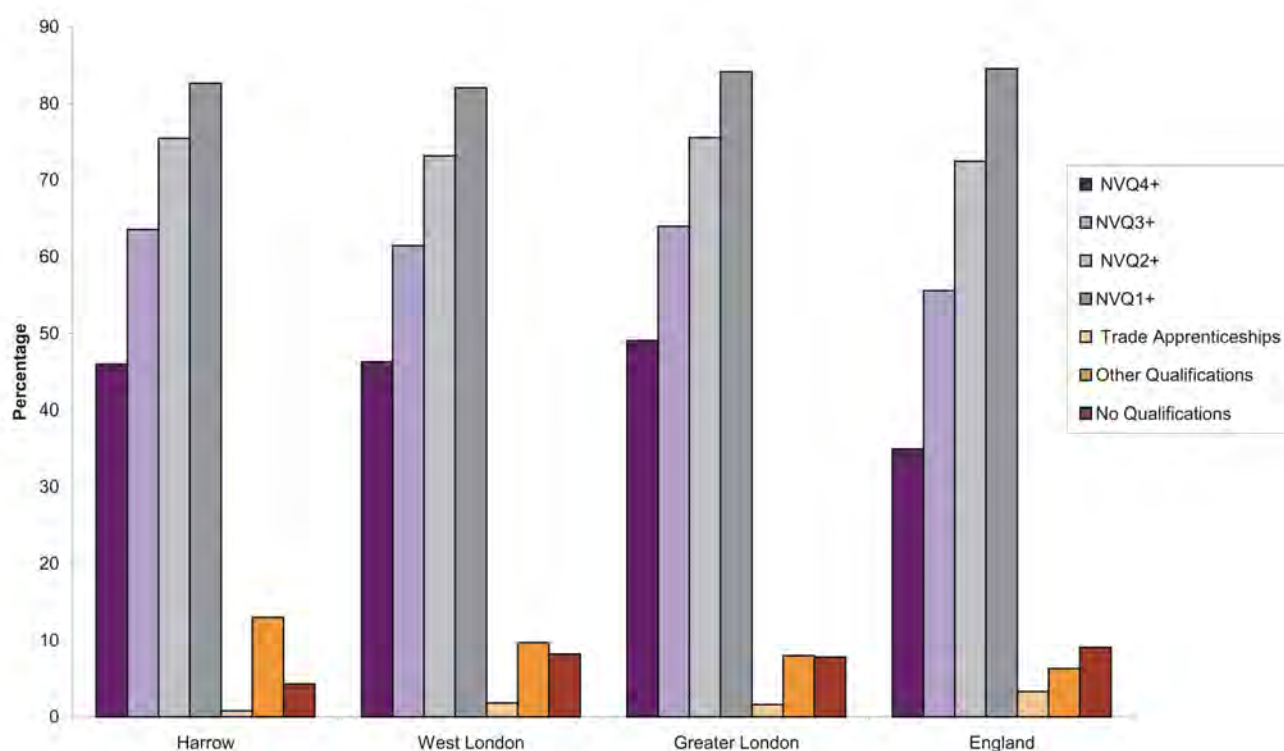


Adult Qualifications

It is widely believed that having a well-skilled, and appropriately skilled, workforce is a key to aiding business competitiveness (in terms of directly influencing value added, profitability, operating costs and innovation), as well as contributing to an individual's well-being (in terms of people's own aspirations for employment, progression and job satisfaction).

7.1 Harrow's workforce is well qualified. Only 4.3% of residents aged 16 to 64 are lacking in qualifications, which is better than all the other West London boroughs. Approximately 8% of working age residents overall in London and West London do not have any formal qualifications, 9% nationally.⁽³¹⁾ Those with low skill levels are more likely to be on lower incomes or out of work.

Figure 20 Qualifications of Residents of Working Age, January 2013 - December 2013



Source: ONS Annual Population Survey, 2013

Note: % is based on the proportion of resident population of area aged 16-64

7.2 Nearly half (46%) of Harrow residents held the equivalent of an NVQ Level 4 qualification and above (a degree level qualification) in 2013. This proportion is above the national average, roughly in line with the West London, but lower than London's overall level of 49%. The proportion of Harrow's workforce with higher level qualifications has increased over the past 5 years, from 29% in 2008 to the current level of 46%, following the general trends both in London and nationally.

7.3 A significantly high proportion of Harrow residents hold 'Other Qualifications', which includes foreign qualifications and some professional qualifications. At 13%, this proportion is twice the national rate of 6.3%, nearly double the overall London level of nearly 8%, and also above West London's rate of 9.7%. This probably largely reflects the increasing number of migrant workers from overseas who have been settling in Harrow in recent years.

7.4 It is estimated that around 1,300 of Harrow's working age residents have completed a recognised trade apprenticeship. This represents 0.8% of working age residents, below the national rate of 3.3%, and below both the level for West London and London, at 1.8% and 1.6% respectively.

7.5 Over the period 2008 to 2013 there has been a 49.6% decrease (6,600) in the number of residents in Harrow with no qualifications. There has been a significant growth in the number of highly skilled residents living in Harrow (NVQ Level 4+), increasing from 42,400 in 2008 to 71,100 in 2013, a 67.7% increase. Overall the proportion of residents with a qualification at NVQ Level 1 and above has risen, from 63.4% in 2008 to 82.7% by 2013. However, there has been a sizeable decrease in the number of residents holding 'Other Qualifications', falling from 41,100 in 2008 (27.7%) to 20,100 in 2010 (13%), a 51.1% decrease.

Table 15 Qualifications of Residents, January 2013 - December 2013

	NVQ 4 & above	NVQ 3 & above	NVQ 2 & above	NVQ 1 & above	Trade Apprenticeships (NVQ 2/3)	Other Qualifications	No Qualifications
Harrow (Total)	71,100	98,400	116,800	127,900	1,300	20,100	6,700
Harrow (%)	46.0	63.6	75.5	82.7	0.8	13.0	4.3
Brent (%)	44.2	61.1	71.8	80.5	n/a	11.6	7.9
Ealing (%)	44.9	60.9	72.3	82.8	2.7	6.6	10.6
Hammersmith & Fulham (%)	61.3	71.4	77.8	83.2	0.3	7.6	9.2
Hillingdon (%)	40.9	59.3	75.0	85.6	2.6	7.6	6.8
Hounslow (%)	45.7	55.6	68.2	78.0	0.7	12.4	9.7
London (%)	49.1	64.0	75.6	84.2	1.6	8.0	7.8
England (%)	35.0	55.6	72.5	84.6	3.3	6.3	9.1

Source: ONS Annual Population Survey, 2013

Note: % is proportion of resident population of area aged 16-64

Education & Training

7.6 Harrow has a number of further education facilities that provide training and education to the local workforce. These include Harrow College, Stanmore College and the University of Westminster which is located just over the borough boundary in Brent.

7.7 Attainment in Harrow's schools⁽³²⁾ is consistently above national averages at all levels. Over time this should contribute to increasing the overall qualification level of Harrow's residents, in turn ensuring that Harrow's residents are competitive in the labour market.

- For 2012/13, Harrow is placed 29th in the country for five A*-C grade GCSE passes, including English and Maths, (21st ranking in 2011/12), 9th in Outer London and 13th in London overall.
- For the new English Baccalaureate measure Harrow is ranked 14th in the country in 2012/13, 8th in Outer London and 12th in London as a whole.
- At Key Stage 5 (ages 16-18) Harrow is provisionally ranked 13th in the country in 2012/13 for the percentage of candidates achieving two or more passes at an A level equivalent qualification
- Harrow is ranked 23rd in the country (2012/13) for the percentage of candidates achieving three or more A*-A grades at GCE/Applied GCE A level and Double Awards. Students studying for A levels in Harrow were higher achievers in 2012/13, compared to the overall results for West London, London and England generally.⁽³³⁾

7.8 An analysis of the latest Ofsted reports for Harrow's ten LEA secondary schools shows that overall 70% of the schools were judged to be outstanding, 20% were good and only 10% required improvement. Eight of these schools have now become academies, under the Academies Act 2010. Out of Harrow's 43 LEA primary schools, 48.8% were judged to be outstanding, 37.2% were good, 11.6% required improvement and 2.3% were satisfactory.

Table 16 GCSE & Equivalent Results at the end of Key Stage 4: 2010/11 - 2012/13

	2010/11		2011/12		2012/13	
	% gaining 5+ A*- C grades	% gaining 5+ A*- C grades incl. English & Maths	% gaining 5+ A*- C grades	% gaining 5+ A*- C grades incl. English & Maths	% gaining 5+ A*- C grades	% gaining 5+ A*- C grades incl. English & Maths
Harrow	80.3	64.6	83.8	63.6	82.2	65.4
West London	83.3	62.9	83.1	61.4	83.5	64.0
London	82.0	61.9	84.1	62.4	84.4	65.1
England	79.6	59.0	81.9	59.4	81.8	59.2

Source: Department for Education (DFE)

Note: Includes Local Authority maintained schools, including academies. England averages also include independent schools

32 Local Education Authority schools in 2012/13

33 Harrow is a net exporter of 6th form students and a net importer of further education students

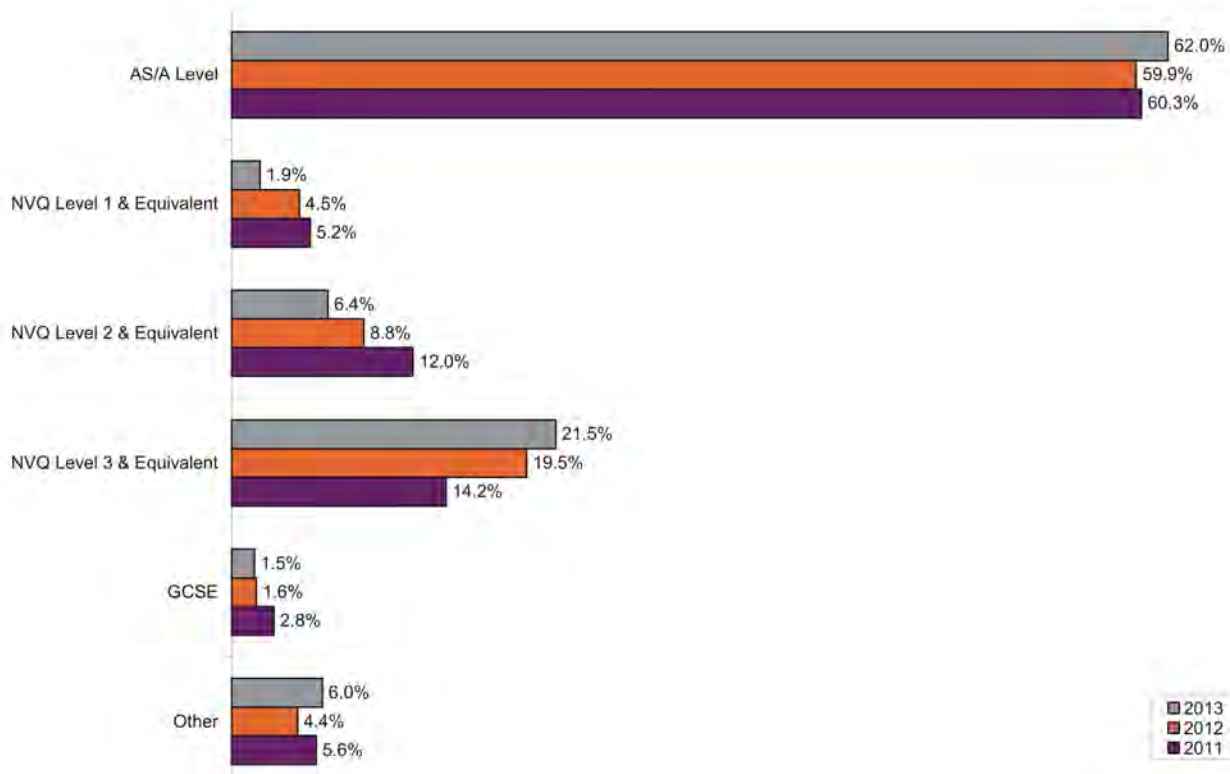
Table 17 A level Results of Students in Harrow's Maintained Schools & Colleges

	Percentage of Candidates Achieving the Following Passes:								
	2010/11			2011/12			2012/13		
	2+ A levels or equiv.	AAB or more passes	3+ A*- A grades (34)	2+ A levels or equiv.	AAB or more passes	3+ A*- A grades	2+ A levels or equiv.	AAB or more passes	3+ A*- A grades
Harrow	98.5	21.2	13.7	96.8	18.4	11.3	97.5	20.1	12.4
West London	97.2	18.1	10.2	96.4	16.9	10.0	95.4	17.0	9.8
London	95.5	17.3	10.1	94.0	16.7	9.3	92.0	16.6	9.7
England	94.0	20.8	13.1	93.6	20.5	12.8	92.3	20.3	12.5

Source: Department for Education (DFE)

Note: Includes Local Authority maintained schools, FE sector colleges and academies. England averages include all schools and FE colleges

Figure 21 Destination of Harrow's 16-year old School Leavers



Source: Connexions

7.9 A very high proportion of Harrow's 16-year olds (year 11) continue in full-time education once they have reached the statutory school-leaving age. 98.3% of 16-year olds continued with their studies in 2013, higher than 2010, at 96.2%. As Figure 21 shows, the majority of students go on to study A/AS levels. The proportion of students studying A levels increased in September 2013 from 59.9% (in 2012) to 62%. There was a 2% increase in the proportion of students

studying for NVQ level 3 qualifications, or equivalent, in 2013. 0.9% (21) of the year 11 school leavers went into employment and training in 2013, just over half as many as those in 2012 (1.7%). Just under a quarter (23.8%) of these jobs/training opportunities were in hairdressing, with a further seven young people finding either skilled construction or clerical/secretarial work. The remainder of the jobs were in health care, managerial/professional, vehicle trades, other professional service and the unskilled service sector.

Young People not in Employment, Education or Training

Young people not in employment, education or training (NEET) are generally regarded as a priority group to support into the labour or learning markets. Being NEET between the ages of 16–18 is a major predictor of later unemployment, low income, teenage motherhood, depression and poor physical health. No single agency holds all the keys to reducing NEET; local authorities, schools, the Learning and Skills Council, youth support services and employers all have key roles to play. Amongst young offenders, it has been acknowledged in a survey, that entry to employment training provision was considered one of the most important factors that would prevent them re-offending.

7.10 The percentage of young people aged 16-18 who were not in education, employment or training in Harrow, in 2013, was 1.8% the joint lowest rate in England along with Rutland and Surrey. The other West London boroughs had rates ranging from 3% in Brent to 4.1% in Hounslow, with the overall rate for London being 3.8%. In 2012, Harrow's rate was slightly higher, than in 2013, at 2% and was the second lowest level in England after City of London (0.3%).

Skills Gaps

Skills shortages in Harrow reflect the needs identified at a West London sub-regional level. Further research would be required to identify if there are specific Harrow related skills shortages.

7.11 The West London Economic Assessment (March 2011)⁽³⁵⁾ sets out the skills shortages at a sub-regional level (Appendix 2).

7.12 In summary, there is clear evidence of a skills gap in West London. Around 20% of residents have an NVQ Level 2 qualification or lower but only around 10% of jobs are suitable for individuals with skills at this level. Whilst 50% of jobs are at the higher skill level, compared with 45% of the West London workforce.

7.13 Forecasts indicate that future skills and employment needs of the economy will be at an increasingly high level, predicting that there is likely to a greater demand for skills at NVQ Level 4 or above. However, it is also recognised that many service-sector jobs in West London are relatively low skilled and that a comprehensive approach to skills provision is required.

7.14 Assessment of the local economy indicates that there will continue to be a high proportion of both high skilled and lower-skilled (level 2 or below) jobs within the local economy.

Employment 8

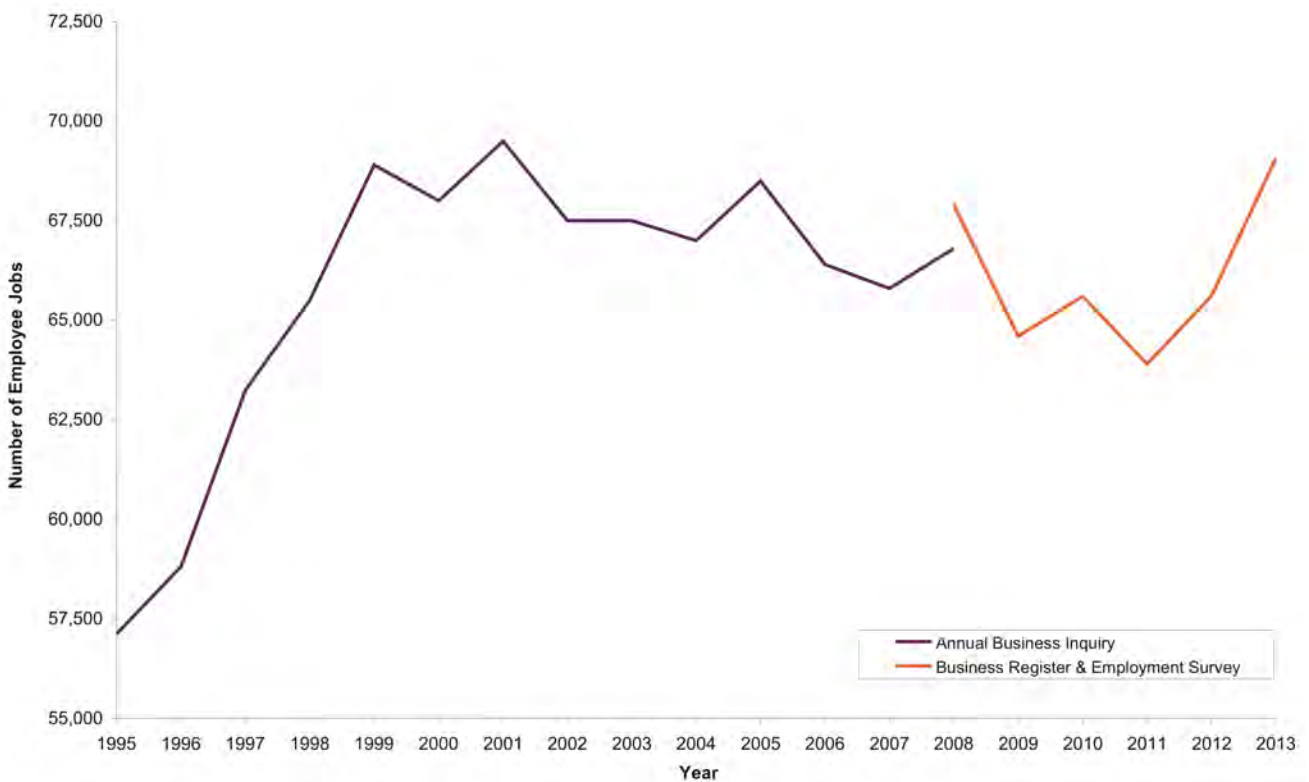
Local Economic Assessment 2013-14



Local Employment

8.1 The most detailed regular count of jobs in Harrow is the Business Register and Employment Survey (BRES), formerly the Annual Business Inquiry (ABI), conducted by the Office for National Statistics. The BRES, a sample survey, provides information on the number of employee jobs by place of work, classified by detailed industrial sectors. The BRES uses the 2007 Standard Industrial Classification (SIC), so comparisons with the ABI (which uses the 2003 SIC) at this level are not always possible. BRES data is available for the years 2008 to 2013. The BRES excludes self-employed jobs, HM Forces and Government supported trainees (jobs which are included in the Jobs Density estimates).

Figure 22 Employee Jobs in Harrow



Source: Annual Business Inquiry and Business Register & Employment Survey (2008-13), ONS

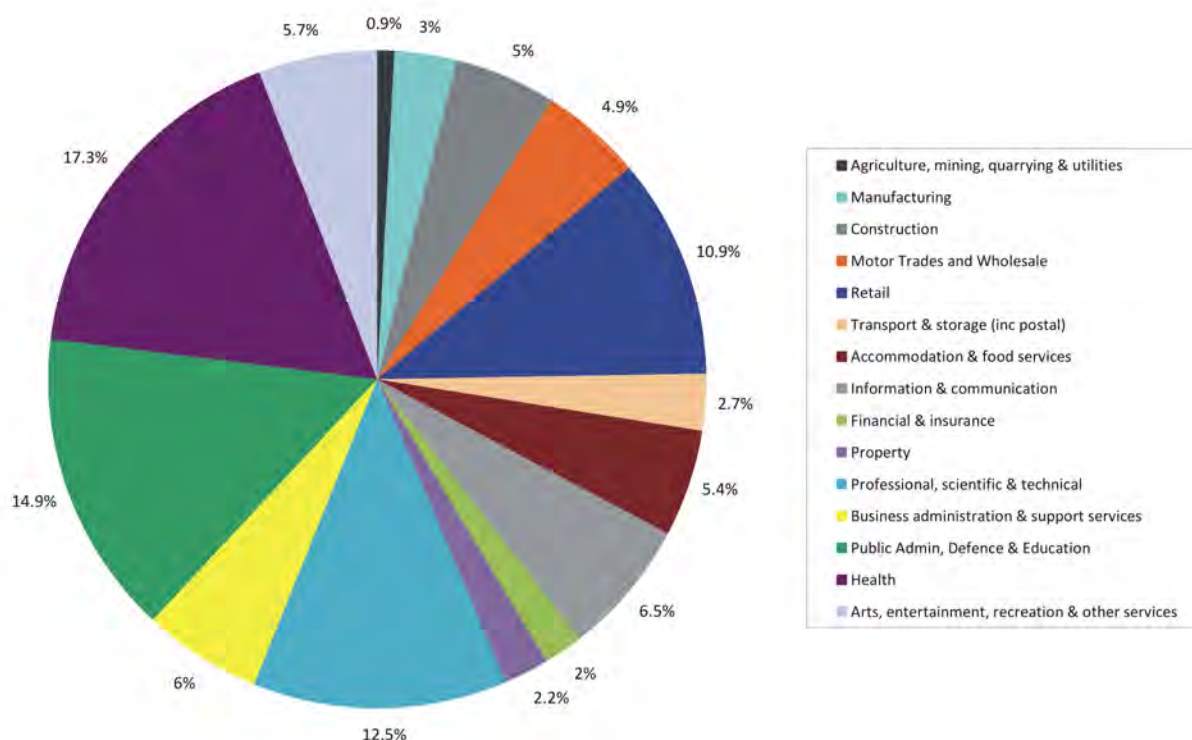
8.2 The BRES shows that Harrow provides employment for approximately 69,000 people. Figure 22 shows the trend in the total number of employee jobs in Harrow since 1995. Overall, the number of employee jobs in Harrow has risen by nearly 15% since 1995.

Table 18 Harrow Employment by Industry Groups, 2010 - 2013

Industry Group		2010	2011	2012	2013
		Employees	Employees	Employees	Employees
1	Agriculture, forestry & fishing	0	0	0	0
2	Mining, quarrying & utilities	800	700	700	650
3	Manufacturing	2,900	2,600	2,500	2,090
4	Construction	5,300	2,900	3,500	3,440
5-6	Motor Trade & Wholesale	11,500	11,500	10,900	3,380
7	Retail				7,525
8	Transport & storage (incl. postal)	1,600	1,700	1,800	1,890
9	Accommodation & food services	3,200	3,500	4,000	3,730
10	Information & communication	19,400	19,600	19,900	4,500
11-12	Financial & insurance & Property				2,940
13	Professional, scientific & technical				8,630
14	Business administration & support services				4,120
15	Public administration & defence				2,585
16	Education	19,100	20,500	20,800	7,740
17	Health				11,925
18	Arts, entertainment, recreation & other services				3,900
	Total Employment	67,700	66,700	68,100	69,059
<small>Source: Business Register and Employment Survey, ONS</small>					
<small>Note: Figures may not sum due to rounding.</small>					

8.3 Table 19 shows that Harrow has the smallest employment base of all the West London boroughs, with around 69,000 employed in Harrow. Brent has the next smallest employment base with 108,400 in employment, while Hillingdon provides the most employment with 197,300 jobs in 2013.

Figure 23 Harrow's Employment Base by Sector, 2013



Source: ONS Business Register & Employment Survey, 2013

8.4 Figure 23 and Table 19 show employment by broad industrial groups for Harrow and the other West London boroughs. Harrow's position is as follows:

- Manufacturing - 3.0% of Harrow's jobs are in manufacturing, below the West London average of 4.7%
- Construction - Harrow has the highest proportion of people employed in the construction sector, compared to all the West London boroughs. This is largely 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. Bovis Lend Lease, one of these businesses with a very large workforce has now moved out of the borough. This could affect Harrow's construction sector in the future.
- Retailing - the fourth biggest sector in Harrow, employing 11% of workers, the second largest proportion after Hammersmith & Fulham
- Transport and storage - only 2.7% of people are employed in this sector, considerably lower than the West London average of 9.9%. However, Hillingdon's rate of 27% (largely due to Heathrow Airport) has resulted in a higher average rate overall for this sector.
- Professional, scientific & technical - the third largest employment grouping in Harrow with 12.5% of jobs, which is above the average for West London (9.6%)
- Public administration & defence - the second largest employment sector grouping, accounting for 14.5% of Harrow's jobs, which is the same as the West London average
- Health has the highest proportion of jobs in Harrow (17.3%), compared to a West London average of 11.0%

8 Employment

- Arts, entertainment, recreation and other services - above average proportion of jobs in this sector, at 5.7% with only Hammersmith & Fulham (6.5%) having a higher proportion in West London

Table 19 Employment by Broad Industrial Groups, 2013

Industry Group		Harrow		Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow	West London
		Number	%	%	%	%	%	%	%
1-2	Agriculture, Forestry & Fishing, Utilities, mining & quarrying	650	0.9	1.2	0.3	0.1	0.6	0.6	0.6
3	Manufacturing	2,090	3.0	7.7	9.3	1.2	4.0	2.8	4.7
4	Construction	3,445	5.0	4.1	4.5	1.6	3.2	3.1	3.6
5-6	Wholesale & motor trade	3,377	4.9	10.4	8.5	7.5	5.3	9.5	7.7
7	Retail	7,526	11.0	10.0	10.5	12.1	6.4	7.4	9.6
8	Transport & storage (incl. postal)	1,900	2.7	8.3	7.8	2.3	27.1	11.2	9.9
9	Accommodation & food services	3,726	5.4	6.4	6.9	8.2	8.0	5.5	6.7
10	Information & communication	4,501	6.5	4.5	5.9	14.4	3.0	16.6	8.5
11	Financial & insurance	1,409	2.0	0.9	1.1	1.2	0.9	1.4	1.3
12	Property	1,527	2.2	1.9	1.9	1.9	0.7	1.6	1.7
13	Professional, scientific & technical	8,628	12.5	5.5	8.0	13.8	8.5	9.3	9.6
14	Business administration & support services	4,118	6.0	8.1	9.7	10.2	12.8	11.7	9.8
15	Public administration & defence	2,585	3.7	4.2	3.1	4.1	4.3	2.7	3.7
16	Education	7,739	11.2	8.4	8.3	5.2	5.8	6.0	7.5

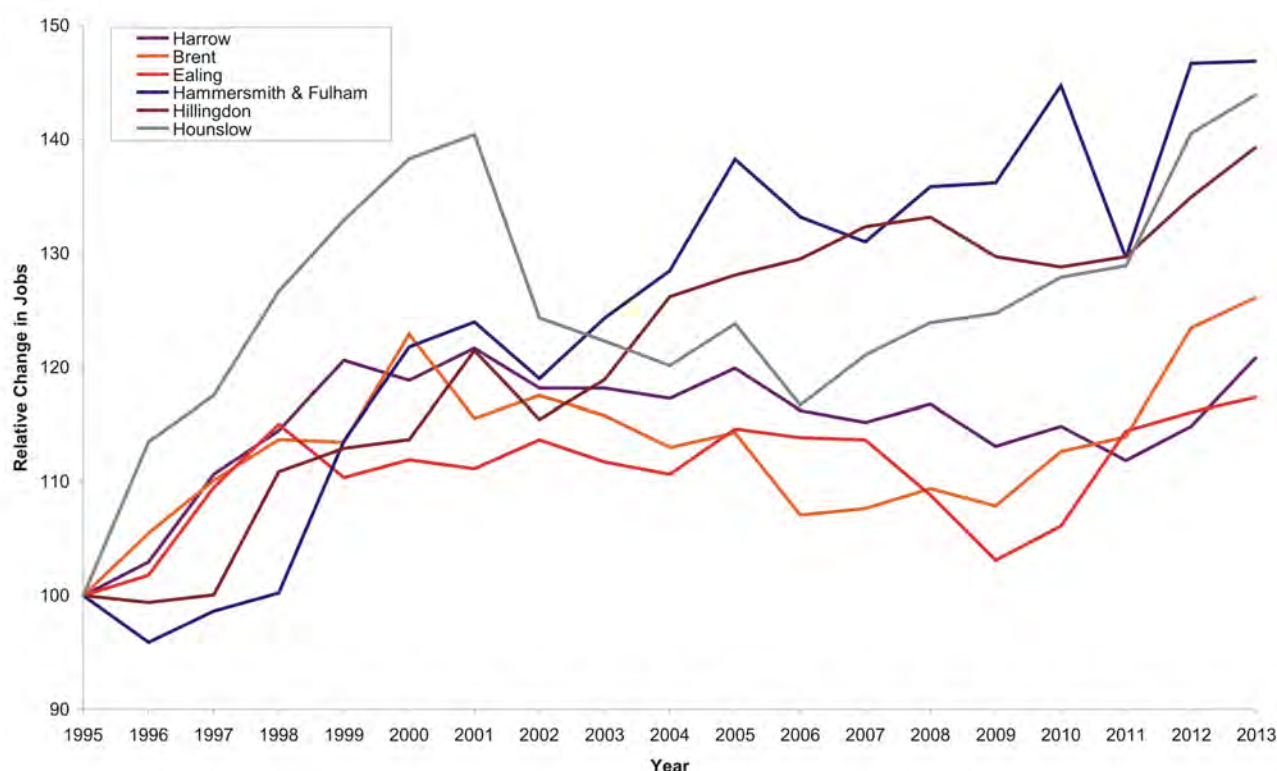
Industry Group		Harrow		Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow	West London
		Number	%	%	%	%	%	%	%
17	Health	11,925	17.3	14.7	10.5	9.6	6.8	6.8	11.0
18	Arts, entertainment, recreation & other services	3,926	5.7	3.7	3.8	6.5	2.5	3.8	4.3
Total employment		69,059	100%	108,403	121,024	127,370	197,343	141,141	100%

Source: Business Register & Employment Survey, ONS 2013

Note: Figures may not sum due to rounding. Based on employees and working owners, so excludes self-employed, Government supported trainees and HM Forces

8.5 Figure 24 shows that, when compared with the other West London boroughs, the percentage increase in the number of jobs in Hammersmith & Fulham, Hillingdon and Hounslow has been larger than Harrow over the same time period, 1995 to 2013, with only Brent and Ealing showing smaller increases.

Figure 24 Relative Change in Employee Jobs in West London, 1995 - 2013



Source: Annual Business Inquiry (to 2008), Business Register & Employment Survey (2009-13), ONS - Harrow Analysis

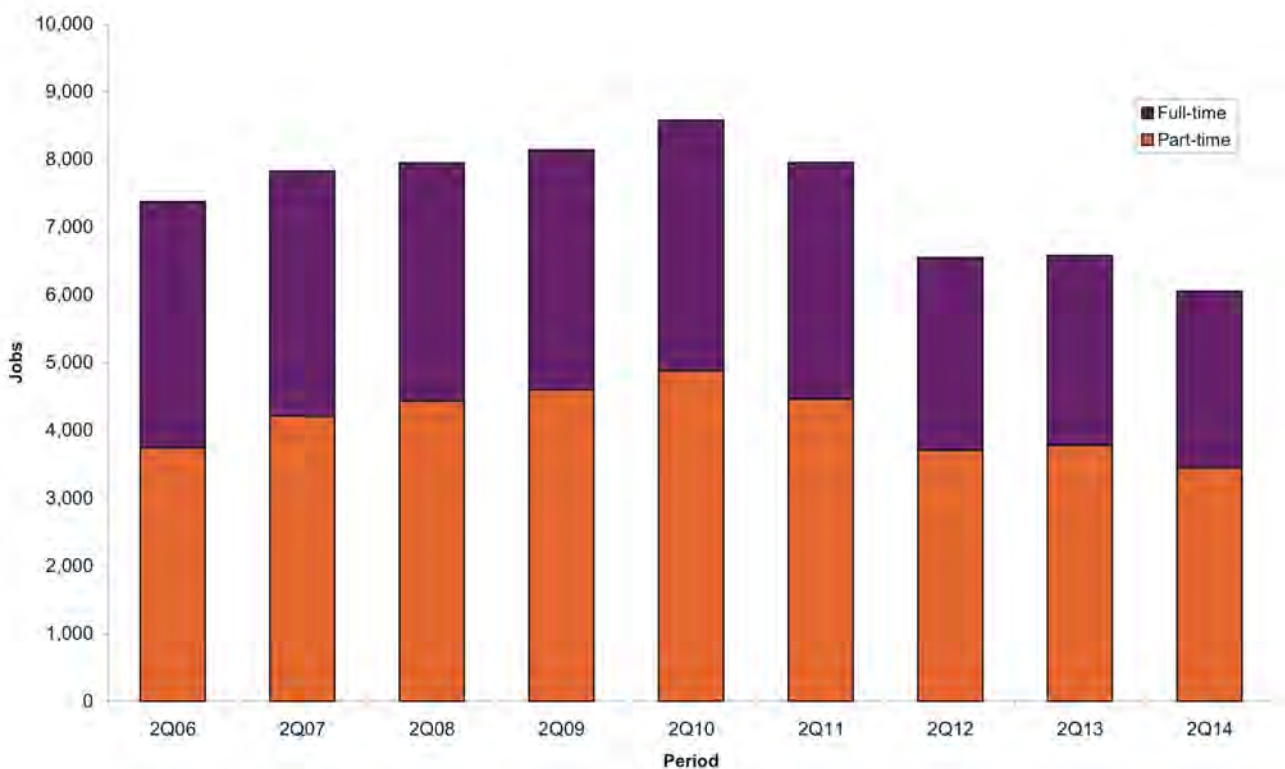
Note: 1995 = 100

Public Sector Jobs

8.6 The local authority is the largest employer in Harrow and provides a high proportion of the employment in the borough. Detailed information is collected by the Quarterly Public Sector Employment Survey (QPSES), a survey conducted by the Office for National Statistics. The QPSES shows that under 6,100 employee jobs in Harrow were provided by the local authority in 2014.⁽³⁶⁾ The trends in local government employment in Harrow over the period 2006 to 2014 are shown in Figure 25. Since 2006 the numbers of local government employees has risen gradually, peaking in 2010 and falling back by over 29% by mid-2014. A higher percentage of these jobs are part-time jobs and this level has increased, from 50.7% in 2006 to over 57% by 2014.

8.7 Table 20 shows that when compared to the other West London boroughs, a higher percentage of jobs in Harrow are local authority jobs, but this percentage has decreased over the past three years, to 9.6% by 2013. Harrow has a much smaller employment base than all the other West London boroughs which results in these higher percentages.

Figure 25 Local Government Jobs in Harrow



Source: Quarterly Public Sector Employment Surveys, ONS

36 Based on QPSES data for 2nd Quarter each year and BRES employee counts

Table 20 Local Authority Employment

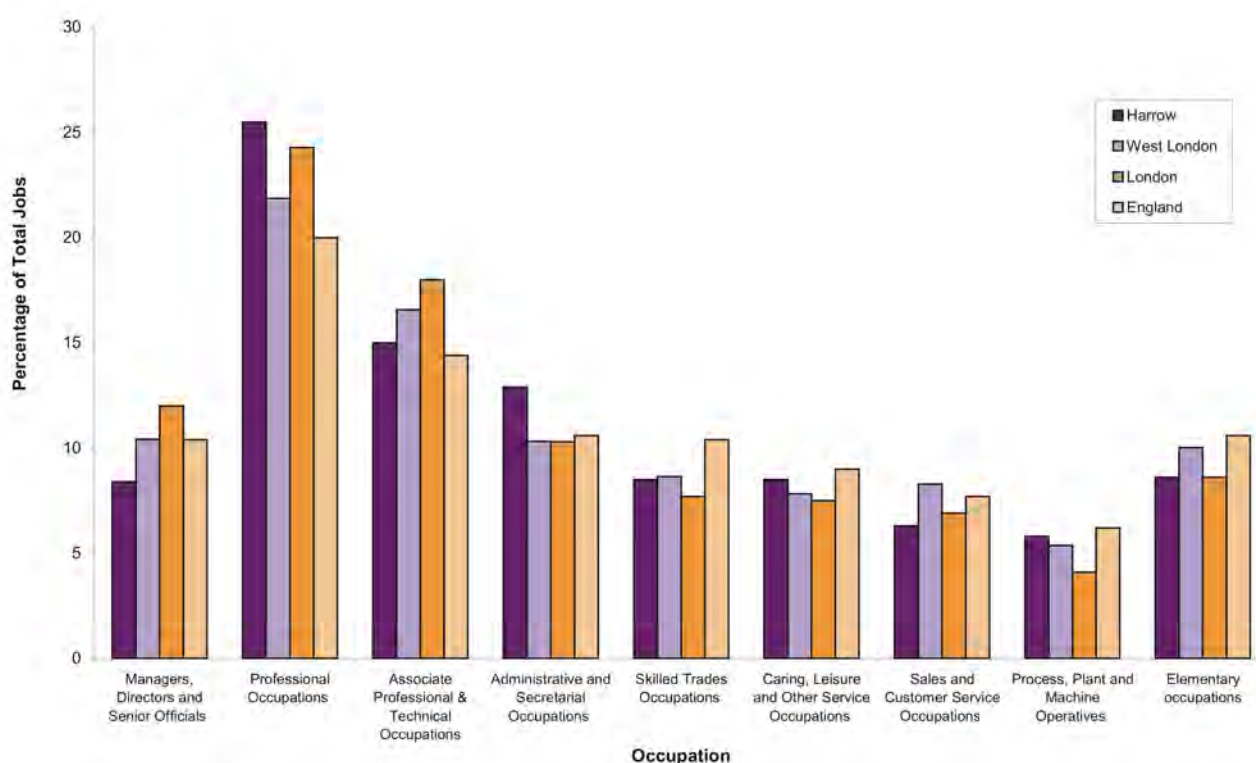
	2011		2012		2013		2014	
	LA jobs	% of employee jobs	LA jobs	% of employee jobs	LA jobs	% of employee jobs	LA jobs	% of employee jobs
Brent	6,500	6.6	5,400	5.1	2,800	2.6	3,600	n/a
Ealing	7,100	6.0	7,100	5.9	7,400	6.1	7,300	n/a
Hammersmith & Fulham	5,400	4.4	5,100	4.0	4,300	3.4	4,200	n/a
Harrow	8,000	12.4	6,600	10.1	6,600	9.6	6,100	n/a
Hillingdon	6,500	3.6	3,300	1.7	3,400	1.7	2,900	n/a
Hounslow	7,400	5.9	6,800	4.9	6,700	4.7	6,400	n/a
West London	41,700	5.7	34,300	4.6	31,200	4.1	30,500	n/a
London	243,600	5.8	219,000	4.9	211,300	4.6	208,800	n/a
England	2,081,400	9.1	1,805,100	7.8	1,672,000	7.1	1,589,700	n/a

Source: ONS - Quarterly Public Sector Employment Surveys & Business Register & Employment Survey (BRES). 2014 BRES data not available

Note: All figures are rounded to the nearest 100, so totals may not sum

Occupation

Figure 26 Employment by Occupation, 2014



Source: ONS Annual Population Survey (January 2013 - December 2013)

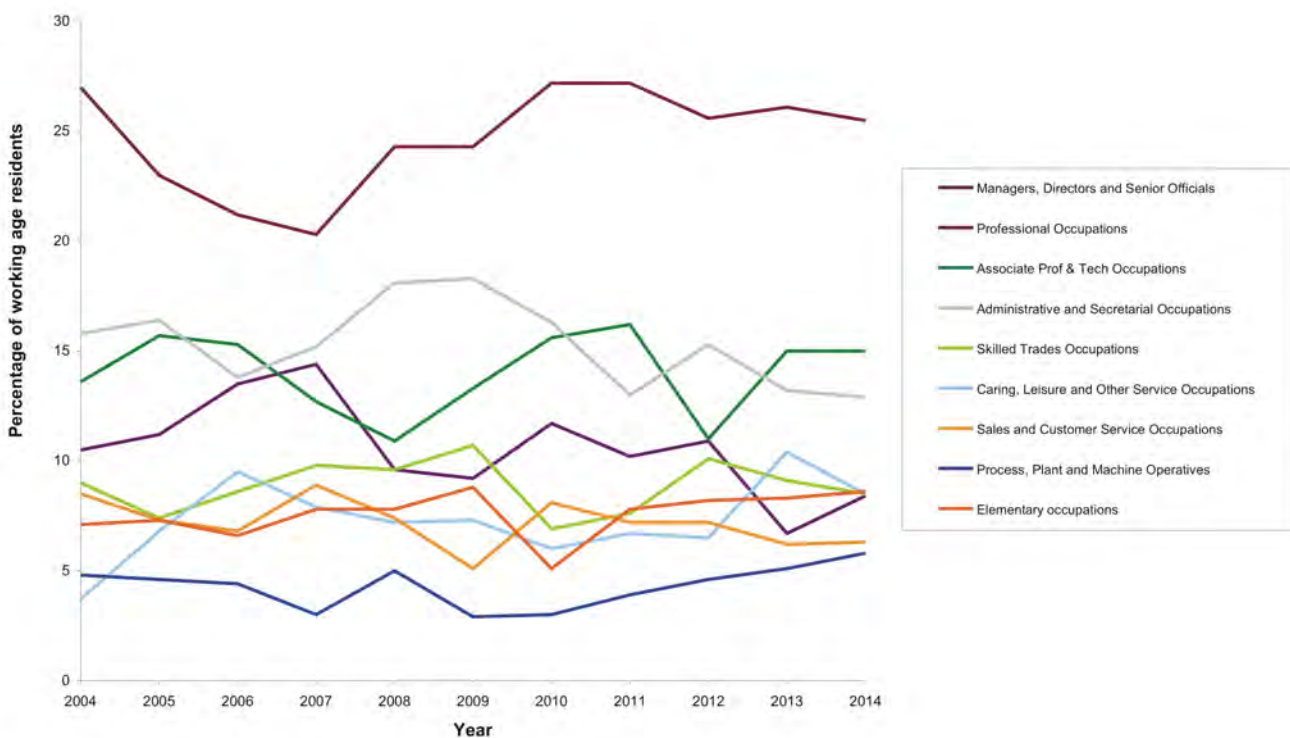
8 Employment

8.8 Harrow's occupational structure contains a higher proportion of professional workers (25.5%) compared to the West London sub-region (21.9%), London (24.3%) and the national average (20.0%). In terms of associate professional and technical workers Harrow has a lower proportion than the aforementioned comparator areas, except nationally. Harrow also has a higher proportion of residents in administrative and secretarial positions, and care, leisure and other service occupations at 12.9% and 8.5% respectively (Figure 26).

8.9 Harrow has lower proportions of residents in sales and customer service occupations and elementary occupations when compared to West London, London and England.

8.10 Figure 27 shows how occupations are changing over the years, largely reflecting national trends. Over the past ten years, the most significant change has occurred in personal service occupations (for example: dental nurses, care assistants, nursery nurses, sports and leisure assistants) from 6% to 10.4% in 2013, an increase of 42.3%. Whilst the number of residents working in the top six occupational groupings (with the exception of associate professional and technical occupations) has increased over the past eight years, partly reflecting Harrow's population growth, the only other category increasing its percentage share is professional occupations. The share of residents working in sales and customer service occupations and process has fallen by 27% over the past decade.

Figure 27 Occupation of Working Age Residents, 2004 - 2014



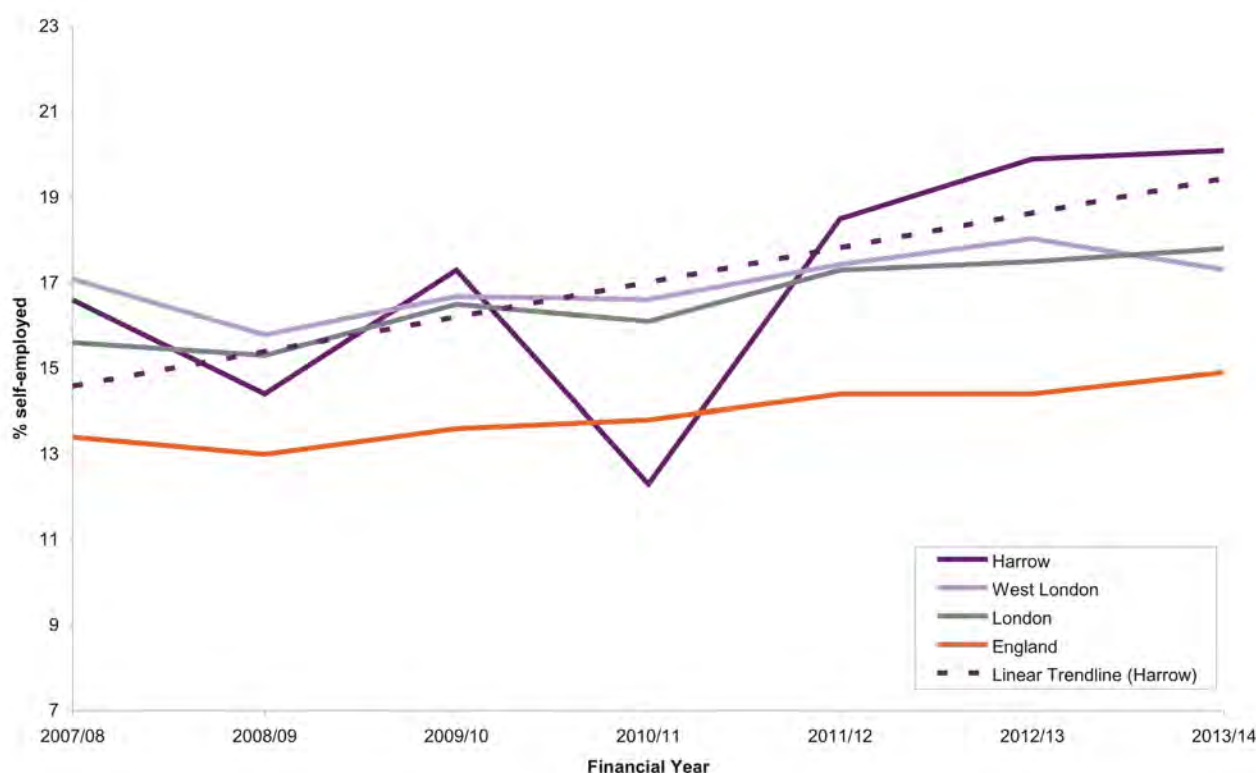
Source: ONS Annual Population Surveys 2004 to 2014

Numbers and % are for those aged 16 and over. % is a proportion of all persons in employment

Self-employment

8.11 In the financial year 2013/14 an average of 20.1% of Harrow's residents were self-employed (based on residents in employment aged 16 and over). This compares with a West London average of 17.3%. In comparison all the other West London boroughs have lower proportions of self-employed. Harrow's level of self-employment is higher than the average levels for London and England. Over the past seven years both the level and number of self-employed workers in Harrow has fluctuated, but the general trend is upwards, as per West London generally. Self-employment in London and England generally has also slowly increased (Figure 28, Figure 29 & Table 21).

Figure 28 Self-employment, 2007/08 - 2013/14



Source: ONS Annual Population Surveys

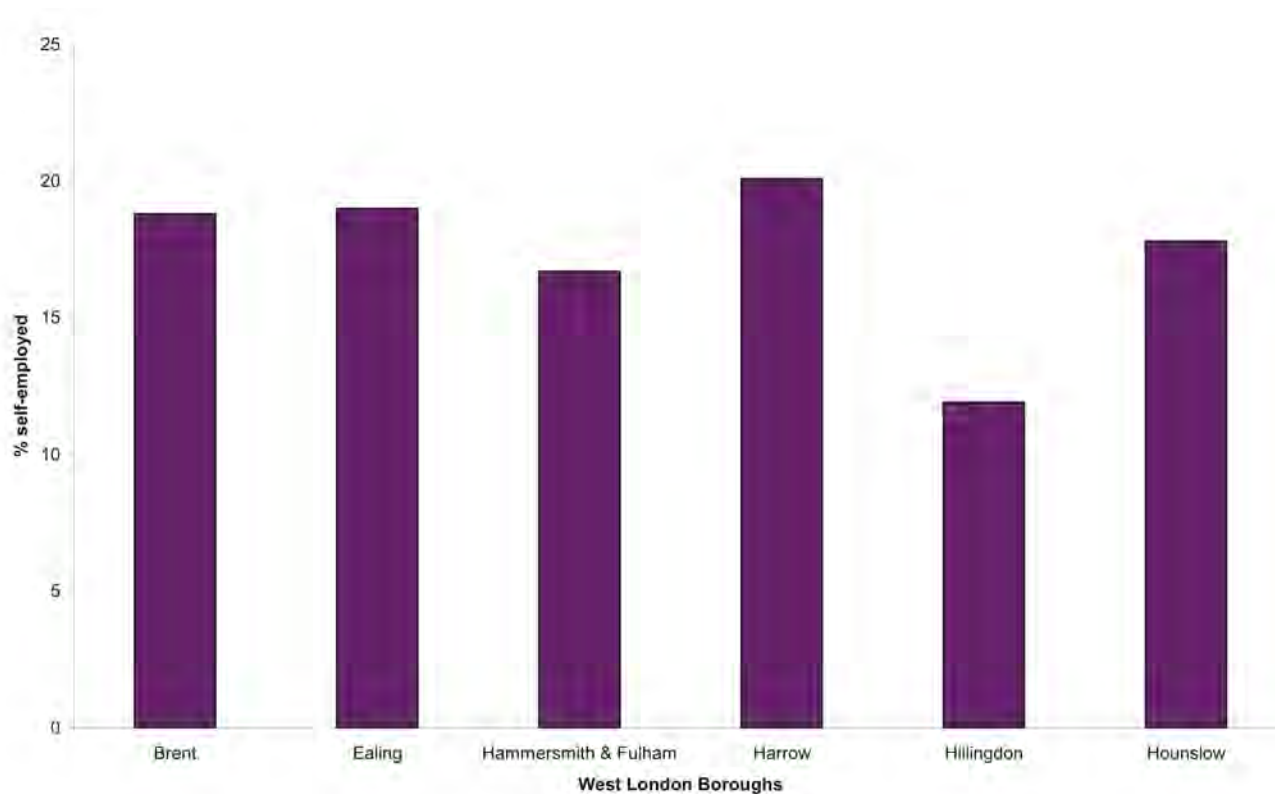
Note: Figures are based on residents aged 16+, as a percentage of residents in employment aged 16+

Table 21 Numbers of Residents aged 16+ who are Self-employed, 2013/14

	Harrow	Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow
Number	22,100	21,500	29,200	15,500	16,000	23,100
Percentage of Economically Active aged 16+	20.1	18.8	19.0	16.7	14.9	13.8

Source: ONS Annual Population Survey

Figure 29 Residents who are Self-employed, West London, 2013/14



Source: ONS Annual Population Surveys

Note: Figures are based on residents aged 16+, as a percentage of residents in employment aged 16+

Business and Enterprise 9

Local Economic Assessment 2013-14



An understanding of the mix of businesses in an area, both in terms of size and by sector, is important in directing support services, training and infrastructure.

Structure of the Local Economy

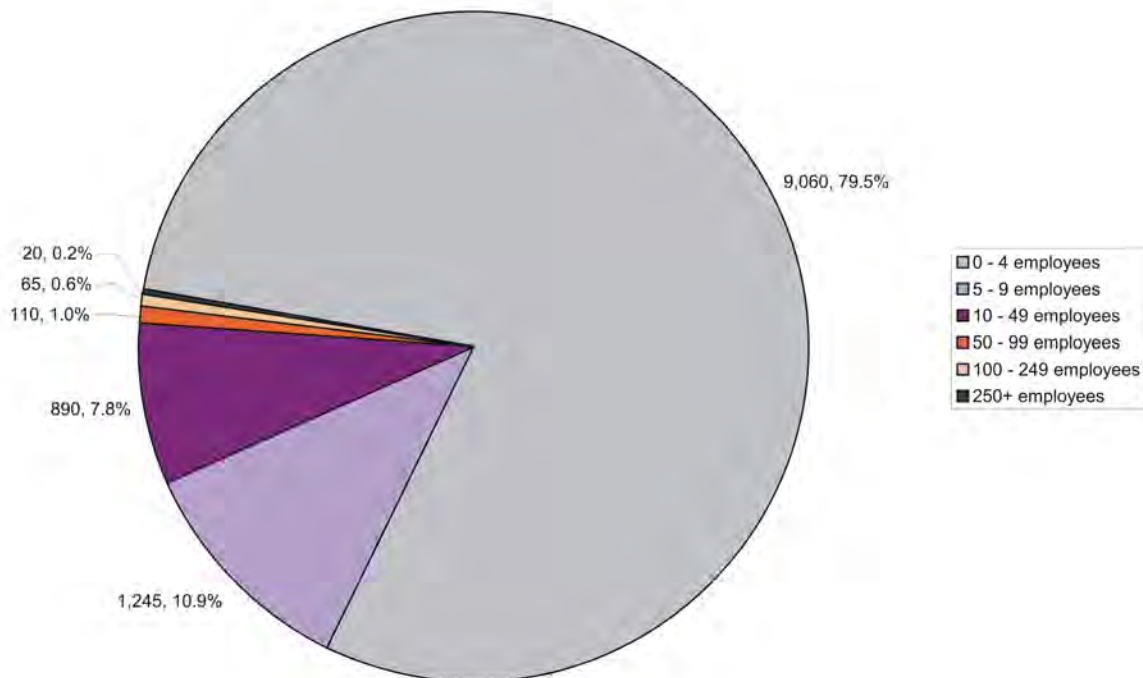
9.1 In Harrow, there are a high number of micro-enterprises (employing fewer than five people). In terms of number of businesses, Professional, scientific and technical based businesses dominate, followed by Construction, and the Information and communication sector. However, in terms of levels of employment, Professional, Real Estate, Scientific and technical Activities, Health, Administration and Support services provided the highest number of jobs in 2013, followed by Retail, Information and Communication and Education.

Number & Type of Businesses/Organisations

9.2 There are several different sources which provide estimates or counts of the number of businesses operating in Harrow. However, none of these datasets provide a 100% count of the total number of businesses. One of the most widely used sources is the Inter Departmental Business Register (IDBR), which is maintained by the Office for National Statistics (ONS).⁽³⁷⁾

9.3 In 2013 the IDBR showed that there were around 11,400 local units in Harrow. 90% of these are small businesses employing fewer than ten people. Only 20 businesses (0.2%) in the borough employ 250 or more people (Figure 30 - these figures are rounded to the nearest five).

Figure 30 Business Size by Number of Employees, Harrow, 2013



Source: ONS Inter-Departmental Business Register, March 2013

37 These datasets provide a breakdown of the number of VAT traders and PAYE employers - considered to include around 98% of total economic activity, although excluded 'businesses' are likely to be largely self-employed operators. Most of the business breakdowns are by 'local units', which refer to separate workplaces within an area, but some breakdowns are by 'enterprise groups', which group together units which are under common ownership. There is also some disparity between published and commissioned IDBR datasets in terms of overall numbers/size of businesses.

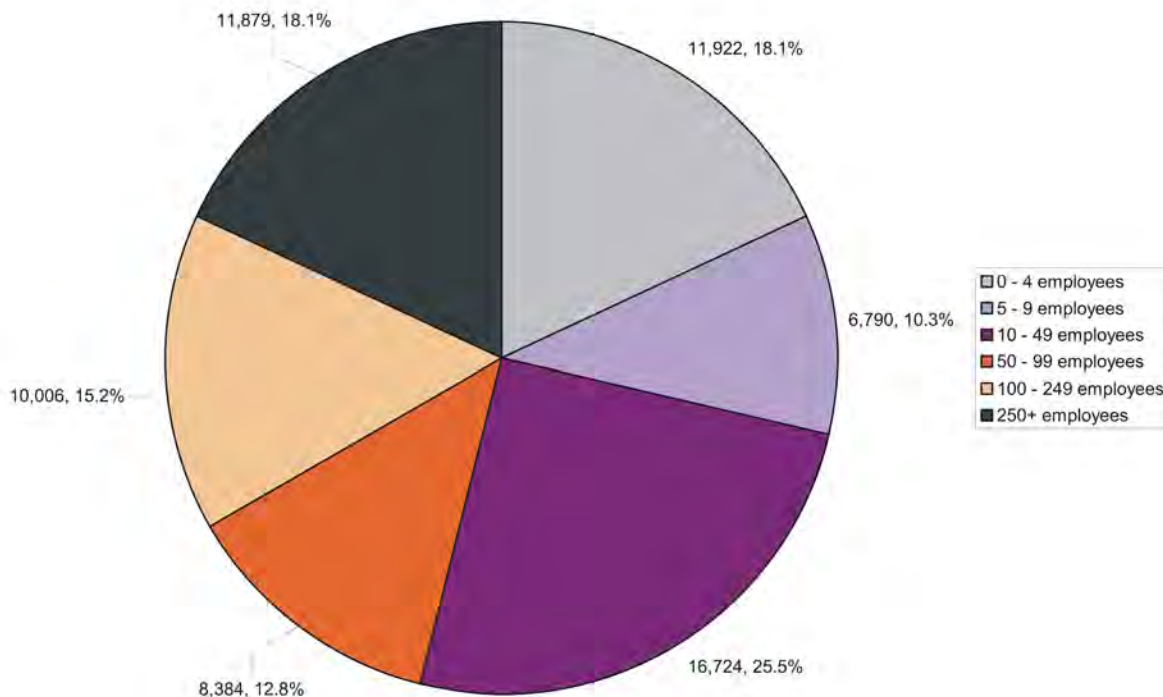
9.4 Within West London the IDBR shows that Ealing has the highest number of businesses, with 14,665 local units recorded. Out of these six boroughs Harrow is ranked sixth for the number of businesses. 15.3% of businesses in West London are in Harrow. However, over 79% of Harrow's businesses employ less than five people, the highest proportion compared to all the other West London boroughs. Under 5% of Harrow's businesses employ 20 or more people, the lowest level within West London (Table 22).

Table 22 Number of Local Units by Employment Size Band, March 2013

Local Unit Size	Harrow	Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow	London	England
0 to 4 persons	9,060 (79.5%)	9,495 (75.0%)	11,025 (75.2%)	8,810 (71.3%)	8,095 (69.0%)	8,695 (73.5%)	311,080 (72.0%)	1,531,705 (68.6%)
5 to 9 persons	1,245 (10.9%)	1,535 (12.1%)	1,800 (12.3%)	1,575 (12.7%)	1,525 (13.0%)	1,410 (11.9%)	55,530 (12.9%)	319,905 (14.3%)
10 to 19 persons	600 (5.3%)	845 (6.7%)	890 (6.1%)	970 (7.9%)	900 (7.7%)	805 (6.8%)	32,200 (7.5%)	184,895 (8.3%)
20+ persons	485 (4.3%)	780 (6.2%)	950 (6.5%)	1,000 (8.1%)	1,205 (10.3%)	925 (7.8%)	33,290 (7.7%)	197,810 (8.9%)
All Units (Total)	11,390	12,655	14,665	12,355	11,725	11,835	432,100	2,234,315

Source: ONS Inter-Departmental Business Register, March 2013

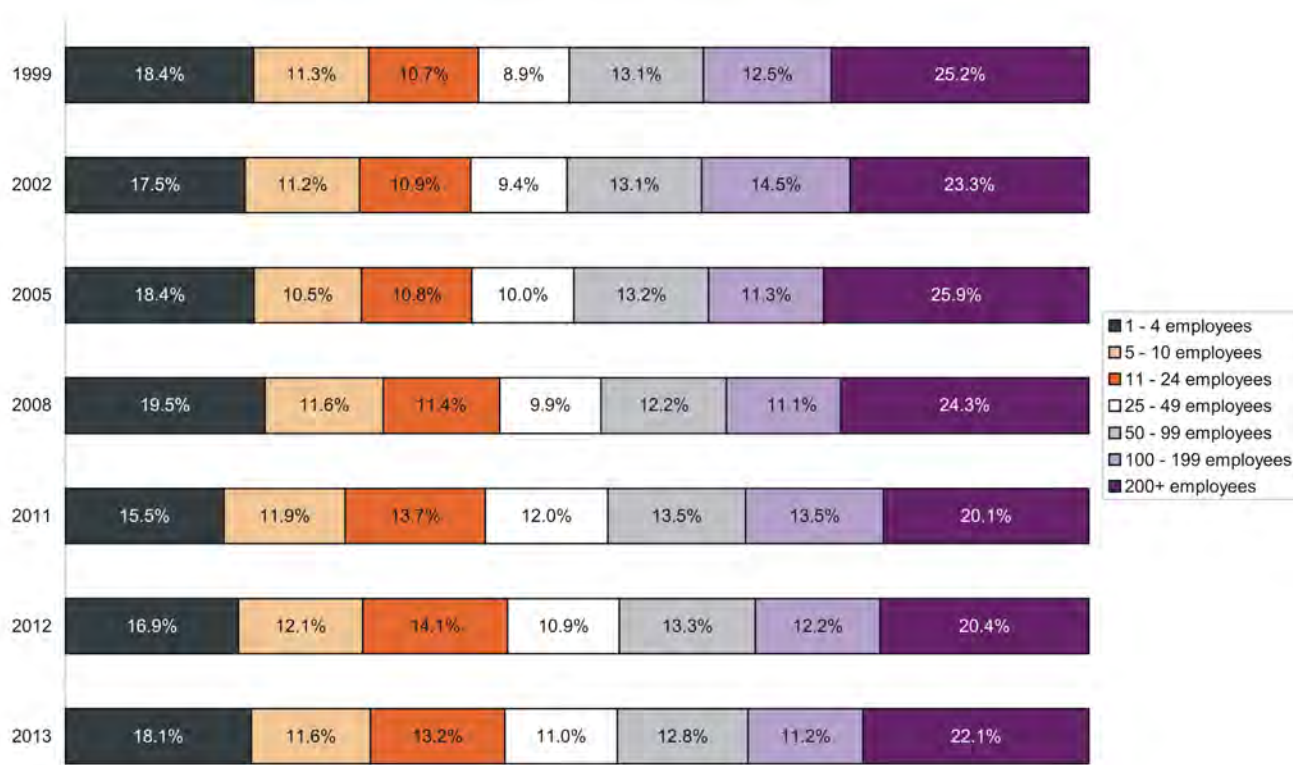
Figure 31 Percentage of Workforce Employed by Business Size, Harrow, 2013



Source: ONS Inter-Departmental Business Register, 2013

9.5 Figure 31 shows that a third of employment in the borough is provided by the large employers in the borough - those employing 100 or more people. These statistics are based on 'local data units', so some large organisations may be comprised of more than one local unit. The micro businesses (employing fewer than five people) account for over 79% of businesses in the borough, but only 18.1% of people who work in the borough are employed in these micro businesses.

Figure 32 Percentage of Workforce Employed by Business Size, Harrow, 1999 - 2013



Source: ONS Inter-Departmental Business Register, 2011, 2012 & 2013 and ONS Annual Business Inquiry, 1999 to 2008

Table 23 Number of Businesses (Data Units) by Size, Harrow, 1999 - 2013

	2013	2012	2011	2008	2005	2002	1999
1 - 4 employees	6,953	6,069	5,627	8,159	7,539	6,978	6,782
5 - 10 employees	1,143	1,105	1,116	1,064	998	1,070	1,065
11 - 24 employees	553	552	559	466	460	456	468
25 - 49 employees	213	201	220	191	192	182	171
50 - 99 employees	123	119	124	117	123	122	127
100 - 199 employees	56	59	62	57	56	73	61
200+ employees	29	28	28	38	42	39	37
All Data Units with Employees (Total)	9,070	8,133	7,736	10,092	9,410	8,920	8,711

Source: ONS Inter-Departmental Business Register, 2011, 2012 & 2013 and ONS Annual Business Inquiry, 1999 to 2008

Note: Farm-based agricultural businesses are excluded. Estimates for 1999 to 2005 are produced on a different basis to the later estimates, so are not directly comparable with the later datasets.

This table excludes 2,000 VAT only units in Harrow and data units with no employees recorded.

9 Business and Enterprise

9.6 Figure 32 and Table 23 give an indication of how Harrow's business base has been changing over the past 14 years. Again, this information is based on data units (with employees) and not a count of the actual number of businesses. Therefore there is likely to be some over counting of the larger businesses. Over the years there have also been changes in the way that this data is collected, so the counts and comparisons should be regarded as indicative, rather than fact. Nevertheless it shows that the number of large businesses in the borough, employing 100 or more people, is slowly declining. The number of medium-sized businesses, employing between 11-24 and 25-49 people, increased year on year from 2002 to 2011. However, in 2012 there was a slight decrease in the number of medium-sized businesses, but in 2013 the upward trend continued.

9.7 The decline in the number of businesses employing 200 or more people is largely due to some of the larger firms in the borough reducing the number of people they employ, usually as a means to make savings or the introduction of new technology. In recent years one or two larger businesses have moved out of the borough, for example, Bovis Lend Lease (to Central London) GE Capital (to Watford) and Colart (to White City and France).

Business Rates

9.8 On 1 April 2013 a new system of business rates retention was introduced in England. Through the Local Government Finance Act 2012, and regulations that followed, the Government gave local authorities the power to keep half of its business rate income and transfer the other half to central Government. The central share is then distributed to local authorities in the form of Revenue Support Grant (RSG). The portion kept by local authorities is then subjected to tariff, levy, top up and safety payments depending on the financial position of the council. Before April 2013 all business rate income collected by local authorities went into a single pot and was distributed by the Government in the form of formula grant. According to the Government the change gives financial incentives to local authorities to grow their local economies and increase their income from business rates.

9.9 The amount paid by each business is based on a national multiplier which is applied to the rateable value of each non-domestic property. Rateable values are determined by the Valuation Office Agency (VOA) and are subject to revaluation usually every five years to reflect changes in the property market. The most recent revaluation in England and Wales was in April 2010, with the next due to take place in 2017.

9.10 In April 2013, there were 5,712 businesses paying business rates to Harrow Council, an increase of 329 (6.1%) compared to March 2011 and 893 (18.5%) more than in July 2009.

9.11 The Local Government Finance Act 2012 also sets out the legislation for the introduction of Tax Increment Financing (TIF) to enable councils to borrow against their future increases in business rates; a framework for the localisation of support for Council Tax to local authorities; and various changes in the way Council Tax is levied (technical changes to Council Tax collection).

9.12 Research undertaken by Centreforcities in October 2011⁽³⁸⁾ shows that from the period 2000/01 to 2010/11 Harrow experienced a 17% decrease in business rates, equating to a potential loss of revenue in excess of £9m, based on 2009/10 prices. The research shows that Harrow was one of only four London boroughs who collected less revenue in business rates in

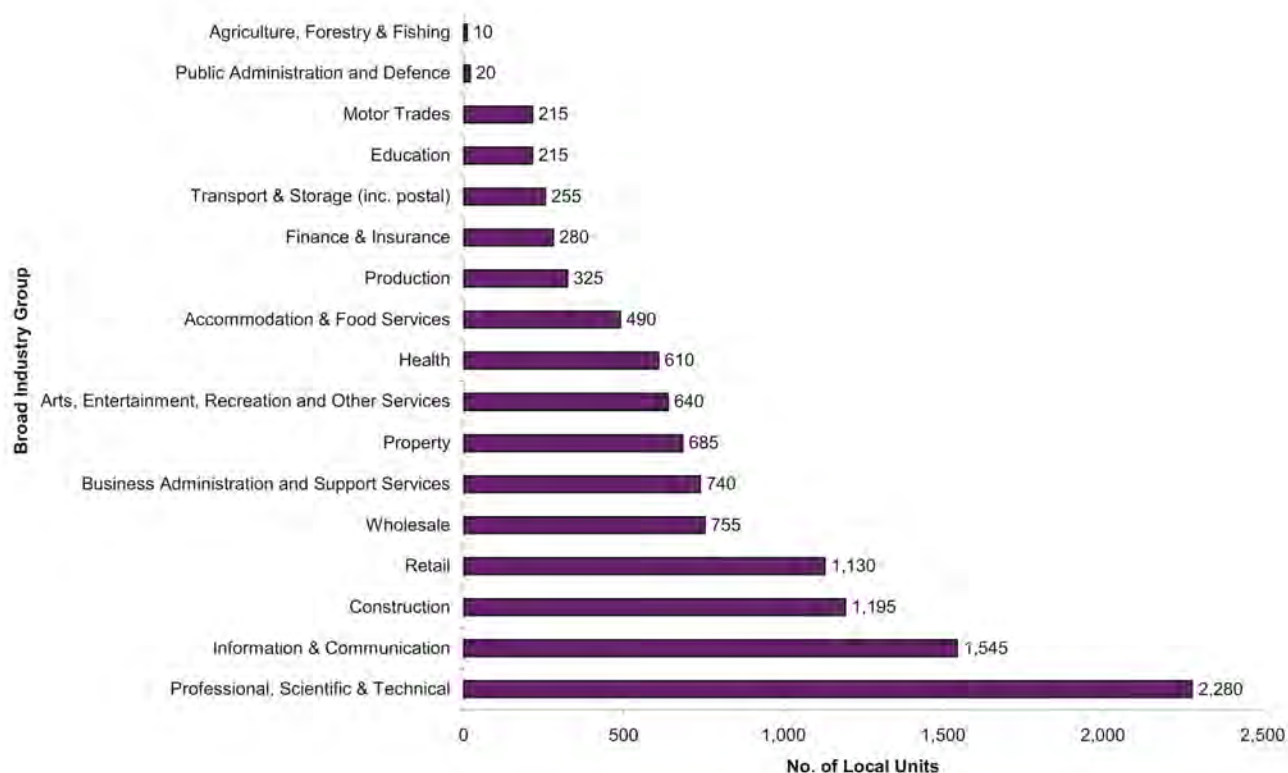
38 Future for London, Capital Gains: What does the Local Government Resource Review mean for London?

2010/11 than they did in 2000/01. The other boroughs were Bromley (-3%), Lewisham (-5%) and Croydon (-6%). All the other West London boroughs showed growth in business rates over this period, ranging from +10% in Hounslow to +90% in Hammersmith & Fulham, London's second highest increase in borough rates receipts after Tower Hamlets.

Sectors

9.13 The ONS IDBR also provides a breakdown of the number of local units in an area, broken down by broad industry group.⁽³⁹⁾ For Harrow, in 2013, the highest concentration of businesses were Professional, scientific and technical based, with 2,280 (20%) businesses. Similarly, this is the most dominant sector nationally, in London and in West London. Harrow's second largest group, based on the number of businesses, is Information and Communication with 13.6% of businesses. Within West London and London, Information and Communication is also ranked second, and nationally it is ranked fourth. 10.5% of Harrow's businesses are categorised in the Construction group, above the level for West London, London and England (Figure 33 & Figure 34).

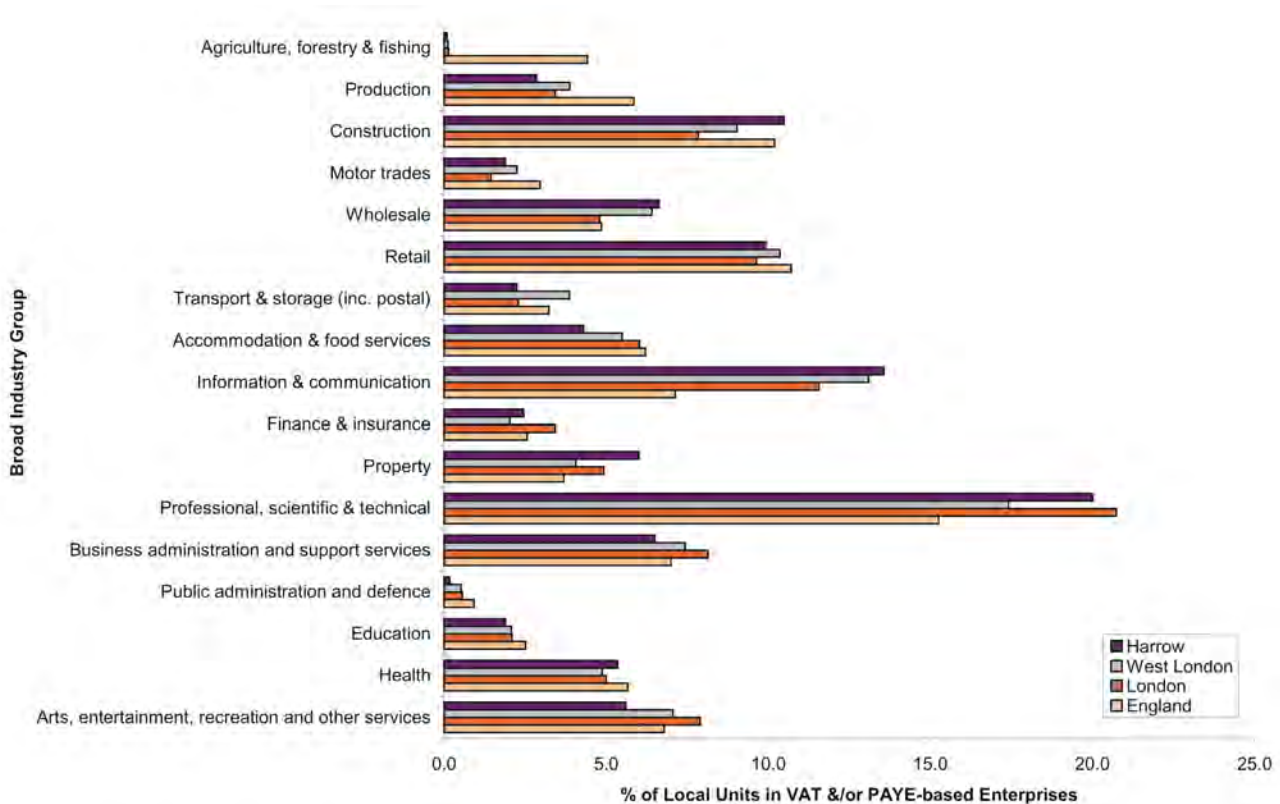
Figure 33 Broad Industry Group by Number of Local Units, Harrow, 2013



Source: ONS, Inter Departmental Business Register, March 2013

39 Based on the 2007 Standard Industrial Classification (SIC)

Figure 34 Businesses by Broad Industrial Group, 2013



Source: ONS, Inter Departmental Business Register, March 2013

Age of Businesses

Table 24 Number of VAT and/or PAYE-based Enterprises by Age of Business, 2013

Age of Business	Harrow	Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow	London	England
Less than 2 years	2,310 (22.2%)	2,585 (23.0%)	2,980 (22.9%)	2,485 (23.6%)	2,135 (22.4%)	2,600 (25.8%)	85,585 (23.0%)	323,615 (17.4%)
2 - 3 years	1,775 (17.0%)	1,875 (16.7%)	2,230 (17.1%)	1,780 (16.9%)	1,515 (15.9%)	1,835 (18.2%)	61,020 (16.4%)	244,690 (13.1%)
4 - 9 years	2,905 (27.9%)	3,175 (28.2%)	3,565 (27.4%)	2,900 (27.6%)	2,565 (26.9%)	2,560 (25.4%)	101,025 (27.1%)	496,135 (26.6%)
10+ years	3,435 (32.9%)	3,625 (32.2%)	4,245 (32.6%)	3,350 (31.9%)	3,305 (34.7%)	3,100 (30.7%)	124,750 (33.5%)	797,640 (42.8%)
Total	10,425	11,260	13,020	10,515	9,520	9,520	372,380	1,862,080

Source: ONS Inter-Departmental Business Register, March 2013

9.14 22% of Harrow's businesses⁽⁴⁰⁾ were established less than two years ago. This is below the proportion for London as a whole, but above the national level of 17.4%, perhaps indicating a higher level of entrepreneurship within the London area. Just under a third (32.9%) of Harrow's businesses have been established for ten years and over, similar to the level for other West London boroughs and London overall, but below the national level of 43%. It should be noted that some businesses may re-form after merger or takeover, and some businesses may not be truly 'new' (Table 24).

Business Births and Deaths

9.15 The number of business births and deaths recorded can provide a measure of volatility of the local economy when analysed over a period of time. Until 2008, Harrow, like the majority of the other West London boroughs, recorded more business births than deaths. This was mirrored in London overall and nationally. In 2009, the trend was reversed in Harrow with more business deaths than births being recorded, although this was not the case for the other boroughs in West London. Since 2010 the number of business births in Harrow has been significantly higher than the number business deaths. (Table 25).

Table 25 Business Births and Deaths in Harrow, 2004 - 2012

Harrow	2004	2005	2006	2007	2008	2009	2010	2011	2012
Births	1,370	1,325	1,200	1,310	1,435	1,455	1,470	1,605	1,730
Deaths	1,375	1,190	1,075	1,145	1,250	1,515	1,365	1,285	1,510
Net Change	-5	135	125	165	185	-60	105	320	220

Source: ONS Business Demography (Enterprise Births, Deaths and Survivals), Inter-Departmental Business Register

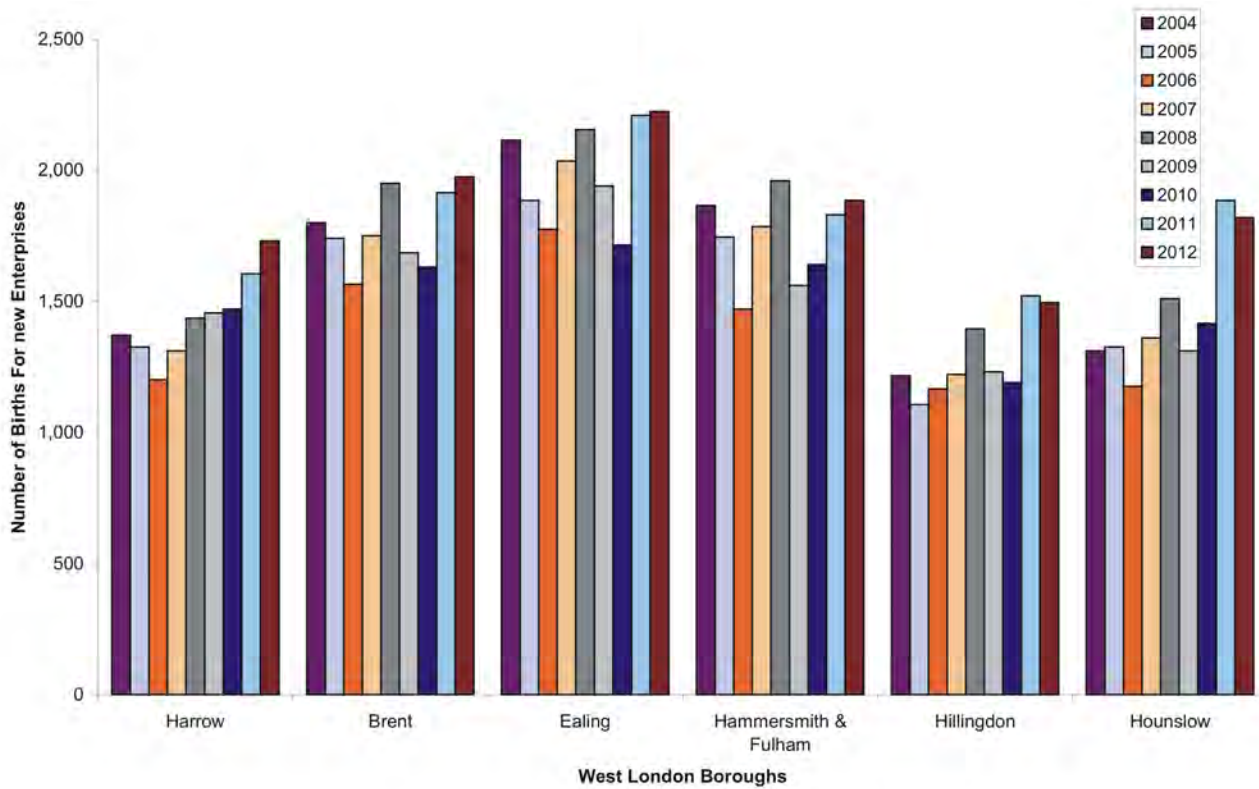
Business Start-Ups

9.16 From 2006 to 2012 there has been a steady increase in the number of new businesses which have started up in Harrow (VAT and/or PAYE-based enterprises). Harrow is the only West London borough to show continual growth in business formation since 2006. In Brent, Ealing and Hillingdon the number of new businesses starting up fell quite considerably from 2008 to 2010, but they have come to see a significant surge in the number of new business since 2011. Similarly, business start-ups in Hammersmith & Fulham fell between 2008 and 2009, but has continuously increased since 2010. Although Hounslow's case is similar to that of Hammersmith & Fulham, the number of new businesses in Hounslow fell again slightly in 2012 (Figure 35).

9.17 An alternative source for information on new business start-ups is provided by BankSearch Consultancy Ltd. Their information is obtained by collecting start-up information from the main suppliers of banking services, based on new business accounts opened. According to the latest data from a BankSearch survey, the number of businesses starting up in Harrow during 2013 was lower compared to the previous year (Table 26).

40 This data is based on the total number of Enterprise Groups - a group of legal units under common ownership, as opposed to 'local data units', so overall business totals are lower

Figure 35 Business Births, 2004 - 2012



Source: ONS Business Demography (Enterprise Births, Deaths and Survivals), Inter-Departmental Business Register

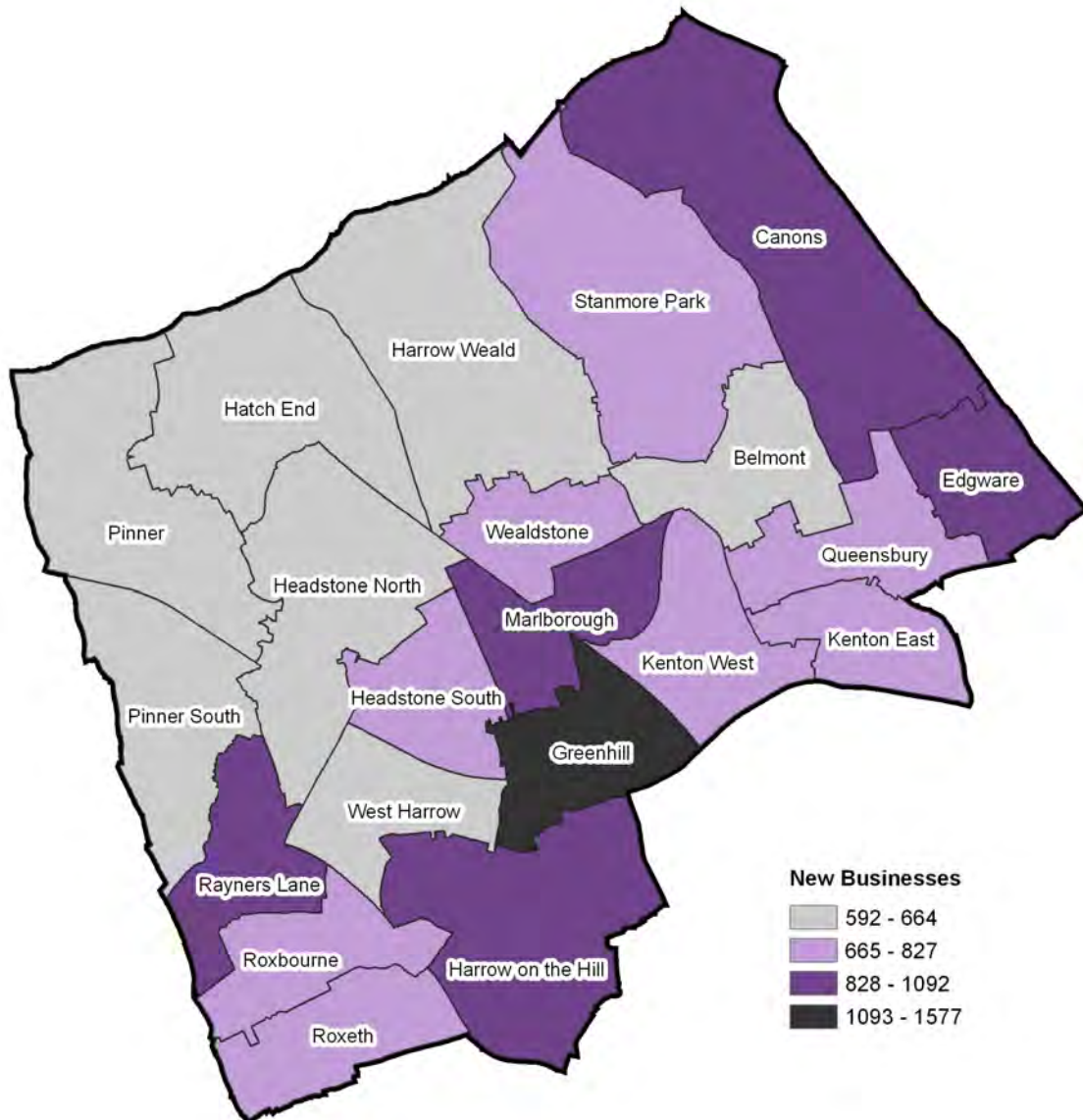
Table 26 Business Start-ups by Industry, 2008 - 2013

Industry Sector	2008	2009	2010	2011	2012	2013	2008 - 2013
All	2,780	2,929	3,537	3,552	3,665	3,170	19,633
Real estate, professional services & support activities	1,074	1,139	1,456	1,240	1,230	1,049	7,161
Wholesale & retail trade	350	548	533	573	678	512	3,194
Construction	495	391	497	465	410	400	2,658
Recreational, personal & community service	425	362	390	331	317	341	2,166
Transport, storage & communication	84	83	117	356	450	364	1,454
Manufacturing	95	83	133	145	120	99	675
Accommodation & food service	96	110	127	135	164	131	763
Human health & social work	71	96	117	137	162	162	745
Education	57	80	121	101	87	59	505
Public administration & defence	7	9	7	9	13	14	59
Agriculture, hunting & forestry	5	5	11	8	6	2	37
Activities auxiliary to financial intermediation	6	7	8	13	11	7	52

Industry Sector	2008	2009	2010	2011	2012	2013	2008 - 2013
Financial intermediation (excl. insurance & pension funds)	9	9	5	9	9	10	51
Individuals & individual trusts	0	0	10	20	16	9	55
Unknown	0	0	0	0	3	2	5
Electricity, gas & water supply	3	5	2	5	14	7	36
Mining & quarrying	2	0	3	1	1	0	7
Insurance companies & pension funds	1	2	0	3	1	1	8
Fishing	0	0	0	1	0	1	2

Source: BankSearch Information Consultancy Ltd, Jan 2014

Map 9 New Business Start-ups by Ward, 2009 - 2013



Source: BankSearch Information Consultancy Ltd, December 2013

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9 Business and Enterprise

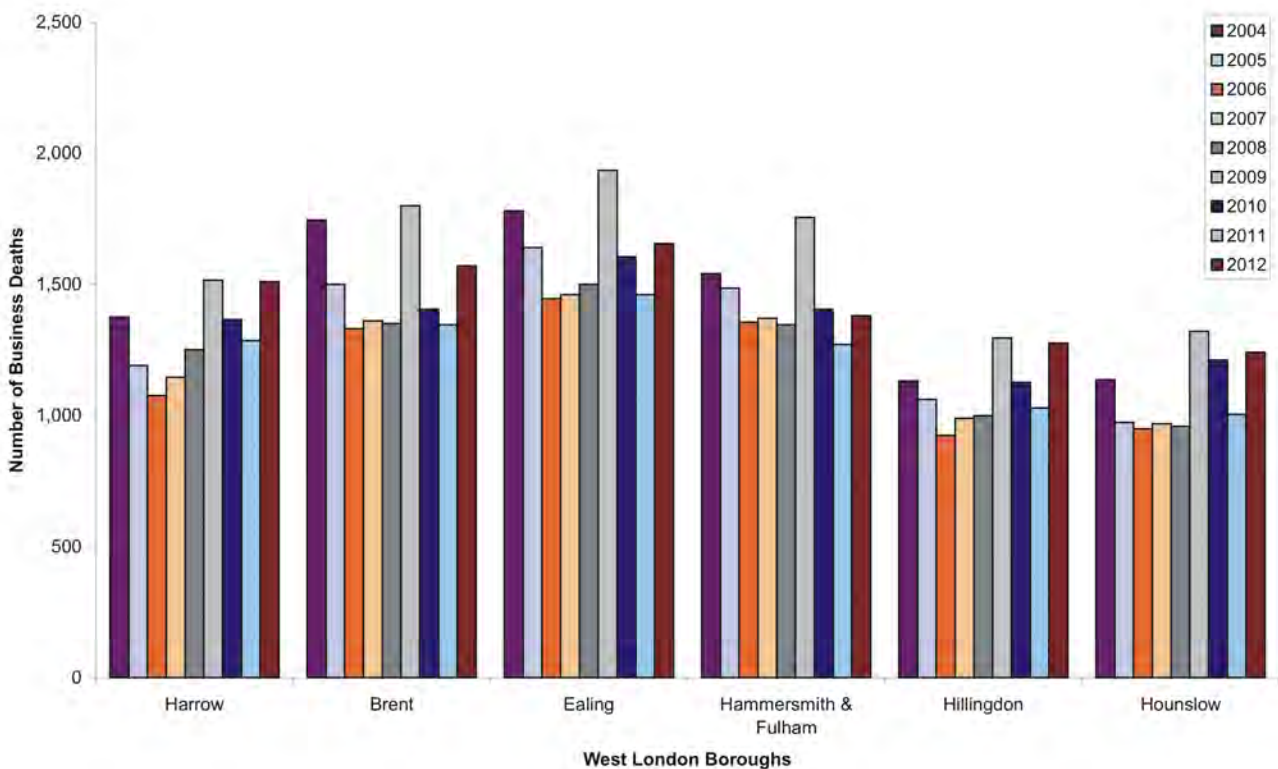
9.18 An analysis of the BankSearch start-up data by industry shows that since 2008, the largest number of new businesses start ups has been in the Real Estate, Professional Services and Support Activities followed by Wholesale and Retail Trade, and Construction.

9.19 Regionally, Greenhill has seen the highest number of business start-ups over the past six years, with just over 1,800 new businesses forming. Edgware and Canons are ranked second and third respectively and Harrow Weald last, with 691 new business start-ups over the past six years (Map 9).

Business Deaths

9.20 The number of businesses which failed in Harrow increased slightly in 2007 and 2008 compared to the previous year and followed a three-year period when the number of failing businesses fell. However, in 2009 the number of businesses which folded increased considerably, coinciding with the United Kingdom going into recession in late 2008. In 2010 there was another significant drop in failing businesses in the borough, followed by another drop in 2011. However, the number of failing business began increasing again in 2012 This trend over the past two years is mirrored by the other West London boroughs, in London as a whole and nationally.

Figure 36 Business Deaths, 2004 - 2012



Source: ONS Business Demography (Enterprise Births, Deaths and Survivals), Inter-Departmental Business Register

Business Survivals

9.21 Business survival rates have been worsening in recent years. In 2005 nearly 80% of Harrow's businesses formed that year survived two years, a level which was sustained for businesses started in 2006 and surpassed by businesses started in 2007. This was also the trend in London and nationally. However, two-year business survival rates for businesses born in 2008 fell considerably, not only in Harrow but throughout West London, London and nationally. These survival rates have continued to fall in 2009 and 2010, with only Hounslow seeing a rise in two-year business survival rates (72.9% to 76.0%). Harrow's two-year business survival rates generally follow national trends, rather than the overall London trends (Table 27).

9.22 Over a five-year period business survival rates averaged 44.4% nationally, based on businesses started up in 2007. Harrow's rate was slightly higher at 46.2% and better than London's rate of 41.7%.

Table 27 Percentage of Businesses born 2005 - 2010 and still trading after Two Years

	2005	2006	2007	2008	2009	2010
Harrow	79.9%	80.4%	84.0%	73.9%	72.2%	71.8%
Brent	75.6%	77.3%	76.0%	71.0%	70.9%	71.5%
Ealing	77.2%	78.9%	75.2%	71.0%	72.2%	70.8%
Hammersmith & Fulham	73.6%	75.5%	75.6%	64.3%	69.6%	69.2%
Hounslow	79.7%	80.4%	80.9%	73.5%	72.9%	76.0%
Hillingdon	78.5%	79.8%	82.8%	75.3%	74.8%	73.9%
London	78.3%	78.8%	79.1%	68.6%	70.5%	70.2%
England	79.9%	80.7%	81.3%	73.9%	73.9%	72.5%

Source: ONS Business Demography (Enterprise Births, Deaths and Survivals), Inter-Departmental Business Register

Growth of Knowledge-based Industries

9.23 The growth in the knowledge-based business sectors is seen as key to maintaining the competitiveness of the UK economy. It is generally agreed that the larger the proportion of knowledge-based businesses, the stronger and more resilient the economy.

9.24 Using Eurostat definitions of the 'Knowledge Economy' applied to the 2012 Business Register and Employment Survey⁽⁴¹⁾ it is possible to estimate the number of people working in the Knowledge Economy. This definition uses two measures (high-technology manufacturing and knowledge intensive services) to estimate the size of the Knowledge Economy (Table 28).

9.25 Approximately 50% of people work in the Knowledge Economy nationally. In Harrow, approximately 37,600 jobs fall within this definition, which equates to just over 57% of Harrow's workforce. This is a higher proportion than most of the other West London boroughs, except for Hammersmith & Fulham, at 61.7%, and lower than London's overall rate of 58.9%. Overall a very low number of people are employed in high-technology manufacturing industries within the West London boroughs and London generally.

41 http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/Annexes/htec_esms_an3.pdf

Table 28 Number of people working in the 'Knowledge Economy', 2012

	High-technology Manufacturing Industries	Knowledge- Intensive Services	Total 'Knowledge Economy'	Total Jobs	Percentage of Total Jobs
Harrow	0	37,600	37,600	65,600	57.3%
Brent	200	44,500	44,700	106,100	42.1%
Ealing	400	51,500	51,900	119,700	43.4%
Hammersmith & Fulham	0	78,500	78,500	127,200	61.7%
Hillingdon	400	103,400	103,800	191,100	54.3%
Hounslow	200	68,100	68,300	122,500	49.6%
London	3,100	2,614,200	2,617,300	4,446,500	58.9%
England	134,100	11,581,800	11,715,900	23,225,400	50.4%

Source: ONS Business Register & Employment Survey (BRES), 2012

Note: Uses Eurostat definitions of Knowledge Intensive Services (KIS). Data rounded to the nearest 100

9.26 The Centre for International Competitiveness published an analysis of knowledge-based businesses by borough on an annual basis, with the latest available report in 2010, giving the results of surveys carried out in 2007 and 2008. The 2008 survey placed Harrow 10th in London and 24th nationally (out of 380) in terms of the proportion of knowledge-based industries with 31.3% of its businesses classed as knowledge-based (see Glossary for definition of 'Knowledge-based Businesses'). This is a decrease in ranking by two places compared to the 2007 survey even though the actual score has increased over the year.

9.27 Table 29 shows that Harrow has a relatively large proportion of knowledge-based businesses within London, which should help maintain the strength of the local economy over the coming years.

Table 29 Knowledge-based Businesses (% of all businesses), 2007 & 2008

	2007		2008	
	Score	London Rank	Score	London Rank
City of London	64.9	1	62.9	1
Camden	39.1	2	40.3	2
Richmond upon Thames	37.1	3	38.5	3
Westminster	34.4	4	35.8	4
Islington	32.8	5	34.9	5
Hammersmith & Fulham	31.4	6	33.5	6=
Wandsworth	30.1	7	33.5	6=
Tower Hamlets	29.6	8=	32.7	8
Southwark	29.0	12	31.9	9

	2007		2008	
	Score	London Rank	Score	London Rank
Harrow	29.6	8=	31.3	10
Merton	29.3	10=	31.1	11
Kingston upon Thames	29.3	10=	31.0	12
Lambeth	27.0	13	30.5	13
Hounslow	26.1	18	28.7	14
Kensington & Chelsea	26.4	15	28.1	15
Bromley	26.8	14	27.2	16=
Barnet	26.2	16=	27.2	16=
Croydon	26.2	16=	27.0	18=
Ealing	25.5	19	27.0	18=
Hackney	23.6	20=	25.8	20
Redbridge	23.2	22	25.6	21
Lewisham	22.0	25	25.3	22
Haringey	23.0	23	24.8	23
Sutton	23.6	20=	24.6	24
Brent	22.7	24	24.3	25
Greenwich	21.8	27	24.1	26
Hillingdon	21.9	26	23.6	27
Enfield	21.4	28	22.1	28
Bexley	18.9	29	19.6	29
Newham	14.9	32	19.2	30
Waltham Forest	17.3	30	18.6	31
Havering	16.1	31	17.0	32
Barking & Dagenham	13.3	33	15.0	33

Source: 2010 UK Competitiveness Index, Centre for International Competitiveness (LB Harrow analysis)

Place Competitiveness

9.28 The UK Competitiveness Index 2013 (UKCI) is produced by the Centre for International Competitiveness at the Centre for Economic Geography, School of Planning and Geography, Cardiff University (see Glossary for definition of 'Competitiveness'). The UKCI was first published in 2000 and provides a benchmarking of the competitiveness of the UK's 379 localities.

Table 30 UK Competitiveness Index, 2010 & 2013

Borough	2013 Score	2013 Rank (out of 379)	2010 Score	2010 Rank (out of 379)	Change in Score from 2010 to 2013	Change in Rank from 2010 to 2013
Harrow	106.7	66	105.8	73	+0.9	+7
Brent	105.9	73	103.4	101	+2.5	+28
Ealing	107.2	60	107.0	67	+0.2	+7
H'smith & Fulham	140.0	6	141.0	4	-1.0	-2
Hillingdon	114.4	32	113.8	34	+0.6	+2
Hounslow	116.3	23	115.3	28	+1.0	+5

Source: 2013 UK Competitiveness Index, Centre for International Competitiveness

9.29 Harrow's place competitiveness ranking for 2013, like all the West London boroughs, is ranked towards the top end of the Competitiveness Index. Harrow, Brent, Ealing, Hillingdon and Hounslow all improved their ranking between 2010 and 2013, with Harrow and Ealing improving by seven places and Brent by 28 places. Hammersmith & Fulham was the only West London borough with a lower ranking than in 2010, despite this it is still the sixth ranked borough nationally. Harrow has an overall ranking within the top 20% of local authorities nationally (Table 30).

Constraints to Business Investment and Economic Growth

9.30 Due to the low level of office rents in Harrow, there has not been any significant office development in the borough for over 20 years and it is unlikely that this position will change in the foreseeable future.

9.31 This view was backed up by the GLA's London Office Policy Review (LOPR) 2009. This summarises the prospects for district centres as follows:

- Office rental values should be at, or forecast to reach, £323 sq m (£30 sq ft) to stimulate speculative office development
- The Central/Outer London rent differential is critical in shifting demand
- Residential values out-price office values in many locations in Outer London and demand is forecast to continue in the medium term

9.32 Specifically, LOPR recognised that Harrow is likely to feel the impact of large-scale development at Brent Cross/Cricklewood and is exposed to competition from more westerly centres and from Watford and Hemel Hempstead to the north.

9.33 The relatively poor road capacity in the borough could also be seen to limit potential for investment with businesses preferring to locate on the northern side of the M25 or along the A4/M4 where access to the transport network is quicker than in Harrow.

9.34 According to the LOPR 2012, office stock in Harrow decreased by over 30% over the 12 year period (2000-2012), making this the equal biggest reduction, along with Croydon, out of all of the London boroughs. The LOPR reported that the total amount of office stock in Harrow has fallen by over 100,000 sq m over this period. These figures are based on the Valuation Office Agency (VOA) Business Floorspace Statistics.

Prior Approval for Change of Use from Office to Residential

9.35 On 30th May 2013 a new amendment to the General Permitted Development Order (GPDO) came into force, for a temporary period of three years, which changed Permitted Development (PD) rights to allow changes of use from Class B1(a) office to Class C3 residential without the need for planning permission. However, prior to making any change of use, developers must apply to the local planning authority to determine whether the prior approval of the authority will be required as to:

- transport and highways impacts of the development;
- contamination risks on the site; and
- flooding risks on the site

9.36 As at the end of March 2014, 33 applications for change of use from Class B1(a) office to Class C3 residential were granted, including two where prior approval was not required. This would provide 598 new dwellings in the borough if they were all implemented and result in the loss of 40,564 m² of Class B1(a) office floorspace. Within the Harrow and Wealdstone Opportunity Area there were 18 permissions for change of use from Class B1(a) office to Class C3 residential resulting in 309 residential units and a loss of 20,671 m² of office space should they all be completed (Table 31).

Table 31 Prior Approval Permissions for COU from Office to Residential, March 2014

	Permissions	Site Area (ha)	B1(a) office floorspace lost (m ²)	Proposed units
Harrow	33	2.44	40,564	598
Opportunity Area	18	1.07	20,671	309

Source: Harrow Council, Research, Environment & Enterprise

Housing 10

Local Economic Assessment 2013-14



Housing is an important aspect of a Local Economic Assessment. Having a supply of housing to meet the growing needs of the population is essential to provide workers and their families with somewhere to live, as well as improving the vitality and economic well-being of an area.

As is the case in many of London's boroughs, housing supply and affordability are major issues in Harrow. A key challenge facing Harrow is providing for a range of housing, including affordable housing, to meet the current and future population's needs, that are of a type, price and mix suitable and accessible to this future need which achieve mixed and balanced communities.

10.1 At the regional level, the London Plan (2011) is the strategic development strategy for London, and sets out an annual and 10-year housing target for each borough. For Harrow, this is 350 and 3,500 new homes respectively, between 2011/12 to 2021/22. The London Plan does not set a strategic housing target for the borough beyond 2021/22. The Harrow Core Strategy therefore assumes a continuation of the 2011 annualised target of 350 dwellings per annum to 2026, which is seen as a minimum target. In 2013 the GLA conducted a new Strategic Housing Land Availability Assessment (SHLAA), which informed a review of the London Plan. Early indications are, that across London, a minimum of 40,000 new homes are required per annum to keep pace with London's housing needs. By comparison, the current target in the London Plan is 32,210 units per annum. The implications for Harrow are that our existing strategic housing target of 350 net new homes per annum is likely to almost double.⁽⁴²⁾

10.2 Harrow has a good supply of brownfield sites to meet these targets and over the past five years (to the end of March 2014) Harrow has delivered nearly 2,360 net additional units in conventional supply, exceeding targets by over 600 units. More detailed information on housing supply and delivery is available in Harrow's Annual Monitoring Report.⁽⁴³⁾

Tenure

Table 32 Housing Tenure, 2011

Tenure	Harrow %	West London %	London %	England %
Owner Occupied: Owns Outright	31.1	23.2	21.1	30.6
Owner Occupied: Mortgage or Loan	34.1	27.8	27.1	32.8
Owned	65.3	51.1	48.3	63.3
Shared Ownership (part owned & part rented)	1.0	1.6	1.3	0.8
Social Rented: Council (Local Authority)	6.1	11.3	13.5	9.4
Social Rented: Other	4.5	9.3	10.6	8.3
Social Rented	10.6	20.6	24.1	17.7
Private Rented: Private Landlord or Letting Agency	20.4	24.1	23.7	15.4

42 The latest alterations to the London Plan have not yet been published - expected late December/early January 2015

43 Harrow's Annual Monitoring Report: http://www.harrow.gov.uk/info/856/local_plan/592/local_development_scheme

Tenure	Harrow %	West London %	London %	England %
Private Rented: Other	1.4	1.4	1.3	1.4
Private Rented	21.7	25.4	25.1	16.8
Living Rent Free	1.4	1.4	1.3	1.3
Private Sector (Owned, Shared Ownership, Privately Rented & Living Rent Free)	89.4	79.4	76.0	82.2

Source: Census 2011, Key Statistics Table KS402EW

10.3 Based on 2011 Census data, Table 32 shows that the private sector (owner occupied and privately rented) constitutes approximately 90% of the total housing stock in Harrow, which is very high in comparison to West London and the London generally. Consequently, Harrow has a much lower percentage stock of social rented/affordable housing than West London and London as a whole.

10.4 The private rented sector has expanded considerably between 2001 and 2011, largely due to an increase in buy-to-let landlords over recent years. The 2011 Census showed, that in comparison with the West London and the London average, Harrow has a slightly lower level of households living in the private rented sector. Since 2001 there has been an 8 percentage point increase in households living in privately rented accommodation in Harrow, roughly the same growth rate as in West London and London overall. Over 20% of Harrow's households now live in privately rented accommodation, nearly double the number living in social rented housing.

10.5 Table 33 shows that Harrow also has the highest level of owner occupation and the lowest concentration of social housing stock of all the West London Boroughs. This information is based on data which the council's supply to the DCLG in their annual housing returns.

Table 33 Housing Tenure in West London, 2013

Borough	LA (including Owned by other LA's)	Registered Social Landlord (RSL)	Other Public Sector	Private Sector (non RSL)	Total
Harrow	4,950	4,110	180	78,470	87,710
%	5.6	4.7	0.2	89.5	-
Brent	8,660	16,720	130	87,790	113,310
%	7.6	14.8	0.1	77.5	-
Ealing	12,920	10,260	90	105,590	128,860
%	10.0	8.0	0.1	81.9	-
Hammersmith & Fulham	12,770	12,950	50	57,510	83,280
%	15.3	15.5	0.1	69.1	-

Borough	LA (including Owned by other LA's)	Registered Social Landlord (RSL)	Other Public Sector	Private Sector (non RSL)	Total
Hillingdon	10,500	6,720	1,380	87,760	106,360
%	9.9	6.3	1.3	82.5	-
Hounslow	13,330	7,510	0*	76,870	97,700
%	13.6	7.7	0	78.7	-

Source: HSSA returns April 2013, DCLG

Note: Percentages may not sum due to rounding. Figures for 2013 are provisional

Household Composition

10.6 It is estimated that there could be up to 87,000 households in the borough by 2013,⁽⁴⁴⁾ a potential increase of 2,700 households (3.2%) since the 2011 Census. The projections show that 23% of Harrow's households are likely to be one-person households, considerably lower than the London average of just under 32%.

Affordability

10.7 CLG guidance on affordability maintains that a household can be considered able to afford to buy a home if it costs no more than 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households (Strategic Housing Market Assessment Guidance, CLG, 2007).

Table 34 Income to House Price Ratios in Harrow

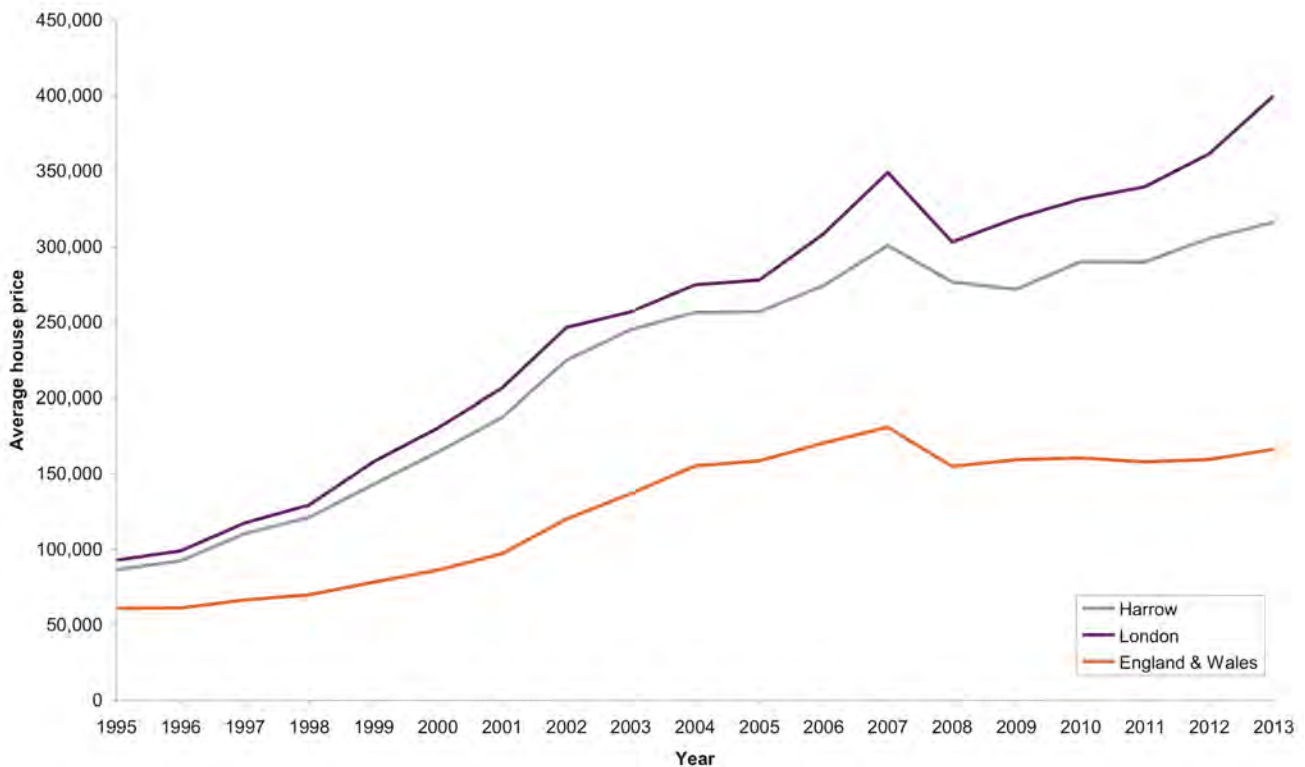
Lower Quartile										
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012*	2013*
8.97	8.94	9.72	10.57	10.72	11.25	8.96	12.08	12.38	11.29	12.71
Median Ratios										
9.41	9.59	9.62	9.42	10.63	10.25	8.60	10.51	10.85	11.34	11.95

Source: CLG Live Tables 576 & 577

Note: * Provisional data

10.8 Average house prices in Harrow are lower when compared to London overall, but considerably higher than the national average (Figure 37). Following a peak in the housing market in 2007, prices fell steeply. House prices have remained fairly constant in Harrow, and in England & Wales generally, over the past three years, but London's prices generally have continued to rise fairly steadily. The difference between London and Harrow average house prices has widened again in the past year.

Figure 37 Average House Prices, 1995 - 2013



Source: Land Registry (Prices as at December each year)

10.9 The average lower quartile house price in Harrow at the end of 2012 was £225,000, but provisional data for the second quarter of 2013 indicates that this could have risen to around £241,750 (DCLG Live Table 583). A single earner household would need to earn around £69,100 per annum and a dual income household £83,400 per annum to be able to access such a property (based on the 2nd quarter 2013 price).

10.10 Communities and Local Government Live information at December 2013 show that the ratio of lower quartile house price to lower quartile earnings in Harrow has now reached 12.71 which is the second highest ratio in Outer London, after Richmond upon Thames. This affordability ratio also makes Harrow one of the most unaffordable areas to live in the West London sub-region. The West London Strategic Housing Market Assessment (2010)⁽⁴⁵⁾ provides further detail on affordability and shows that, in West London, the minimum annual household income required to afford the average lower quartile three bedroom property in the region is £70,000; for a four bedroom property this figure rises to £85,700. Affordability for households requiring larger family sized accommodation is therefore also a key consideration. Together, this evidence demonstrates that there is a continuing need to deliver affordable and market homes in Harrow, as part of the sub-regional requirement and related to identified capacity.

10.11 High housing costs can have a negative impact on the local economy both in terms of attractiveness to workers and future business location. For lower paid workers high housing costs can erode gains from employment and can leave families in 'benefit traps' where benefits can provide a higher income than employment at the margin. A widely accepted measure of affordability is the ratio of lower quartile house prices to lower quartile earnings.

45 The latest publication of The West London Strategic Housing Market Assessment has not yet been released.

10.12 According to the Annual Survey of Household Earnings (2014), the average lower quartile earnings for full-time males working in Harrow was around £20,180 and full-time females was around £16,900. Taking these figures together as a full-time lower quartile average wage, the combined earnings figure is somewhat short of accessing even the lowest cost open market housing.

10.13 The Government introduced caps in Local Housing Allowance (LHA) which were implemented from April 2011, and reductions in the rate at which is calculated from October 2011. This has affected residents in the private rented sector, which provides accommodation for households who are unable to purchase on the open market and who are not eligible for social housing. In addition to this, the Government has introduced another cap in LHA, effective September 2013, which reduced the claimant's Housing Benefit entitlement.

Planning, Development and Infrastructure **11**

Local Economic Assessment 2013-14



Policy Context

11.1 The London Plan is the Spatial Development Strategy for Greater London, published by the Greater London Authority (GLA) in July 2011. It identified a number of locations throughout London as focus points for future growth and development, known as Intensification Areas. These are defined as locations that are typically built-up, with good existing (or potential) public transport accessibility, that can support redevelopment at higher densities and have significant potential for new jobs and homes.

11.2 The Harrow Core Strategy was adopted in February 2012. It sets out the long-term vision of how Harrow, and the places within it, should develop by 2026 and sets out the council's strategy for achieving that vision. An Area Action Plan (AAP) for the Harrow and Wealdstone Intensification Area was adopted in July 2013. The AAP includes the policies that will inform planning decisions in the Area and proposals to guide the form of development and uses proposed on allocated sites.

11.3 In January 2014, the GLA published an update to the London Plan (Further Alterations to the London Plan - FALP) to address key housing and employment issues emerging from a substantial increase in the capital population as forecasted to 2036.

11.4 For Harrow, the main effect of the FALP is to upgrade the Harrow and Wealdstone Intensification Area to an Opportunity Area. This is in recognition of Harrow's capacity to increase its minimum target for homes from 1,500 to 2,800 and the jobs target from 2,000 to 3,000 jobs.

11.5 The FALP was subject to an Examination in Public in September 2014. This is the penultimate stage of updating the London Plan until it is adopted as the new Planning document for London.

11.6 The Harrow and Wealdstone Opportunity Area designation incorporates: Harrow Town Centre (one of the London Plan's twelve 'Metropolitan' status centres); Wealdstone district centre; the 'Station Road' corridor which links the two centres; as well as surrounding industrial and other areas that would benefit from urban renewal. Harrow's Core Strategy (2012) includes among the objectives for Harrow and Wealdstone: a strengthened role for Harrow Town Centre, regeneration of Wealdstone district centre, improved amenity and connectivity along Station Road, employment-led redevelopment of industrial areas, and improvements to infrastructure serving the area such as parks, Harrow-on-the-Hill railway station and Harrow bus station.

11.7 Within the Opportunity Area, the following development sites have been identified to meet the revised housing and jobs targets.

- Kodak/Zoom Leisure, Wealdstone: identified for development to provide 1,035 homes and 1,230 jobs, as well as small scale shops, community uses, education and open space;
- Teacher's Centre, Wealdstone: identified for a new secondary school and playing fields;
- ColArt, Wealdstone: Planning permission was granted in 2014 for development to provide 189 new homes and employment space including space for creative industries and community uses;
- Palmerston Road car parks, Wealdstone: identified for development to provide a new supermarket and replacement car parking;
- Harrow Leisure Centre, Wealdstone: identified for development to provide 180 homes, additional open space and the retention of existing leisure facilities;

11 Planning, Development and Infrastructure

- Harrow Civic Centre, Wealdstone: identified for development to provide 300 homes and 118 jobs, as well as replacement car parking, a public square, open space, hotel and office space, and small scale retail and community uses;
- Greenhill Way car park, Harrow: identified for development to provide 90 homes and 100 jobs, as well as additional retail, community and leisure space, and public space for parking/market use;
- Former Post Office, Harrow: identified for development to provide 400 homes and 40 jobs, as well as a new central library, a public square and the creation of new town centre views towards Harrow on the Hill/St. Mary's Church spire;
- Lowlands Recreation Ground, Harrow: to be retained as open space, but with investment to improve the quality and increase use of this valuable open space serving the town centre, and with the potential for use as an outdoor performing arts space;
- Former Land Registry Offices, Lyon Road, Harrow: identified for development to provide 300 homes and 180 jobs, including replacement offices, and shops, a health centre and public open space; and
- Gayton Road car park and former Gayton Library, Harrow: identified for development to provide 350 homes and 30 jobs, and the creation of new town centre views towards Harrow on the Hill/St. Mary's Church spire.

11.8 The Harrow Core Strategy also makes provision for a further 1,000 jobs and 2,851 homes to come from infill development within Harrow's network of town centres and from identified strategic previously developed sites. It also sought to address the issue of the borough's out-dated office premises (with correspondingly low rental levels) and ageing industrial estates in a number of different ways, including office consolidation, renewal and modest long-term growth. The main approach was to allow existing office blocks to be redeveloped as mixed use proposals with an element of B1 office being re-provided. However, the introduction of permitted development rights to convert office to residential space without the need to apply for planning permission has effectively removed the council's ability to deliver on this approach.

11.9 As at July 2014, 49,631 sq metres of office floorspace has effectively been lost through the granting of permitted development to residential use. Although it is not possible to say at this time how many of these permissions will be implemented, the effect on property values of these permissions means that the office use is unlikely to continue.

11.10 One effect of permitted development is to reduce the amount of office floorspace in the borough. This may result in office rents increasing if demand continues and thus make new office development financially viable. However, it is too early to say if this will happen or whether the demand will be fulfilled outside the borough.

11.11 Given this situation, the council is limited in its ability to secure new office accommodation. Its focus will be to strengthen Harrow Town Centre's Metropolitan status, through the expansion of the centre's retail offer, diversification to provide for greater leisure and entertainment uses (restaurant's, cafés etc), and improvement to the quality of the environment within the town centre and the transport facilities serving the centre.

11.12 Of Harrow's forecast capacity for 37,700 sq m net additional retail floorspace by 2020, the vast majority of capacity is to be accommodated within the Opportunity Area, with identified sites in Harrow Town Centre making provision for approximately 22,500 sq m net of comparison floorspace and 4,000 sq m net convenience floorspace, with an additional 8,000 sq m net floorspace being provided for non-retail uses.

Infrastructure Capacity - Transport, Energy/Utilities & Broadband

Transport

11.13 In July 2014, Harrow Council and TfL jointly commissioned consultants Pascal and Watson to undertake a feasibility study into the provision of step free access at Harrow-on-the-Hill Station, as part of potential wider station improvements. The study will include optioneering and shortlisting of two to three options for consideration by the steering group, before the final report is made available in December 2014. This study is crucial in understanding both the likely nature of the works needed to deliver step free access and the likely cost.

11.14 It is proposed that a joint master plan will then be developed that seeks to realise the development potential (both revenue & capital) of TfL's landholdings around Harrow-on-the-Hill Station to help pay for the necessary improvements.

11.15 Harrow Council has also made provision within its 2016/17 capital programme for £3m to assist in delivering this key aspiration for the town centre but, depending on the findings of the study, it is likely that further gap funding will be required.

11.16 Recent analysis on transport in Harrow has shown that there is adequate spare capacity on all Underground and rail services at stations across the borough to deal with any future increase in demand. There is capacity on some local bus routes, however, others are at capacity during peak hours and will need to be enhanced where significant additional trips are expected.

11.17 There is a good amount of parking in Harrow Town Centre with some spare capacity, which could offer opportunities for redevelopment. (LDF Core Strategy Transport Audit, 2010)

Energy/Utilities

11.18 EDF Energy provides mains electricity and gas borough-wide. National Grid has no gas supply assets located within the borough or any future proposals affecting Harrow. EDF has confirmed that there are currently no issues with regard to infrastructure provision serving the borough's existing requirements, but that it is likely that some upgrading of facilities will be needed to meet the levels of growth expected.

Broadband

11.19 BT has now deployed its 'Super Fast Fibre Access' (SFFA) across the borough. SFFA enables the delivery of the fastest broadband services, up to 110Mbit per second download speeds and up to 30Mbit per second upload speeds. The benefits include, enhancing the way people work remotely and help create economic growth and attract small businesses.

Town Centres, Offices and Industrial Estates **12**

Local Economic Assessment 2013-14



The provision of appropriate buildings and floorspace is essential to the efficient running of the local economy. In line with national trends, there has been a slow decrease in the amount of manufacturing floorspace in the borough while the loss of office accommodation reflects Outer London trends.

Little recent private sector investment in office and light industrial accommodation in the borough is a key concern, although this is also an issue across Outer London.

Floorspace by Type

Table 35 Commercial Floorspace - Total Stock Changes, 2000 - 2012

Type	2000		2012		Change	
	Floorspace (m ²)	%	Floorspace (m ²)	%	Floorspace (m ²)	%
Retail Premises	336,000	31.0	339,000	36.5	3,000	0.9
Offices	332,000	30.6	224,000	24.1	-108,000	-32.5
Industrial	354,000	32.6	283,000	30.4	-71,000	-20.1
Other Bulk Premises ⁽⁴⁶⁾	63,000	5.8	84,000	9.0	21,000	33.3
Total: All Bulk Classes	1,085,000		930,000		-155,000	-14.3

Source: Valuation Office Agency via neighbourhood.statistics.gov.uk (LB Harrow analysis)

Note: Due to rounding there may be differences in the totals derived at different class levels

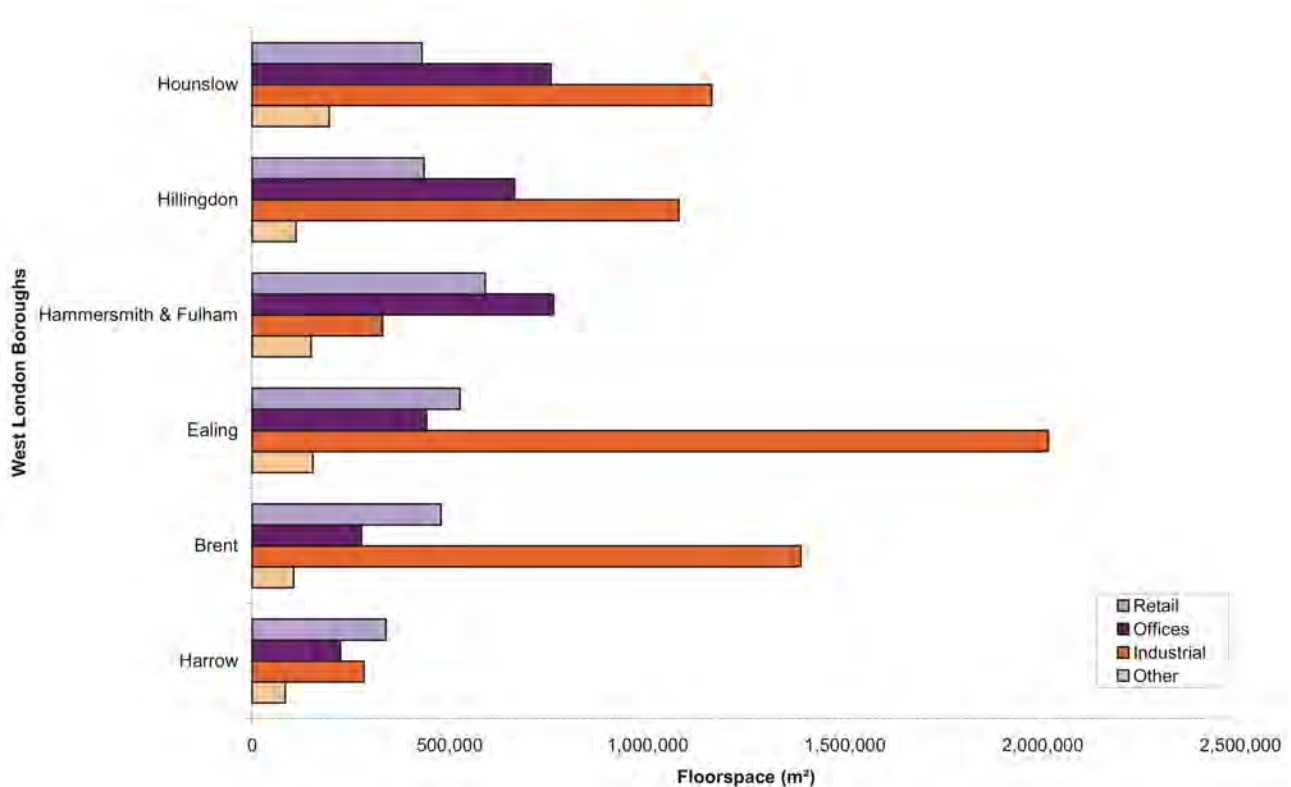
12.1 Table 35 shows that in 2000 the borough's commercial stock was relatively evenly split between the main types of space - retail, offices and industry. In 2012 retail accounted for the the largest share (36.5%), followed by industry (30.4%) and offices (24%). In this twelve-year period, the decline in the amount of office floorspace (-32.5%) and industry (-20%) has resulted in Harrow's retail floorspace accounting for the highest proportion of commercial floorspace in Harrow in 2012. Other bulk premises in Harrow grew by 33.3% over the same period.

12.2 Overall, the borough has a significantly lower amount of total commercial floorspace than all the other West London boroughs (Figure 38). Harrow has the smallest stock of retail, industrial, and office floorspace in West London.

12.3 Much of Harrow's office (B1) use class has been lost through change of uses to residential rather than demolition, reflecting the relative higher land values for residential use that have existed in the borough. This difference in land values has been happening for a number of years - prior to and throughout the economic recession in 2008/09, and through the current period of economic recovery. The Government's amendment to the General Permitted Development Order (May 2013) allowing the change of use from Class B1(a) office to Class C3 residential, without the need for planning permission, has made it easier for developers to convert existing office premises to residential use. The pressure for changes of use from lower value land uses (office and light industrial) to higher value land uses (residential and retail) is therefore likely to continue.

46 Includes a variety of premises that do not fall into one of the main bulk classes, such as garden centres, halls and social clubs

Figure 38 Retail, Office, Industrial and Other Floorspace in West London, 2012



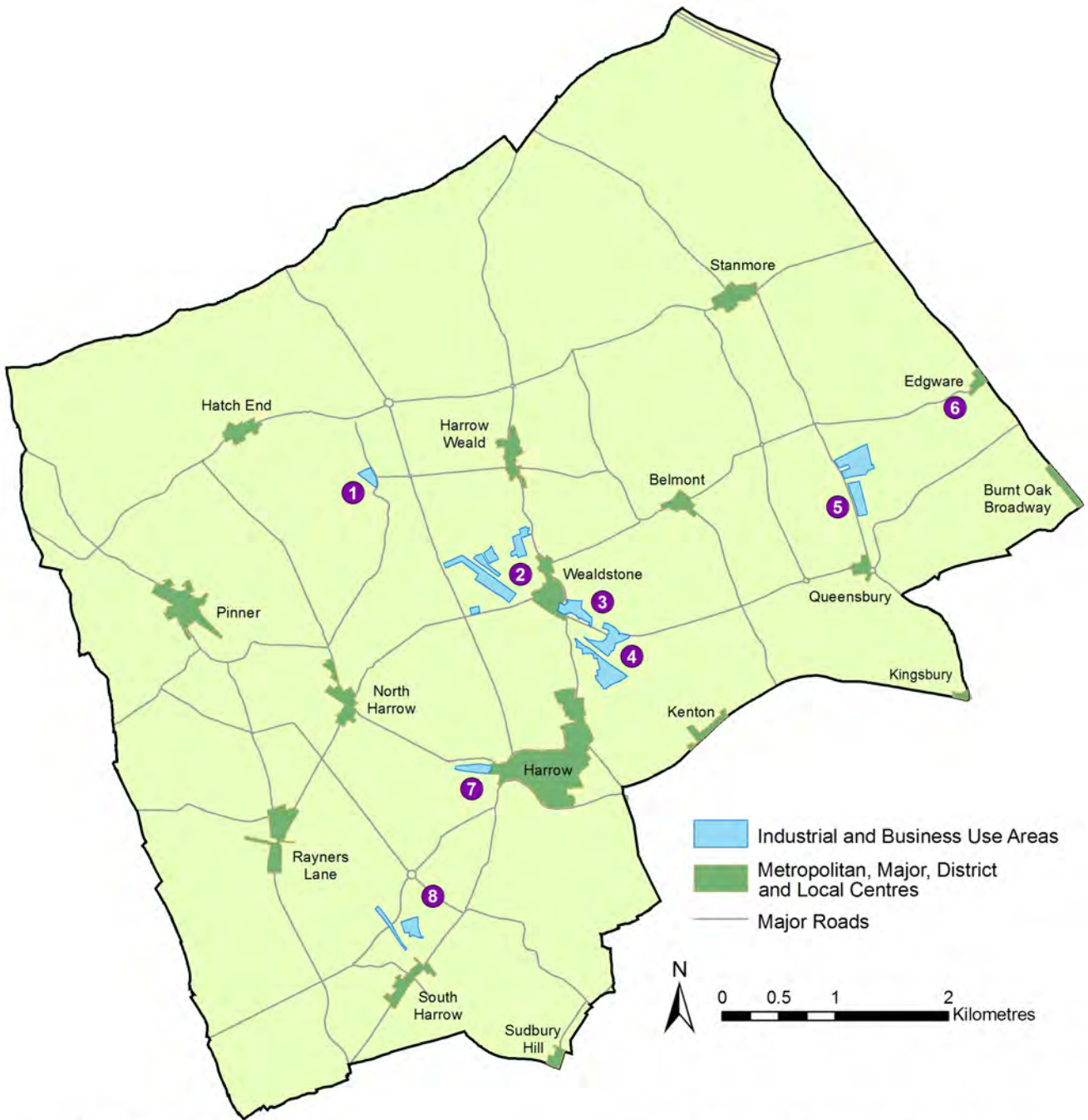
Source: Valuation Office Agency, LB Harrow Analysis

12.4 It should be noted that this loss of floor space is not mirrored in the total number of individual units that are eligible for business rates ('hereditaments'). Over the period 2000 to 2012, this showed an increase of 3.1 % from 4,460 to 4,600 hereditaments. This means that the average floorspace size of a business unit is declining.

Town Centres

12.5 Harrow Town Centre is regarded as one of the UK's top retail centres and is one of only twelve Metropolitan centres within London. The 2012 Retail Risk Index (BNP Paribas Real Estate) includes Harrow, "as one of the UK's top 100 retail locations". Other nearby centres included in their list of "Our top 100 towns" are Watford, Uxbridge and Ealing Broadway. Out of these 100 centres Harrow Town Centre was found to be one of the centres least at risk in the current financial climate (ranked 97th out of 100, where 1st is most at risk). The index assesses the financial health of a town's occupiers thereby providing a guide to which towns are the most vulnerable to retail collapse/closure and those best placed to withstand a weakening retail economy.

Map 10 Location of Town Centres, Industrial and Business Areas

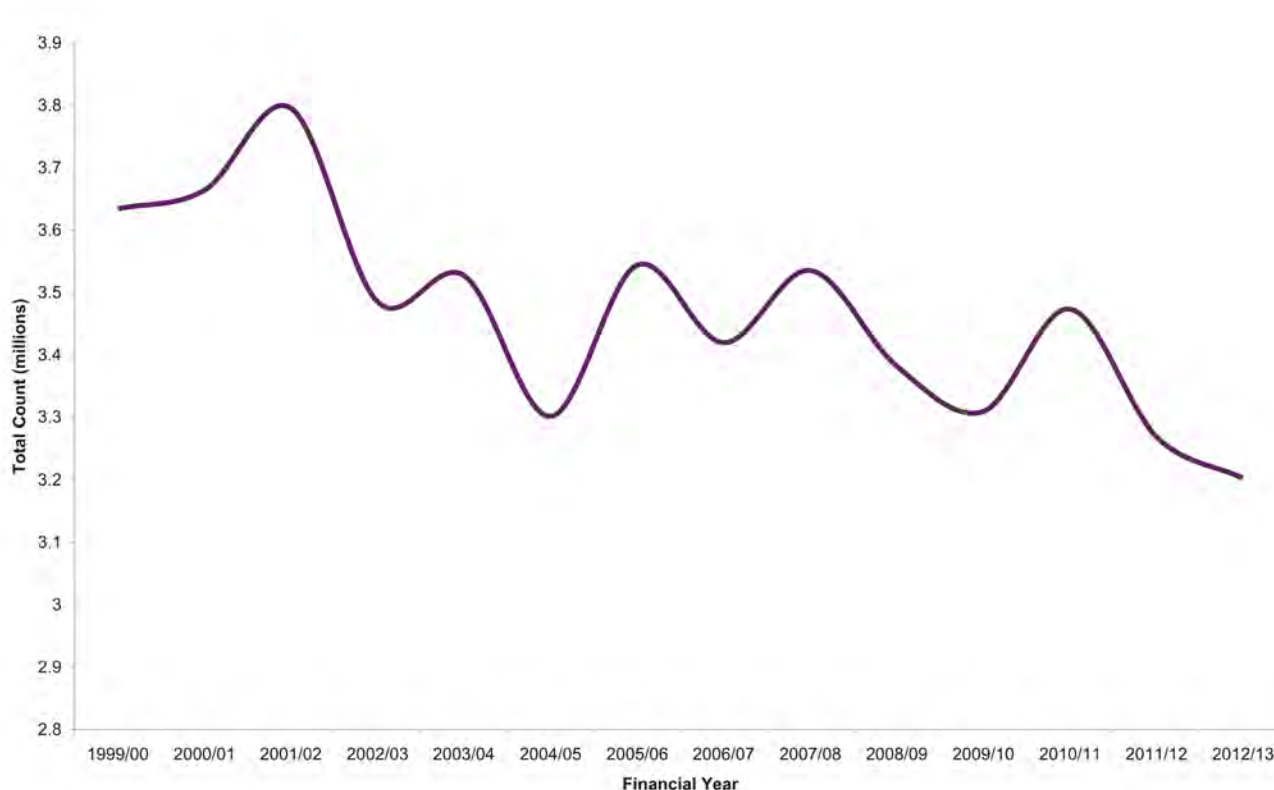


- | | |
|---|---|
| <ul style="list-style-type: none"> 1 Chantry Place 2 Barratt Way Industrial Estate, Whitefriars Industrial Estate, Tudor Enterprise Park, British Rail Goods Yard, Kodak Works, Waverley Industrial Estate 3 Palmerston Road & Oxford Road, Masons Ave & Hegra Road 4 Christchurch Industrial Estate, Rosslyn Crescent/Phoenix Industrial Estate, Crystal Centre, Hawthorn Centre | <ul style="list-style-type: none"> 5 Parr Road/Garland Road Industrial Estate, Dalston Gardens & Honeypot Lane 6 Ballards Mews, Spring Villa Park 7 Neptune Road Industrial Estate 8 Brember Road Industrial Estate, Northolt Road, The Arches - South Harrow |
|---|---|

Source: Harrow Council, Research, Environment & Enterprise
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12.6 As well as Harrow Town Centre, the London Borough of Harrow has one Major Centre, Edgware, nine District Centres and five Local Centres. Together, they provide a significant number of jobs for local residents as well as providing for social and community needs. The council undertakes regular surveys of these town centres to assess their relative strength. Map 10 shows the location of the Metropolitan, Major, District and Local Centres in Harrow.

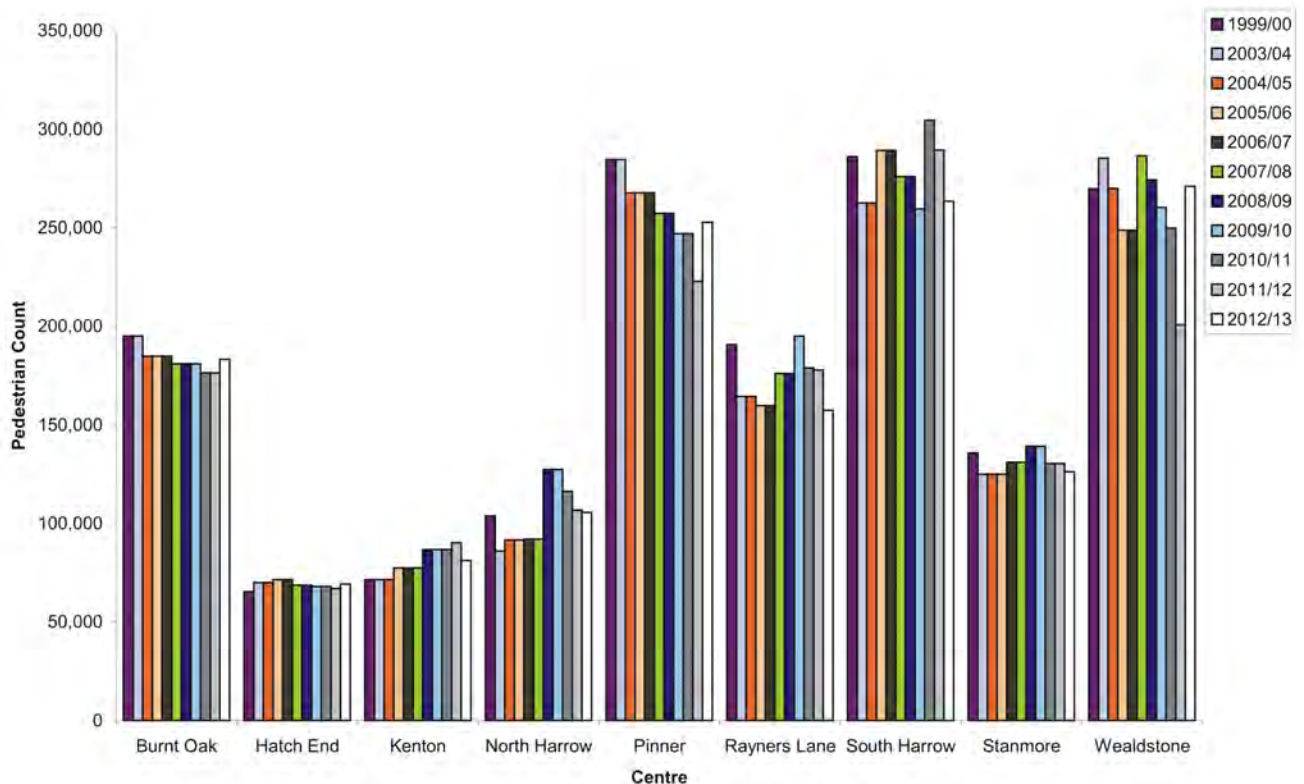
Figure 39 Total Pedestrian Count across All Town Centres, 1999/00 - 2012/13



Source: Harrow Council, Research, Environment & Enterprise

12.7 Figure 39 shows that there has been an overall footfall decline within the centres of 430,940 from 1999 levels, which equates to an overall fall of 11.9%. This is in line with national trends, with reports⁽⁴⁷⁾ showing that high street footfall has fallen, on average, by just under 10% in the past year. Falling household disposable income, competition from out-of-town centres and supermarkets, and internet shopping all contributing to this decline.

12.8 Harrow's district centres in general still seem to be relatively healthy, with pedestrian counts generally indicating that average footfall levels have not fallen significantly below the 1999 baseline levels (Figure 40) and vacancy levels (based on the number of vacant units) remaining relatively low over a long period (Figure 41).

Figure 40 Pedestrian Counts in District Centres, 1999/00 & 2003/04 - 2012/13

Source: Harrow Council, Research, Environment & Enterprise

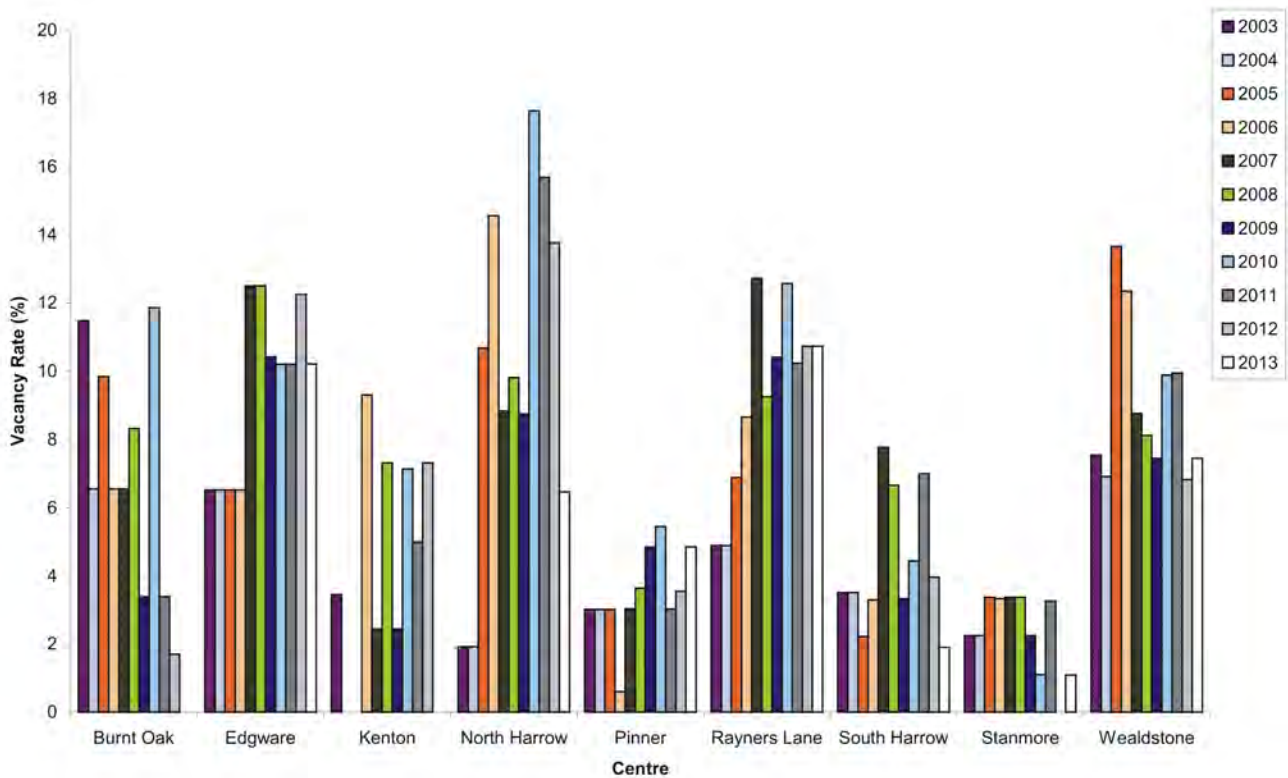
12.9 In 2012/13, two district centres had vacancy rates of more than 10%, they were Edgware⁽⁴⁸⁾ and Rayners Lane. These centres also had vacancy rates greater than 10% in 2011/12 along with North Harrow. The highest vacancy rate was in Rayners Lane with 10.73%, the same as the previous year. In total four district centres (Burnt Oak, Edgware, North Harrow and South Harrow) saw a decrease in vacancy levels.

12.10 Reducing the number of vacant units in all of Harrow's town centres is a priority for the council. Initiatives within the Economic Development, Research and Enterprise section aim to encourage businesses to move into vacant units to revitalise the shopping districts. In addition, work to improve the public spaces in the town centres and to promote the centres as retail destinations aims to increase footfall in the centres and the patronage of local businesses. This, in turn, will increase demand for retail units in those areas and have a positive effect on vacancy rates.

12.11 Priorities for this type of intervention will be the areas with the highest vacancy rates and those which are of greatest importance to the economy in Harrow. Rayners Lane has a high vacancy rate, but the estate renewal project in the area, which will come to a conclusion over the next couple of years, provides an incentive to revitalise the centre and capitalise on the spending capacity of the local resident population. Work in the large centres of Harrow and Wealdstone will focus on public realm improvements and the development of these locations as cultural and entertainment centres as well as retail destinations.

48 Only part of the centre is in London Borough of Harrow

Figure 41 Vacancy Rates in District Centres, 2003 - 2013



Source: Harrow Council, Research, Environment & Enterprise

12.12 Over the period from 2009 to 2012, there was a modest recovery in average retail rents in the Metropolitan centres in London (2.8%) compared to the International centres (West End and Knightsbridge) which showed a strong average growth of 8.6%. However, retail rents in some Metropolitan centres have either declined or shown little growth, including Ealing, Harrow and Hounslow.

12.13 In 2012 Harrow Town Centre achieved a retail rent of £1,238 per sq m and Edgware a rent of £807 per sq m. The retail rents for Harrow and Edgware are relatively low, compared to other Metropolitan and Major centres in London with Kingston, Shepherd's Bush, King's Road East, Canary Wharf and Queensway/Westbourne all with rents above £3,000 per sq m. Other West London centres achieved similar rents to Harrow and Edgware, with Ealing achieving rents of £1,184 per sq m and Hounslow £807 per sq m. Retail rents are based upon agents' opinion of the open market Zone A⁽⁴⁹⁾ rent in each centre. (2013 London Town Centre Health Check Analysis Report, GLA)

Outer London Fund

12.14 Harrow Council was informed that it had secured £1.7m for Harrow Town Centre in the 4th quarter of 2011/12. This money will be matched by £300,000 from Harrow Council. The capital element of the programme will be used to create a town park and performance space,

49 The annual rental charge per square foot for the first 20 foot depth of a shop unit, which is the most suitable measure for standardising and comparing rental levels

public realm improvements including parking and wayfinding signage. The revenue element of the programme has been used to stage events and develop a Business Improvement District (BID) in the town centre.

12.15 The BID term began on 1st April 2014 and is set to end on 31st March 2019. The BID will see over £1.5m invested into the town centre over the next five years. The BID will focus on three main activities:

1. Town Centre Management - The BID will provide business leadership, influence matters that have been identified as important (such as street works, retail mix and the evening economy), reduce business costs and respond to alternative centres.
2. Promotion Programme - This programme aims to maximise commercial opportunities, increase shopper numbers, create street event and improve seasonal lighting to deliver a regional attraction.
3. Improving Pedestrian Experience - The BID aims to improve the town's streetscape to maintain the momentum created by the St Ann's works, enhance enforcements by working with the police and council to better regulate illegal activities, and create a Crime Intelligence Partnership to reduce business crimes.

Figure 42 Business Improvement District



Source: Harrow BID Proposal - <http://ha1bid.co.uk/investfuture/wp-content/uploads/2013/10/BID-Proposal.pdf>

Offices

12.16 Harrow Town Centre has the highest concentration of offices in the borough and Harrow's Core Strategy seeks to consolidate Harrow's office sector in the town centre. One of the objectives contained in the Core Strategy is to renew Harrow Town Centre's office stock to meet local business needs. Therefore the conversion of redundant and long-standing vacant out of town centre offices to mixed-use employment and housing (especially where these are well located in respect of public transport) is also likely to be supported.

12.17 The Core Strategy recognises that "There is a clear need to attract new development and investment in upgrading the existing office stock within Harrow Town Centre to support growth in business services, retain existing employers, and to capitalise on opportunities to promote and grow Harrow's small to medium enterprise sector. The strategy promoted is one of office consolidation, renewal and modest long-term growth. This is to be achieved through a combination of measures that are detailed in the Area Action Plan for the Harrow and Wealdstone Intensification Area, and include opportunities to:

- Exploit the refurbishment market to provide low cost accommodation for smaller enterprises;
- Identify an office quarter within the town centre;
- Promote redevelopment of suitable existing office sites to bring forward new office development;
- Release redundant and less suitable office sites to other employment generating uses; and
- Encourage public services and facilities, serving the local area and the wider borough to locate within Harrow Town Centre."

12.18 Table 36 shows that office vacancy rates increased steadily (apart from a small drop in 2012) from 11.6% in 2009 to the highest recorded level of 17.7% in 2013. In 2014 the proportion of vacant offices fell significantly to a rate of 14.7%, the lowest level since 2010.

Table 36 Office Floorspace and Vacancy Rates in Harrow, 2009 - 2014

Year	Occupied Office Space (m ²)	Vacant Office Space (m ²)	Total Office Space (m ²)	Vacant (%)
2009	307,000	40,450	347,450	11.6
2010	288,000	46,200	334,300	13.8
2011	278,000	52,250	330,350	15.8
2012	275,700	48,500	324,150	15.0
2013	265,900	57,350	323,300	17.7
2014	272,700	47,150	319,900	14.7

Source: Harrow Council, Research, Environment & Enterprise

12.19 Harrow Town Centre plays an important role in the overall supply of office space in the borough, accounting for some 36% of the total stock in 2014. As with the borough as a whole, the amount of office floorspace within Harrow Town Centre has declined modestly in recent years from a relatively stable base in 2009. The level of vacancy increased dramatically from around 15% in 2009 to 30% in 2011, this level has now decreased to around 17% in 2014 (see Table 37).

Table 37 Office Floorspace and Vacancy Rates in Harrow Town Centre, 2009 - 2014

Year	Occupied Office Space (m ²)	Vacant Office Space (m ²)	Total Office Space (m ²)	Vacant (%)
2009	105,250	18,450	123,700	14.9
2010	97,600	22,900	120,500	19.0
2011	83,700	36,000	119,750	30.1
2012	93,250	25,600	118,850	21.6
2013	93,650	24,600	118,200	20.8
2014	96,000	19,900	115,900	17.2

Source: Harrow Council, Research, Environment & Enterprise

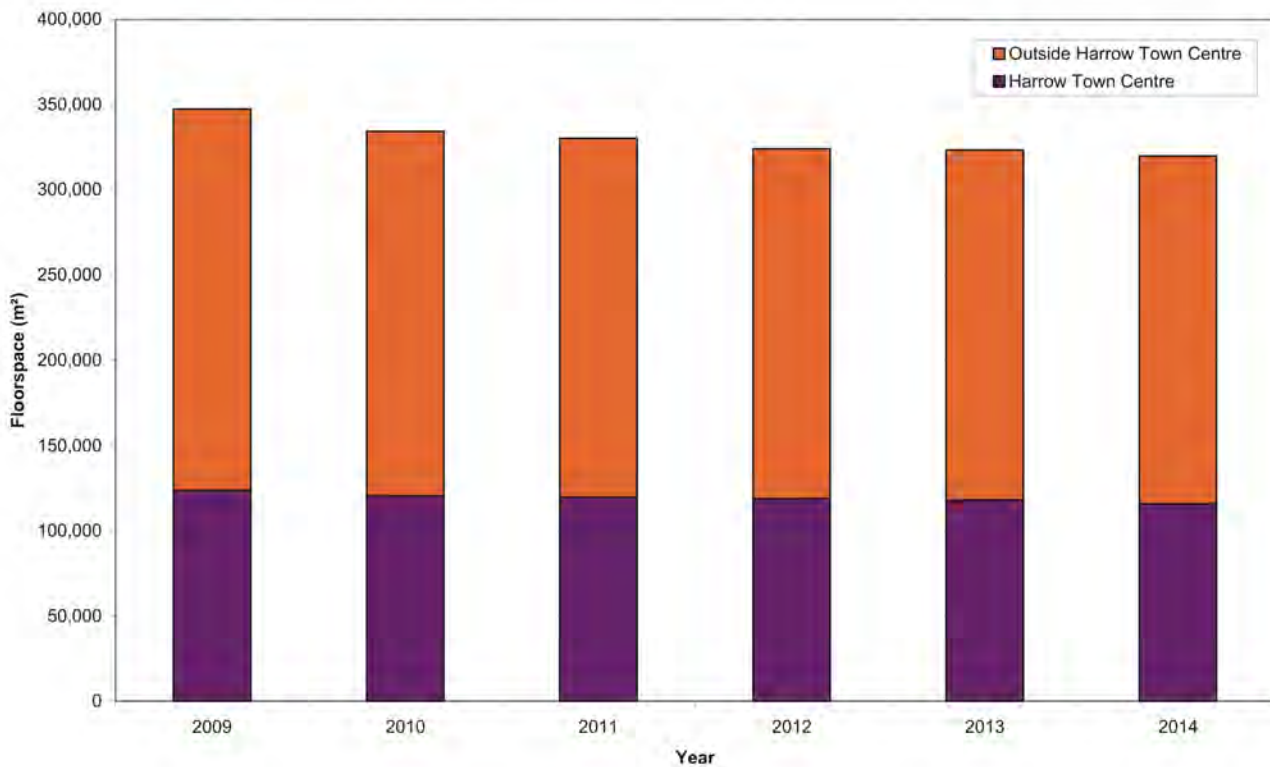
12.20 These vacancy figures are based on information collected from commercial agents on premises available, either to let or for sale. In the past they were regarded as the best available guide to the levels of office vacancies, both in the borough and the town centre. However, the vacancy figures as shown in Table 36 & Table 37 may no longer provide an accurate estimate of the amount of vacant office stock in the borough. This is partly as a consequence of a number of vacant ageing office buildings being earmarked for redevelopment or for change of use to residential through the Prior Approvals legislation introduced in May 2013, as opposed to being marketed for re-letting - such schemes may therefore be excluded from the commercial agents letting details and not appear as vacant office space in the table above.

12.21 Figure 43 shows a steady decline in the total amount of office floorspace in the borough, mainly as a result of a number of large office buildings being converted or redeveloped to provide non-office uses and no significant new office development having taken place for a number of years. These losses include: Raebarn House, Northolt Road, South Harrow where 8,500 m² gross (7,666 m² net) was lost with the redevelopment for residential; Scanmoor House, Northolt Road, South Harrow where 1,130 m² was lost through the change of use to a hotel; and Sheridan House, St. Anns Road, Harrow where 1,623 m² was lost through the change of use to residential.

12.22 Although the overall amount of office floorspace in Harrow Town Centre has remained fairly constant, both Equitable House and Lyon House in Lyon Road have been partly demolished and have a planning permission for a mixed use development of residential, office, and other uses. Although, this proposed development, not yet started, will result in a net loss in office space of 10,450 m², the new office floorspace provided will better meet the demands of prospective businesses wishing to relocate to Harrow.

12.23 Harrow's office market has lagged behind nearby competing centres in Uxbridge, Watford and Ealing. Office rents within the borough vary between about £12 per sq ft and £40 per sq ft. The highest rents in this range are achieved by the most modern space in close proximity to Harrow-on-the-Hill Station. Over the past four years, office rents have risen considerably. In 2010, the maximum rent was £18 in comparison to £40 now. Older buildings in Harrow Town Centre, albeit still with a reasonable specification, tend to achieve around £7 to £18 per sq ft. In comparison, rents of £20 to £25 per sq ft are usually achieved by modern space in Uxbridge and Watford town centres (Employment Land Review, 2010).

Figure 43 Total Office Floorspace, 2009 - 2014



Source: Harrow Council, Research, Environment & Enterprise

Industrial Estates

12.24 Most of Harrow's industrial stock is small-scale and situated on industrial estates, which are dispersed across the borough (Map 10). The vast bulk of supply is of small units around 1,000 m² in size with little stock being above this threshold. Approximately one-third of the borough's industrial stock is relatively new, with around two-thirds dating from before 1970. Vacancy levels are reasonably low, indicating generally buoyant demand for small industrial premises. Compared to the other West London boroughs, Harrow is not a major industrial or warehousing location. Most demand is locally generated and is for small units, with larger manufacturers tending to locate in more established and accessible locations, such as Park Royal.

12.25 The council collects information on the levels of occupancy and type of businesses in the borough's industrial estates.⁽⁵⁰⁾ The survey undertaken in March 2014 showed an occupancy rate of 11.2%, based on the number of units. This shows that since March 2012, the occupancy rate in Harrow has decreased by 3.4%.

12.26 Rental levels reflect the type of units available and are typically between £6 per sq ft and £22 per sq ft in Harrow. This level has increased since 2010, where the maximum value in 2010 was £8 per sq ft and now the majority of properties have rental values of over £10 per sq ft. This level is generally lower than Watford (£9 per sq ft) and the A40 corridor in West London (£9 to £10 per sq ft).

50 A full list of the industrial estates and occupants can be found on the Harrow Council website at: http://www.harrow.gov.uk/downloads/file/3908/industrial_estates_march_2014

Environmental Infrastructure and Sustainability **13**

Local Economic Assessment 2013-14



Air Quality

13.1 West London produces more of London's CO₂ emissions than any other sub-region - as much as north and south London combined. However, Harrow has the lowest levels of CO₂ emissions of the West London boroughs both at a domestic and commercial level and is in the top five out of all the London boroughs (where 1 is the borough with the lowest CO₂ emissions). Table 38 shows levels of CO₂ emissions across West London.

Table 38 Total CO2 Emissions per capita, 2012

Borough	Tonnes per capita (Industry & Commercial, Domestic and Transport)	Rank in London	Tonnes per capita (only Industry & Commercial)	Rank in London
Harrow	3.63	5	0.97	3
Brent	4.34	12	1.82	20
Ealing	4.74	20	1.97	22
Hammersmith & Fulham	5.44	25	2.62	24
Hillingdon	7.01	28	2.95	26
Hounslow	5.83	27	2.63	25

Source: Department for Energy & Climate Change (DECC)

13.2 Between 1999 and 2003 the London Borough of Harrow undertook its first round of Review and Assessment of air quality, which concluded that the NO₂ (nitrogen dioxide) annual mean and the 24-hour mean PM₁₀ (particulate matter with a diameter less than 10 microns) National Air Quality Strategy Objectives were being exceeded. As a result, an Air Quality Management Area (AQMA) was designated for both pollutants across the borough. Following this, the council prepared an Air Quality Management Plan to work towards achieving the Objectives. As most of such pollution arises from road transport emissions, most of the actions have been focused on reducing these.

13.3 With regards to NO₂ monitoring has generally shown a decrease in concentrations at roadside and background monitoring sites from 2010 to 2012. However, since then levels have been more static. Continuous monitoring for PM₁₀ has shown an increase at both sites from the concentrations recorded in 2010. This has become apparent in several regions of the country, and probably indicates that the emission rates of the national transport fleet have not met the predicted declines anticipated from improving engine technology. Now it is anticipated the new Euro 6 standards for diesel engines will bring further improvements.

13.4 Measurements and monitoring still indicate there are locations in the borough which have the potential for raised concentrations of NO₂ and PM₁₀, and therefore the AQMA remains in place.

13.5 In addition, the Mayor of London has implemented a London-wide Air Quality Strategy, and is considering an ultra-low emission zone for road transport.

Waste

13.6 Each year, London generates around 20 million tonnes of solid waste. The London Mayor is committed to London managing as much of its waste within its own boundaries as is practically possible and to be sending zero municipal waste direct to landfill by 2031. There are three main types of waste produced in London: municipal household waste (20%); commercial and industrial waste (32%); and construction, excavation and demolition waste (48%). The Mayor is committed to achieving recycling levels for municipal household waste of 45% by 2015, 50% by 2020 and 60% by 2031 as set out in the London Plan (2011).

Table 39 Household Waste Recycled/Composted, 2012/13

Borough	Performance (%)	Rank in London
Harrow	44.80	5
Brent	42.29	8
Ealing	40.52	9
Hammersmith & Fulham	22.66	30
Hillingdon	43.13	7
Hounslow	34.90	15

Source: Department for Environment, Food & Rural Affairs (Defra)

13.7 Table 39 shows that the recycling/composting levels achieved by boroughs is uneven across West London with a difference of over 20% between the best performing borough (Harrow) and the worst performing borough (Hammersmith & Fulham). Harrow is ranked fifth out of the 33 London boroughs. Generally, boroughs in denser urban settings (with more flats above shops and housing estates), such as Hammersmith & Fulham, would be expected to perform worse than Outer London boroughs with more conducive housing types.

13.8 In 2012/13 Harrow produced 102,600 tonnes of municipal waste of which 38.5% was recycled or composted. 88,100 tonnes of municipal household waste was produced during this period of which slightly less than 45% was recycled or composted, therefore Harrow has almost achieved the Mayor's 2015 target and is well on the way to meeting the 2020 target.

Gas and Electricity Consumption

13.9 The Department for Energy and Climate Change (DECC) publish information on gas and electricity consumption at a district level, for both commercial/industrial and domestic consumers.

Gas

13.10 In 2011/12 total gas consumption in Harrow was 1,953.2 GWh. Domestic customers accounted for 74% of gas consumption in Harrow, the second highest level in West London after Brent and above the London and national averages (Table 40).

Table 40 Gas Consumption, October 2011 - September 2012

Area	Commercial and industrial consumers			Domestic consumers			All consumers
	Sales 2011/12 (GWh)	% of total sales	Average commercial and industrial consumption (kWh)	Sales 2011/12 (GWh)	% of total sales	Average domestic consumption (kWh)	Sales 2011/12 (GWh)
Harrow	507.9	26.0	548,472	1,445.3	74.0	17,624	1,953.2
Brent	535.6	25.4	469,428	1,577.2	74.6	15,425	2,112.8
Ealing	740.3	29.9	504,958	1,731.7	70.1	14,660	2,472.0
Hammersmith & Fulham	613.0	40.0	642,550	920.1	60.0	12,296	1,533.1
Hillingdon	993.6	40.2	868,530	1,479.1	59.8	15,212	2,472.7
Hounslow	654.1	35.3	618,218	1,197.6	64.7	14,353	1,851.7
London	21,446.0	34.0	509,636	41,694.5	66.0	13,862	63,140.5
England	155,447.2	35.8	659,057	278,789.6	64.2	14,042	434,236.8

Source: Department for Energy & Climate Change (DECC)

Note: GWh is Giga Watt hours, kWh is Kilo Watt hours

Electricity

13.11 In 2012 total electricity consumption in Harrow was 613.3 GWh. Domestic customers accounted for 59% of electricity consumption in Harrow, the highest level in West London and above the London and national averages (Table 41)

13.12 Harrow has a smaller business base than the majority of the other West London boroughs, which will partly account for the corresponding lower percentage for commercial gas and electricity consumption in the borough. However, average domestic gas and electricity consumption per meter is higher in Harrow compared to all the other West London boroughs, and also above the London and national average consumption.

Table 41 Electricity Consumption, 2012

Area	Commercial and industrial consumers			Domestic consumers			All consumers
	Sales 2012 (GWh)	% of total sales	Average commercial and industrial consumption (kWh)	Sales 2012 (GWh)	% of total sales	Average domestic consumption (kWh)	Sales 2012 (GWh)
Harrow	251.4	41.0	42,317	361.9	59.0	4,126	613.3
Brent	827.8	65.4	62,763	437.8	34.6	3,864	1,265.6
Ealing	925.6	65.2	77,177	494.2	34.8	3,787	1,419.8
Hammersmith & Fulham	722.7	71.4	53,900	289.8	28.6	3,507	1,012.5
Hillingdon	1,097.8	71.5	137,143	438.1	28.5	4,074	1,535.9
Hounslow	1,001.0	71.9	122,464	392.2	28.1	3,995	1,393.2
London	27,722.3	67.6	69,567	13,267.2	32.4	3,879	40,989.4
England	150,873.8	61.7	73,949	93,677.5	38.3	4,034	244,551.3

Source: Department for Energy & Climate Change (DECC)

Note: GWh is Giga Watt hours, kWh is Kilo Watt hours

Issues and Analysis 14

Local Economic Assessment 2013-14



The Local Economic Assessment primarily reports on what has been happening, because the majority of economic data sources are historic, rather than forward looking. This section summarises the key facts from the previous sections and attempts to take a forward-looking view in identifying some of the main economic issues facing the borough over the coming years.

Summary of Key Facts

- Harrow's population has been steadily increasing over the past 25 years and population projections indicate that the borough's population will continue to increase over the next five years and beyond
- Population estimates indicate that Harrow has the fourth highest proportion of residents from minority ethnic groups nationally and the borough's population is likely to become increasingly diverse
- Generally Harrow is overall less deprived than in 2007, but there are pockets of deprivation across the borough
- Economic forecasts indicate modest employment growth in the borough to 2026
- The Harrow Local Plan has identified that 3,000 additional jobs could be created through comprehensive and co-ordinated regeneration within the Harrow and Wealdstone Opportunity Area.
- Commuting patterns show that Harrow is a net exporter of labour
- Economic activity and employment rates in Harrow are similar to London's overall rates
- Wages in Harrow are generally lower than in West London and London, leading to a high proportion of residents commuting to other areas for better paid jobs. The average weekly wage paid to women working full-time in Harrow in 2013 was the third lowest level in London.
- Unemployment rates in Harrow are lower than in all the other West London boroughs, with unemployment showing a downward trend since late 2009
- The number of people on key out-of-work benefits has been falling since autumn 2009, but rates in 24 of the borough's Lower Super Output Areas exceeded the London average of 9.6% in May 2014
- The borough has a relatively well skilled and well qualified workforce, with a high proportion of Harrow's residents holding 'Other Qualifications', including foreign qualifications
- Harrow's most dominant employment sectors are Professional, Scientific and Technical based, followed by Information & Communication
- Micro businesses, employing less than five people, represent over 79% of Harrow's 11,000+ 'businesses'
- The number of large businesses in the borough continues to decline. Just under a third of Harrow's total employment is still provided by the large businesses, employing 100 or more people.
- There has been a steady increase in business start-ups, but business survival rates have been worsening
- Harrow has high levels of home ownership, but affordability is a key issue due to high housing costs

- Harrow Town Centre is regarded as one of the UK's top 100 retail locations. In a 2012 survey of one hundred town centres, Harrow was ranked fourth as being least at risk in the current financial climate.
- Commercial property rental levels are generally lower in Harrow, compared to other centres across London
- Footfall levels across the borough's town centres have been falling, in line with national trends. Events organised in Harrow's town centres have stimulated one-off increases in footfall levels.
- The amendment to the General Permitted Development Order (GPDO) came into force on 30th May 2013, for a temporary period of three years, changing Permitted Development (PD) rights to allow changes of use from Class B1(a) office to Class C3 residential without the need for planning permission. This is leading to a further loss of office floorspace and jobs in the borough, as schemes are implemented.

Summary of Key Issues

- Need to maintain the attractiveness of the borough as place to invest in and to live in
- Increasing Harrow's competitiveness in the West London sub-region is key to ensuring job growth that benefits Harrow
- Harrow faces increasing competition from neighbouring town centres, and other forms of retailing. Harrow needs to maintain Harrow Town Centre's status as a Metropolitan Centre. Coupled with this is the challenge of ensuring that Harrow's other centres remain vibrant, and maintain their viability, to ensure that residents have places locally to shop, and to provide work.
- Need to attract new investment to the borough, particularly into the borough's town centres
- Need to maintain business/employment base in borough, despite pressure for redevelopment of (increasingly outdated) employment sites and buildings for other uses
- Need to address vacancy levels and improve the quality of employment land and buildings in the borough
- Need to nurture and grow Harrow's Small to Medium Enterprises (SMEs), as they are more adaptable to change and provide a mix of local jobs
- On-going reductions in public sector jobs in Harrow will impact on the local economy, unless the private sector is able to provide replacement employment
- Need to ensure that population growth is matched by employment growth
- Population and household growth leads to greater housing demand, so there is a need to increase the supply of housing in the borough
- There is a need to increase the supply of higher skilled workers in line with skills forecasts
- Need to ensure good transport links to employment opportunities, both inside and outside the borough, are maintained and enhanced

- Improving traffic flow and reducing traffic congestion to keep Harrow moving
- The Harrow and Wealdstone Action Area Plan will facilitate economic development and regeneration within the Harrow and Wealdstone Intensification/Opportunity Area
- Need to provide new office and light industrial accommodation, including a range of size of units for micro-businesses, SMEs and move-on space
- Increasing unemployment amongst long-term benefit claimants needs to be tackled
- Continuing welfare reform measures, resulting in more people coming off benefits and seeking work, highlights the need for appropriate training programmes to be in place

Analysis

Harrow's Current Economic Conditions and the likely Economic Trajectory

14.1 The continuing reductions in levels of public spending are likely to have an effect both at a national and local level in the short to medium term. With 20,700 people (30.5% of the workforce) in Harrow employed in the public sector (Public Administration, Education, & Health), the proposed reductions in public spending are bound to have an effect on the local economy, as people lose their jobs and spend less in the borough. The proportion of these people who find employment in the private sector will have a significant effect on the impact of future public sector job losses.

14.2 In the medium to long term, slow but steady employment growth is likely. Forecasts show an small increase of around 6,300 jobs in the borough over the period from 2009 to 2026 (See Table 1: Total Employment Change by Sector). The forecasts show decreases largely in the Public Administration, Manufacturing and Construction sectors to 2026 and major increases in the Hotels and Restaurants and Other Services sectors over the same period. (Source: NLP Employment Land Study for Harrow Council 2010). The latest GLA Trend-based Employment Forecasts (2013) suggest that employment growth will be slower than previously forecast.

14.3 The adoption of the Harrow Core Strategy, with the establishment of the Harrow and Wealdstone Intensification/Opportunity Area (which encompasses the Kodak site) will facilitate the creation of 3,000 new jobs within this area and a further 1,000 jobs coming from infill development within Harrow's network of town centres and from other identified sites on previously developed land, provided that investment is forthcoming.

Harrow's fit with the 'Functional Economic Area', Sub-regional and Regional Economy

14.4 Harrow, like many Outer London boroughs, has a small but significant local economy while at the same time having significant links with the employment opportunities in Central London and neighbouring boroughs. Around 40% of Harrow's residents work within the borough, while about 23% work in the neighbouring London boroughs of Brent, Hillingdon, Barnet and Ealing. Due to the good public transport links into Central London, over 18% commute into Central London, where wage levels tend to be higher. There are also a significant number of people that commute into the borough - most notably from South Hertfordshire (Watford, Hertsmere) and adjacent London boroughs such as Hillingdon, Brent and Ealing.

Harrow's Sectoral Structure and the Comparative Strengths and Weakness of the Local Economy

14.5 Harrow's two most dominant employment sectors are the Finance, IT, Property & Other Business and Public Administration, Education & Health sectors, accounting for 59% of Harrow's jobs. There is a strong local business economy with around 11,400 'businesses' in the borough (ONS Inter-Departmental Business Register, 2013). Just over 79% of these are small businesses employing between 0 and 4 people. The IDBR recorded 28 'businesses' in the borough that employed 200 or more people in 2011 and 2012, down from over 40 in 2005.

14.6 In 2013 29 large 'businesses' provided 22.1% of the total number of jobs in the borough, down from 25% in 2008. The small number of large businesses means that the borough is becoming more vulnerable, as when large businesses move out of the area a significant number of jobs can disappear as a result of a closure/relocation. By contrast, there are a significant number of small/micro businesses in the borough. Many of these are in the professional and business service sectors. These small businesses tend to be more flexible and can react more quickly to changes in the local economy.

14.7 Harrow is the only West London borough to have shown a gradual increase in business start-ups year on year since 2006 (ONS Business Demography, IDBR). Since 2008, the largest number of new businesses start-ups has been in Real Estate, Professional Services and Support Activities, followed by Wholesale and Retail trade, and Construction (BankSearch Information Consultancy Ltd., December 2013).

Harrow's Infrastructure

14.8 Economic growth and new housing within the borough will need to be matched by investment in physical infrastructure. Based on the findings of the council's evidence base (for the LDF Core Strategy), there are currently no significant infrastructure constraints identified that would prevent the borough from promoting further growth. However, there are quality of life and business environment improvements that are required to maintain the competitiveness of Harrow's town centres, retain local employment and the attractiveness of our residential areas, as well as to enhance Harrow's potential to attract inward investment.

14.9 Such improvements include the upgrading of Harrow-on-the-Hill Station and Harrow bus station; key junction improvements and orbital transport connections; urban realm and heritage projects; the delivery of an integrated Green Grid; improved access to and quality of open spaces and leisure facilities; the maintenance of education facilities; and the quality and sustainability of both the existing housing and business stock. These challenges need to be managed in light of other objectives to reduce carbon dioxide emissions, improve air quality, and reduce road traffic through support for more sustainable modes of transport.

14.10 In support of infrastructure provision, the council had been improving its arrangements for securing enhanced levels of planning obligations. However, the recession and recent reforms to the use of planning obligations have impacted significantly on progress in this area. Nevertheless, the council is committed to using section 106 funding to secure affordable housing and site specific requirements, and has also prepared a Borough Community Infrastructure Levy to fund strategic infrastructure improvements, including improvements to public transport, walking and cycling.

Harrow's Economic Development Ambitions and Proposals

14.11 Harrow's economic development ambitions and proposals to 2026 are set out in detail in the council's Regeneration Strategy.

14.12 Other relevant priorities and policies are set out in the Harrow Core Strategy and the Harrow and Wealdstone Area Action Plan. These are available at:
http://www.harrow.gov.uk/homepage/40/local_development_plan

Extract from WLB Business Sentiment Survey **Appendix 1**

Local Economic Assessment 2013-14

1.1 The West London Business Sentiment Survey was conducted annually at the beginning of each year between 2008 and 2011 to track trends among businesses operating in the West London area. The survey was developed for West London Business (WLB), the sub-regional Chamber of Commerce that aims to support commercial growth in West London. The specific objectives of the research were to:

- understand the current business environment in the area;
- determine future challenges and potential for growth or decline;
- track trends over time;
- inform lobbying for resources from regional and national government; and
- inform the direction of WLB and support required by businesses in the area.

1.2 The key findings from the 2011 Business Sentiment Survey for West London as a whole are:

- there were improved perceptions of West London as a business location, with more businesses agreeing that remaining in West London will facilitate growth
- costs and prices were reported to have risen significantly from 2010 with further rises anticipated
- employment factors remained static while fewer businesses were looking to increase 'spend on training' and 'employment of apprentices' compared to last year
- almost half of all businesses were planning some form of change to their commercial premises in the next 12 months
- the proportion of businesses exporting had risen significantly from 2010 with growing interest in Africa, Asia and North America
- Heathrow continues to be strongly recognised as an important factor to the West London economy, with larger businesses again most likely to consider Heathrow important to their own business
- transport initiatives increased in importance to West London businesses overall, with local bus services rating highest for the second consecutive year (59% net important)
- developing new contacts through networking and 'sales and marketing' were the top business support requirements
- peers/colleagues were the most likely source of support, followed closely by professional advisers such as accountants, consultants etc
- optimism for own business prospects remained significantly higher than optimism in the wider economy. Although since 2010, businesses have developed an increasingly pessimistic outlook on the business climate for their own industry/sector

1.3 WLB produced a Harrow specific report that presented the findings for businesses based in the London Borough of Harrow for 2010, but Harrow did not commission a comparable study for 2011. This is because the sample taken in Harrow was quite small - 31 businesses responded, which represents 12% of the total West London sample of 260 businesses. Two-thirds of the Harrow businesses sampled were micro-sized businesses. For the 2010 survey 84 businesses were sampled in Harrow, representing 25% of the overall West London survey of 334 businesses.

1.4 The rest of this section summarises some of the key findings from the 2010 report in relation to Harrow's Local Economic Assessment - the 2010 results for Harrow are compared to 2009, and other West London boroughs in 2010.

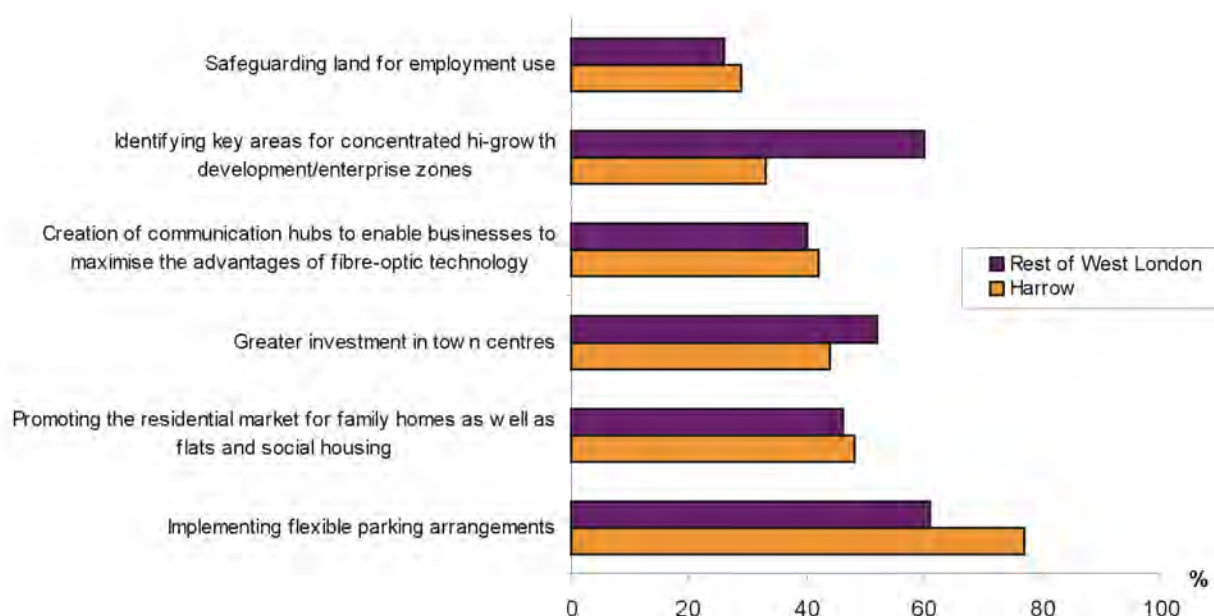
Business Environment

1.5 According to WLB's March 2010 Business Sentiment Survey, 94% of Harrow businesses are likely to remain in West London. This shows an increase from 90% in 2009. Harrow businesses who said they were unlikely to stay cited high costs of both labour and commercial premises, poor quality of environment and high crime levels.

1.6 In response to the question 'Why do you expect to remain in West London?', Harrow businesses likely to stay in West London stated 'no choice (live in area)', followed by 'good access to markets', and 'clients' as the top three reasons for remaining in the area. They were significantly less likely than the rest of West London to state good transport links as a reason for remaining in West London, although this did also rise from 2009.

Policy Measures

Figure 44 Importance of West London Policy Measures, 2010



The question asked was: Given the expectation that public finances will be cut post election, which of the following measures do you consider to be important in order to sustain the West London economy?

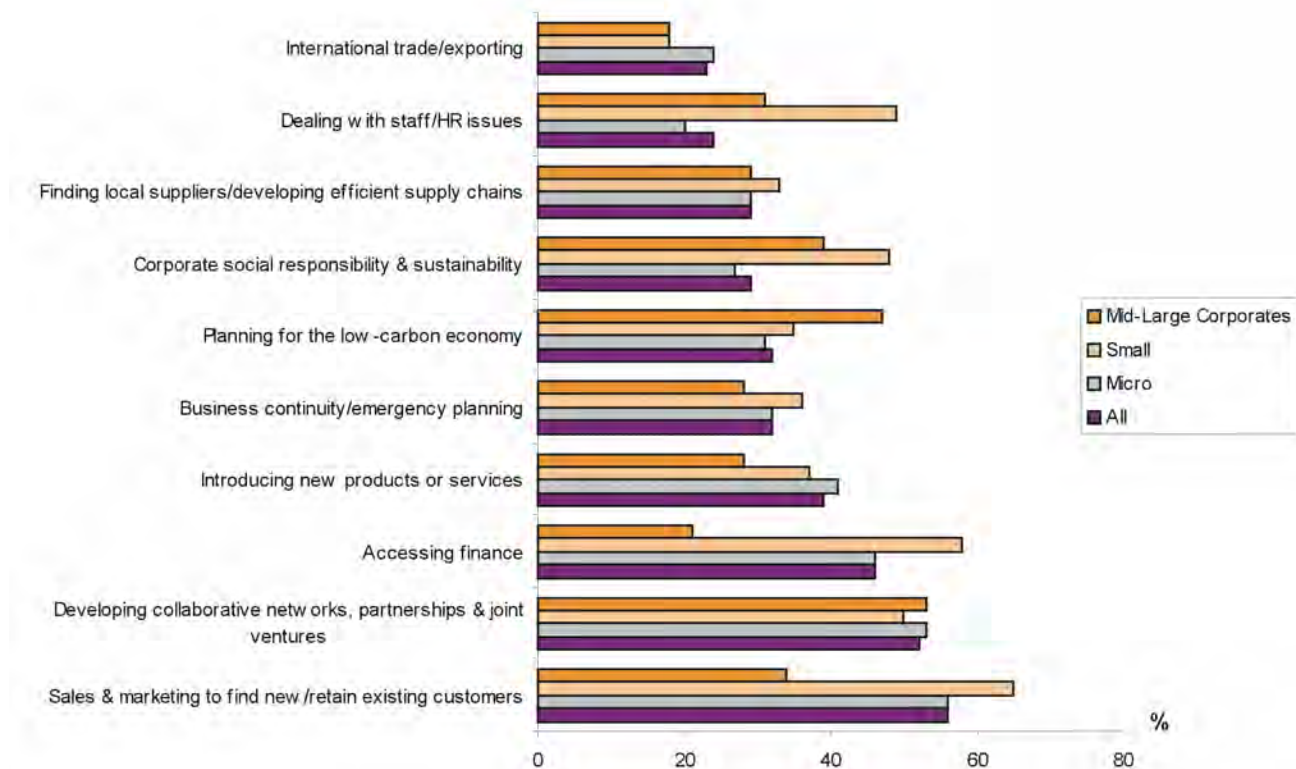
1.7 In response to the questions 'Given the expectation that public finances will be cut post election, which of the following measures do you consider to be important in order to sustain the West London economy?', flexible parking arrangements are key for Harrow business, stated as important by 77%, compared to 61% for the rest of West London. This was also the key measure for micro businesses, while a greater proportion of mid to large corporates rated Enterprise Zones and hi-growth development areas as important. Harrow businesses were significantly less likely to rate concentrated areas of high growth development as important.

Business Support Requirements

1.8 Respondents were asked to identify external help and support needs for their business. Sales and marketing remains the key area for West London businesses, reflecting findings from the previous surveys. Two-thirds of small businesses with 10-49 employees identified this support need. Over half of the West London sample would like support to develop collaborative networks and partnerships, but this declined to 42% in Harrow. Harrow businesses were also significantly less likely to require support in planning for the low carbon economy (17%), and international trade/exporting (14%).

1.9 Accessing finance was important for 42% of those based in Harrow. One-third of Harrow businesses would like support to introduce new products or services (34%), lower than the West London average (40%), and 34% would like support developing efficient supply chains, above the West London average (28%). Business continuity was also requested by one-third of Harrow respondents (32%), in line with the rest of West London.

Figure 45 External Business Help and Support Requirements

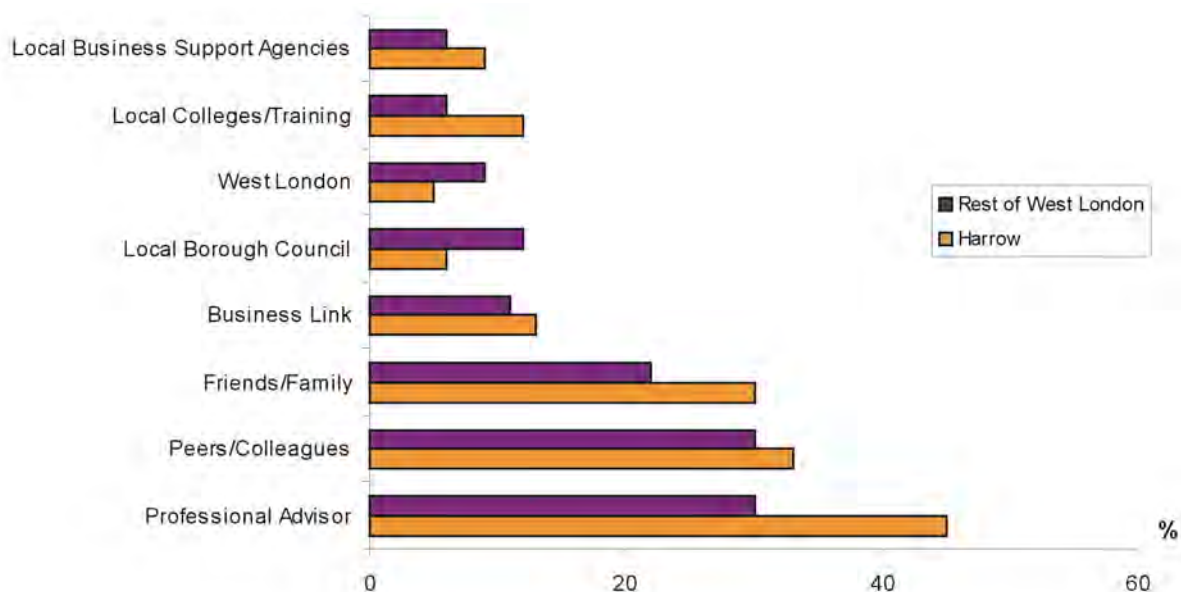


The question asked was: Now thinking about the external help and support your business may require, please rate how much your business needs support?

Base = 334 (all)/180 (micro)/71 (small)/82 (mid to large) for West London

1.10 West London businesses intended to use a range of support services in 2010. Harrow respondents are significantly more likely to use Professional Advisers, than others in West London. Generally mid-large corporates would be the most likely to use professional advisers. Harrow businesses are also more likely to go to peers/colleagues, family and local colleges, but are less likely to use local business support agencies, West London Business or their borough.

Figure 46 Likelihood to Use Different Support Services

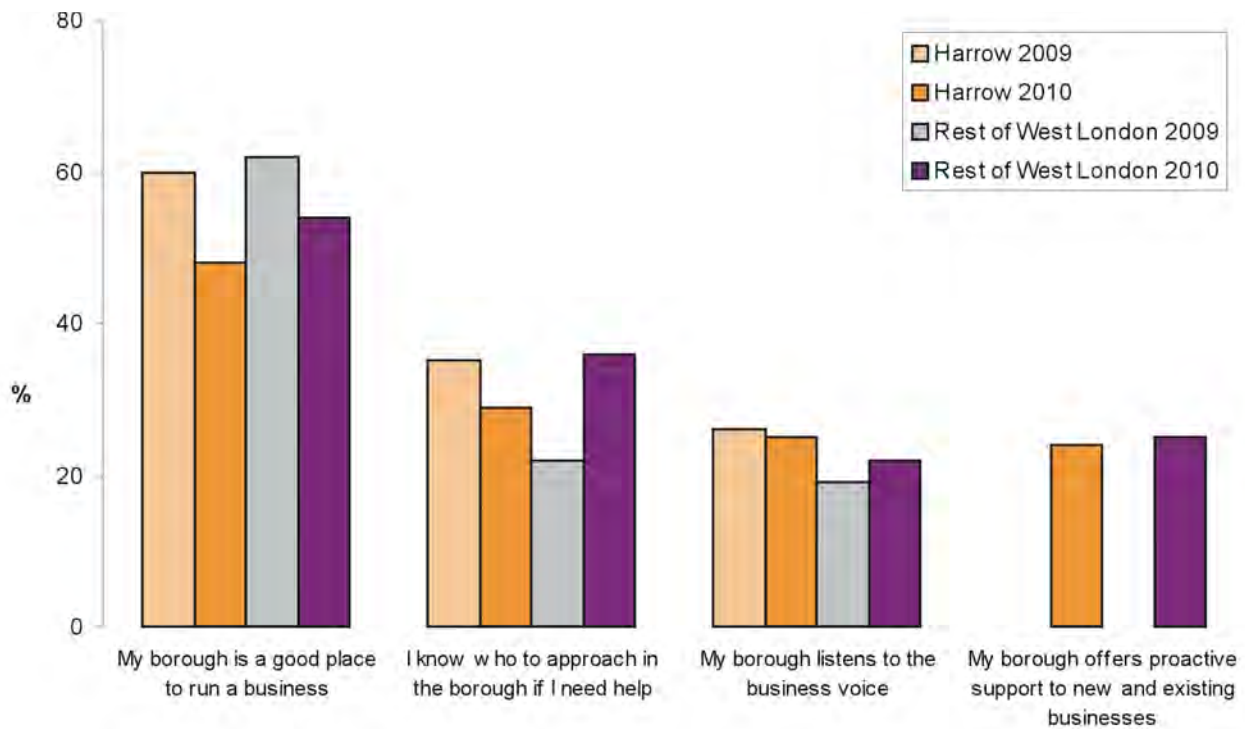


The question asked was: How likely are you to use the following support services in the next 12 months?

1.11 A greater proportion of Harrow businesses had accessed business support from their local borough during the previous year than across the rest of West London (18% in Harrow compared to 13% elsewhere). This was more common across West London, among both micro employers and the very large businesses.

1.12 Harrow businesses also had lower perceptions of their borough, declining from the 2009 survey. The proportion of businesses in other West London boroughs that felt that they know who to approach in the borough for support had increased significantly from 2009 but showed a decline in Harrow. Over half of businesses in West London agreed that their borough is a good place to run a business. This was slightly lower in Harrow and had declined significantly from 2009. However, Harrow businesses were more likely to agree that their borough listens to the business voice.

Figure 47 Perceptions of Business Support in the Borough, 2009/10

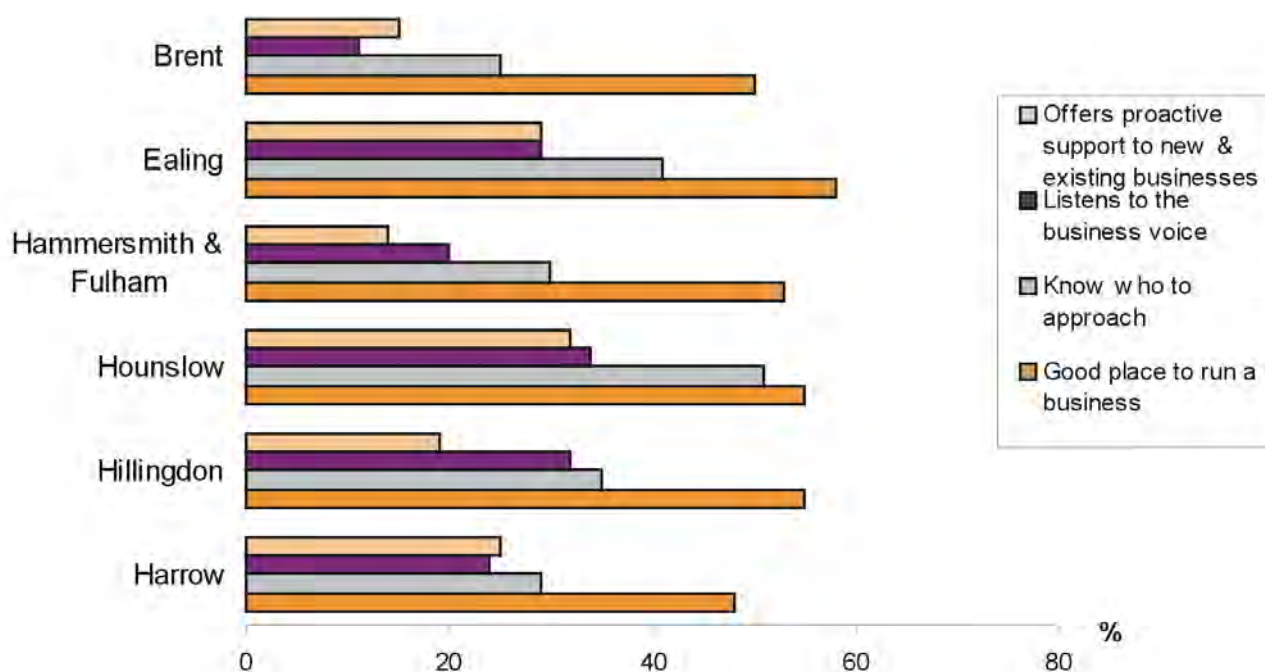


The question asked was: To what extent do you agree with the following statements about your borough?

Bases = 84 (Harrow 2010)/250 (rest of West London 2010)/101 (Harrow 2009)/349 (rest of West London 2009)

1.13 Businesses operating in the boroughs of Hounslow and Ealing were the most positive regarding their borough, as shown in the following chart. Due to the low base sizes, this finding can only be viewed qualitatively as robust statistical comparisons cannot be made.

Figure 48 Perceptions of Business Support by Borough, 2010



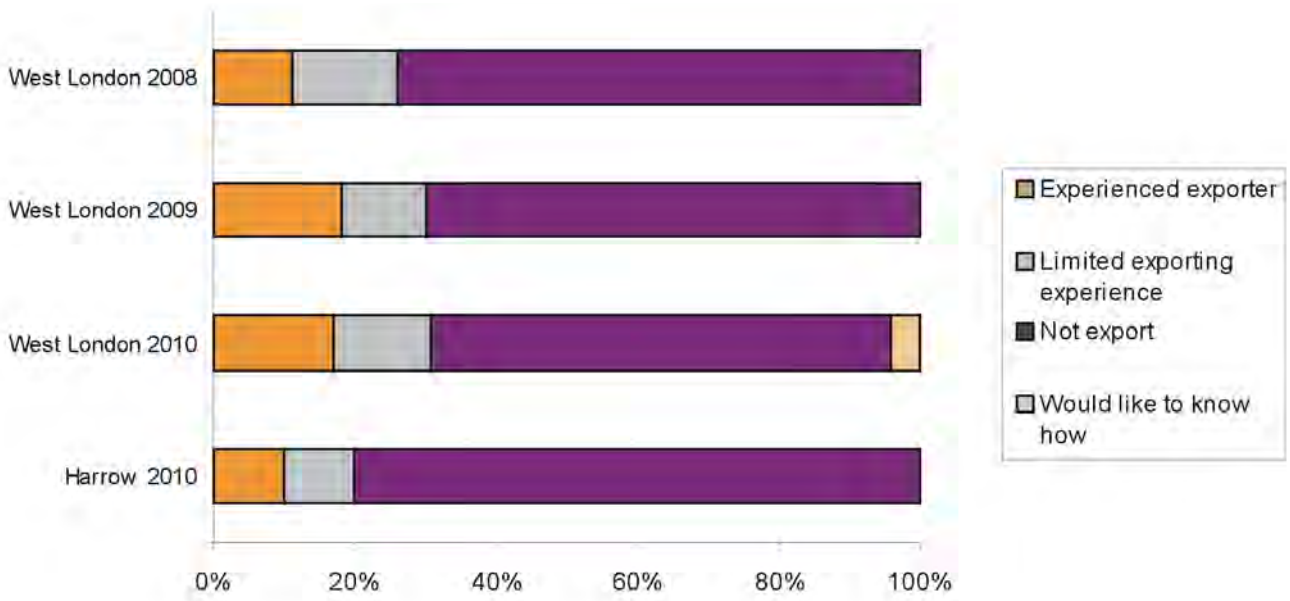
The question asked was: *To what extent do you agree with the following statements about your borough?*

Exporting

1.14 One-third of West London businesses currently export, and a further 4% do not, but would like to know how to, as shown in the following chart. The proportion exporting has increased marginally over time, up from one-quarter in 2008. This increase was mainly owing to a rise in exporting across small and mid-large businesses rather than micro businesses where exporting remains limited to less than 5%. 22% of mid-large corporates were experienced exporters in 2010, increasing from 14% of this group in 2009.

1.15 Businesses in Harrow were less likely to have exporting experience, with 8 in 10 not exporting and none stating that they ‘would like to but don’t know how’. The proportion of Harrow businesses exporting declined marginally from 13% in 2009.

Figure 49 Exporting Experience



The question asked was: Now thinking about exporting, would you say your company is..?

Extract from the West London LEA, March 2011 **Appendix 2**

Local Economic Assessment 2013-14

Skills Gaps

When the qualifications of the available workforce are compared with employers' demands for skills there is clear evidence of a skills gap in West London. Around 20% of residents have a Level two qualification or lower but only around 10% of jobs are suitable for individuals with skills at this level. Further to this, 50 per cent of jobs are at the higher skill level compared with 45% of the West London workforce. Forecasts indicate that future skills and employment needs of the economy will be at an increasingly high level, predicting that there is likely to a greater demand for skills at NVQ level 4 or above. However, it is also recognised that many service-sector jobs in West London are relatively low skilled and that a comprehensive approach to skills provision is required.

Employers in West London face recruitment problems associated with skill shortages. Of the 12,000 vacancies reported by employers in the London West LSC area in 2005, 80% were hard to fill due to skill shortages in comparison to 60% nationally. Employers also have problems with existing staff, with a reported 6.9% of workers regarded as having gaps in their skill sets (5.4% across London). Despite these problems, the 2005 National Employers Skills Survey (NESS) found that more than 50% of employers in West London did not have a training plan for their staff and only 60% of employers provided any training at all during the year. These figures had hardly changed since the previous year and were marginally below the levels for London.

Skills Forecasts

The UK Commission for Employment & Skills produced national employment projections in the 'Working Futures 2007 to 2017' report. The Working Futures report divided the economy into 25 sectors. Over this period the main sectorial changes within West London are forecast to be:

- Food & Drink production, Communications and Public Sector are all predicted to decline
- Other Business Services and Computing Services show the largest predicted increases
- Managers, Professional & Technical Occupations & Personal Service occupations are predicted to increase

Whilst it is important to plan for skills to facilitate growing sectors and occupations ('expansion demand') it is as important to take into account the skills needed to replace 'leavers' ('replacement demand'). Recent London Development Agency (LDA) research identified that net replacement demand is approximately four times the level of expansion demand. This is important as West London will still need to develop skills for sectors that are declining or remaining stable (e.g. Food and Drink Production, Communications and the Public Sector).

The Learning & Skills Council's (LSC) National Employers Skills Survey 2007 reported on skills shortages amongst recent recruits and training requirements of employees. In the 2007 survey 15% of employers reported skills shortages affecting 6% of the workforce. The highest levels of skills shortages were reported by employers in London and the South East.

Demand for Skills to support Strategic Growth Sectors

The Mayor's draft Replacement London Plan advocates a new policy framework to support above trend employment growth in Outer London. Strategic Outer London Development Centres are spatial locations with specialist strengths in specific business sectors which (or potentially could) function above the sub-regional level and which could generate significant growth. For West London, these sectors include:

- Leisure and Tourism
- Media and creative industries
- Logistics
- Transport related functions
- Higher education

If these sectors are to achieve long term above trend growth then clearly there is a need for skills and training to support these growing sectors.

There are also two other potential growth sectors which will require a strategic view. West London is in a strong position to benefit from the development of 'green industries' across the sub-region as it has the sites (e.g. Park Royal) and knowledge infrastructure to support their development. Although 'green industries' is a very broad term, potential skills needed could be around carbon management, resource efficiency, land management and 'green IT', as well as existing skills for waste management, energy from waste, design, development and manufacturing of low carbon technologies, renewable energy technologies etc.

The impact of major infrastructure developments (Crossrail and potentially High Speed 2), major sites being built out (e.g. Wembley and Uxbridge) and continuing commercial developments (e.g. Heathrow) will have a noticeable impact on the demand for construction skills across West London.

To address these challenges one example where an employer is supporting employment growth and working towards effective skills matching is Heathrow Airport Limited (HAL). HAL funds and promotes airport related skills training and development in the boroughs surrounding the airport. Initiatives include the Heathrow Retail Academy, BAA's Annual Apprenticeship Fair and pre-employment programmes for local primary and secondary schools including construction and engineering challenges.

Key Issues

Strengths and Opportunities

Levels of higher skills. West London has a high level of residents with levels 3 and 4 or above, above the London and national average. This places it in a fairly strong position to continue to be able to attract businesses that are involved in advanced technology, the knowledge economy and emerging sectors relating to the transition to a low carbon economy (although please note weaknesses identified below). Whilst perhaps not numerous, it is reasonable to expect that jobs in these sectors will be of high value added. West London also performs reasonably well in terms of basic educational attainment – an important factor in creating an appropriately skilled future labour pool.

Heathrow and new infrastructure. The particularly broad skills requirements of Heathrow will mean that there will be continued demand for a variety of skills – these include skills for logistics, construction, transport and aviation functions as well as softer skills relating to customer service and hospitality. There are also a number of major mixed use and infrastructure developments across West London that will provide demand for construction skills. These include major transport projects such as Crossrail and High Speed 2 as well as major sites such as Wembley and Uxbridge.

New industries. Whilst it is difficult to identify all the skills required to support the transition to a low carbon economy, there will clearly be demand for specialist skills relating to carbon management, resource efficiency, land management and Green IT, as well as demand for existing skills relating to risk management, sustainable procurement, environmental management, design and waste etc.⁽⁵¹⁾ There will also be opportunities for developing skills for potential Strategic Outer London Development Centres (SOLDCs) sectors such as leisure and tourism, media and logistics.

Weaknesses and Challenges

There are three main challenges facing the sub-region over the medium term.

Level of high skills compared to nearest competitors. Despite West London's performance at NVQ Levels 3 and 4 being good compared to London and the national average, this masks its relatively poor performance when compared with its closest competitors – Central London and the Outer Metropolitan area. Therefore, there is a need to develop the high level skills necessary to enhance and promote the West London economy and compete more effectively with its nearest neighbours. With more West London residents achieving higher skills, a larger proportion of the more skilled local jobs will go to local residents which will benefit the local economy.

Skills mismatch. The second challenge is the mismatch between qualifications and employer demands. This takes place at two levels. Firstly, there are a disproportionately high number of people qualified to Level 2 or lower compared with the actual number of jobs available at this level. Similarly, there are also more jobs available at Level 4 and above compared with the number of West London residents educated to that level. This results in more people commuting into West London, especially from the adjoining Thames Valley authorities to undertake the higher value jobs.

Low or no skills. A relatively high proportion of West London residents have relatively low level skills (around 13% have no formal qualifications) and one in five lack basic literacy and numeracy skills. This creates a need to develop basic skills for local people to access 'first rung' employment opportunities (and this is particularly relevant for businesses who report a skills gap in basic skills levels). This also impacts on West London's wider regeneration ambitions as there are considerable pockets of concentrations of unqualified and poorly qualified residents in some areas (e.g. parts of Hounslow and Hillingdon) and across some ethnic groups (Bangladeshi, Black Caribbean, and Irish) which relate to patterns of social exclusion and deprivation.

Glossary and Further Information

Appendix 3

Local Economic Assessment 2013-14

Glossary

Affordability: Affordability is a measure of whether housing may be afforded by certain groups of households

Affordable Housing: Housing which is subsidised and available to people whose incomes mean that they are unable to otherwise meet their housing needs locally via the open housing market. Such housing is classified as either Social Rented Housing or Intermediate Housing which meet the criteria as set out in the London Plan. Affordable Housing would include homes that are rented, under shared ownership and key worker housing.

Annual Business Survey (ABS): Formerly known as the Annual Business Inquiry Part 2 (ABI/2), the ABS is an annual survey of businesses covering the production, construction, distribution and service industries, which represents approximately two thirds of the UK economy, by Gross Value Added (GVA). It is an annual survey conducted by the Office for National Statistics (ONS) under the Statistics of Trade Act 1947. The ABS is the largest business survey conducted by the ONS in terms of the combined number of respondents and variables it covers (62,000 GB questionnaires, with around 600 different questions asked). It is the key resource for understanding the detailed structure and performance of businesses across the UK.

Annual Population Survey (APS): First conducted in 2004 by the Office for National Statistics, the APS is a continuous household survey, covering the UK, with the aim of providing estimates between censuses of key social and labour market variables at a local area level. The APS is not a stand-alone survey, but uses data combined from two waves from the main Labour Force Survey (LFS) with data collected on a local sample boost. Apart from employment and unemployment, the topics covered in the survey include housing, ethnicity, religion, health and education. The data sets comprise 12 months of survey data and are disseminated quarterly. The achieved sample size is approximately 122,000 households (or 320,000 respondents) on each annual APS dataset.

Annual Survey of Hours and Earnings (ASHE): The Annual Survey of Hours and Earnings is based on a one per cent sample of employee jobs. It is the most comprehensive source of earnings information in the United Kingdom. This information is drawn from HM Revenue and Customs Pay As You Earn (PAYE) records. ASHE collects information on the levels, distribution and make-up of earnings and hours paid. Results are produced for various industrial, occupational and geographic breakdowns, as well as by public and private sectors and age groups.

Births (business): A birth is identified as a business that was present in year t , but did not exist in year $t-1$ or $t-2$. Births are identified by making comparison of annual active population files and identifying those present in the latest file, but not the two previous ones (Source: ONS).

Business Register and Employment Survey (BRES): The Business Register Employment Survey replaced two ONS surveys in 2008: the Annual Business Inquiry and the Business Register Survey. BRES is regarded as the definitive source of official Government employee statistics by industry. Data provide estimates of employee, rather than workforce, jobs. Self-employed jobs, HM Forces and Government Supported trainees are therefore excluded. Due to the survey's large sample size (approximately 80,000 businesses/reporting units), BRES is able to produce good quality estimates for detailed breakdowns by industry and geography.

Business Improvement District (BID): A BID is a flexible funding mechanism to improve and manage a clearly defined commercial area. It is based on the principle of an additional levy on all defined ratepayers following a majority vote. Once the vote is successful, which must achieve both a majority in terms of number of ratepayers and the proportion of their rateable value, the levy becomes mandatory on all defined ratepayers and is treated in the same way as the Business Rate, becoming a statutory debt.

Data Units: The ONS record data units in their employment surveys. Data units do not always readily correspond to the commonly used terms - firms, companies or businesses, by which employers are usually identified. Instead, they are roughly equivalent to workplaces. This means that when a size analysis is carried out, the size bands refer to the number of employees at each data unit and not to the size of the parent company. Thus, for example, employers working for a major supermarket chain will not be assigned to a sizeband based on the size of the parent company, but instead will be assigned based on the size of their branch.

Deaths (business): A death is defined as a business that was on the active file in year t , but was no longer present in the active file in $t+1$ and $t+2$. In order to provide an early estimate of deaths, an adjustment has been made to the 2009 and 2010 deaths to allow for reactivations. These figures are provisional and subject to revision. (Source: ONS)

Development Plan Documents (DPDs): Documents that help to make up the Local Development Framework including the Core Strategy, Proposals Map, Site Specific Allocations and Area Action Plans

District Centre: This is the term used for those town centres that are larger than local centres, serving a district-wide catchment, but have a more limited role and function than major or metropolitan centres

Economically Active: People of working age who are either in employment or unemployed

Economically Inactive: People who are neither in employment nor unemployed. This group includes, for example, all those who were looking after a home or retired.

Employment and Support Allowance (ESA): Provides financial help to people who are unable to work because of illness or disability. Employment and Support Allowance involves a medical assessment called the Work Capability Assessment. This assesses what you a person can do, rather than what they cannot, and identifies the health-related support they might need. Most people claiming Employment and Support Allowance will be expected to take steps to prepare for work. This includes attending work-focused interviews with a personal adviser.

Inter-Departmental Business Directory (IDBR): Introduced in 1994, the Inter-Departmental Business Register (IDBR) is the sampling frame for surveys of businesses carried out by the Office for National Statistics (ONS) and by other Government departments. It is also a key source for analysis of business activity. The IDBR covers over 2.1 million businesses in all sectors of the UK economy, other than some very small businesses (those without employees, and with turnover below the tax threshold) and some non-profit making organisations.

Jobseeker's Allowance (JSA): This is a benefit paid to people under pensionable age who are currently unemployed and looking for work

Key Out-of-Work Benefits: Consist of the groups: job seekers, ESA (employment and support allowance) and incapacity benefits, lone parents and others on income related benefits

Knowledge Based Businesses: The OECD (Organisation for Economic Co-operation and Development) definition is used by the Centre for International Competitiveness and includes the following business types: pharmaceuticals; office machinery and computers; aerospace; precision instruments; electrical/electronic engineering; telecommunications; financial intermediation, except insurance and pension funding; insurance and pension funding, except compulsory social security; activities auxiliary to financial intermediation; computer and related activities; research & development; other business activities; motion picture and video activities; and radio & television activities.

Knowledge Economy: High-technology manufacturing and knowledge intensive services

Knowledge Intensive Services (KIS) or Knowledge-Intensive Business Services (KIBS): These represent one of the fastest growing areas of the European economy. These services play an increasingly important role in the performance of client sectors and are often considered to be one of the hallmarks of the knowledge-based economy.

Local Centre: This is the term used for those town centres that are serving only a local catchment, providing mainly convenience shops and walk-to services

Local Development Framework (LDF): The portfolio of planning documents that makes up the Development Plan for a Local Authority

Local Economic Assessment (LEA): An assessment of the economic conditions of an area

Local Housing Allowance (LHA): LHA was introduced on 7th April 2008 to provide Housing Benefit entitlement for tenants renting private sector accommodation. There is a maximum amount of benefit paid depending on the size and location of the property.

London Office Policy Review (LOPR): Office studies prepared for the Greater London Authority in 2007 and 2009 by Ramidus Consulting Limited with Roger Tym & Partners

London Plan: The London Plan provides a vision and strategic guidance on planning matters for the whole of London. The document is prepared by the Mayor of London.

Lower Super Output Area (LSOA): A unit of geography introduced by the Office for National Statistics and used in the UK for statistical analysis. Harrow currently has 137 LSOAs, all nesting wholly within the borough's 21 wards. Typically there are six or seven LSOAs in each ward, with each LSOA originally having a population of between 1,000 and 1,500 people.

Major Centre: This is the term used for those town centres typically found in inner and some parts of outer London with a borough-wide catchment. They generally contain over 50,000 sq.m of retail floorspace with a relatively high proportion of comparison goods relative to convenience goods. They may also have significant employment, leisure, service and civic functions.

Metropolitan Centre: This is the term used for a small number of centres throughout London which fall below the international centres of Knightsbridge and the West End. The London Plan defines metropolitan centres as those which have multi-borough catchments and comprise around 100,000 square metres retail floorspace, with good accessibility and a mix of other town centre uses including employment and leisure.

Mid-Year Estimates (MYEs): Population estimates produced on an annual basis by the Office for National Statistics. They are available for every local authority and broken down by age and gender.

National Employers Skills Survey (NESS): NESS was commissioned by the Learning and Skills Council (LSC) along with its partners. The overarching aim of NESS is to provide robust and reliable information from employers in England on skills deficiencies and workforce development to serve as a common basis to develop policy and assess the impact of skills initiatives. Surveys were conducted from 2003 to 2009. The 2011 UK Employer Skills Survey has replaced NESS and is currently at the fieldwork stage.

National Insurance Registrations to Overseas Nationals (NINo): This information is collected by the Department of Work and Pensions (DWP). The statistics provide a measure of in-migration for adult overseas nationals entering the UK and registering for a National Insurance Number (NINo).

National Online Manpower Information System (NOMIS): NOMIS is a service provided by the Office for National Statistics to give free access to the most detailed and up-to-date UK labour market statistics from official sources

National Vocational Qualification (NVQ): NVQs are work-based awards that are achieved through assessment and training. To achieve an NVQ, candidates must prove that they have the ability (competence) to carry out their job to the required standard. NVQs are based on National Occupational Standards that describe the 'competencies' expected in any given job role. Typically, candidates will work towards an NVQ that reflects their role in a paid or voluntary position. There are five levels of NVQ ranging from Level 1, which focuses on basic work activities, to Level 5 for senior management.

NEET: Young people aged 16-18 who are not in education, employment or training

Outer London Fund (OLF): The Outer London Fund, launched by the Mayor of London on 13th June 2011, is a three-year initiative dedicated to strengthening the vibrancy and growth of high streets and surrounding areas. At the centre of the initiative is funding of up to £50 million, supported by the offer of advice that can be targeted at improving the character, quality and economic vitality of selected high street places.

PAYE: Pay as you earn; a system by which income tax levied on wage and salary earners is paid by employers directly to the Government

Public Transport Accessibility Levels (PTALs): This is a method used in transport planning to assess the access level of geographical areas to public transport. It is used to calculate the distance from any given point to the nearest public transport stops and the frequency of the service from those stops. The final result is a grade from 1-6 (including sub-divisions 1a, 1b, 6a and 6b) where a PTAL of 1a indicates extremely poor access to the location by public transport, and a PTAL of 6b indicates excellent access by public transport.

Quarterly Public Sector Employment Survey (QPSES): The Quarterly Public Sector Employment Survey comprises three surveys addressed to local government, the civil service and public sector bodies (mainly Non-Departmental Public Bodies and Public Corporations). The surveys are conducted by the ONS and collect information on the number of permanent and temporary employees in full and part-time employment.

Registered Social Landlord (RSL): These are Housing Associations, supported by the Homes and Communities Agency to provide affordable housing

Standard Industrial Classification (SIC): The Standard Industrial Classification classifies business establishments and other statistical units by the type of economic activity in which they are engaged. The 2007 SIC is the UK's latest revision.

Strategic Outer London Development Centre (SOLDC): Identified in the London Plan (Policy 2.16) - "The Mayor will, and boroughs and other stakeholders should, identify, develop and promote strategic development centres in outer London or adjacent parts of inner London with one or more strategic economic functions of greater than sub-regional importance"

Survival (business): A business is deemed to have survived if having been a birth in year t or having survived to year t ; it is active in terms of employment and/or turnover in any part of $t+1$ (Source: ONS)

UK Competitiveness Index (UKCI): Produced by the Centre for International Competitiveness at Cardiff University, the UK Competitiveness Index has been designed as an integrated measure of competitiveness focusing on both the development and sustainability of businesses and the economic welfare of individuals.

The aim of the index is to assess the relative economic competitiveness of areas by constructing a single index that reflects, as fully as possible, the measurable criteria constituting place competitiveness. The report defines competitiveness to be "the capability of an economy to attract and maintain firms with stable or rising market shares in an activity, while maintaining stable or increasing standards of living for those who participate in it". A number of different indicators and variables are used to produce this index, based on input, output and outcome factors:

- **Input factors:** Economic Activity Rates; Business Start-up Rates per 1,000 inhabitants; Number of Business per 1,000 inhabitants; Proportion of Working Age Population with NVQ Level 4 or higher; and Proportion of Knowledge-Based Business
- **Output Factors:** Gross Value Added per head at current basic prices; Productivity - Output per hour worked; and Employment Rates
- **Outcome Factors:** Gross Weekly Pay and Unemployment Rates

Upper Tier Local Authorities: In England, there are a mixture of single tier (unitary) and two tier authorities. In areas covered by two tiers, the upper tier will usually be known as the county or shire council and the lower tier as the district, borough or city council. Unitary authorities may have adopted any of these names.

Value Added Tax (VAT): VAT is a tax that's charged on most goods and services that VAT-registered businesses provide. In the UK, a business must register for VAT if their turnover exceeds a defined limit in the last 12 months of trading. In 2013/14 the VAT registration threshold was £79,000.

Organisations

BAA: British Airports Authority

CLG: Department for Communities and Local Government

DECC: Department for Energy and Climate Change

DEFRA: Department for Environment Farming and Rural Affairs

DFE: Department for Education

DFT: Department for Transport

DWP: Department for Work and Pensions

GLA: Greater London Authority

HAL: Heathrow Airport Limited

LA: Local Authority

LDA: London Development Agency

LSC: Learning and Skills Council

NLP: Nathaniel Lichfield and Partners

OECD: Organisation for Economic Co-operation and Development

Ofsted: Office for Standards in Education, Children's Services and Skills

ONS: Office for National Statistics

TfL: Transport for London

UKCES: UK Commission for Employment and Skills

WLA: West London Alliance

WLB: West London Business

WLWA: West London Waste Authority

Further Information

Centre for International Competitiveness (UK Competitiveness Index): www.cforic.org

Centreforcities: www.centreforcities.org

Child Poverty Map of the UK:

<http://endchildpoverty.org.uk/files/child-poverty-map-of-the-uk-part-one.pdf>

Department for Business Innovation & Skills: www.bis.gov.uk

Department for Work & Pensions: www.dwp.gov.uk

GLA Economics: www.london.gov.uk/mayor/economic_unit

NOMIS (Official Labour Market Statistics), Office for National Statistics:
www.nomisweb.co.uk

West London Alliance: www.westlondonalliance.org

West London Business: www.westlondon.com