Harrow

Local Economic Assessment 2011-12

Harrow COUNCIL
LONDON

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Introduction, Aims and Objectives

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Local Economic Assessment 2011-12

1 Introduction, Aims and Objectives

Introduction

1.1 This is Harrow's second Local Economic Assessment (LEA), the first one being produced in 2010/11. 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 the London boroughs which comprise the West London Sub-Region, 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 At a regional level, the Harrow LEA will feed into the West London LEA and will build upon and inform the London Mayor’s strategies including the London Plan and strategies for Economic Development and Transport at a London-wide level.

1.4 Harrow's LEA takes 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.

1.5 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

Consultation

1.6 In line with London Council’s 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.

1.7 Strategic partners included: the Harrow Strategic Partnership; Enterprising Harrow Steering Group, including Stanmore College, Harrow College, Jobcentre Plus, North West London Chamber of Commerce, Harrow Primary Care Trust, Harrow Citizens Advice Bureau, Harrow in Business and West London Business.

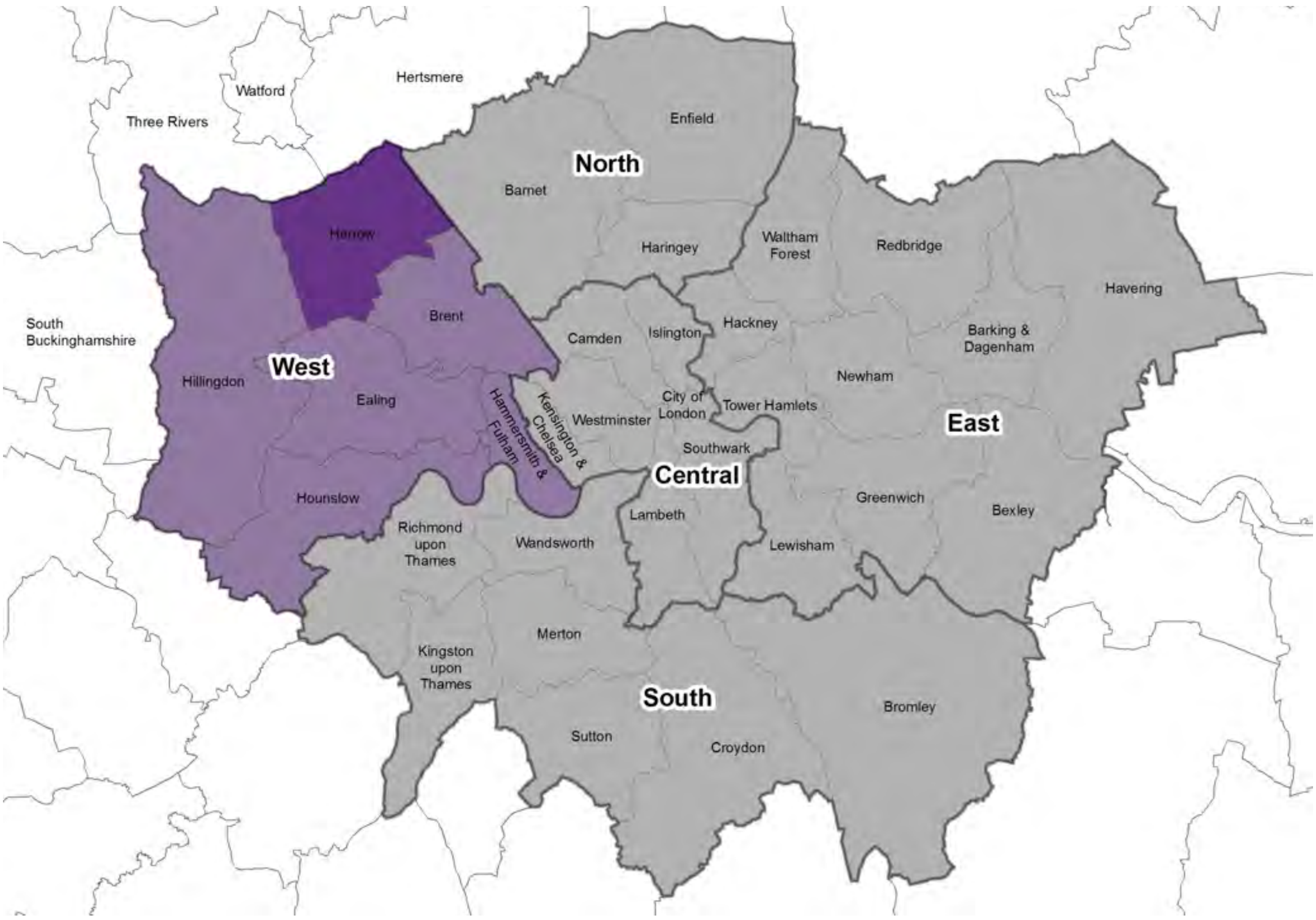
1.8 The views of the biggest employers were sought through presentations to the Large Employer Network, which at that time included: Lloyds TSB; Bovis Lend Lease (now trading as Lend Lease); Racal Esterline; Kodak; Metroline; Clementine Churchill Hospital; Bakkavör Pizza and ColArt (moved out of Harrow late 2011).

1.9 Smaller businesses were consulted through the Federation of Small Businesses and Chamber of Commerce.

The LEA Area

1.10 Harrow is an attractive Outer London borough situated in north-west London, approximately ten miles from Central London. The borough is part of the West London Sub-Region, which comprises five other London boroughs: Brent, Ealing, Hammersmith & Fulham, Hillingdon and Hounslow. The London Borough of Barnet borders the eastern part of the borough and Hertfordshire lies to the north, with the District Councils of Three Rivers and Hertsmere immediately adjoining.

Map 1 Harrow in a Regional Context



Source: GLA

1.11 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. 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 (Brent, Ealing, Harrow, Hillingdon, Hounslow and Hammersmith & Fulham) are working together on a range of sub-regional issues, including planning for future waste management requirements through the production of the joint West London Waste Plan. This plan also includes Richmond upon Thames, but not Hammersmith & Fulham.

1.12 Harrow is one of London's most attractive suburban areas and is primarily a dormitory suburban area. With a population of over 230,000 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 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

1.13 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.

1.14 The core objectives[(1)] 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

1.15 The Harrow LEA will inform local strategies including the Sustainable Community Strategy, 16-19 learning commissioning 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 will continue to inform other Development Plan Documents (DPDs), including the Harrow & Wealdstone Area Action Plan.

1.16 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.

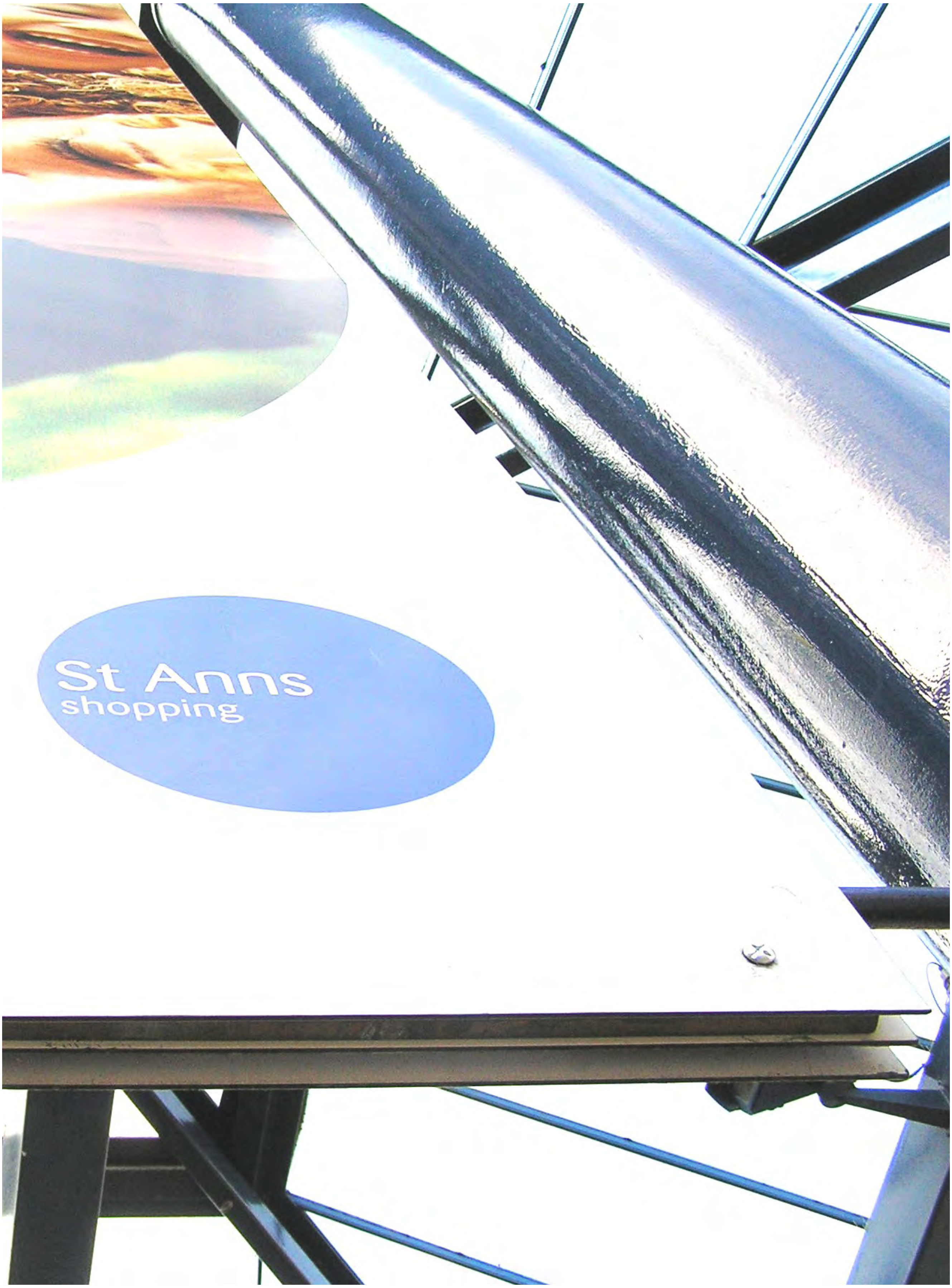
Note: This 2011/12 LEA uses statistics that were available at the end of December 2011.

1 CLG Statutory Guidance on Local Economic Assessments, March 2010

Executive Summary 2

Local Economic Assessment 2011-12

2 Executive Summary



Population

- Harrow's population has been steadily increasing over the past 25 years and the borough's resident population is currently estimated to be 230,100 (2010 ONS Mid-Year Estimate). Since 2001 Harrow's population has grown by 9.6% or 20,100, substantially higher than London's growth rate of 6.9% and the West London rate of 4.2% over the same period.

- Population projections indicate that Harrow's population will continue to increase over the next five years and beyond, but by how much is uncertain. Data from the 2011 Census will become available from July 2012, and will be used to provide a more robust baseline for new population projections.

- Harrow has one of the most ethnically diverse populations in the country. Estimates show that over 51% of Harrow's residents were of ethnic minority in 2009, 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 184th 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

- 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 four, since 2007. There is a correlation between high levels of income deprivation and employment deprivation, and areas with a higher concentration of social housing.

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 & Wealdstone Intensification Area, where 3,000 jobs could be delivered, with the remaining 1,000 jobs likely to come from infill development with Harrow’s network of town centres and from other identified sites on previously developed land.

- Key growth sectors are likely to be in Other Services, Hotels and Restaurants 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 Central London (23%+) and the neighbouring London boroughs of Ealing, Brent, Hillingdon, and Barnet (25%). Just under a third of Harrow's residents work in the borough itself.

- Under half of Harrow's jobs are filled by its residents, with other workers coming mainly from the neighbouring areas of Hillingdon, Brent, Ealing, Hertsmere and Barnet

Labour Market

- Economic activity and employment rates in Harrow are amongst the highest in London and higher than West London generally

- Employment rates for those from minority ethnic groups and for disabled people in Harrow are considerably higher than West London, London and England 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 2011 was the lowest level in London.

- At 3.9% (December 2011), the unemployment rate in Harrow was below the rates for West London, London and England. However, unemployment in Wealdstone and Marlborough wards was above the London rate of 6.2%.

- The number of residents of working age on key out-of-work benefits has been falling since August 2009, but worklessness rates in 15 of Harrow's 137 LSOAs have rates which exceed the London average of 12.4%.

Skills

- Harrow's workforce is well qualified - over one-third of working age residents held a degree level qualification in 2010 and only 6.2% 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 26%, this proportion is three times the national rate of 8.6%.

- 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 are not in education, employment or training (NEET), in Harrow is one of the lowest levels 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 2010 Business Register and Employment Survey shows that Harrow provides employment for approximately 68,000 people (including 4,800 people who are working owners). This is the smallest employment base of all the West London boroughs.

- In terms of employment sectors, the most dominant sectors in Harrow are: Finance, IT, property and other business surveys (29%), Public administration, education & health (28%); and Wholesale/retail trade and vehicle repairs (17%)

- The local authority is the largest employer in Harrow, but 56% of local government jobs in Harrow are part-time jobs

- A high proportion of Harrow's employed residents (45%) are either classified as 'Managers and Senior Officials' or 'Professional Occupations'. This compares to 34% in West London and 37% in London.

- In 2010/11 just over 7% of Harrow's workers (aged 16+) were self-employed, below the levels for West London, London and England

Business and Enterprise

- Small businesses (0-4 people) in the borough represent 78% 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 2,000 (19%) businesses. This is also the most dominant industry group within West London and London. Construction forms the second largest industry group in Harrow with 12% of businesses.

- Nearly one in five of Harrow's (and London's) businesses were established less than two years ago, higher than the national average of 15% and perhaps indicating a higher level of entrepreneurship within the capital city

- There has been a steady increase in business formation 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 collected over the past ten years.

- Around 55% of Harrow's workforce are employed in the 'Knowledge Economy' compared to 50% 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.
- BT has deployed its 'Super Fast Fibre Access' across the borough. This enables the delivery of the fastest broadband services, which should enhance the way people work remotely, help create economic growth and attract small businesses

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
- In a recently published Retail Risk Index, 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 1998 to 2008 show: a significant loss (21%) of office floorspace; a small increase in retail floorspace; a small decrease in factory floorspace; and a 13% increase in warehousing (but from a relatively low base).
- Commercial property rental levels are generally lower in Harrow when compared to other centres such as Watford, Ealing and Uxbridge
- 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: Enterprising Harrow (the council's Economic Development Strategy); the Harrow Core Strategy; and the Harrow Sustainable Community Strategy.

Employment Forecasts **3**

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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. The sectoral forecasts (detailed below) were made on a series of pre-recessionary assumptions, so future forecasts are likely to be revised downwards, as we are beginning to see in the latest GLA trend-based forecasts (para 3.13).

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.(2) 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 is 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 and Fulham (46,000 jobs), whilst relatively small increases are predicted to be in Harrow (6,000 new jobs created) and Hounslow (4,000). The West London Alliance take the view that the impact of the recession has probably resulted in no overall growth between 2007 and 2011, and assuming growth beyond then (as per the original forecasts), would result in 90,000 new jobs in West London by 2031, rather than 99,000.

3.4 The London Plan promotes the concept of identifying, developing and promoting strategic development centres in Outer London.(3) 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

2 West London Economic Assessment, West London Alliance, March 2011
3 Policy 2.16 (Strategic Outer London Development Centres) of The London Plan, Mayor of London, July 2011

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.

3.6 The ‘Working Futures 2007 to 2017’ report[4] highlighted the following about employment projections in West London:

- 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

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 for the Local Development Framework.

3.8 As part of this review, employment forecasts were undertaken. 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 Core Strategy[5] identifies that 3,000 additional jobs could be created through comprehensive and co-ordinated regeneration within the Harrow and Wealdstone Intensification Area and the adopted Harrow and Wealdstone Action Area Plan will detail how this can be achieved.

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	0.51
Hotels & Restaurants	4,697	5,856	6,855	8,025	70.9
Transport & Communications	3,225	3,114	3,037	2,962	-16.5
Financial Services	2,788	2,808	2,822	2,836	1.7
Business Services	17,664	18,291	18,753	19,227	8.8

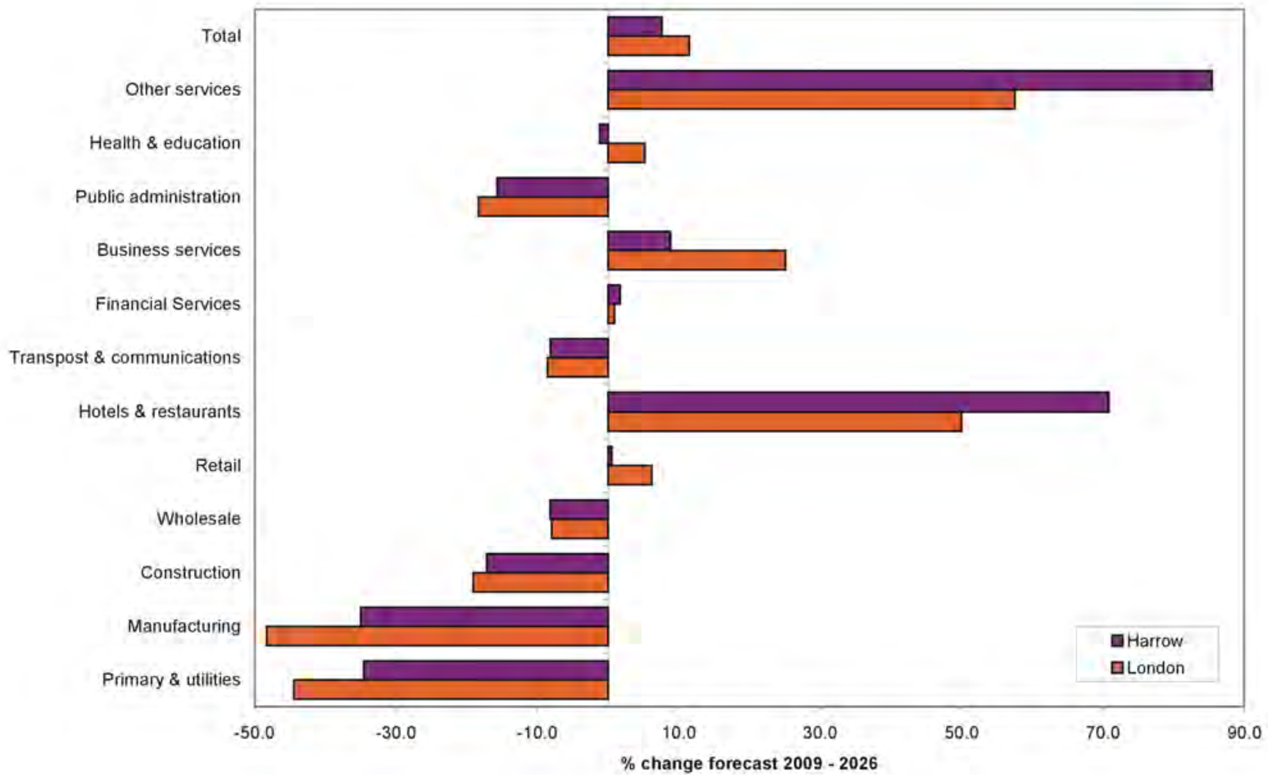
4 UK Commission for Employment and Skills (UKCES)
5 Harrow Core Strategy, Harrow Council, February 2012

Sector	2009	2016	2021	2026	% Change 2009 - 2026
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

3.10 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.[6]

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)

3.11 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. Health and Education is the only sector where the Harrow and London forecasts go in different directions. Employment in this sector in Harrow is likely to decline by 1.2% by 2026, but within London overall 5.2% growth is forecast.

6 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.

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 10 - 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 Accommodation & Food Service.

3.12 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.

GLA Trend-based Forecasts

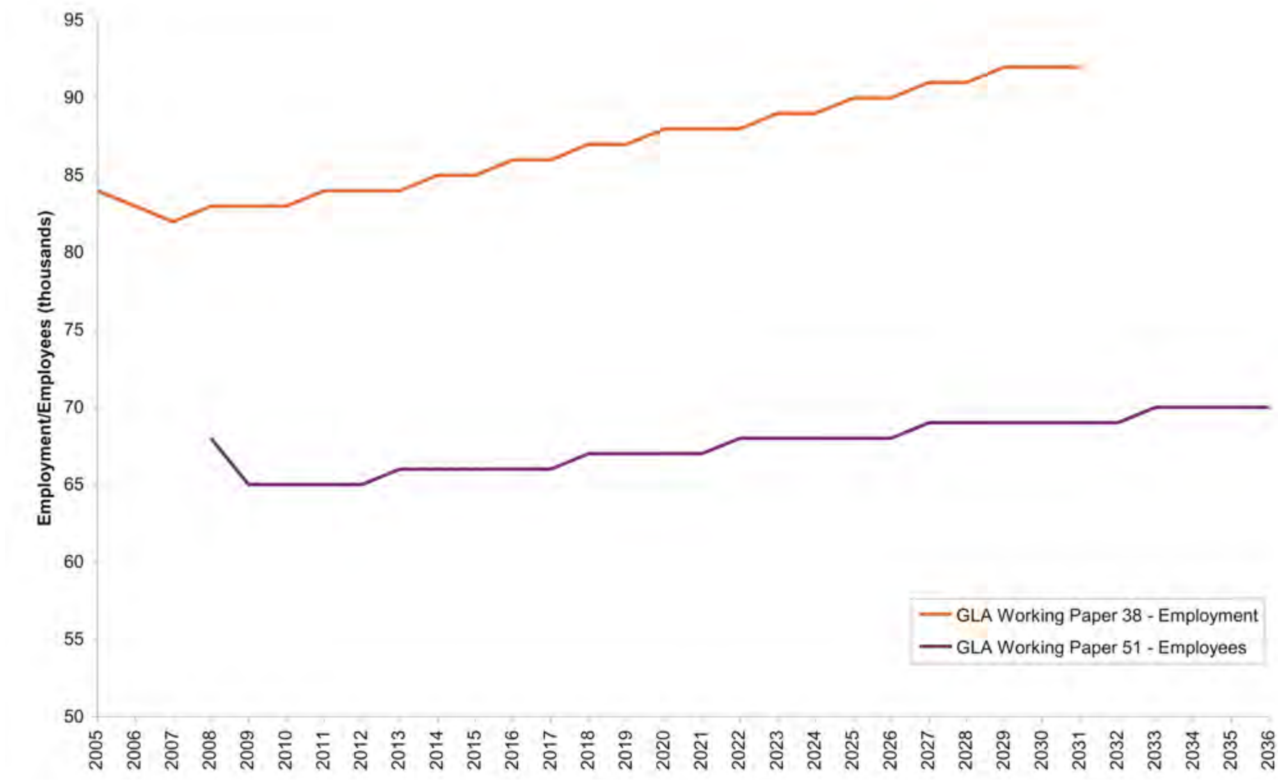
3.13 In February 2012 GLA Economics published Working Paper 51:Employment Projections for London by Sector and Trend-based Projections by Borough. Working Paper 51 presents the GLA's new medium-term trend-based forecasts for employment in London and replace those published in Working Paper 38. However, unlike previous employment projections, these latest projections represent employees only and do not include the self-employed, because the self-employed data at borough level is considered, by the GLA, to be unreliable. The GLA state that "It is important to note that these borough forecasts are not the ones that would be used for a Replacement London Plan". This is because the forecasts that were used in the Replacement London Plan (July 2011) use three different forecasts to produce a full 'triangulated' set of employment forecasts. Triangulated forecasts additionally consider forecasts for transport accessibility and for workplace capacity. The employment forecasts produced by Nathaniel Lichfield and Partners for Harrow's 2010 Employment Land Study are also based on triangulated forecasts.

3.14 These forecasts disaggregate employment by the sectors used in the 2007 Standard Industrial Classification, but only for London overall. By sector, these trend-based forecasts indicate (from 2010) falling employment numbers to 2036 in the following sectors: Primary & Utilities; Manufacturing; Construction; Wholesale; Transportation & Storage; Financial & Insurance activities; and Public Administration & Defence. Growth is expected in: Retail (modest growth only); Accommodation & Food Service activities; Information & Communication; Professional, Scientific, Technical activities and Real Estate; Administrative and Support Service activities; Education; Health; Arts, Entertainment & Recreation; and Other Services.

3.15 For Harrow, like all London boroughs (except for Tower Hamlets), there have been falling numbers of employees in each area over the past 20 years. This pattern has therefore led to more moderate trend-based forecasts generally and, for Harrow, these are depicted in Figure 2. Despite the different bases for these projections the latest projections (GLA Working Paper 51) show much slower growth even when accounting for the exclusion of the self-employed (15,700 in 2010/11).[7]

7 ONS Annual Population Survey, July 2010 to June 2011)

Figure 2 Trend-based Employment Forecasts, Harrow, 2005 - 2036



Source: GLA Economics (Working Papers 38 and 51)

Summary

3.16 With the last economic boom ending in 2007 the country is now largely in a period of deficit reduction and weak growth. London currently seems to be faring slightly better than some of the other regions, likewise Harrow (as evidence presented throughout this report shows). In terms of employment projections the latest GLA-Trend based forecasts, which show modest employment growth in the borough over the next 25 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 the ones that would be used for a Replacement London Plan. The forecasts that were used for the recent Replacement London Plan (July 2011) use the trend-based methodology, but in addition compare ('triangulate') the results with forecasts for transport accessibility and for workplace capacity.

3.17 The adoption of the Harrow Core Strategy and the emerging Harrow & Wealdstone Action Area Plan seek to facilitate the regeneration of the Harrow and Wealdstone Intensification Area, where most of Harrow's future employment growth is likely.

Linkages and Flows **4**

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4 Linkages and Flows

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 (see Map 2).

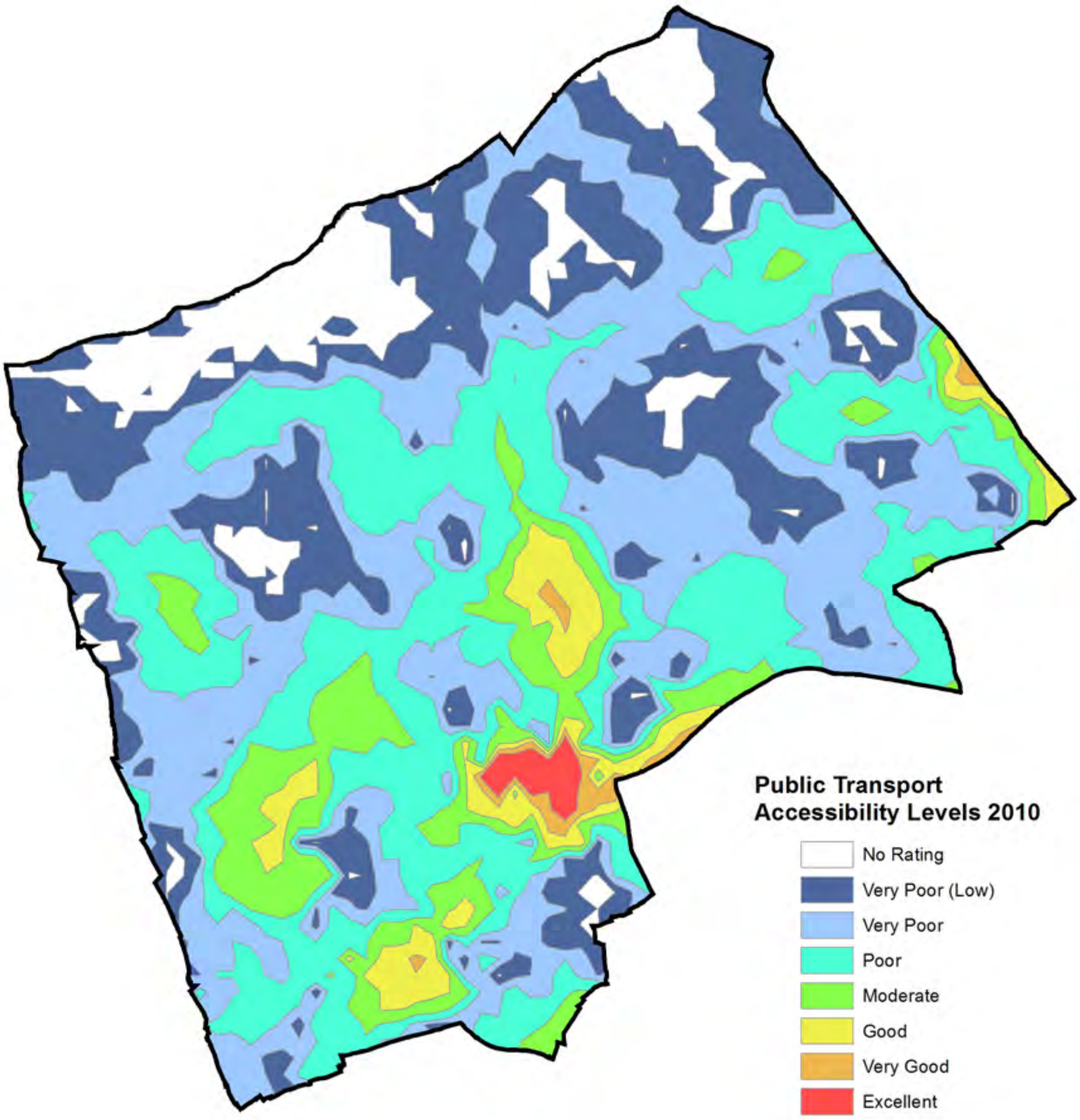
4.4 On average across the borough, public transport accessibility reflects Harrow's Outer London location with the borough ranking 6th out of the 33 London boroughs in terms of the proportion of the borough with the lowest levels of public transport access.[8]

4.5 Car ownership levels in Harrow are higher than the national average and are the third highest level in London. One third of households in Harrow have two or more cars, which is the second highest level in London (2001 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 derived wards (CLG, Index of Multiple Deprivation, 2010). 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.

8 TfL Planning Information Database: PTAL analysis, 2008

4.6 Traffic congestion is seen as an issue in the borough. Traffic builds up on road links across the borough and around Harrow Town Centre. As a result, links to the M40 and M4 corridor are not as good as for boroughs to the west of Harrow and so the borough is not seen as a key distribution or office location. Similarly, although the M1 runs alongside the north-eastern edge of the borough, transport links to the M1 from across the borough are not as good as links to the M1 from other areas, such as Watford.

Map 2 Public Transport Accessibility Levels, 2010



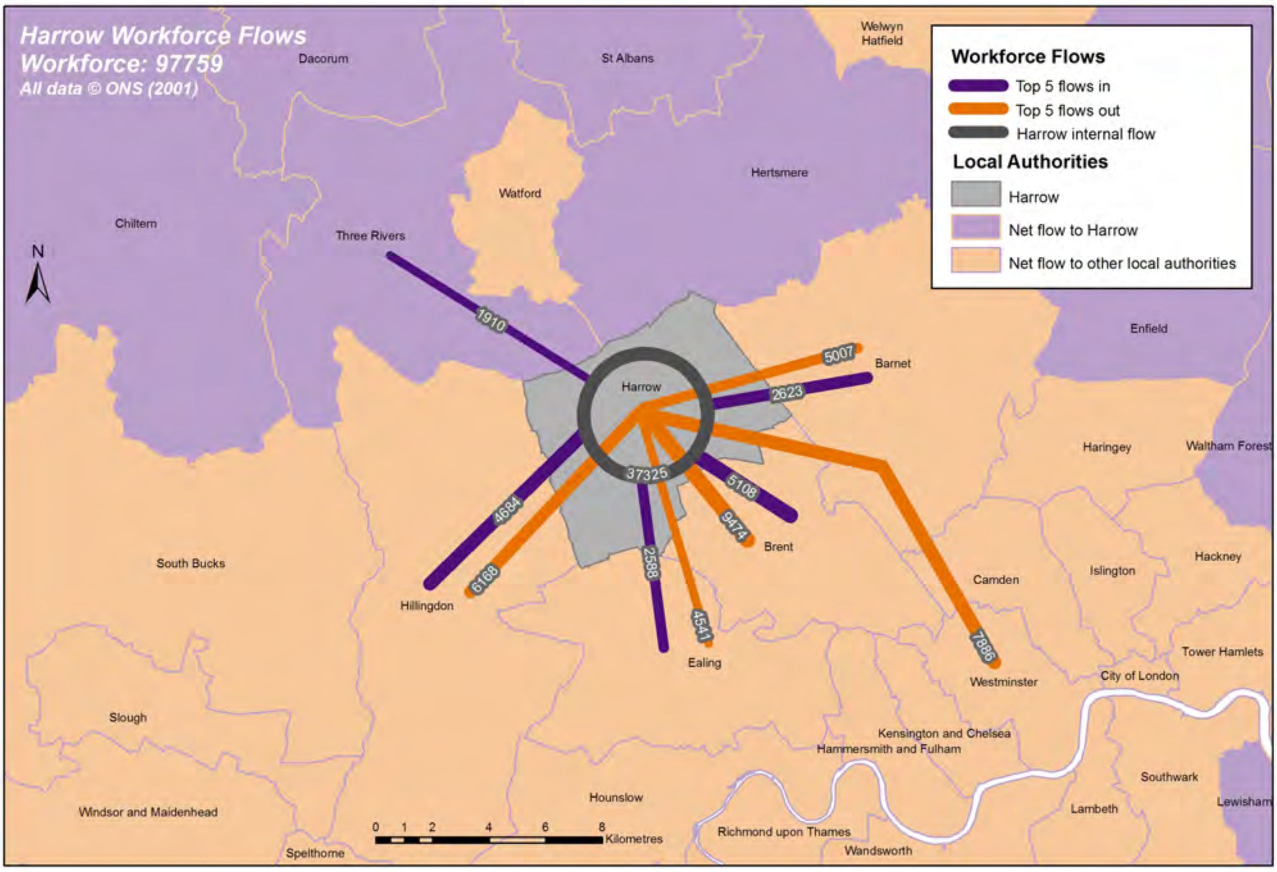
Source: Public Transport Accessibility Levels, 2010, Transport for London

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 2001 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 2001, ONS

4.8 Whilst the age of this data now limits its use, the Office for National Statistics (ONS) published similar data from the 2008 Annual Population Survey (APS), but it is not as comprehensive as census statistics. The APS shows that around 31% of Harrow's residents work within the borough, while about 25% work in the neighbouring London boroughs of Brent, Hillingdon, Barnet and Ealing (Table 2). Due to the good radial public transport links into Central London, a significant proportion of Harrow's residents commute into Central London - at least 23%. This figure is likely to be an underestimate, as the outputs from the 2008 APS do not include flows to all areas, so places such as Camden, Islington and Tower Hamlets (including Canary Wharf) are not included. The 2001 Census showed that over 6% of Harrow's residents worked in these three other Central London boroughs, and there are also other central areas not included. Once of the most significant changes since 2001 is the high number of workers travelling to Southwark. This is probably due to the Jubilee Line extension which was completed in late 1999 and the subsequent new employment opportunities which have sprung up along the route, particularly at London Bridge City. Employment in the City of London for Harrow's workers has fallen since 2001.

Table 2 Place of Work for Harrow Residents

Rank	Location	2001 Flow	2008 Flow
1	Harrow	35.9%	31.1%
2	Southwark	1.6%	15.2%
3	Brent	10.6%	10.6%
4	Hillingdon	4.3%	6.3%
5	Barnet	8.8%	4.8%
6	Ealing	3.5%	3.7%
7	City of London	7.4%	3.5%
8	Westminster	5.2%	3.3%
9	Watford	2.3%	2.8%
10	Hammersmith & Fulham	1.9%	1.7%
11	Hounslow	n/a	1.4%
12	Hertsmere	1.3%	1.3%
13	Kensington & Chelsea	1.1%	1.1%
Source: Local Labour Force Survey, 2001 & Annual Population Survey, 2008 via Commute APS			

4.9 In terms of the people who work in Harrow, there is also a significant number of people who commute into the borough - most notably from the southern parts of Hertfordshire (Watford, Hertsmere) and adjacent London boroughs such as Hillingdon, Brent and Ealing. Flows, in particular, from Hillingdon appear to have increased since 2001, whilst the proportion of Harrow residents working within the borough has fallen (Table 3). The 2001 Census showed that flows from Hertfordshire into Harrow slightly exceeded flows from Harrow to Hertfordshire, with 6,840 people commuting to Harrow and 6,010 travelling out of Harrow to Hertfordshire to work.

Table 3 Place of Residence for Harrow Workers

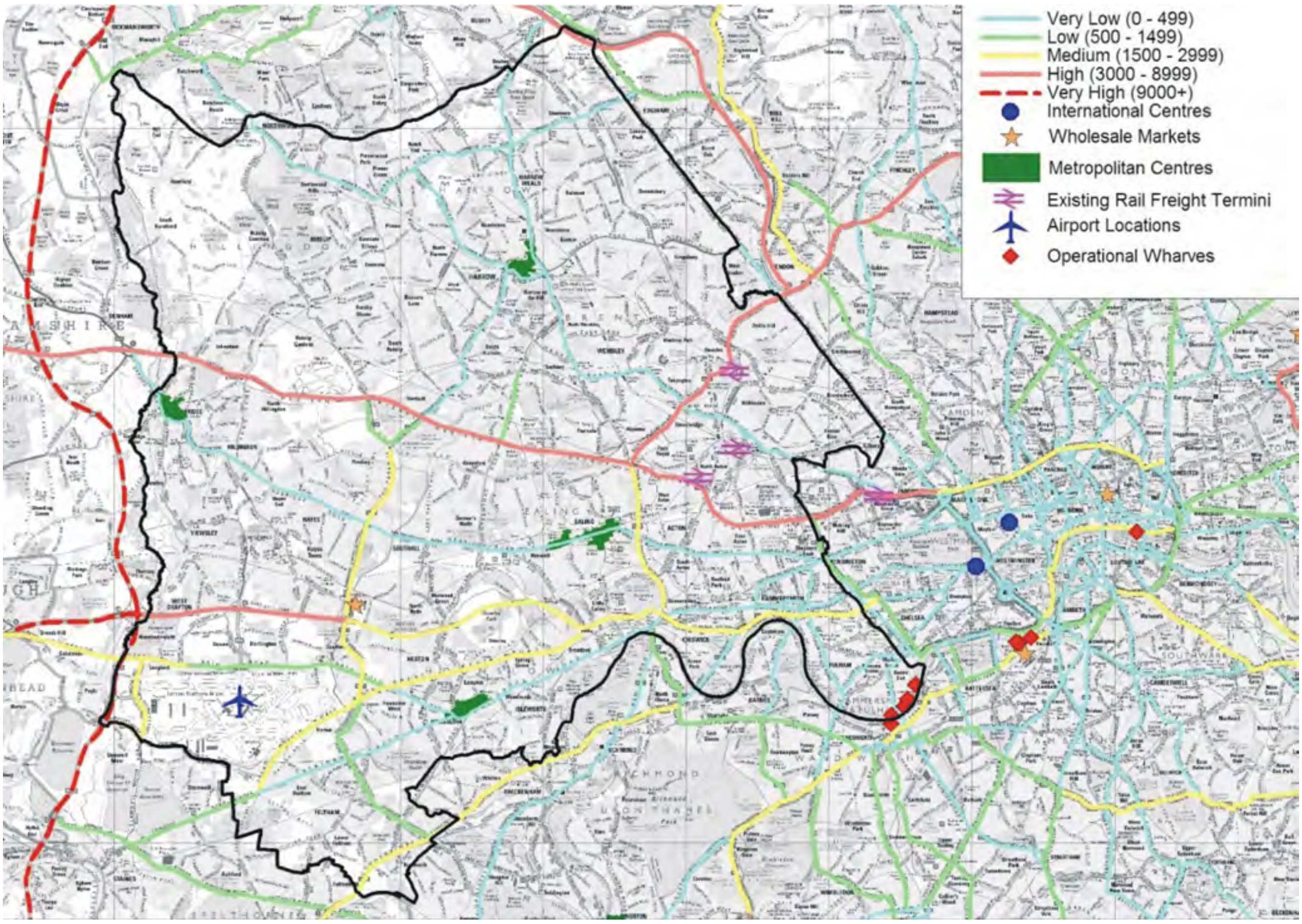
Rank	Location	2001 Flow	2008 Flow
1	Harrow	50.2%	45.8%
2	Hillingdon	7.7%	12.3%
3	Brent	11%	10.5%
4	Ealing	4.6%	5.7%
5	Hertsmere	3.1%	3.4%
6	Watford	2.8%	2.6%
7	Camden	n/a	1.4%
Source: Local Labour Force Survey, 2001 & Annual Population Survey, 2008 via Commute APS			

4.10 A high proportion of Harrow's working residents travel to work by car. The 2001 Census showed that nearly 50% of Harrow's residents travelled by car to work, higher than the West London average of 43% and London's level of 36%. Over 45,300 residents use their car or van for work, with nearly 68% of these commutes made to workplaces outside the borough. In addition 20,400 workers drive to work in Harrow, from places outside of the borough.

Trading Links and Movement of Goods and Services

4.11 There are relatively low levels of movement of goods through the borough when compared to the rest of West London. Map 4 shows that the majority of HGV flows occur along the M1/A406/A40/M4 corridors and these all fall outside Harrow's boundary.[9]

Map 4 HGV flows in West London - Annual Average Daily Flows Based on DfT Counts



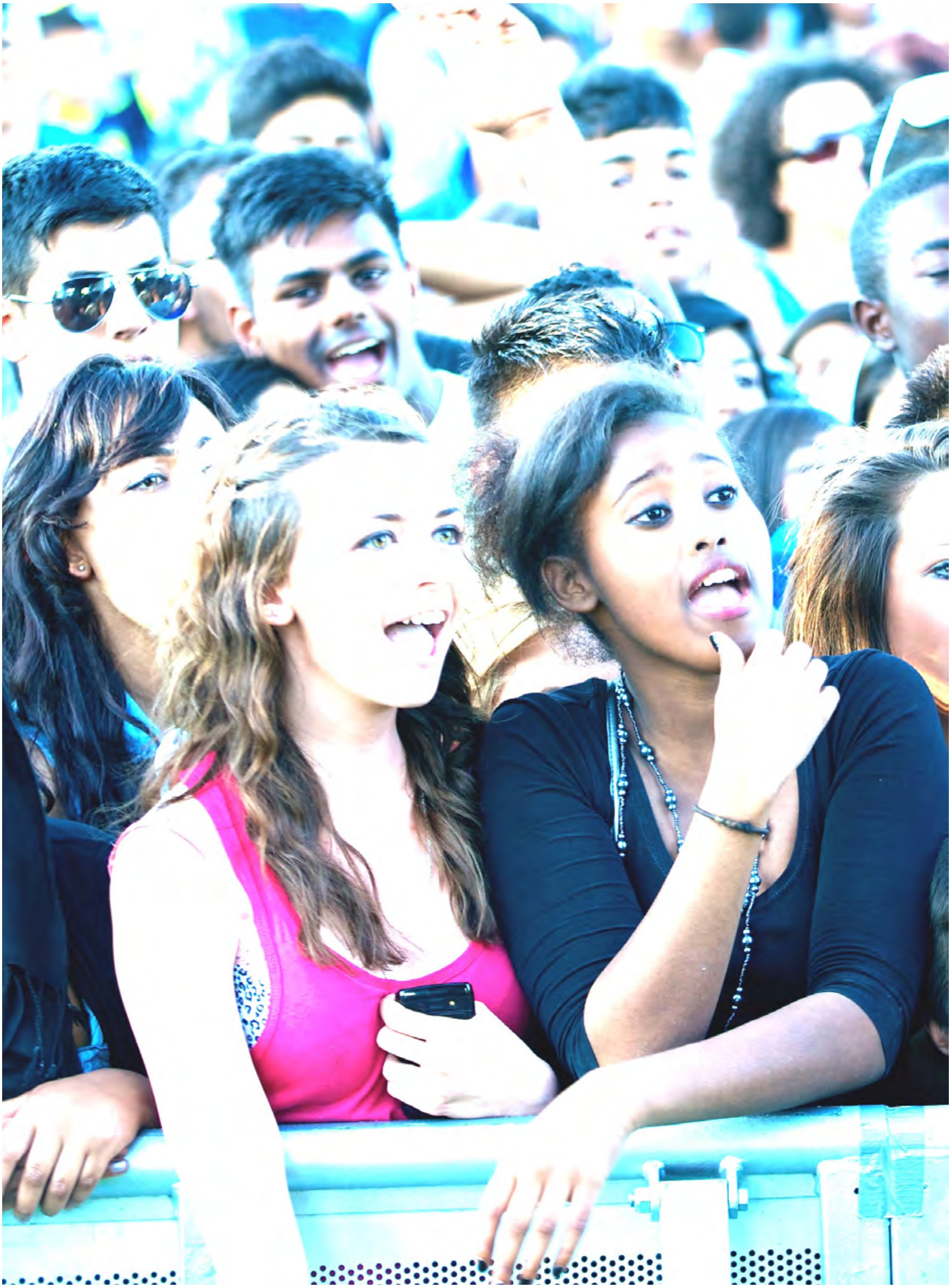
Source: West London - Developing a Sub-Regional Transport Plan, Interim Report on Challenges and Opportunities, TfL 2009

9 HGVs are vehicles greater than 3,500 kg

Population 5

Local Economic Assessment 2011-12

5 Population

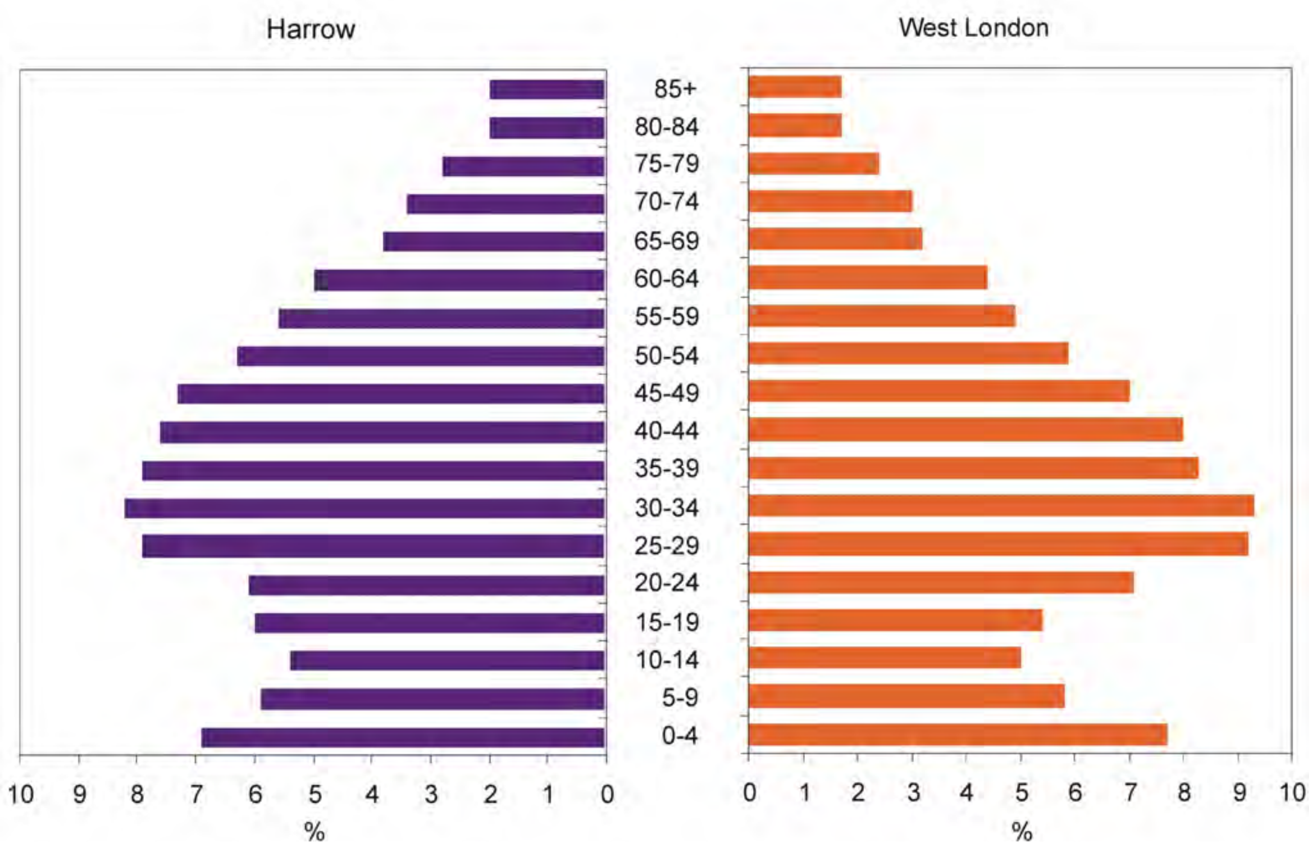


5.1 In 2010 Harrow's resident population (Office for National Statistics Mid-Year Population Estimates) was estimated to be 230,100, showing a growth rate of 0.8% between mid-2009 and mid-2010. This gives a population density of nearly 46 persons per hectare, below the London average of 50 persons per 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 19th in terms of population.

5.2 Harrow's population has been steadily increasing over the past 25 years. In 1985 Harrow was home to 205,600 people, but the estimates show that the borough's population has grown by 12% since then, an increase of 24,500 people, with most of this growth occurring in the past ten years. Since 2001, Harrow's population is shown to have increased by 9.6% or 20,100. This is substantially higher than London's growth rate of 6.9% and the West London rate of 4.2% over the same period. Harrow's estimated population growth means that the borough is in the top quintile of all local authorities for population growth in England & Wales between 2001 and 2010. Harrow's growth rate is ranked 42 out of 376 local authorities, based on those in existence in 2001.

Age Structure

Figure 3 Population by Age Group - Harrow and West London



Source: 2010 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 2010 MYEs show that the average age in Harrow is 37.3, older than London's average of 34.9 years, but younger than the average age for England & Wales at 39.6 years.

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 38%, compared to 42% over West London as a whole.

5.4 Two-thirds (66.6%,153,200 people) of Harrow's residents are of working age (16-64), which is a slightly lower level compared to West London's at 68.4% and 68.9% in London as a whole. The level in England & Wales is below Harrow's, at 64.7%. Projections show that Harrow's working age population will continue to increase over the next five years and possibly beyond.

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 since 2002/03 overall net migration in Harrow has been positive, peaking in 2004/05 at over 2,900 and at its lowest level in 2010/11 at 35.[10] Looking at the level of the internal and international flows which contribute to the net migration figure, it is estimated that nearly 16,800 people moved into Harrow in 2009/10 and over 16,700 moved out of the borough, showing a considerable amount of annual population churn.

Ethnic Diversity

5.6 Harrow has one of the most ethnically diverse populations in the country. Estimates show that 51.3% of Harrow's residents were of ethnic minority in 2009, where ethnic minority is defined as all people who are non-White British. Nationally, Harrow now has the fourth highest proportion of residents from minority ethnic groups, compared to a ranking of eighth in 2001.[11]

5.7 Harrow's largest minority ethnic group is the Indian group and GLA projections 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 (Figure 4). The 2011 Census results will be released from July 2012 onwards and will provide a much more accurate and detailed picture of Harrow's diverse population. In particular, the 2011 Census will give us a more comprehensive breakdown of the different communities which make up the White group, which now include sizable communities of residents from Eastern European countries.

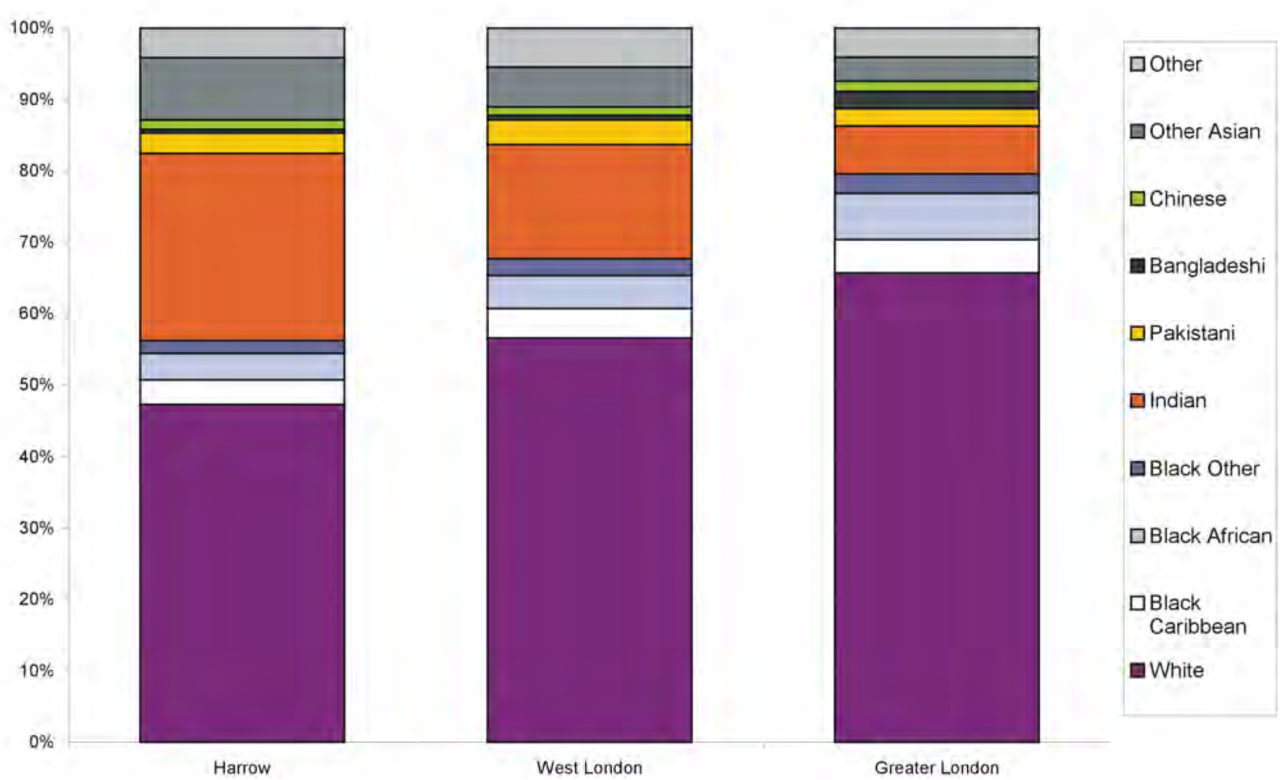
5.8 By 2016, 56% of Harrow’s residents are likely to be from Black, Asian and other minority ethnic groups (excluding minority White groups) - this proportion could be around 60% by 2026.[12]

5.9 Within Harrow’s maintained primary and secondary schools, at least 80% of pupils are from minority ethnic groups, which includes all children and young people who are not White British, and is a rise of 2% on last year (School Census, January 2011).

5.10 In 2001 Harrow had the highest level of religious diversity of any local authority in England & Wales. 20% of Harrow’s residents were of Hindu faith - the highest proportion in England & Wales.[13]

10 ONS Mid-Year Estimates
11 Office for National Statistics (ONS) Mid-2009 Population Estimates by Ethnic Group [experimental]
12 GLA 2010 Round Ethnic Group Projections (Strategic Housing Land Availability Assessment - SHLAA)
13 2001 Census

Figure 4 Population by Ethnic Group, 2011



Source: GLA 2010 Round of Ethnic Group Projections using 2009 SHLAA (Strategic Housing Land Availability Assessment)

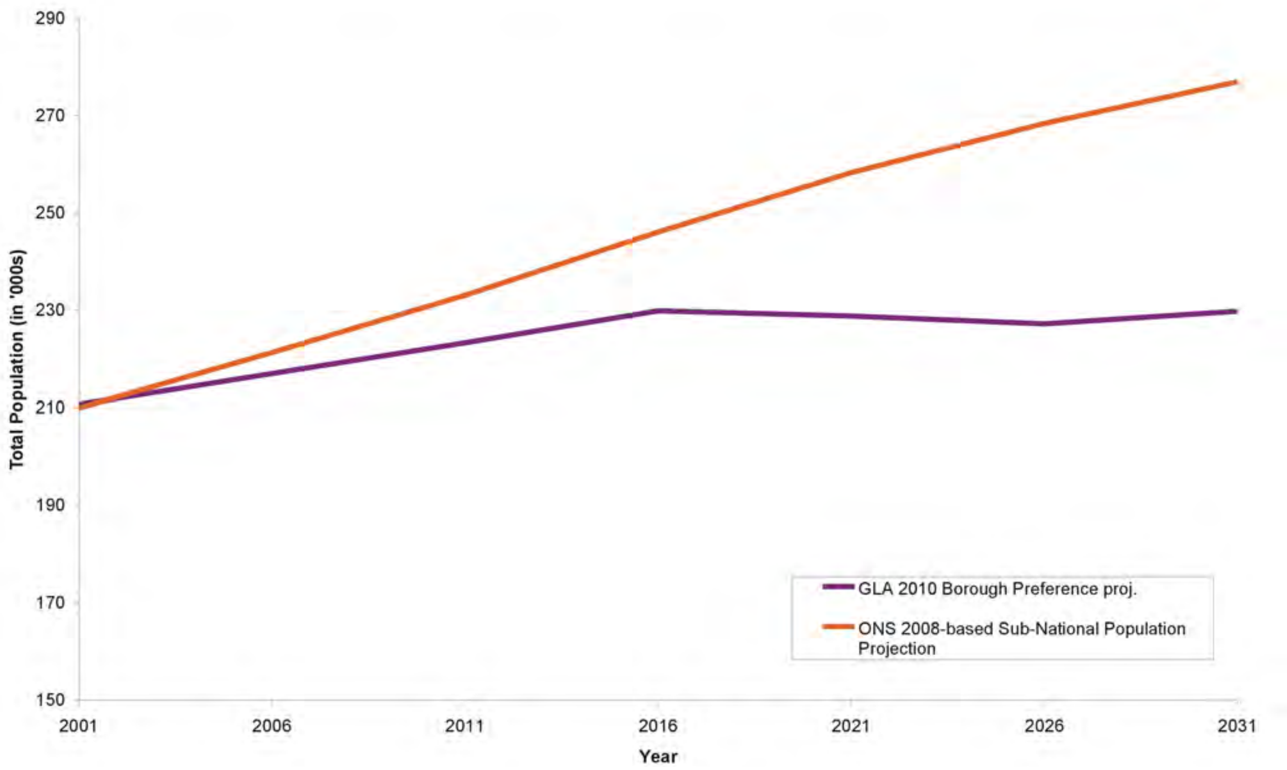
Population Projections

5.11 Over the next five years to 2016 the ONS and GLA population projections indicate that Harrow's population will continue to increase, but by how much is uncertain. The 2016 projections range from 229,900 (GLA projections)[14] to 246,100 (ONS projections)[15]. The ONS projections suggest the biggest increase in percentage terms, of 7.8%. Over the next 15 years to 2026, there is even greater uncertainty about the direction of the population projections, with the ONS projections showing a continual growth in population, whilst the GLA projections show a slightly decreasing population post-2016 (Figure 5).[16]

5.12 It is important to note that inaccuracies in the baseline population estimates, on which projections are based, grow in significance as we move away from the last fixed point, the 2001 Census, so these inaccuracies are likely to be at their greatest now. Data from the 2011 Census will become available from July 2012 onwards, so new projections will not be available until the latest Census data can be used to provide a more robust baseline.

14 GLA 2010 Round of Demographic Projections (Borough Preference)
15 ONS 2008-based Sub-National Population Projections
16 The methodology used in these two sets of projections differs considerably. The ONS projections are trend-based and take no account of likely dwelling stock changes in an area over the forecast period. The GLA projections are constrained by housing capacity and are therefore likely to show smaller increases in population over the same period. The GLA projections use Harrow's Housing Trajectory and this shows a decreasing number of housing completions post-2016, as it is difficult to project the number of housing completions beyond the next five years or so. However, new development sites will invariably come forward and this information will be fed into future rounds of demographic projections and adjustments correspondingly made. There are also differences in the way that net migration is measured by the ONS and the GLA.

Figure 5 Population Projections, Harrow 2001 - 2031, All Ages



Source: GLA 2010 Round of Demographic Projections (Borough Preference variant) and ONS 2008-based Sub-National Population Projections

5.13 The Mid-Year Estimates show that Harrow's population is growing annually 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, nearly doubling over the period to 2009/10. The 'natural change' was over 1,900 net gain in 2009/10.

Deprivation

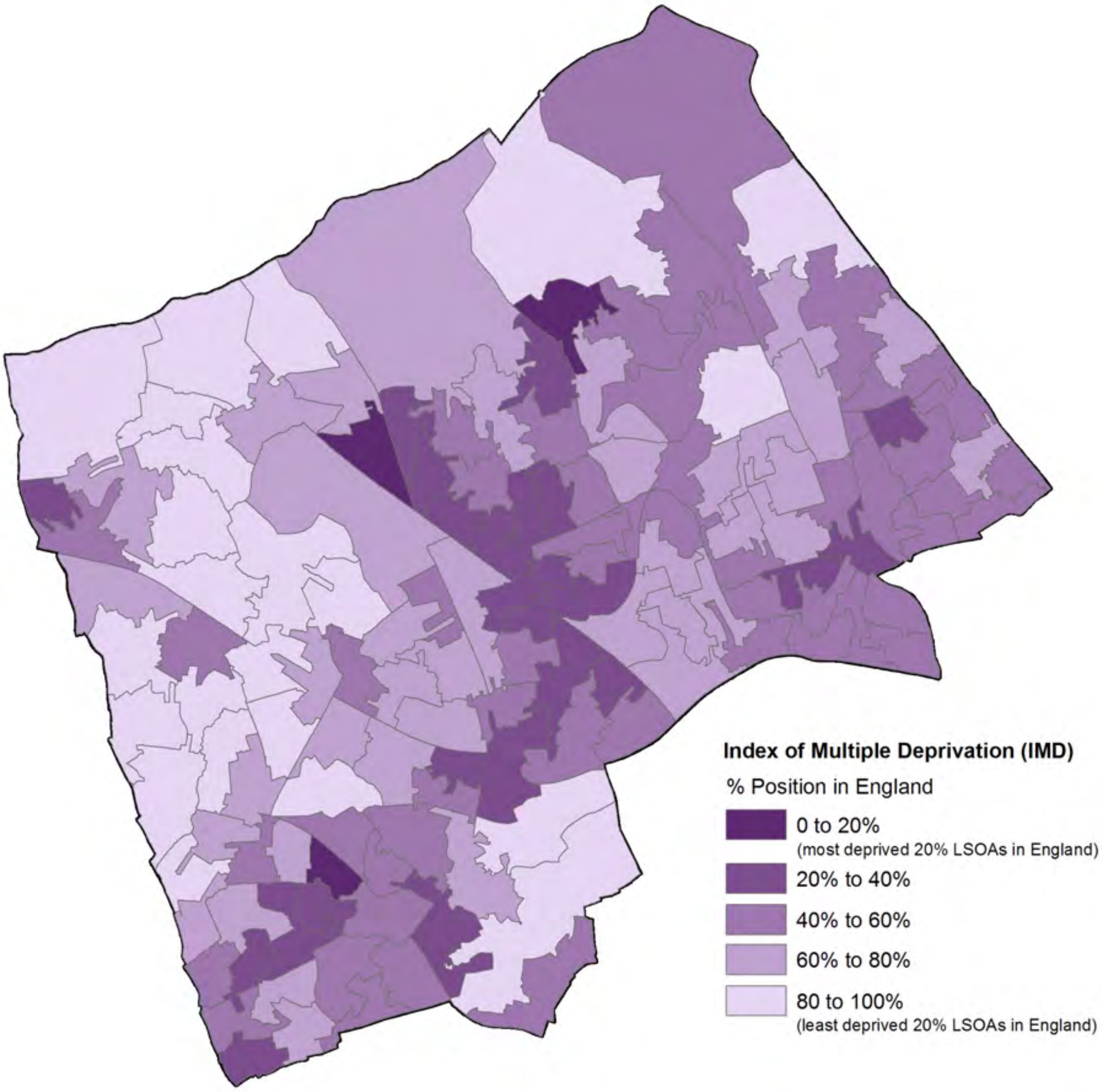
5.14 The Government's 2010 Indices of Deprivation provide an opportunity to consider deprivation in Harrow in a national context. They also enable comparisons at the local level, and the identification of 'pockets' of deprivation which can be addressed through policy and intervention.

5.15 The 2010 Indices rank Harrow the 184th 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.[17]

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

5.16 Map 5 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 5 Index of Multiple Deprivation



Source: Indices of Deprivation 2010, CLG

5.17 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 6 & Map 7 show the varying levels of employment deprivation[18] and income deprivation[19] in the borough, respectively. The darker areas identify the Super Output Areas (LSOA) with higher levels of deprivation.

5.18 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. 18 of the LSOAs in Harrow rank in the 20% most deprived in this domain; these are spread across 12 different wards.

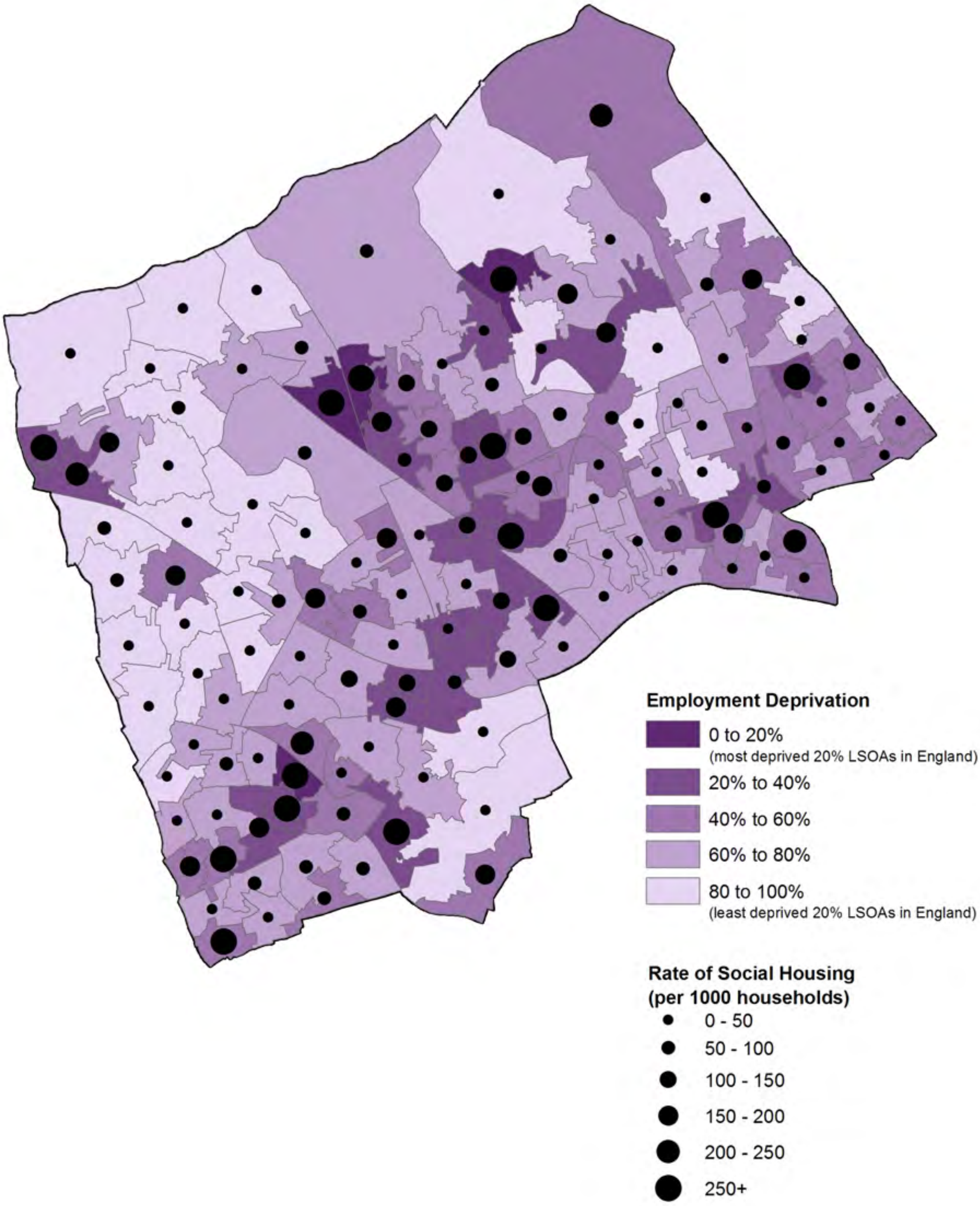
5.19 The employment domain, on the whole, shows a more positive picture. 27 of Harrow's LSOAs are in the least deprived 20% nationally. Only four of the borough's LSOAs fall within the most deprived 20% in the country, compared to eight in 2007. Harrow is ranked 237th out of 354 Districts in England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

5.20 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.

18 Employment deprivation in the ID 2007 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.

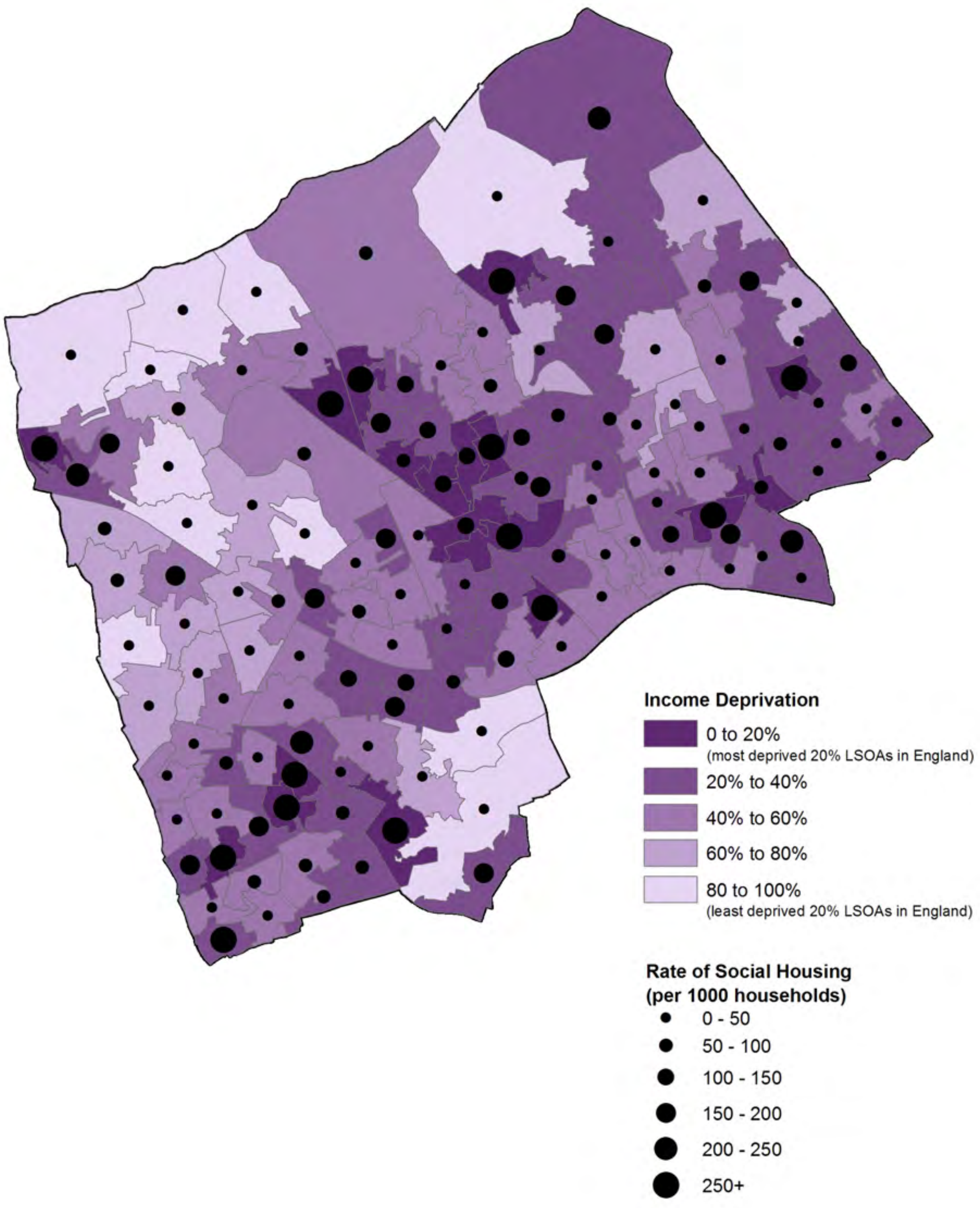
19 Indicators constituting Income Deprivation in the ID 2007 are: adults and children in Income Support households; adults and children in income based Jobseeker's Allowance households; adults and children in Working Families Tax Credit households whose income is below 60% before cost of housing; adults and children in Disabled Person's Tax Credit households whose income is below 60% of median before housing costs; National Asylum Support Service supported asylum seekers in England in receipt of subsistence only and accommodation support.

Map 6 Employment Deprivation and Social Housing



Source: Indices of Deprivation 2010, CLG

Map 7 Income Deprivation and Social Housing



Source: Indices of Deprivation 2010, CLG

Labour Market **6**

Local Economic Assessment 2011-12

6 Labour Market

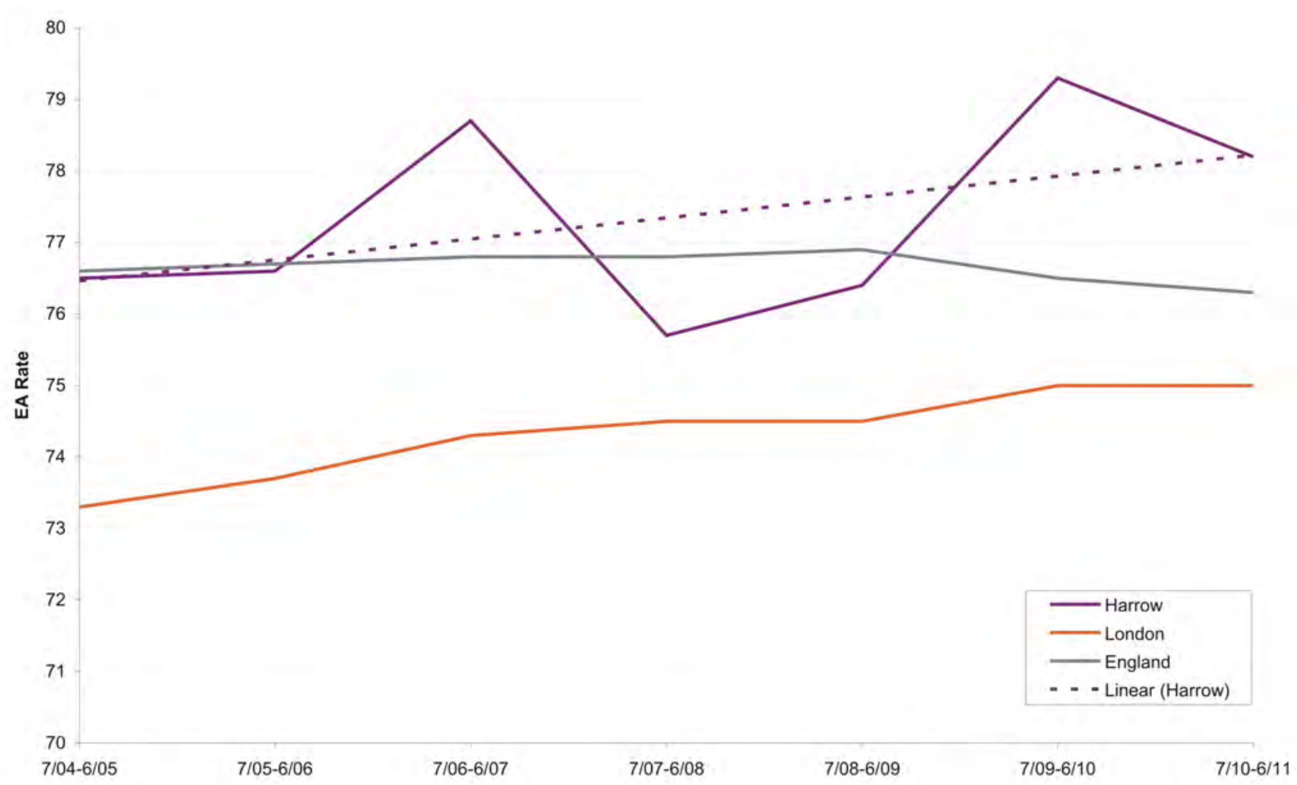
Employment and Unemployment

This section looks at employment, unemployment, the levels of benefit claimants and worklessness in Harrow, compared to West London and more widely with London and England. More detailed information on occupation and the type of employment is covered in Chapter 8 on Employment.

Residents in Employment

6.1 Harrow has the highest level of economic activity of all the West London boroughs with 78.2% of the working age population economically active, compared to 75% for London, in the year ending June 2011. 124,800 residents are classified as economically active, the sixth highest level in London. Harrow's overall employment rate was 72%, again the highest rate in West London, and above London's rate of 68.1% and the national rate of 70.3%. Employment rates vary by gender, with a male employment rate of 80.2% and a female employment rate of nearly 64%, both above the London average. 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, Mid 2004 - Mid 2011

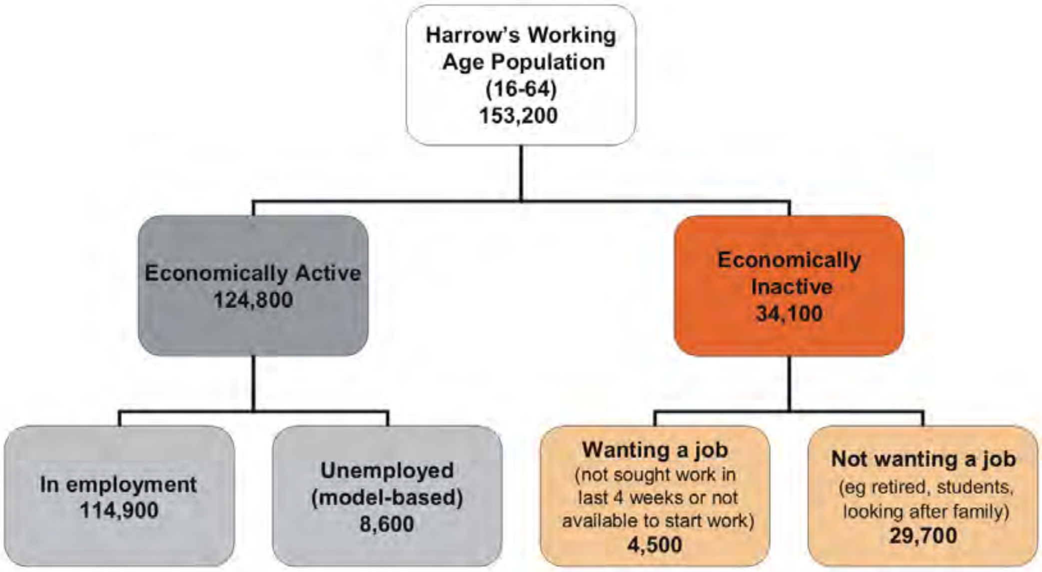


Source: ONS Annual Population Survey - Residents aged 16-64

6.2 Over the past six years (Figure 6) the level of economic activity in Harrow has fluctuated, but the general trend is upwards. Harrow's rate has been consistently higher than London's rate, which again shows an upward trend, but is around three percentage points lower than

Harrow's rate over the same period. Nationally, the percentage of the economically active population has fallen over the past two years. Conversely the level of those who are economically inactive has been falling in Harrow and London.

Figure 7 Economic Activity and Inactivity in Harrow, July 2010 - June 2011



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

Note: Numbers may not add up due to rounding

Table 4 Employment and Unemployment, July 2010 - June 2011

	Harrow		Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow	London	England
All People									
Economically Active	124,800	78.2	70.6	75.4	73.0	76.5	77.6	75.0	76.3
In Employment	114,900	72.0	64.2	69.2	68.2	69.4	71.7	68.1	70.3
Employees	99,300	62.4	49.3	56.2	55.6	61.6	61.3	57.2	60.6
Self-Employed	15,700	9.6	14.9	12.7	12.0	7.4	10.1	10.6	9.3
Unemployed (model based)	8,600	7.0	10.8	8.8	8.5	8.2	7.4	9.2	6.9

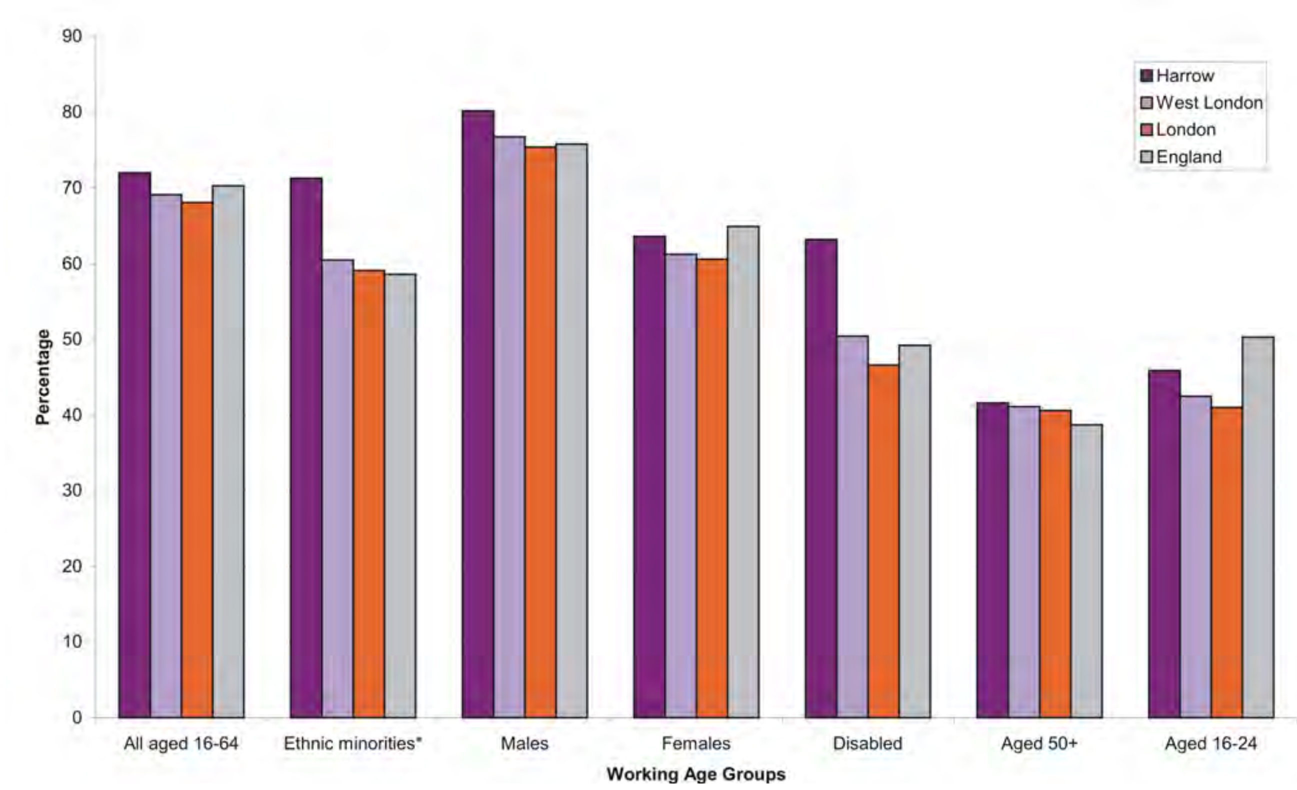
Source: ONS Annual Population Survey

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 Harrow's employment rate is higher than all the other West London boroughs, London and England overall. 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 was virtually the same as for the overall population. At 71.3% this level is over ten percentage points higher than the rates for West London, London and England.[20]
- Employment rates for men in Harrow are over 80% - again higher than the rates for West London, London & England
- At 63.6%, employment rates for women in the borough are higher than West London's and London overall, but slightly lower than the national average of 64.9%
- Employment rates for disabled people in Harrow are 63.2% - over 12 percentage points higher than for West London
- The employment rate for 16-24 years olds is lower than the national average, part reflecting the high rates of participation in further and higher education in Harrow

Figure 8 Employment Rates for Selected Groups, July 2010 - June 2011



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

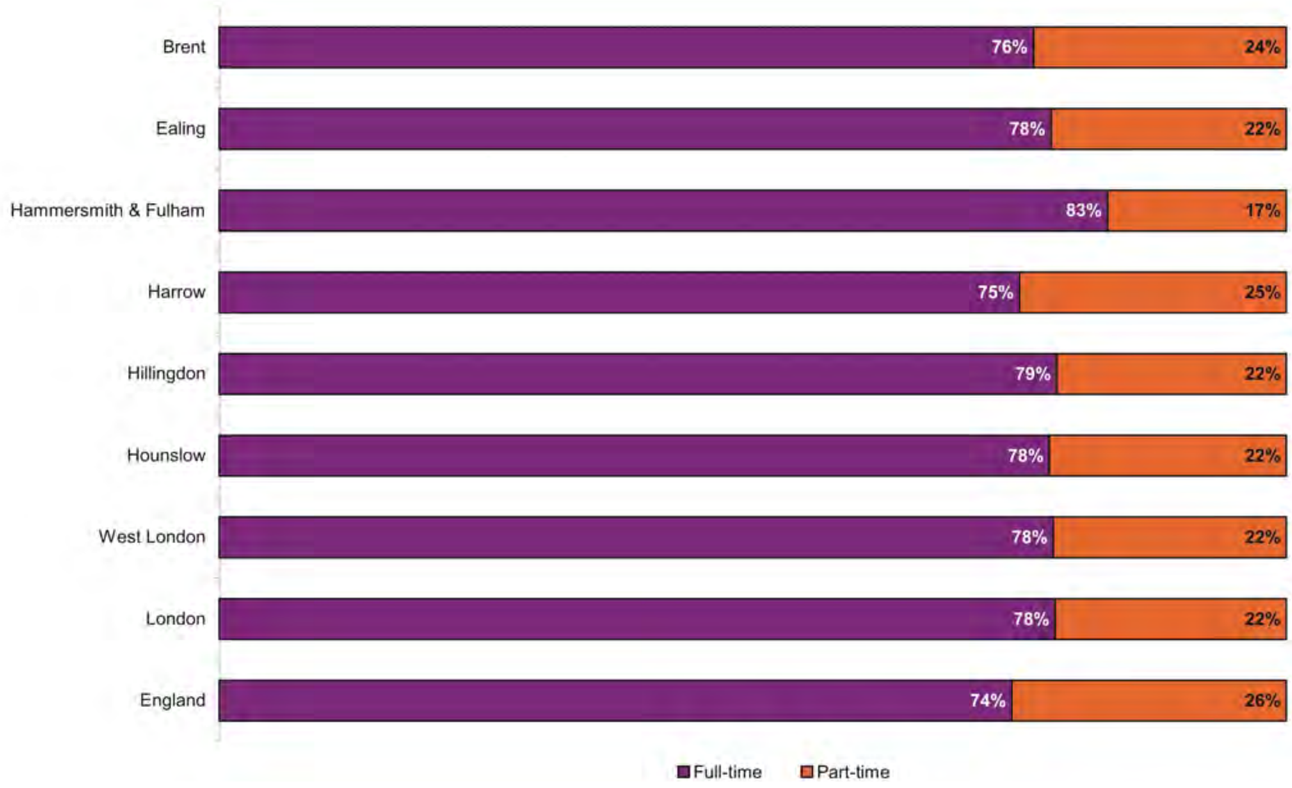
*Note: Rates for the Ethnic Minority group are for previous year (July 2009 - June 2010)

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. 25% of Harrow's employees are part-time workers, a proportion which is higher than all the West London boroughs and London generally. Nationally the proportion of part-time workers is slightly higher than Harrow's level, at 26% (Figure 9).

20 July 2009 - June 2010 data

Figure 9 Part-time and Full-time Employment, 2010



Source: ONS Annual Population Survey - 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.(21) 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 construction.(22) 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. This information is not available at a borough level, although the 2011 Census will provide some of this much needed intelligence.

6.6 Currently the only 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

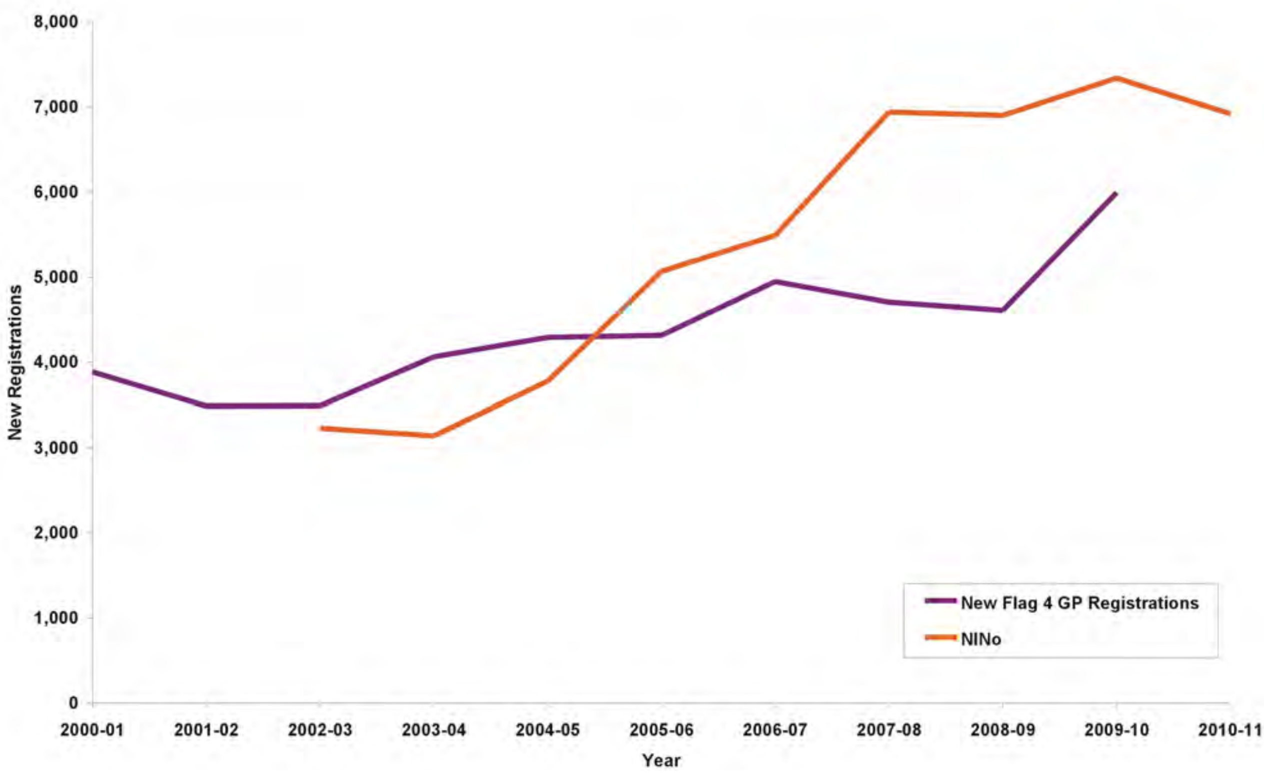
21 The Impact of Recent Immigration on the London Economy, LSE, July 2007
22 A8 countries - Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia, Cyprus & Malta

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 26 per 1,000 population in 2009/10. This rate is below London's overall rate of 30 and the West London rate of 38.5. However, it is considerably higher than the overall rate for England & Wales at 11 new registrations per 1,000 population in 2009/10. 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'.

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 10 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 2010/11 there were approximately 6,900 NINo registrations in Harrow, 6% lower than the peak of 7,300 registrations in 2009/10. In West London over 70,400 NINos were issued in 2010/11, 23% of London's overall total of 301,100. 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 2010/11 was 45, below the West London rate of 70 and London's rate at 55 (per 1,000 residents aged 16-64). The NINo figures show a similar trend to the Flag 4 registrations and similar numbers, although NINos relate to the working age population only (Figure 10).

6.11 Over 23% (11,450) 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 4,350 and 5,230 registrations, per country, in total over the past nine years.

Earnings

6.12 The main source of information about earnings is the Annual Survey of Hours and Earnings (ASHE)[(23)] conducted by ONS. In 2011, Harrow residents who were employed full-time earned, on average, £603 per week. This is just 1% below the London average of £610, but 19% higher than England's average of £508. Within West London the average full-time weekly wage was £574 in 2011, nearly £30 (5%) below Harrow'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 15% higher, at £711.70 in 2011, 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, 2011 (Provisional)

	Harrow	Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow	London	England
Full-time workers	603.2	493.6	574.9	650.6	576.3	543.5	610.2	507.6
Male full-time workers	650.5	503.6	594.1	725.3	643.6	574.6	649.0	548.1
Female full-time workers	536.6	475.0	541.9	603.7	510.8	526.0	569.3	449.3

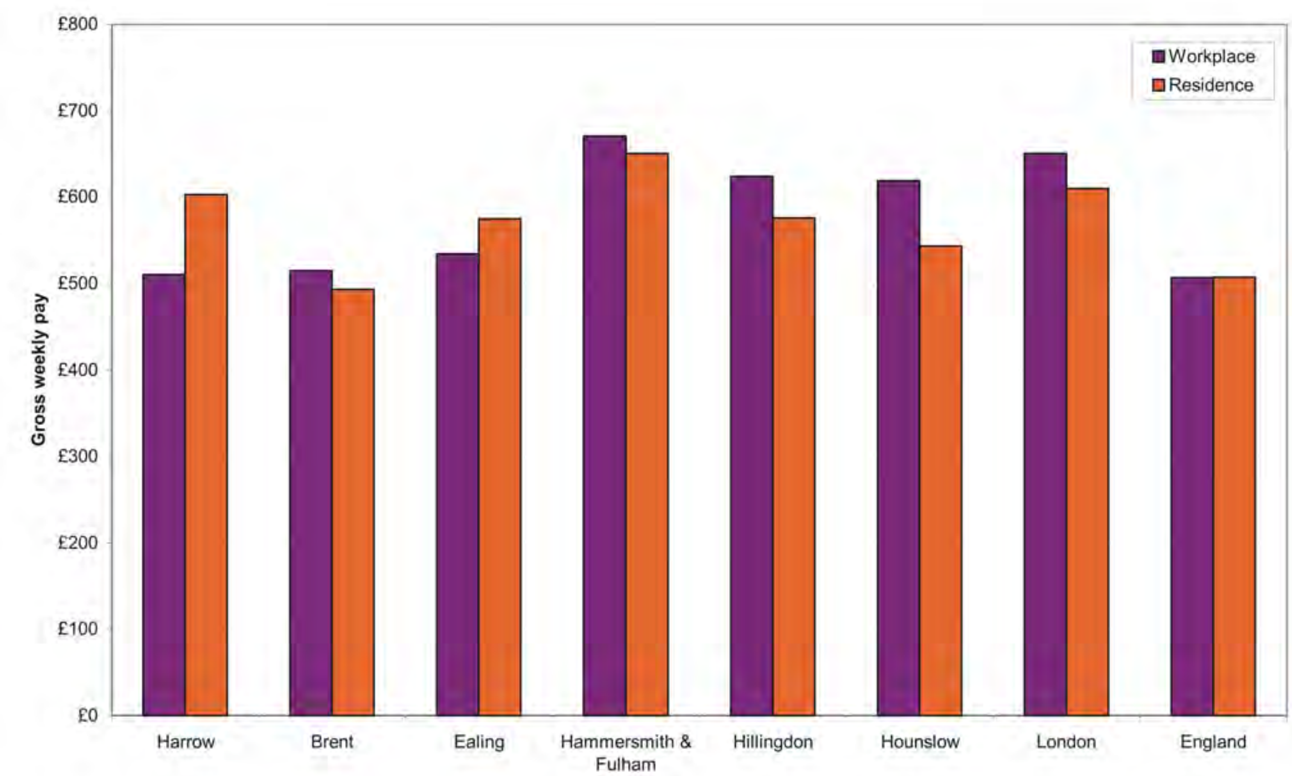
Source: ONS Annual Survey of Hours and Earnings - Resident Analysis for 2011 (provisional)

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 £650. This is the second highest of all the West London boroughs, after Hammersmith & Fulham, and about the same as the London average figure. Figures for female full-time residents (at £536.60) are the third highest of the West London boroughs after Hammersmith & Fulham and Ealing. This is lower than the London average figure of £569, but considerably higher than the national average of £449.

23 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 11 Gross Weekly Pay by Place of Residence and Place of Work, 2011



Source: ONS Annual Survey of Hours and Earnings, 2011 (provisional)

Wages in Harrow

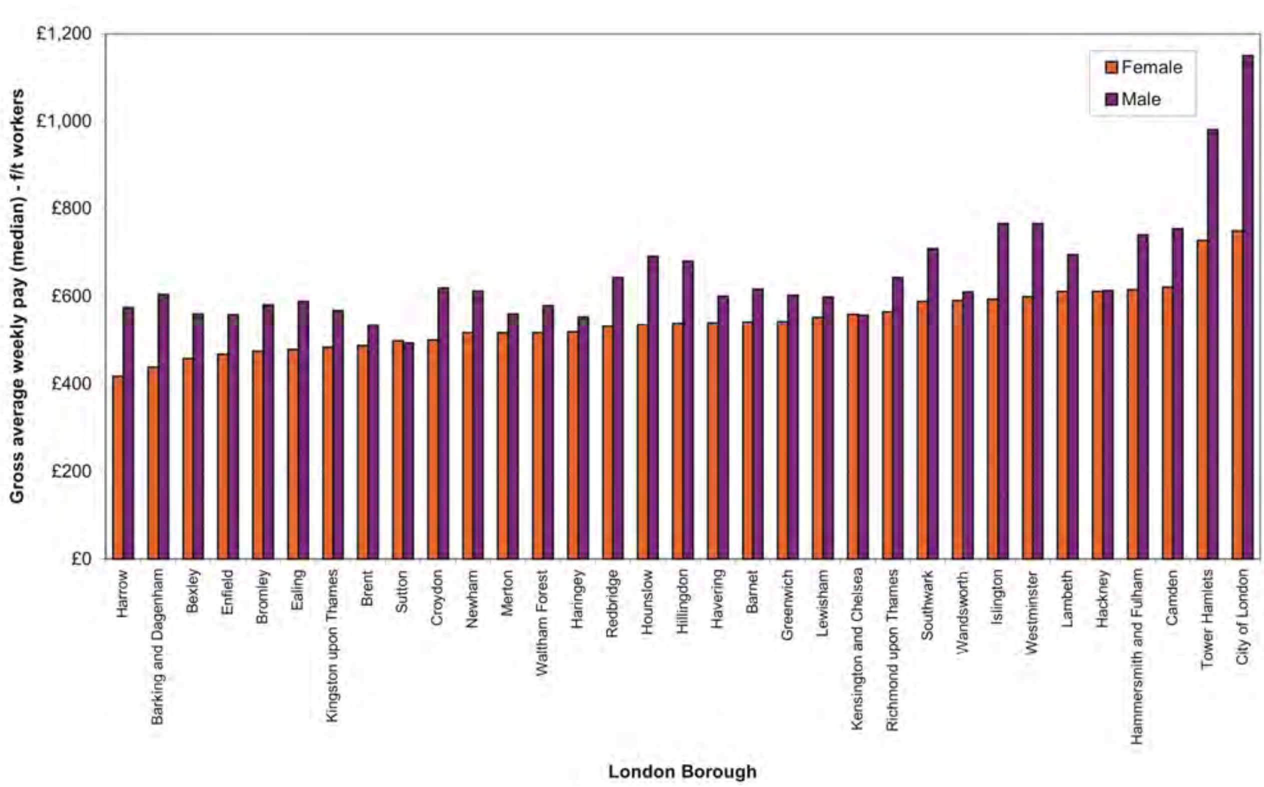
6.14 Wages in Harrow are generally lower than in London and in West London as a whole, leading to a high proportion of residents commuting to other areas for better paid jobs. People working in Harrow earn, on average, less than the average weekly pay for Harrow residents. These lower wages could reflect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

6.15 The gross weekly average wage (based on the median) in 2011 paid to people working in Harrow was £510, which is £93 (15%) lower than the average weekly wage of Harrow's residents. Wages paid in Harrow were just above the national average of £507, but considerably lower than London's level of £651. Workplace wage levels were higher in all the other West London boroughs. Other than Harrow, the only other West London borough where worker wages in the borough exceeded working residents wages was Ealing, but Harrow's differential was much bigger.

6.16 Based on the median, the average weekly wage paid to women working full-time in Harrow was just £417 in 2011, this is the lowest level in London, for the second consecutive year, and also below the national average of £448. Average weekly wages for men working full-time in Harrow were the ninth lowest in London, an improved position on 2010, when Harrow was ranked fourth in London.

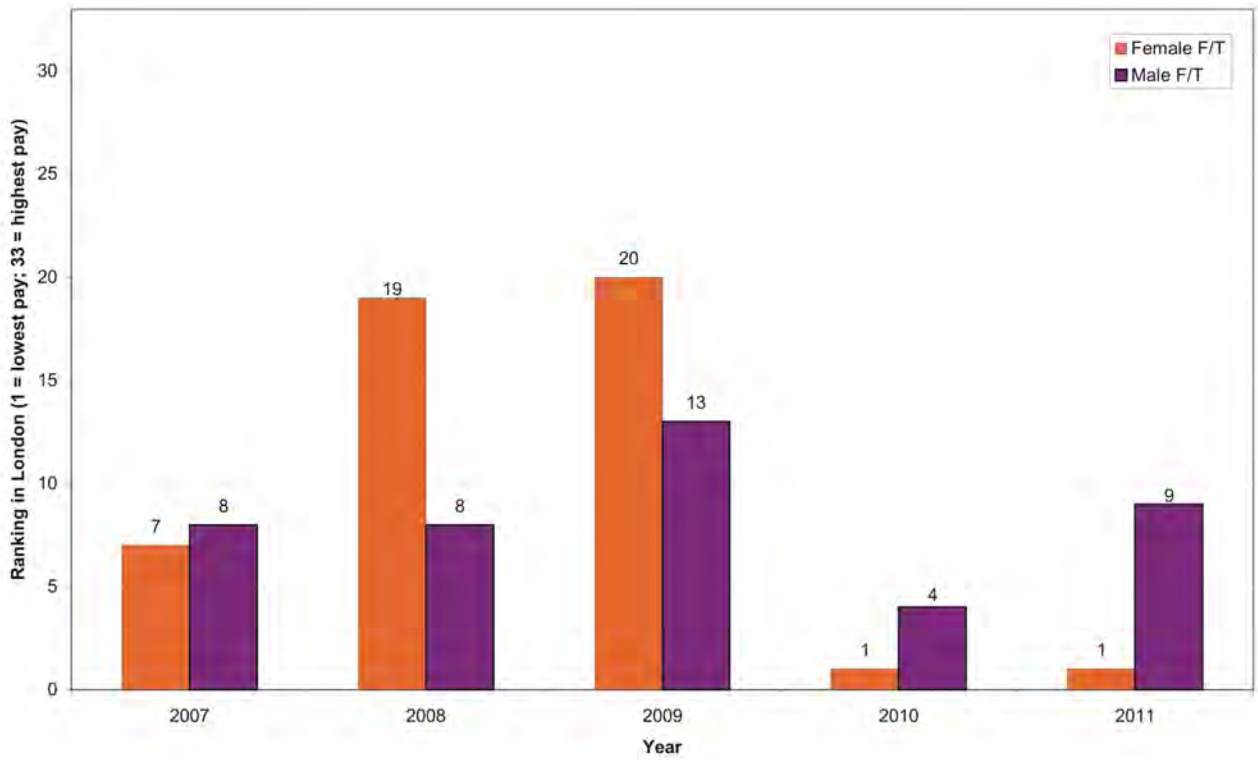
6.17 Within London as a whole, female full-time wages averaged 83% of male full-time wages in 2011. For jobs based in Harrow, this proportion was 72.7% - the third lowest in London after the City of London (65%) and Barking & Dagenham (72.5%).

Figure 12 Gross Average (median) Weekly Full-time Wage by Workplace, 2011



Source: ONS Annual Survey of Hours and Earnings, 2011 (provisional)

Figure 13 Gross Average (median) Weekly Full-time Wages, Harrow, 2007 - 2011



Source: ONS Annual Survey of Hours and Earnings, 2007 - 2011 (provisional)

Table 6 Earnings by Workplace, 2011 (Provisional)

	Harrow	Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow	London	England
Full-time workers	510.4	515.1	534.6	670.8	624.1	619.3	650.9	507.2
Male full-time workers	574.5	534.3	588.5	740.5	680.6	691.5	706.4	547.8
Female full-time workers	417.5	487.8	479.2	615.0	537.8	534.8	585.2	448.5

Source: ONS Annual Survey of Hours and Earnings - Workplace Analysis for 2011 (provisional)

Note: Median of full-time workers gross weekly pay

6.18 The range of pay for full-time employees varies considerably. For example, the lowest decile of full-time workers in Harrow earn up to £272 per week, while the top twenty per cent of full-time earners are paid in excess of £837 per week (Table 7).

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

Percentiles/ Quartiles	Harrow	West London	London	England
10 (lowest 10%)	272.2	310.9	337.9	279.3
25	345.0	408.1	460.0	359.6
50 (median)	510.4	579.0	650.9	507.2
75	755.1	812.2	944.8	721.6
80	837.5	895.4	1054.1	1054.1
90	n/a	n/a	1459.5	1255.6
Average (mean)	624.9	689.4	826.4	615.9

Source: ONS Annual Survey of Hours and Earnings - Workplace Analysis for 2011 (provisional)

Worklessness and Unemployment

6.19 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.

6.20 The most commonly used definition of unemployment is based on those people, in receipt of Jobseeker's Allowance (JSA), 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.

6.21 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 modelled unemployment rates give an indication of unemployment rates using the ILO definition. These are shown in Table 4 and show that Harrow's 7% ILO unemployment rate was the lowest rate in West London from mid-2010 to mid-2011 and lower than London's rate of 9.2%.

6.22 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.

6.23 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.

6.24 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.

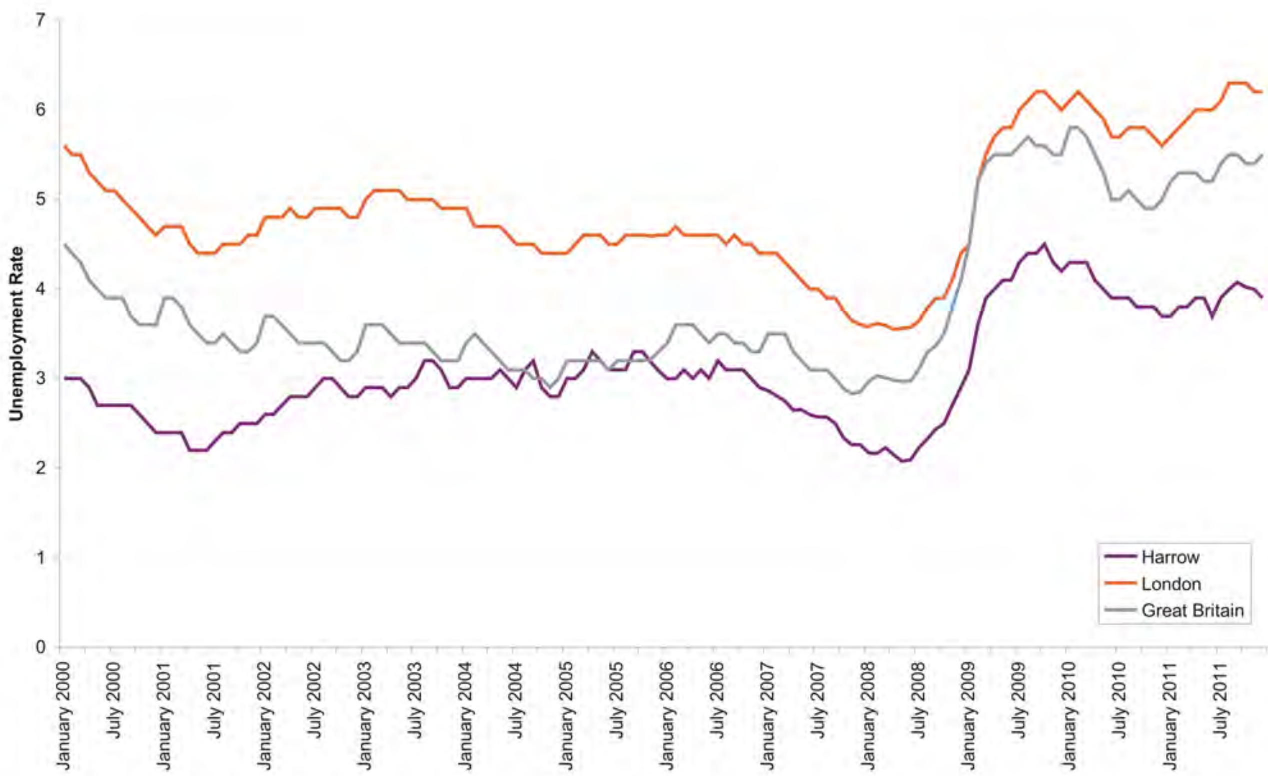
Unemployment

6.25 In December 2011 there were 4,170 people in Harrow claiming Jobseeker's Allowance, a rate of 3.9%, based on the percentage of the economically active population, excluding economically active students. This was the lowest level of unemployment of all the West London boroughs (a rate which averaged 5.3%) and lower than London's rate of 6.2% and the national rate of 5.4%.

6.26 Figure 14 shows how unemployment increased rapidly between mid-2008 and mid-2009. Since the UK went into recession in late 2008, unemployment has averaged 4% in Harrow, a level last seen in the borough in 1997. The gap between Harrow's unemployment rate and London's rate has averaged 1.8% over the past ten years and 1.9% over the past three years. However in 2011, the gap between Harrow and London's unemployment rates widened to around 2.2%, indicating that, more recently, Harrow has fared slightly better in the current economic climate than London overall.

6.27 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 June 2011 34,100 people of working age were classified as economically inactive in Harrow and of these 4,500 (13%) would like to work. This is the lowest level in Harrow over the past seven years, with a high of 9,000 (28.5%) in 2006/07 and an average of 19% (6,400 people) over this period. This level of hidden unemployment in the borough is consistently lower than London's rate (average of 25% of total economically inactive) and the national rate (average 23%) over this seven-year period. Those less likely to be eligible for JSA include young people and women with little previous employment history.

Figure 14 Unemployment Rates, 2000 - 2011



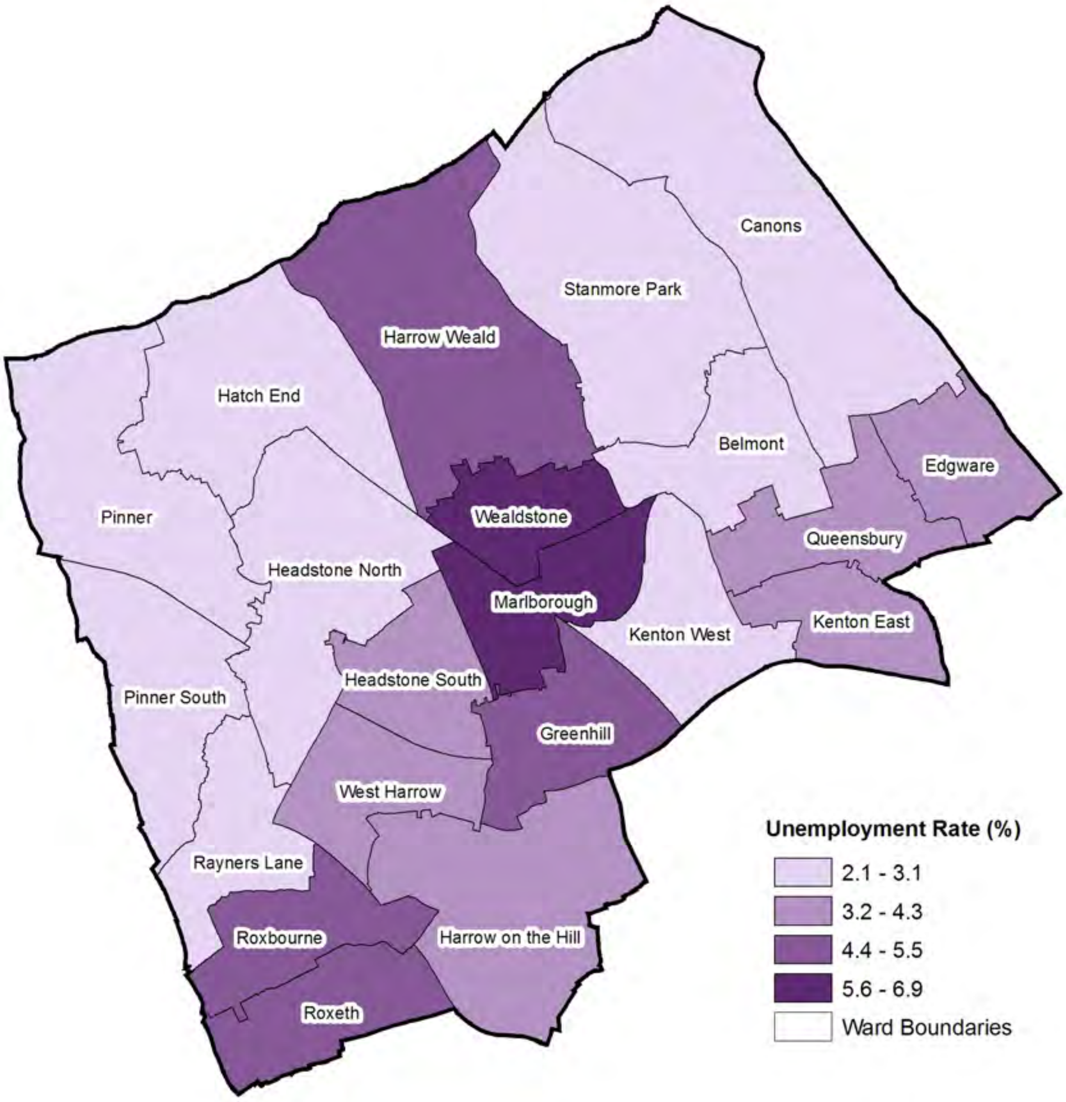
Source: ONS/DWP Claimant Count data, using GLA estimates of the economically active population

6.28 The number of male unemployment benefit claimants is higher than the number of female claimants. In December 2011 2,540 of Harrow's male residents (an unemployment rate of 4.4%) were in receipt of JSA, compared to 1,630 females (3.4%).

6.29 Unemployment is highest in the wards in the centre, south west and east of Harrow (Map 8). Wards with the highest unemployment rates in December 2011 were Wealdstone and Marlborough with rates of 6.9% and 6.3% respectively, above the London average of 6.2%. The lowest unemployment rates were in Pinner South (2.1%) and Hatch End (2.4%).

6.30 Based on unemployment rates in December over the past three years, Wealdstone and Marlborough wards have been ranked first and second in the borough for the past two years for the highest unemployment rates. In 2009 Roxbourne was ranked highest, closely followed by Wealdstone. Pinner South and Hatch End wards have had the lowest unemployment rates over the past three years (Figure 15).

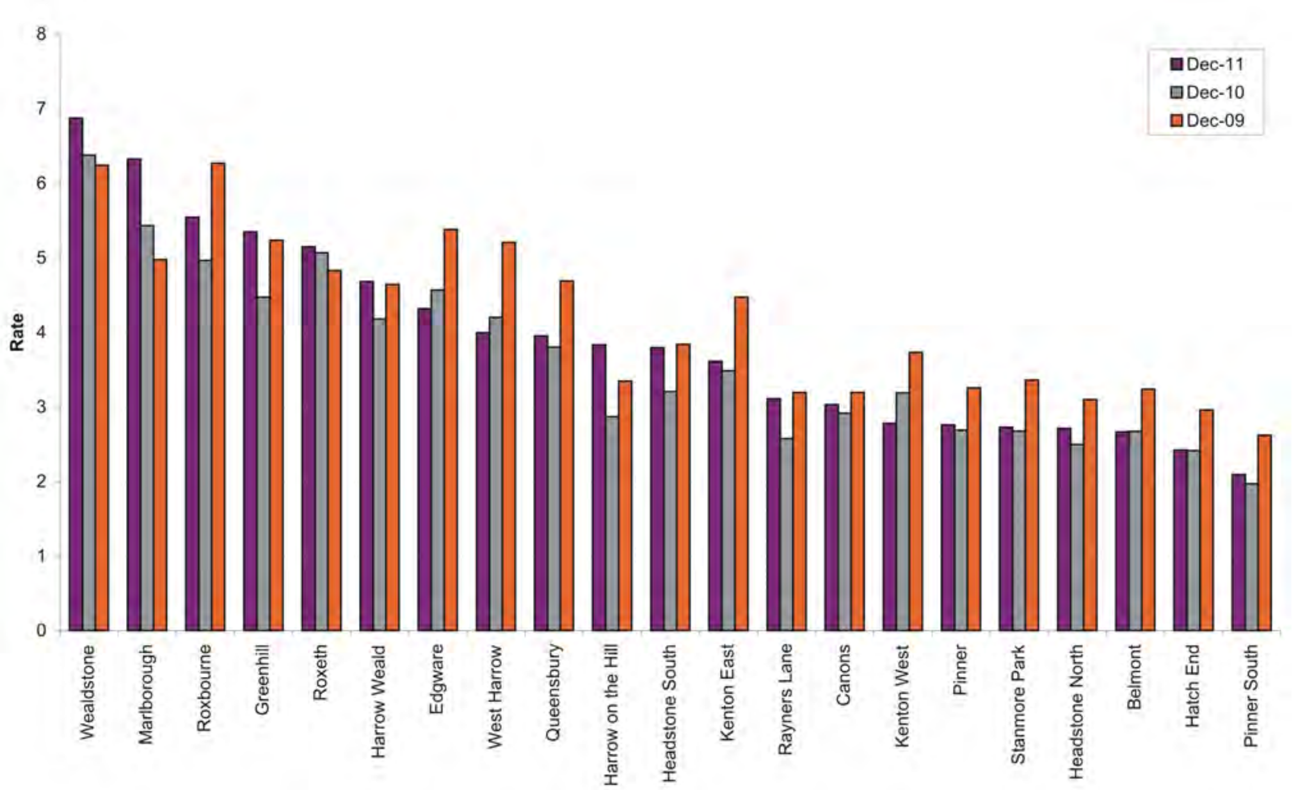
Map 8 Unemployment in Harrow, December 2011



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

6.31 The majority of JSA claimants have been out of work for less than a year (63.7% in December 2011), but this is a considerable decrease since December 2009, when over 73% of claimants had been unemployed for under a year. Correspondingly, the number of long-term benefit claimants in the borough has been increasing over the past three years. 565 claimants (13.5%) had been unemployed for over one year in December 2011, compared to 365 people (8.3%) in December 2009. 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 15 Unemployment Rates by Ward, 2009 - 2011



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
	2009	**2010**	**2011**	**2011**	**2011**
All claimants by duration (%)					
Less than 6 months	73.3%	75.1%	63.7%	56.0%	60.0%
Over 6 months to 1 year	18.4%	15.1%	22.8%	24.0%	22.0%
Over 1 year	8.3%	9.8%	13.5%	20.0%	18.0%
All claimants by age (%)					
16-24	22.7%	23.3%	24.5%	24.2%	29.9%
25-44	48.8%	46.9%	45.9%	48.2%	44.6%
45 to retirement age	28.5%	29.8%	29.6%	27.6%	25.5%
All claimants by ethnicity (%)					
White	n/a	32.1%	30.6%	41.9%	75.3%
Ethnic minority	n/a	58.9%	61.0%	49.1%	18.7%
Prefer not to say	n/a	6.1%	5.8%	6.8%	4.7%
Unknown	n/a	2.9%	2.6%	2.2%	1.3%

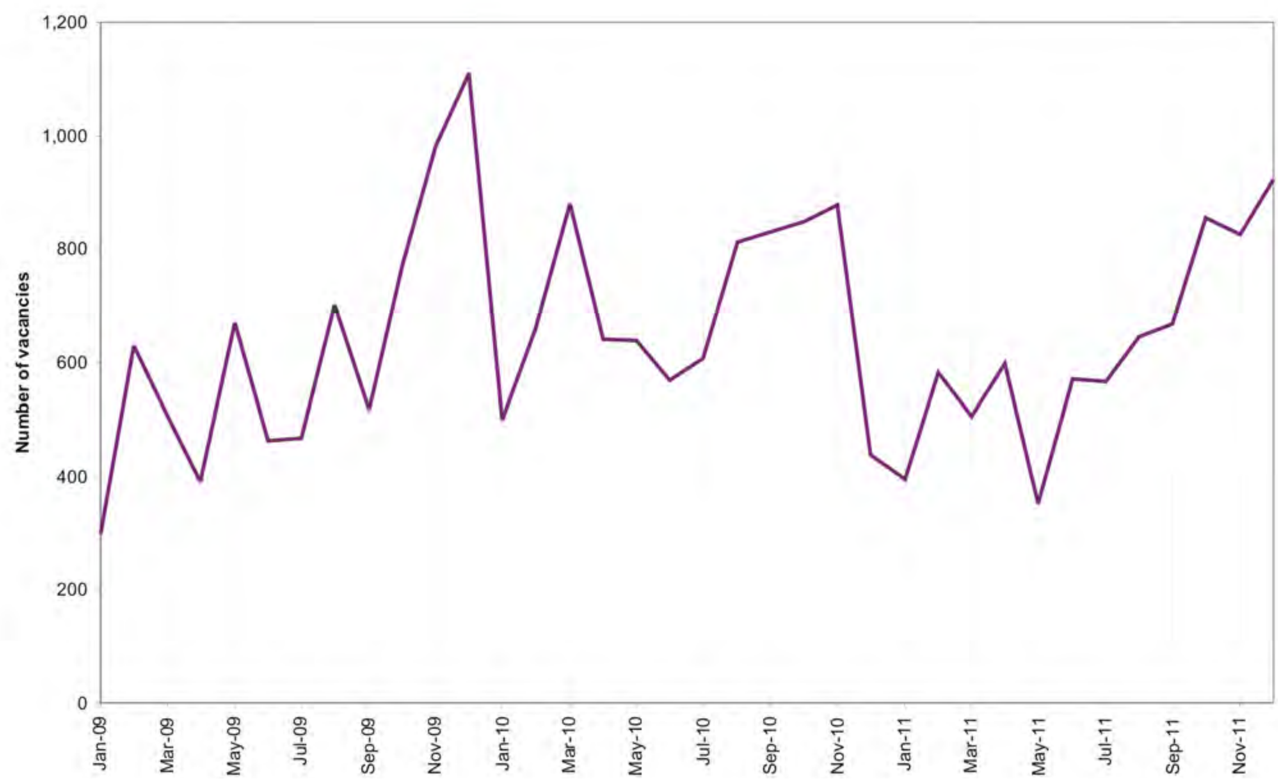
Source: ONS/DWP Claimant Count data, based on claimant count in December each year

6.32 The majority of JSA claimants are aged between 25-44, but a quarter of claimants were aged 24 and under in Harrow in December 2011. This is roughly the same proportion as for London overall, but below the national level. However, youth unemployment has increased over recent years. The claimant count rate for the under 24s was 9.2% in December 2011, below London's rate of 10.4% and the same level as the national rate.

6.33 Ethnic minorities may be over represented amongst the claimant unemployed in Harrow, accounting for 61% of claimants in December 2011, when population estimates[24] show that 54% of Harrow's working age population are likely to be of ethnic minority.

Vacancies

Figure 16 Vacancies Notified to Jobcentre Plus, Harrow, 2009 - 2011



Source: Department for Work and Pensions (DWP). Data sourced from Jobcentre Plus' Labour Market System, an administrative computer system covering 100% of vacancies notified to Jobcentre Plus.

6.34 There were 923 vacancies in Harrow notified to Jobcentre Plus in December 2011, which means that there were 4.5 claimants for every vacancy. Over the past year there has been a noticeable increase in the number of vacancies within the borough, with vacancies generally increasing every month since May 2011. 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.

6.35 Table 9 & Table 10 show the local supply and demand for particular types of jobs in Harrow. Sales related occupations headed the list of job vacancies in December 2011 with nearly 220 vacancies (including sales assistants and retail cashiers) and around 190 people

24 GLA 2010 Round of Ethnic Group Projections, SHLAA-based 2011 projection

looking for these type of jobs. Other than in this category, there appears to be more of a mismatch between the supply and demand in the other categories, with a considerable number of vacancies for care workers, cleaning jobs, basic construction work and security jobs, and an oversupply in people seeking general administrative jobs.

Table 9 Top Ten Notified Vacancies to Jobcentre Plus for Harrow, December 2011

Occupation	Vacancies	% of all Vacancies
Sales Related Occupations	168	18.2
Elementary Cleaning Occupations	113	12.2
Healthcare and Related Personal Services	86	9.3
Sales and Related Associate Professionals	84	9.1
Elementary Construction Occupations	53	5.7
Elementary Security Occupations	50	5.4
Sales Assistants and Retail Cashiers	49	5.3
Customer Service Occupations	47	5.1
Transport Drivers and Operatives	40	4.3
Health Associate Professionals	24	2.6
Total of 'Top Ten' Vacancies & Percentage	714	77.2%

Source: Jobcentre Plus

Table 10 Top Ten Sought Occupations by JSA Claimants in Harrow, December 2011

Sought Occupation	Number of JSA claimants	% of claimants
Sales Assistants and Retail Cashiers	190	24.7
Administrative Occupations: General	70	9.1
Customer Service Occupations	35	4.5
Occupation Unknown	35	4.5
Elementary Personal Services Occupations	30	3.9
Transport Drivers and Operatives	25	3.2
Secretarial and Related Occupations	25	3.2
Elementary Cleaning Occupations	20	2.6
Elementary Goods Storage Occupations	20	2.6
Administrative Occupations: Finance	20	2.6
Total of 'Top Ten' Sought Occupations & Percentage	470	61.0%

Source: Jobcentre Plus

Worklessness

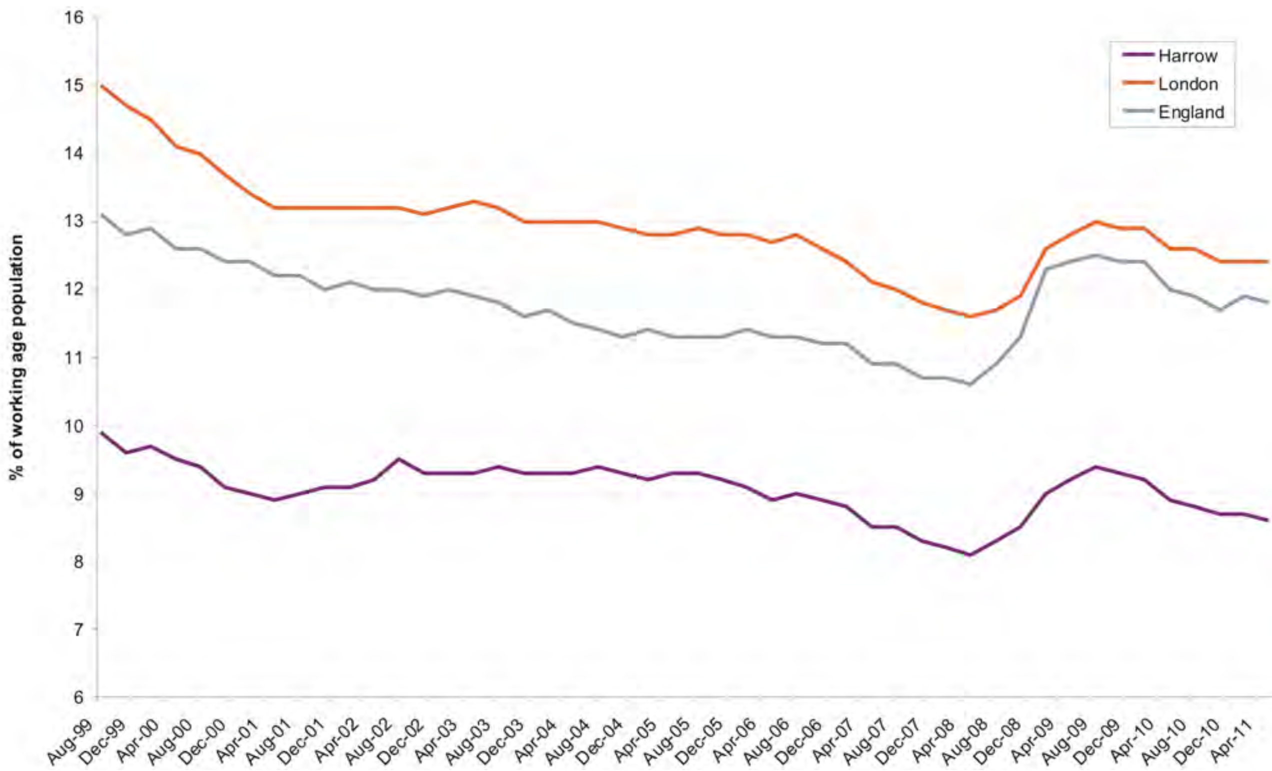
6.36 Worklessness benefits include the key out-of-work benefits. These include: unemployed people on Jobseeker's Allowance; those of working age on Employment and Support Allowance (ESA) and Incapacity Benefits[25]; Lone Parents; and Others on income related benefits. They exclude the carer, disabled and bereaved client groups, who are not subject to activation policies in the same way as the other groups.

Table 11 Worklessness Rates

	Harrow				West London	London	England
	2009	2010	2011	2011 (number)	2011		
Jobseeker's Allowance	2.7%	2.5%	2.5%	3,840	3.6%	4.1%	3.6%
ESA & Incapacity Benefits	4.4%	4.5%	4.5%	6,850	5.8%	5.8%	6.5%
Lone Parents	1.7%	1.5%	1.3%	1,930	1.9%	2.0%	1.5%
Others on Income Related Benefits	0.4%	0.4%	0.4%	550	0.5%	0.5%	0.5%
All on Key Out-of-Work Benefits	9.2%	8.9%	8.6%	13,170	11.7%	12.4%	12.1%

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

Figure 17 Key Out-of-work Benefit Claimants



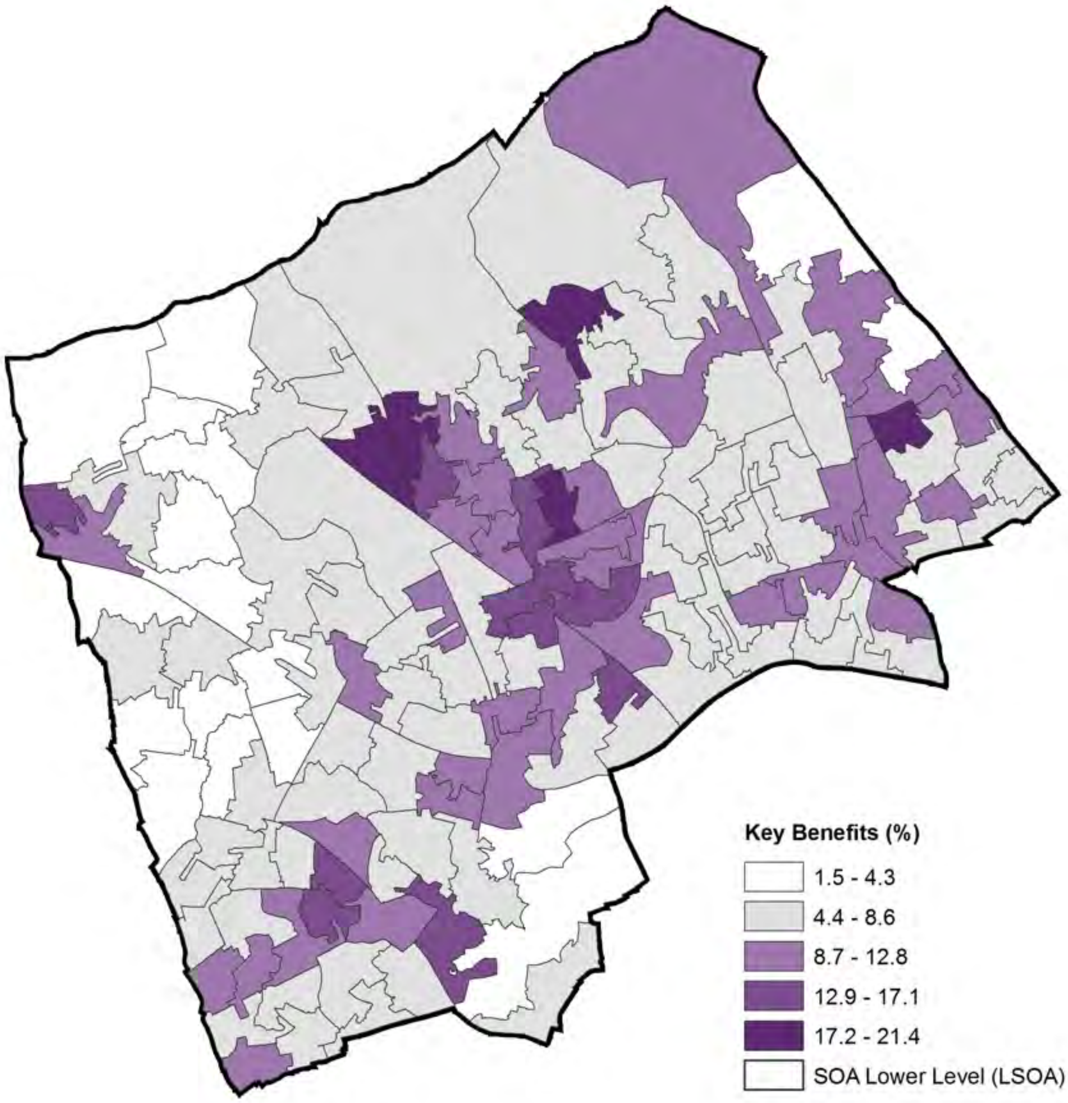
Source: DWP Benefit Claimants

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

6.37 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 4.5% of the working age population in May 2011. 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 2.5% of the working population, lone parents with 1.3% and others on income related benefits on 0.4%.

6.38 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 17).

Map 9 Proportion of Residents Claiming Key Out-of-work Benefits, Harrow, May 2011



Source: DWP Benefit Claimants. Lower SOA rates are based on the 2010 'experimental' MYEs for the 16-64 age group

6.39 An analysis of the worklessness rates at Lower Super Output Area (LSOA) level shows that in 35% of Harrow's 137 LSOAs the level of worklessness is above the borough average of 8.6%. 15 of Harrow's LSOAs have rates above the London average of 12.4%. 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 ward and pockets in Pinner, Edgware, Harrow Weald and Hatch End wards (Map 9). These areas also correlate with the areas showing the highest levels of deprivation (see Chapter 6).

Employment and Support Allowance (ESA)

6.40 In May 2011 28% (1,920) of Harrow's residents who were on Employment and Support Allowance (ESA) and Income Support benefits were in receipt of the newer ESA.

6.41 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 real 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 gender are not very conclusive for Harrow and London generally, as this information is not available for a high proportion of claimants (Table 12).

Table 12 ESA Claimants by Age, Gender & Ethnicity, May 2011

	Harrow	West London	London	England
All claimants by age (%)				
16-24	13.5	11.1	11.5	14.0
25-44	38.9	42.4	44.0	41.3
45 to retirement age	47.7	46.5	44.5	44.7
All claimants by gender (%)				
Male	49.5	52.7	52.3	54.8
Female	50.5	47.3	47.7	45.2
All claimants by gender (%)				
White	31.3	33.8	40.1	65.1
Ethnic Minority	38.0	38.7	32.9	10.7
Prefer not to say or unknown	30.7	27.5	27.0	24.2

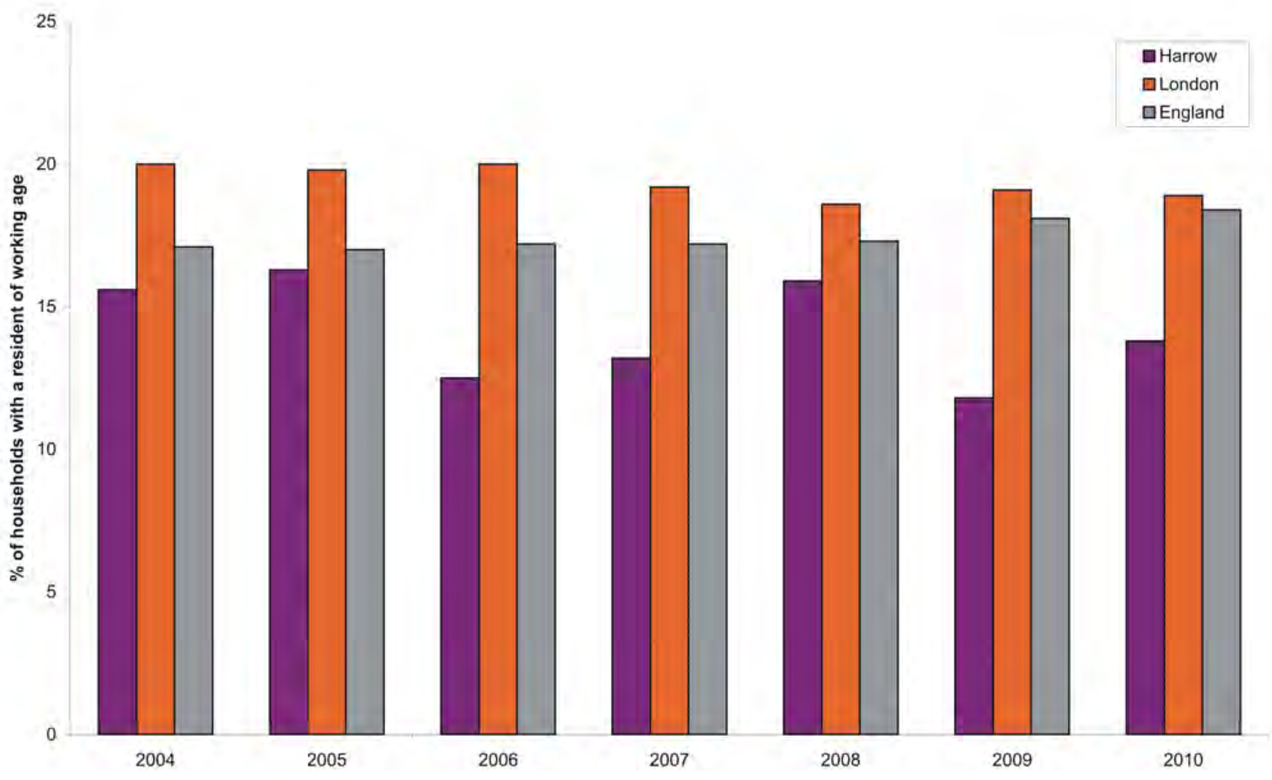
Source: DWP, ESA Benefit Claimants, May 2011

Workless Households

6.42 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.

6.43 Information on workless households is available from the ONS Labour Force 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 18 Workless Households Rates, 2004 - 2010



Source: ONS Labour Force Survey

6.44 In 2010, an estimated 9,400 households (14%) 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 seven years, reaching a high of 16.3% in 2005 and a low of 11.8% in 2009. Harrow's rate was closest to London's rate in 2008, only 2.7 percentage points lower, but the differential has increased since then, to 5.1% in 2010 (Figure 18).

Table 13 Working, Mixed and Workless Household Rates, 2010

	Harrow		West London	London	England
	Number	%	%	%	%
Working households	30,000	43.9	45.5	49.3	53.2
Mixed households	28,800	42.3	37.4	31.8	28.4
Workless households	9,400	13.8	17.1	18.9	18.4

Source: ONS Labour Force Survey - Households with at least one resident aged 16-64

6.45 Harrow has a far higher level of mixed households compared to the West London boroughs, 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 42.3%, Harrow's level of mixed households is considerably higher than the national rate of 28.4%. London, as a region, has a higher rate of mixed households compared to all the other national regions. Over 56% of Harrow's households (with a person of working age) are either mixed or workless, a higher percentage than West London, London and England. However, the percentage of working households is slightly lower in Brent and Hillingdon, as these boroughs have higher rates of workless households compared to Harrow.

6.46 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 2010, 14,700 (9%) of Harrow's residents aged 16-64 lived in workless households. This level is below West London's rate of 11%, London's rate of 13% and the national rate of 13.1%. Within this workless category, the majority of adults (78%) are classified are inactive; 16% live in households where there is an unemployed person as well as someone who is inactive; and 5.4% of adults live in households where all working age adults are unemployed.

Table 14 Composition of Workless Households

	Harrow				West London	London	England
	2008	2009	2010		2010	2010	2010
People aged 16-64 in workless households	10.2%	6.9%	9.0%	14,700	11.0%	13.0%	13.1%
Children in workless households	19.9%*	11.4%*	22.6%*	10,100*	21.7%*	22.1%	16.5%

Source: ONS Labour Force Survey - Households with at least one resident aged 16-64

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

6.47 Over the past three years (2008 to 2010) the number and percentage of adults living in workless households in Harrow has fluctuated. Since 2004 this level has averaged 9.4%, with the lowest level recorded in 2009, at 6.9%.

Child Poverty

6.48 The information on children living in workless households is less reliable at borough level owing to the small sample size. What the latest sample from the Labour Force Survey does indicate is that over 22% of Harrow's children under 16 could be living in a workless household, in excess of 10,000 children. This is the highest level since 2004, with an average level of 15.7% from 2004 to 2010. The 2010 level could be higher than West London, London and England, although the uncertainty over the reliability of this data means that this fact cannot be verified. The UK has a higher proportion of its children living in workless households than any other European Union country, with London having the second highest rates of any the UK's regions, after the North-East.

6.49 In March 2011 a 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. The report uses tax credit data to give the percentage of children on low incomes in local authorities, parliamentary constituencies and wards across England. It also uses local trends in unemployment to estimate recent changes in the number of children who are in poverty, because their parents have lost their jobs, to update the tax credit data which is more than two years old. Based on data for mid-2010, the report indicates that 24% of Harrow's children are living in poverty, below the levels of all the West London boroughs and London overall. The Parliamentary Constituency breakdowns are based on the boundaries prior to the 2010 changes and show that child poverty is higher in Harrow East (26%) than Harrow West (21%).

Welfare Reform

6.50 On 16 February 2011 the Welfare Reform Bill was introduced to Parliament. The bill 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

6.51 A key proposal in the Welfare Reform Bill is to replace Disability Living Allowance for people of working age with a new benefit, Personal Independence Payment, from 2013. Universal Credit is a another major feature of the Welfare Reform Bill, which is currently progressing through Parliament. It aims to simplify the current benefits system to make work pay.

Skills 7

Local Economic Assessment 2011-12

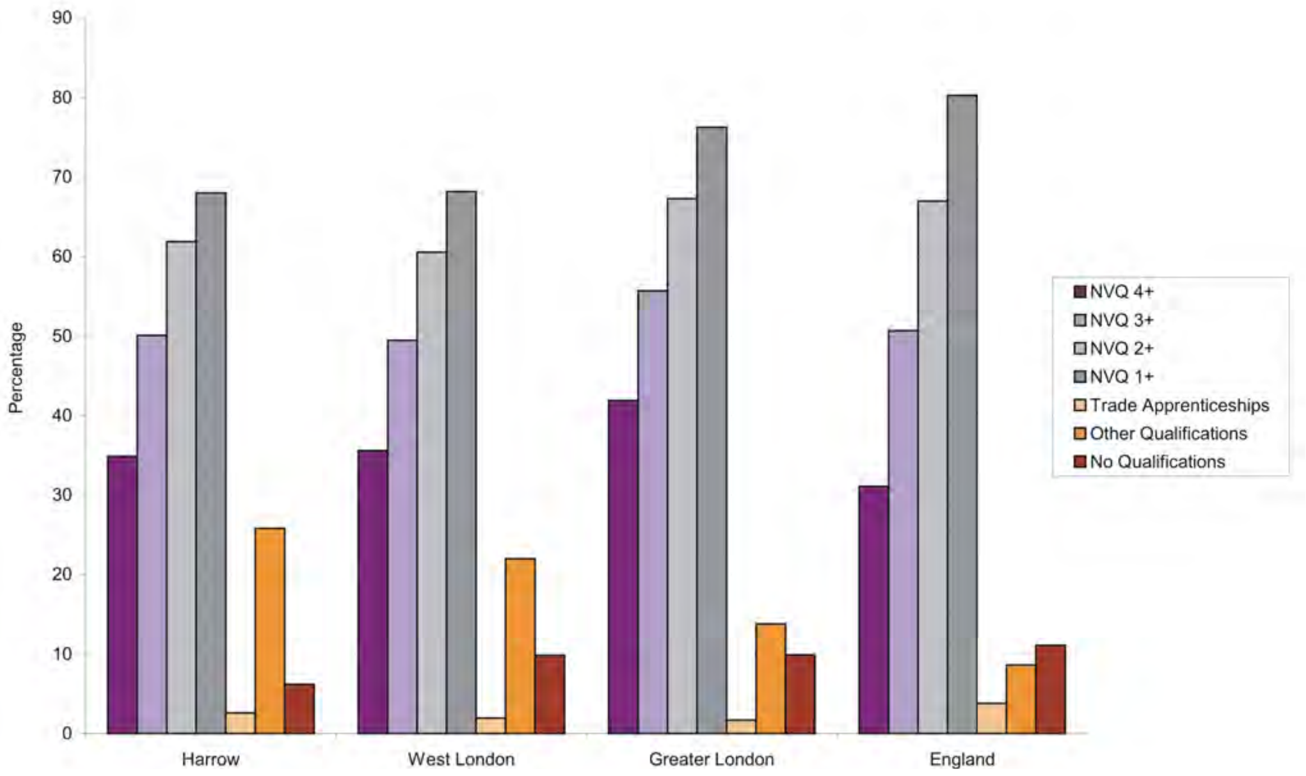
7 Skills

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 6.2% of residents aged 16 to 64 are lacking in qualifications, which is better than all the other West London boroughs, with the exception of Brent. Nearly 10% of working age residents overall in London and West London do not have any formal qualifications, 11% nationally.[26] Those with low skill levels are more likely to be on lower incomes or out of work.

Figure 19 Qualifications of Residents of Working Age, January 2010 - December 2010



Source: ONS Annual Population Survey, 2010

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

7.2 Over one-third (35%) of Harrow residents held the equivalent of an NVQ Level 4 qualification and above (a degree level qualification) in 2010. This proportion is above the national average, roughly in line with the West London figure, but below London's overall level of 42%. The proportion of Harrow's workforce with higher level qualifications has increased over the past decade, from 29% in 2001 to the current level of 35%, following the general trends both in London and nationally.

26 ONS Annual Population Survey 2010

7.3 A significantly high proportion of Harrow residents hold 'Other Qualifications', which includes foreign qualifications and some professional qualifications. At 26%, this proportion is three times the national rate of 8.6%, nearly double the overall London level of nearly 14%, and also above West London's rate of 22%. 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 4,000 of Harrow's working age residents have completed a recognised trade apprenticeship. This represents 2.6% of working age residents, below the national rate of 3.8%, but above both the level for West London and London, at 1.9% and 1.7% respectively.

7.5 Over the period 2004 to 2010 there has been a 32% decrease (4,500) 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 46,800 in 2004 to 54,200 in 2010, a 16% increase. Overall the proportion of residents with a qualification at NVQ Level 1 and above has fallen, from 71.4% in 2004 to 68% by 2010. However, there has been a sizeable increase in the number of residents holding 'Other Qualifications', rising from 25,800 in 2004 (18.5%) to 40,100 in 2010 (25.8%), a 55% increase.

Table 15 Qualifications of Residents, January 2010 - December 2010

	NVQ 4 & above	NVQ 3 & above	NVQ 2 & above	NVQ 1 & above	Trade Apprentice-ships (NVQ 2/3)	Other Qualifications	No Qualifications
Harrow (Total)	54,200	77,800	96,100	105,500	4,000	40,100	9,600
Harrow (%)	34.9	50.1	61.9	68.0	2.6	25.8	6.2
Brent (%)	28.6	40.0	49.0	56.4	2.0	38.5	5.1
Ealing (%)	39.9	55.3	65.1	70.7	1.3	17.1	12.2
Hammersmith & Fulham (%)	50.5	65.6	73.7	79.8	0.8	11.5	8.7
Hillingdon (%)	27.6	42.2	58.6	70.3	3.0	16.0	13.6
Hounslow (%)	35.0	46.5	57.7	66.5	1.8	21.8	11.7
London (%)	41.9	55.7	63.3	76.3	1.7	13.8	9.9
England (%)	31.1	50.7	67.0	80.3	3.8	8.6	11.1
Source: ONS Annual Population Survey, 2010							
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[(27)] 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 2010/11, provisionally Harrow is placed 20th in the country for five A*-C grade GCSE passes, including English and Maths, (27th ranking in 2009/10), 6th in Outer London and 8th in London overall
- For the new English Baccalaureate measure Harrow is provisionally ranked 11th in the country in 2010/11 (19th in 2010), 5th in Outer London and 6th in London as a whole
- At Key Stage 5 (ages 16-18) Harrow is provisionally ranked 2nd in the country in 2010/11 for the percentage of candidates achieving two or more passes at an A level equivalent qualification
- Harrow is ranked 17th in the country (2010/11 provisional results) 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 2010/11, compared to the overall results for West London, London and England generally.[(28)]

7.8 An analysis of the latest Ofsted reports for Harrow's ten LEA secondary schools shows that overall 60% of the schools were judged to be outstanding and 40% were good. Seven of these schools have now become academies, under the Academies Act 2010. Out of Harrow's 50 LEA primary schools, 34% were judged to be outstanding, 50% were good and 16% were satisfactory.

Table 16 GCSE & Equivalent Results at the end of Key Stage 4: 2008/09 - 2010/11

	2008/09		2009/10		2010/11#	
	% 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	74.8	60.8	78.1	60.7	79.8	63.6
West London	74.1	57.4	80.4	60.4	82.5	62.0
London	71.3	54.0	77.8	58.0	81.2	61.0
England	70.0	49.8	75.4	53.5	78.8	58.3

Source: Department for Education (DFE)

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

27 Local Education Authority schools in 2010/11

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

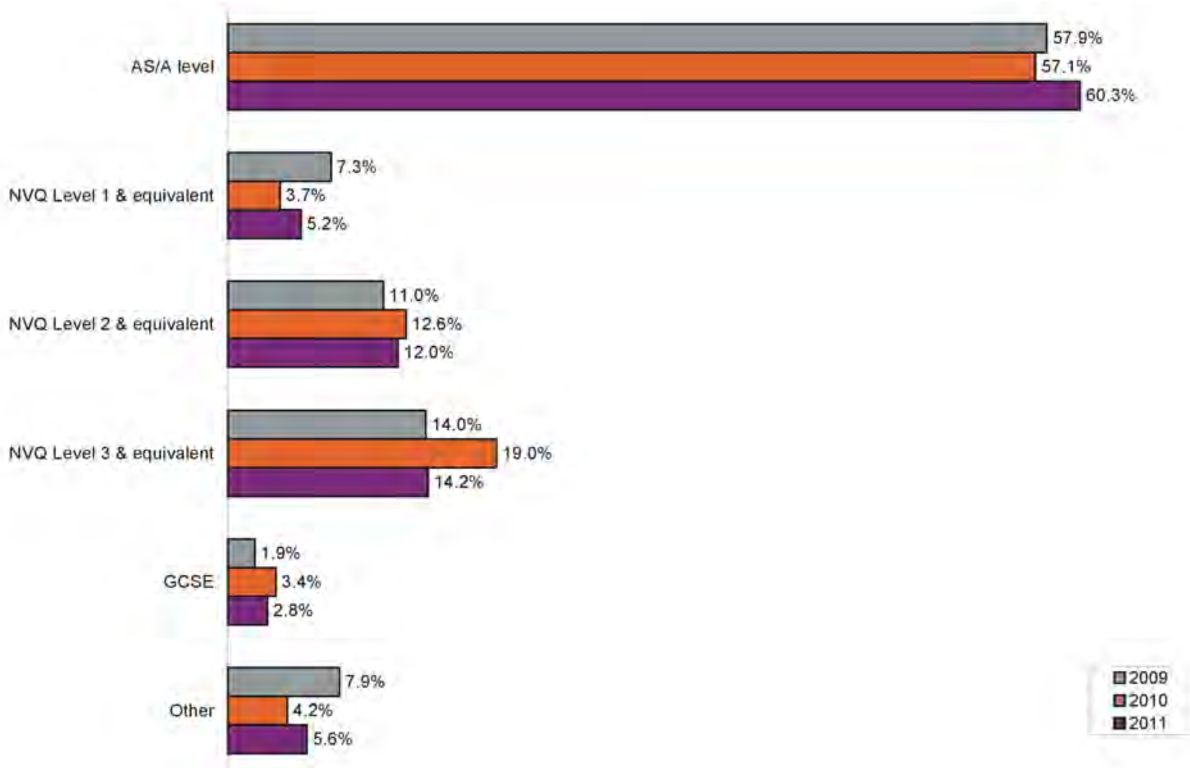
Table 17 A level Results of Students in Harrow's Maintained Schools & Colleges

	Percentage of Candidates Achieving the Following Passes:						
	2008/09		2009/10		2010/11#		
	2+ A levels or equiv.	3+ A*- A grades[29]	2+ A levels or equiv.	3+ A*- A grades	2+ A levels or equiv.	AAB or more passes	3+ A*- A grades#
Harrow	89.3	10.2	90.1	10.8	98.4	21.1	13.6
West London	94.9	9.4	95.5	9.2	96.7	17.7	9.9
London	94.8	9.7	94.4	9.9	93.1	16.9	9.9
England	95.0	12.7	94.8	12.8	92.7	20.4	12.8

Source: Department for Education (DFE)

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

Figure 20 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. 96.2% of 16-year olds continued with their studies in 2011, roughly the same level as in 2010, but higher than 2009, at 95.6%. As Figure 20 shows, the majority of students go on to study A/AS levels. The proportion of students studying A levels increased in September 2011 from 57.1% (in 2010) to 60.3%. There was a

29 Passes are at GCE/Applied GCE A levels and Double Awards

5% decrease in the proportion of students studying for NVQ level 3 qualifications, or equivalent, in 2011. 1.4% (31) of the year 11 school leavers went into employment and training in 2011, the same number as in 2010. Nearly a third of these jobs were in skilled construction, skilled engineering and electrical/electronics. A further seven young people (23%) found unskilled service sector jobs and the remainder of the jobs were mainly in catering, childcare and hairdressing.

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 are not in education, employment or training in Harrow, in 2010 (based on the average from October 2010 to December 2011), was the one of the lowest levels in England at 3.2% (only the City of London, Isles of Scilly and Rutland were lower). For the corresponding period in 2011, Harrow's rate was 2.4% (25% lower), with the same areas only having lower rates.

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)[30] 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.

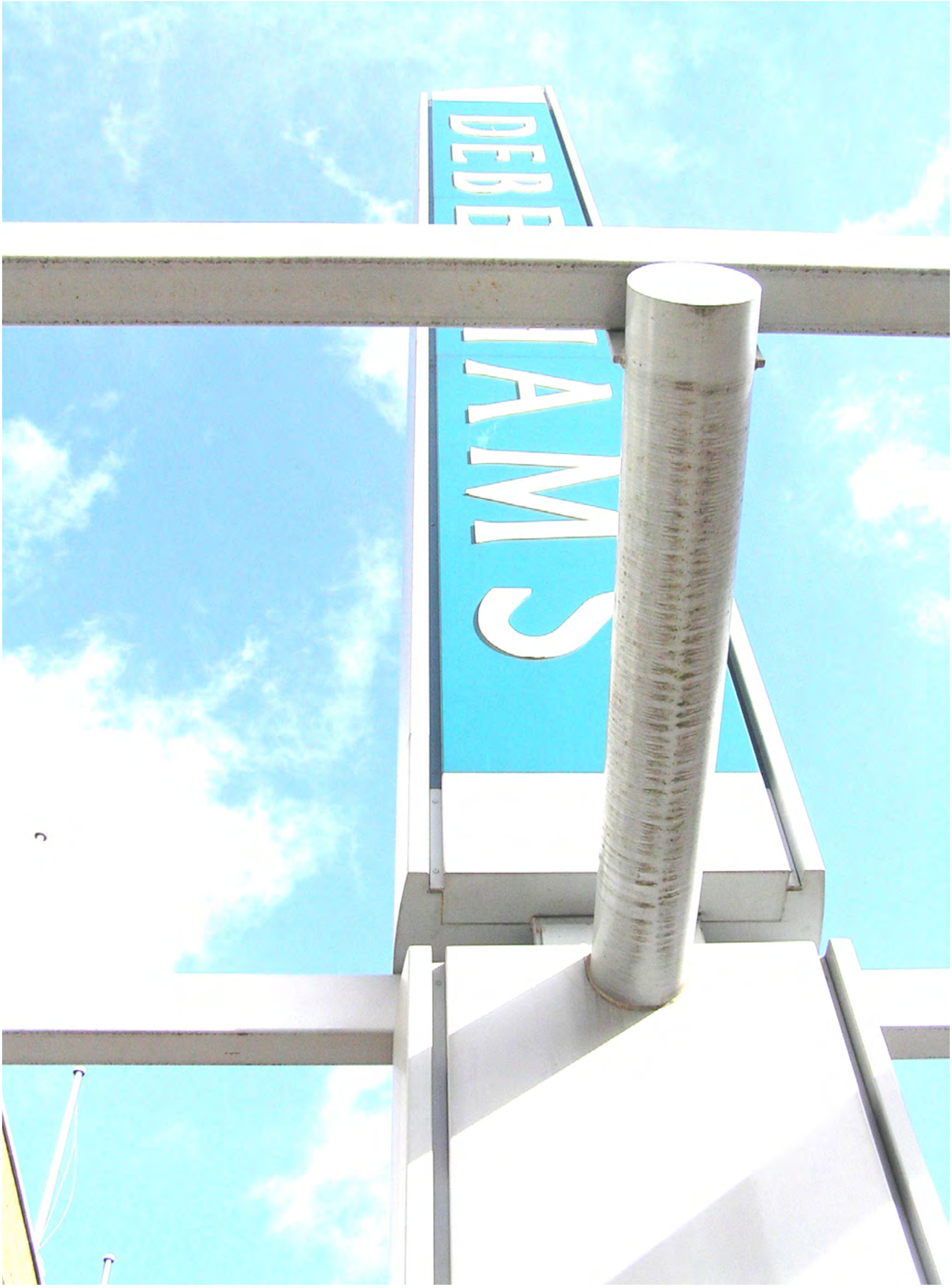
7.14 Assessment of the local economy indicates that there will continue to be a high proportion of both high skilled and lower-skilled (level 2 or below) jobs within the local economy.

30 West London Alliance

Employment **8**

Local Economic Assessment 2011-12

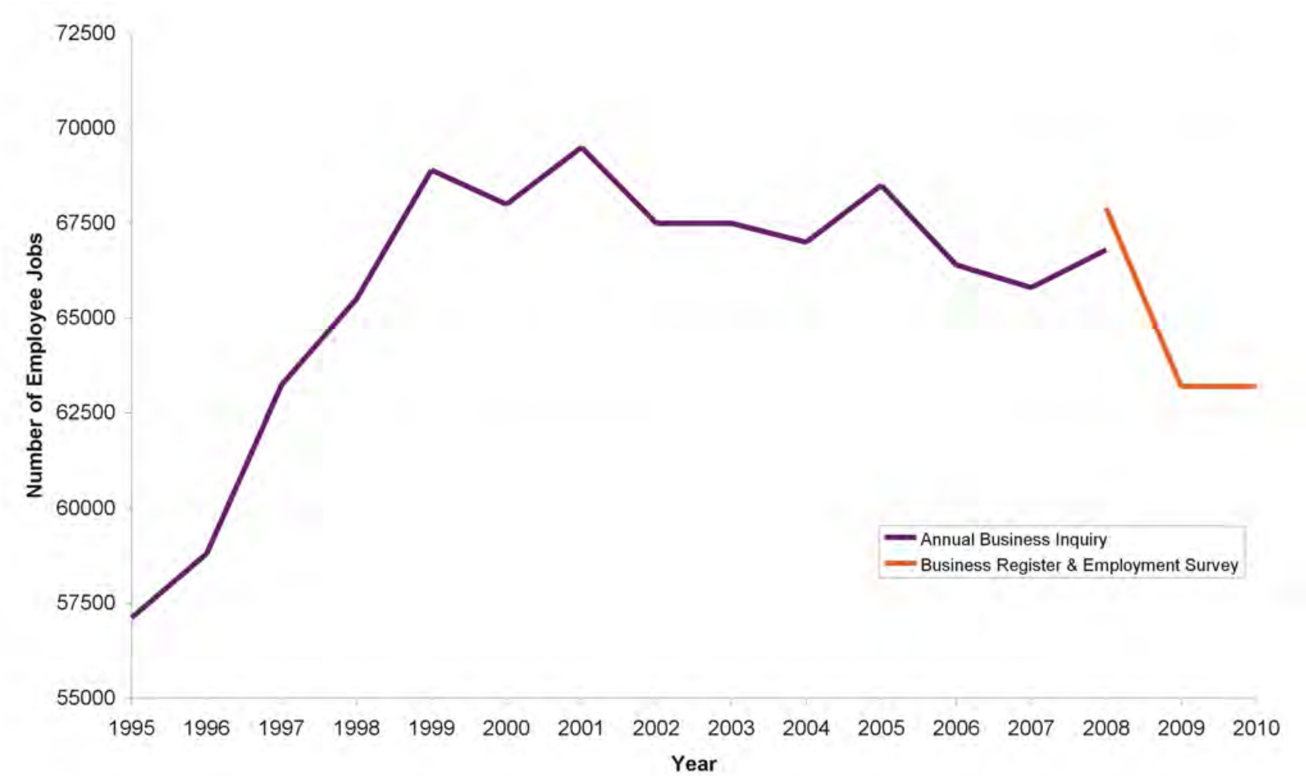
8 Employment



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 also includes estimates of working owners in addition to the employee numbers. Together these figures give employment figures, which were previously not available in the ABI dataset. 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 2010. The BRES excludes self-employed jobs, HM Forces and Government supported trainees (jobs which are included in the Jobs Density estimates).

Figure 21 Employee Jobs in Harrow



Source: Annual Business Inquiry and Business Register & Employment Survey (2008-10), ONS

8.2 The BRES shows that Harrow provides employment for approximately 68,000 people. Included in this figure are 4,800 people (7%) who are working owners. The BRES shows that there were 600 (0.9%) more people working in Harrow in 2010, compared to 2009 and all the additional jobs were attributed to employer/self-employed jobs. However, in 2008 the BRES showed that there were a total of 72,300 jobs in Harrow, which shows a 6% fall in employment in Harrow between 2008 and 2010 (Table 18). Figure 21 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 11% since 1995.

Table 18 Harrow Employment by Industry Groups, 2008 - 2010

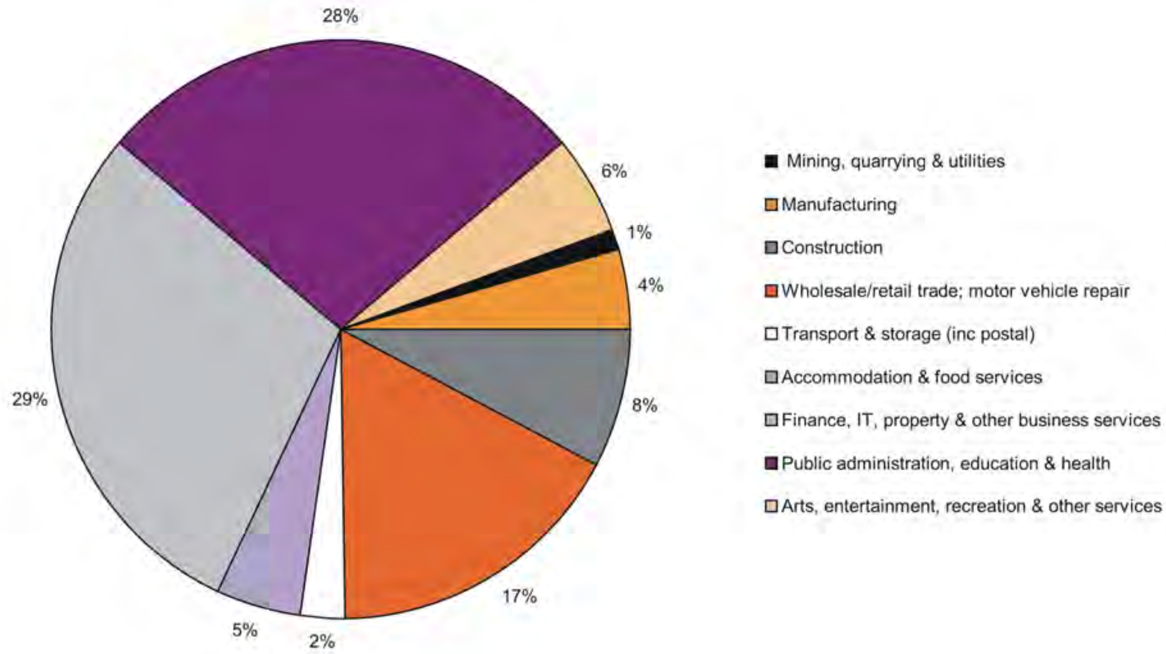
Industry Group		2008		2009		2010	
		Employees	Working Owners	Employees	Working Owners	Employees	Working Owners
1	Agriculture, forestry & fishing	n/a	n/a	n/a	n/a	n/a	n/a
2	Mining, quarrying & utilities	800	0	700	0	800	0
3	Manufacturing	3,300	200	2,700	100	2,800	100
4	Construction	5,900	600	5,000	700	4,700	700
5-7	Wholesale/retail trade; motor vehicle repair	11,700	800	10,900	1,000	10,600	900
8	Transport & storage (incl. postal)	1,700	100	1,500	100	1,600	100
9	Accommodation & food services	3,500	200	2,900	100	3,100	200
10-14	Finance, IT, property & other business services	19,000	2,100	16,500	1,800	17,400	2,400
15-17	Public administration, education & health	18,200	400	19,400	300	18,500	300
18	Arts, entertainment, recreation & other services	3,900	200	3,600	200	3,600	200
	Total Employment	67,900	4,400	63,200	4,200	63,200	4,800
		72,300		67,400		68,000	

Source: Business Register and Employment Survey, ONS

Note: Figures may not sum due to rounding. n/a - statistics not available

8.3 Table 19 shows that Harrow has the smallest employment base of all the West London boroughs, with around 68,000 employed in Harrow. Brent has the next smallest employment base with just under 100,000 in employment, while Hillingdon provides the most employment with 183,400 jobs in 2010.

Figure 22 Harrow's Employment Base by Sector, 2010



Source: ONS Business Register & Employment Survey

8.4 Figure 22 and Table 19 show employment by broad industrial groups for Harrow and the other West London boroughs. Harrow's position is as follows:

- Utilities - above average proportion of employees working in this sector
- Manufacturing - 4.3% of Harrow's jobs are in manufacturing, below the West London average of 5.1%
- 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.
- Retailing and vehicle repair - the third biggest sector in Harrow, employing 17% of workers, the average level for West London
- Transport and storage - only 2.4% of people are employed in this sector, considerably lower than the West London average of 9.8%. However, Hillingdon's rate of 30% (largely due to Heathrow Airport) has resulted in a higher average rate overall for this sector.
- Finance, IT, property and other business services - the largest employment grouping in Harrow with 29.2% of jobs, which is the average for West London
- Public administration, education and health - nearly 28% of Harrow's jobs are in this sector, which is above the West London average of 21.4%. This may have implications for levels of employment in the borough as public spending is reduced over the coming years. More information on local authority jobs is given below under 'Public Sector Jobs'.
- Arts, entertainment, recreation and other services - above average proportion of jobs in this sector, at 5.7%.

Table 19 Employment by Broad Industrial Groups, 2010

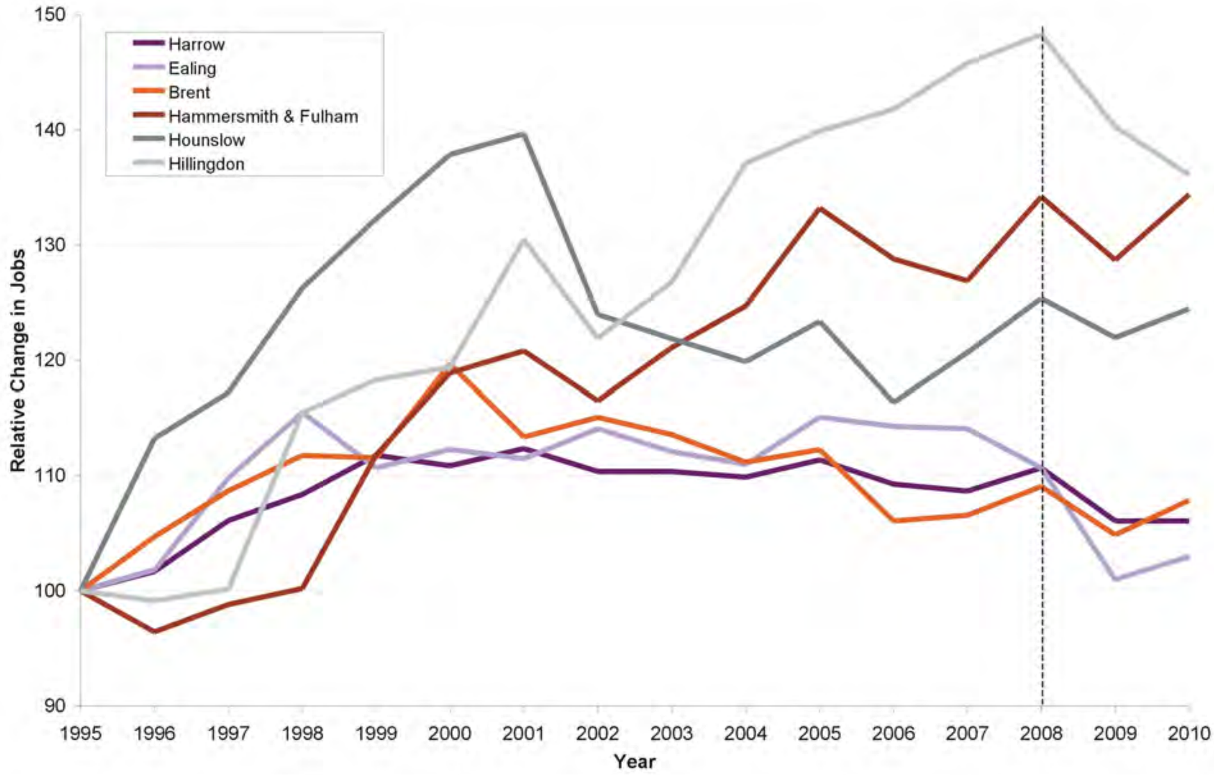
Industry Group		Harrow		Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow
		Number	%	%	%	%	%	%
1	Agriculture, forestry & fishing	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2	Utilities, mining & quarrying	800	1.2	1.7	0.9	0.1	0.6	0.4
3	Manufacturing	2,900	4.3	8.6	7.8	3.1	3.6	3.2
4	Construction	5,400	7.9	5.4	4.7	1.7	3.4	2.3
5-7	Wholesale/retail trade; motor vehicle repair	11,600	17.0	18.8	19.4	14.6	12.7	16.9
8	Transport & storage (incl. postal)	1,600	2.4	7.3	7.2	1.9	30.0	9.7
9	Accommodation & food services	3,300	4.8	6.9	7.2	7.3	7.1	5.1
10-14	Finance, IT, property & other business services	19,800	29.2	20.8	27.4	45.8	23.6	40.0
15-17	Public administration, education & health	18,800	27.6	26.2	21.7	18.9	16.5	17.4
18	Arts, entertainment, recreation & other services	3,800	5.7	4.2	3.7	6.5	2.5	5.1
	Total employment	68,000	-	99,900	112,800	128,200	183,400	128,200

Source: Business Register & Employment Survey, ONS 2010

Note: Figures may not sum due to rounding. n/a - statistics not available. Based on employees and working owners, so excludes self-employed, government supported trainees and HM Forces

8.5 Figure 23 shows that, when compared with the other West London boroughs, the percentage increase in the number of jobs in Hammersmith & Fulham, Hillingdon, Hounslow and Brent has been larger than Harrow over the same time period, 1995 to 2010, with only Ealing showing smaller increases.

Figure 23 Relative Change in Employee Jobs in West London, 1995 - 2010



Source: Annual Business Inquiry (to 2007), Business Register & Employment Survey (2008-10),ONS - Harrow Analysis

Note: 1995 = 100

8.6 The Jobs Density estimates, produced by the Office for National Statistics, show 77,000 jobs in Harrow in 2009. This is an estimate based on the ratio of total jobs to the resident population aged 16-64. Harrow's job density was estimated to be 0.51, lower than London's density of 0.88 and England's density of 0.78.

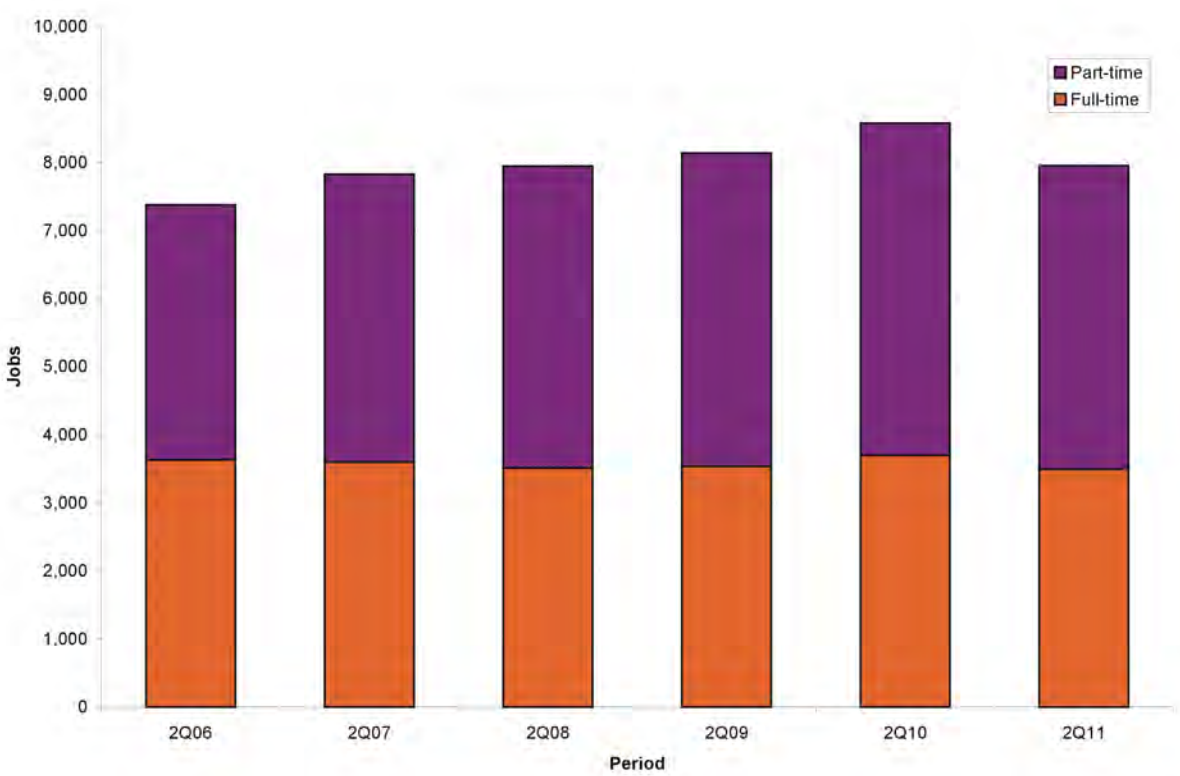
Public Sector Jobs

8.7 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 around 8,850 employee jobs in Harrow were provided by the local authority in 2010, approximately 13.6% of the total employee jobs in the borough at that time.(31) The trends in local government employment in Harrow over the period 2006 to 2011 are shown in Figure 24. Since 2006 the numbers of local government employees has risen gradually, peaking in 2010 and falling back by over 7% by mid-2011. A higher percentage of these jobs are part-time jobs and this level has increased, from 50.7% in 2006 to over 56% by 2008.

8.8 Table 20 shows that when compared to the other West London boroughs, a higher percentage of jobs in Harrow are local authority jobs and this percentage has increased over the past three years, to around 13.6% in 2010. Harrow has a much smaller employment base than all the other West London boroughs which results in these higher percentages.

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

Figure 24 Local Government Jobs in Harrow



Source: Quarterly Public Sector Employment Surveys, ONS

Table 20 Local Authority Employment

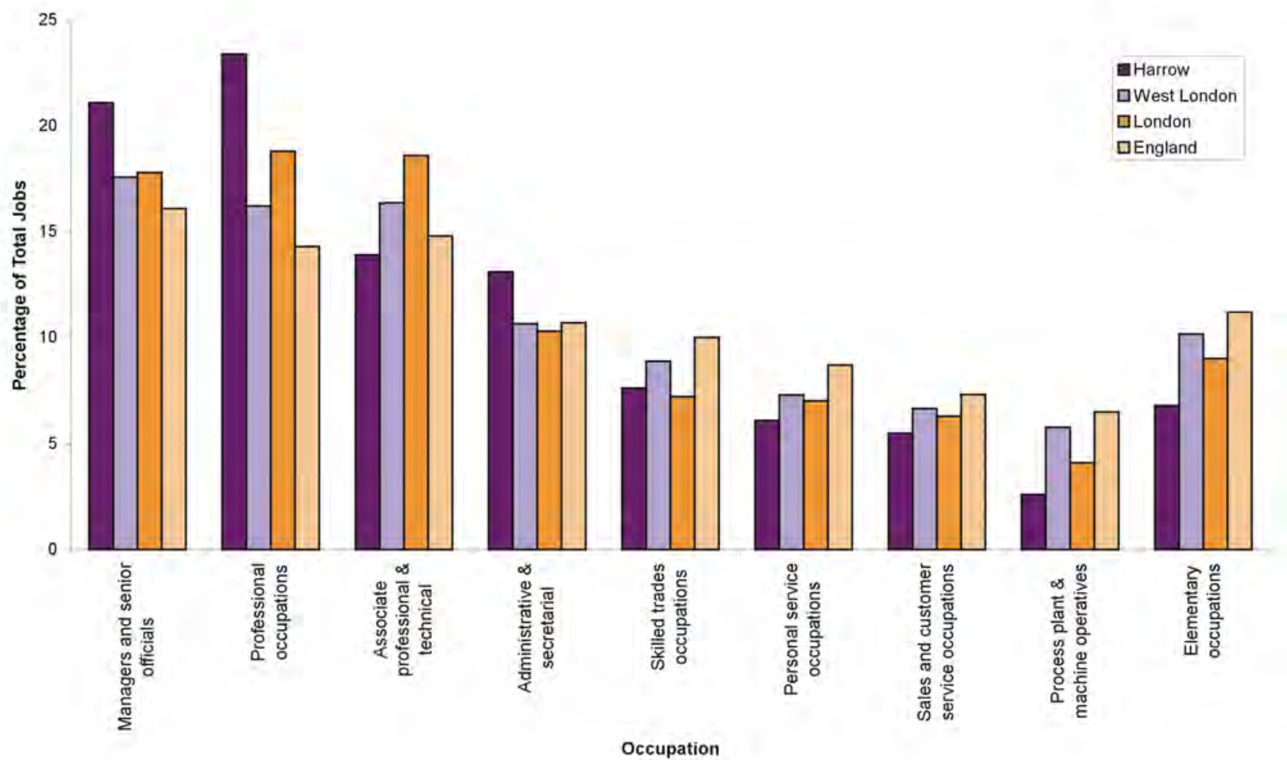
	2008		2009		2010	
	LA jobs	% of employee jobs	LA jobs	% of employee jobs	LA jobs	% of employee jobs
Brent	7,600	8.0	7,400	8.1	7,400	7.9
Ealing	7,000	6.2	7,300	7.0	7,200	6.8
Hammersmith & Fulham	6,700	5.5	5,900	5.2	5,700	4.7
Harrow	7,900	11.7	8,100	12.9	8,600	13.6
Hillingdon	7,200	3.8	6,200	3.4	4,300	2.4
Hounslow	9,300	7.5	8,200	6.8	8,400	6.9
West London	45,700	6.4	43,100	6.4	41,600	6.9
London	239,700	5.6	240,400	5.9	245,700	6.0
England	2,085,600	8.9	2,094,100	9.2	2,083,400	9.2

Source: ONS - Quarterly Public Sector Employment Surveys & Business Register & Employment Survey

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

Occupation

Figure 25 Employment by Occupation, 2010/11



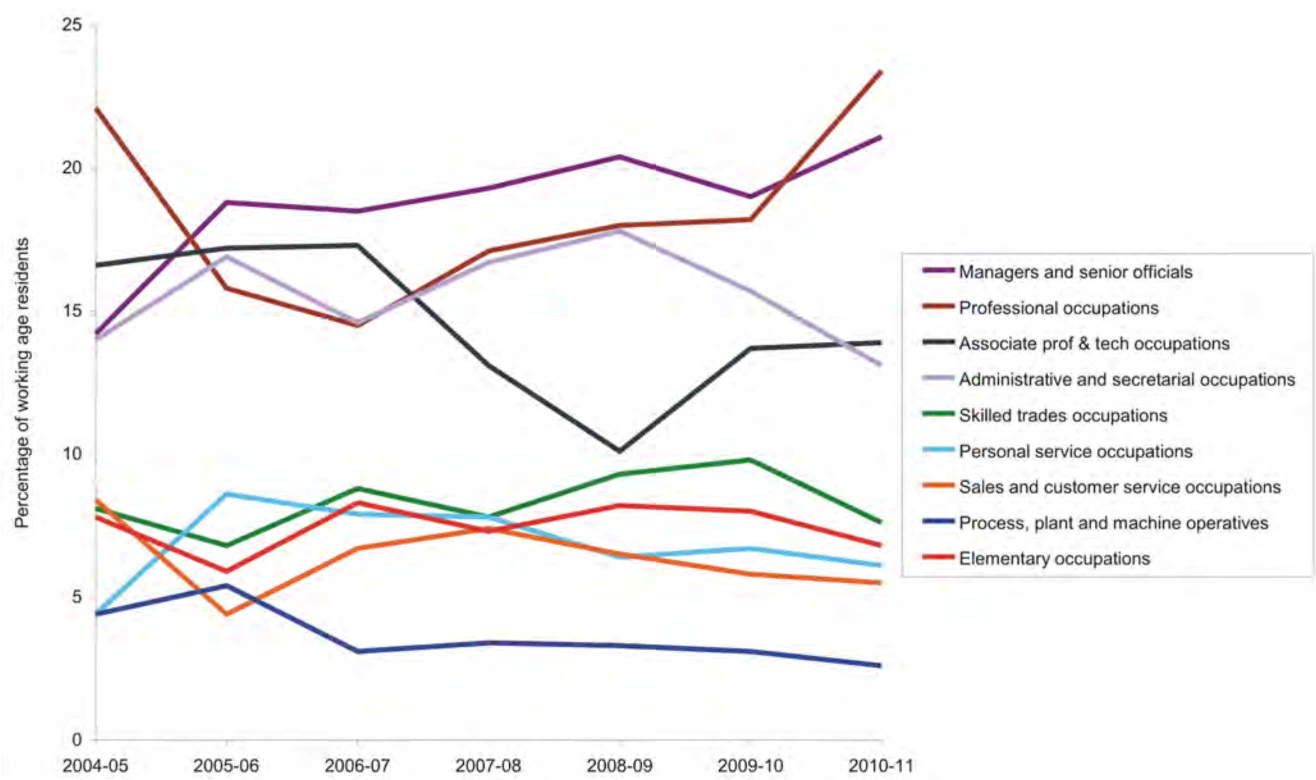
Source: ONS Annual Population Survey (April 2010 - March 2011)

8.9 Harrow's occupational structure contains a higher proportion of professional workers compared to the West London sub-region, London and the national average. 44.5% of Harrow's employed residents are in the top two occupational groups - managers and senior officials and professional occupations, compared to 33.8% in West London, 36.6% in London and 30.4% nationally. In terms of associate professional and technical workers Harrow has a lower proportion than the aforementioned comparator areas. Harrow also has a higher proportion of residents in administrative and secretarial positions, at 13.9% (Figure 25).

8.10 Harrow has lower proportions of residents in personal service occupations, sales and customer service occupations, process plant and machine operatives and elementary occupations when compared to West London, London and England.

8.11 Figure 26 shows how occupations are changing over the years, largely reflecting national trends. Over the past eight years the most significant change has occurred in the top occupational category (managers and senior officials), which shows a 49% increase in the number of residents in this category, from 14,900 to 24,100 residents. The number of residents working in personal service occupations (for example: dental nurses, care assistants, nursery nurses, sports and leisure assistants) has also increased significantly, from 4.4% to 6.1% in 2010/11, an increase of 38.6%. 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, plant and machine operatives has fallen by 35% and 41% respectively over the past eight years. A steep decline in administrative and secretarial positions has occurred over the past three years, mirroring a national decline.

Figure 26 Occupation of Working Age Residents, 2004/05 - 2010/11



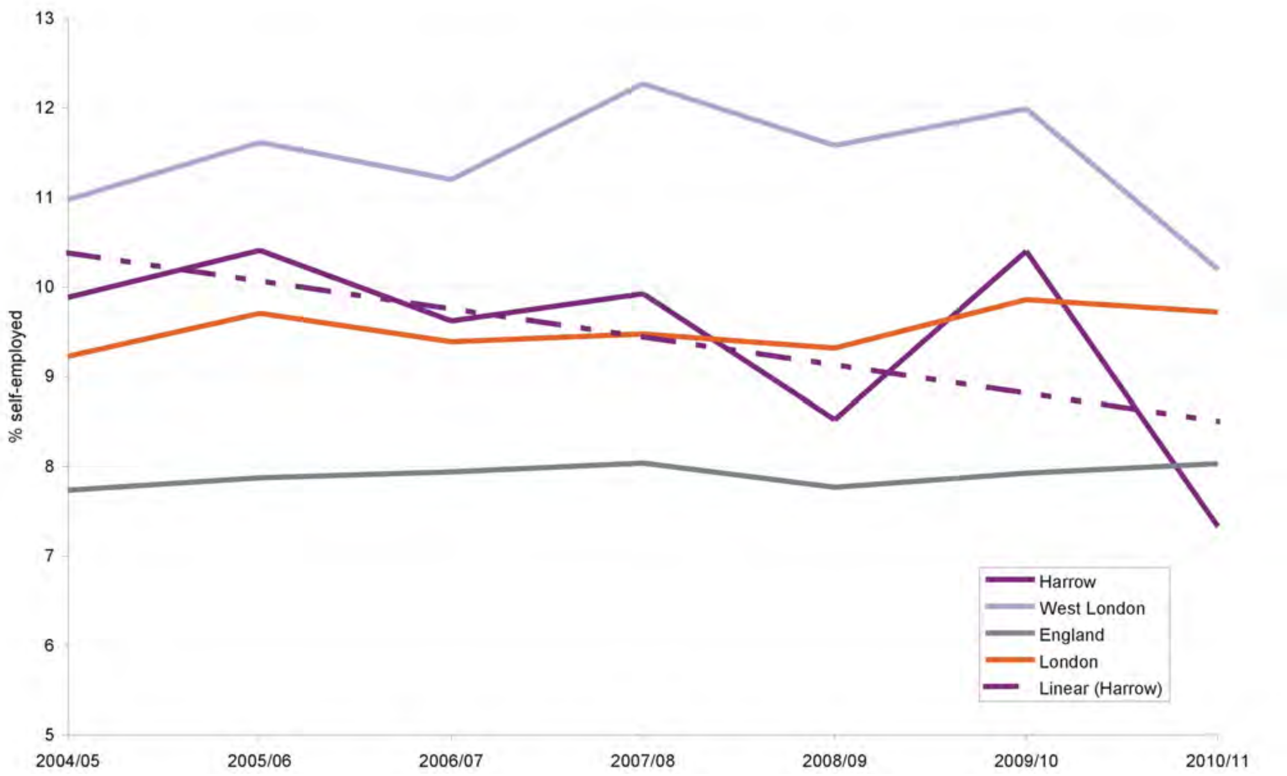
Source: ONS Annual Population Surveys 2004/05 to 2010/11

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

Self-employment

8.12 In the financial year 2010/11 an average of 7.3% of Harrow's residents were self-employed (based on the economically active population aged 16 and over). This compares with a West London average of 10.2%. In comparison with the other West London boroughs, Brent, Ealing, Hammersmith & Fulham and Hounslow all have higher proportions of self-employed. Harrow's level of self-employment is also lower 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 downwards, as per West London generally. In contrast self-employment in London and England generally has slowly increased (Figure 27, Figure 28 & Table 21).

Figure 27 Self-employment, 2004/05 - 2010/11



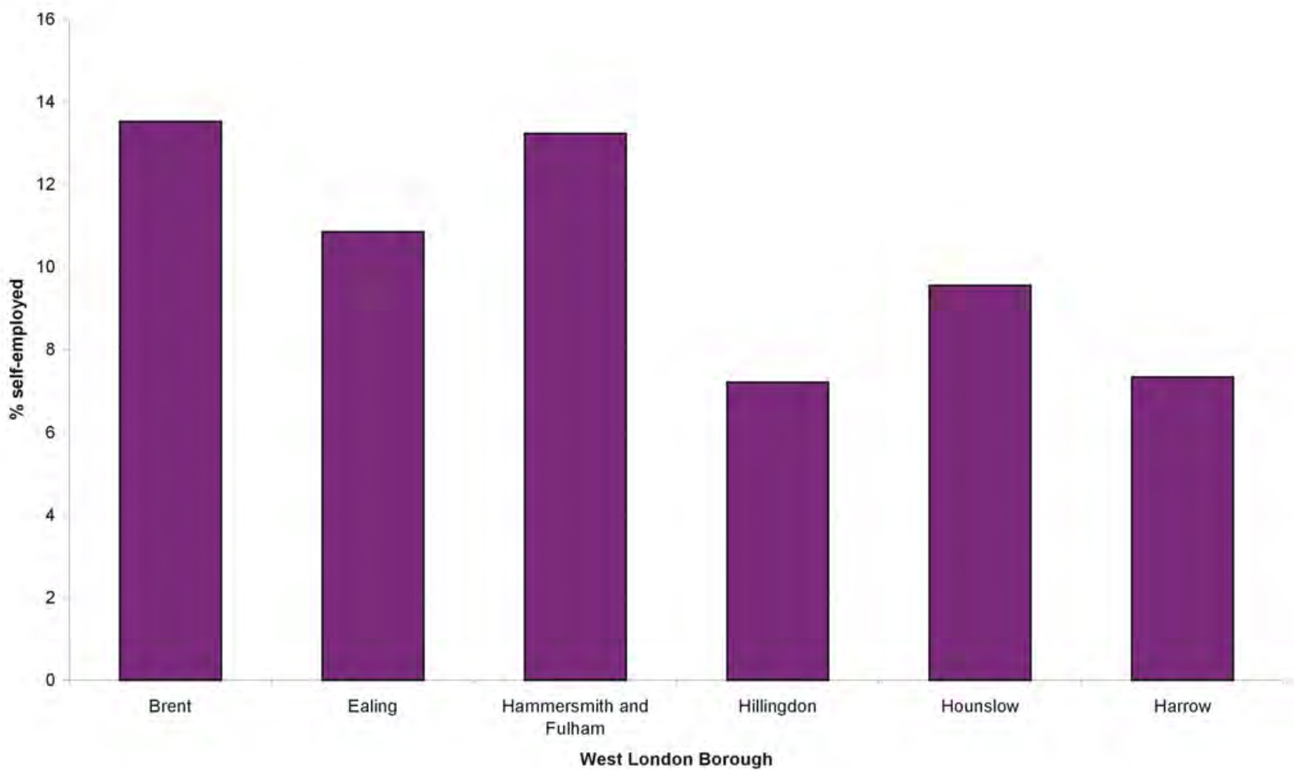
Source: ONS Annual Population Surveys

Note: Figures are based on residents aged 16+, as a percentage of the economically active population aged 16+

Table 21 Numbers of Residents aged 16+ who are Self-Employed, 2010/11

	Harrow	Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow
Number	14,100	28,400	27,700	18,900	15,100	18,000
Percentage of Economically Active aged 16+	7.3	13.5	10.9	13.2	7.2	9.5
Source: ONS Annual Population Survey						

Figure 28 Residents who are Self-employed, West London, 2010/11



Source: ONS Annual Population Surveys

Note: Figures are based on residents aged 16+, as a percentage of the economically active population aged 16+

Business and Enterprise **9**

Local Economic Assessment 2011-12

9 Business and Enterprise

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

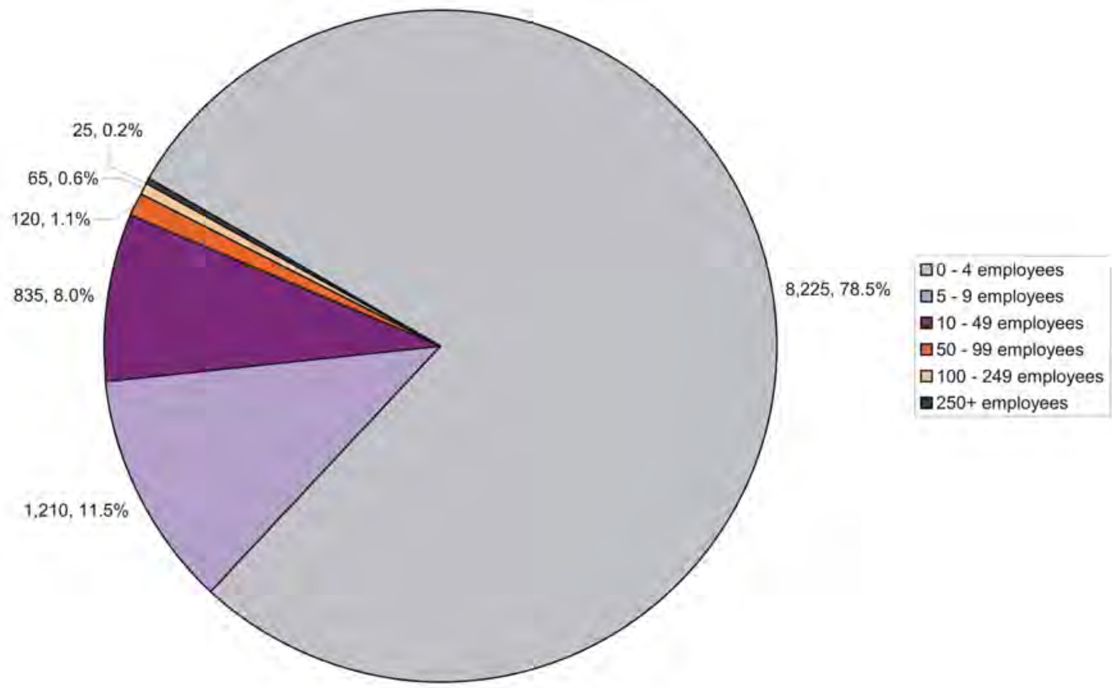
9.1 In Harrow, there are a high number of micro-enterprises (employing fewer than five people). In terms of number of businesses, Professional, scientific and technical based businesses dominate, followed by Construction, and the Information and communication sector. However, in terms of levels of employment, Public administration, education and health provided the highest number of jobs in 2010, followed by Finance, IT, Property and other business services.

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).[32]

9.3 In 2011 the IDBR showed that there were around 10,500 local units in Harrow. 90% of these are small businesses employing fewer than ten people. Only 25 businesses (0.2%) in the borough employ 250 or more people (Figure 29 - these figures are rounded to the nearest five).

Figure 29 Business Size by Number of Employees, Harrow, 2011



Source: ONS Inter-Departmental Business Register, March 2011

32 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.

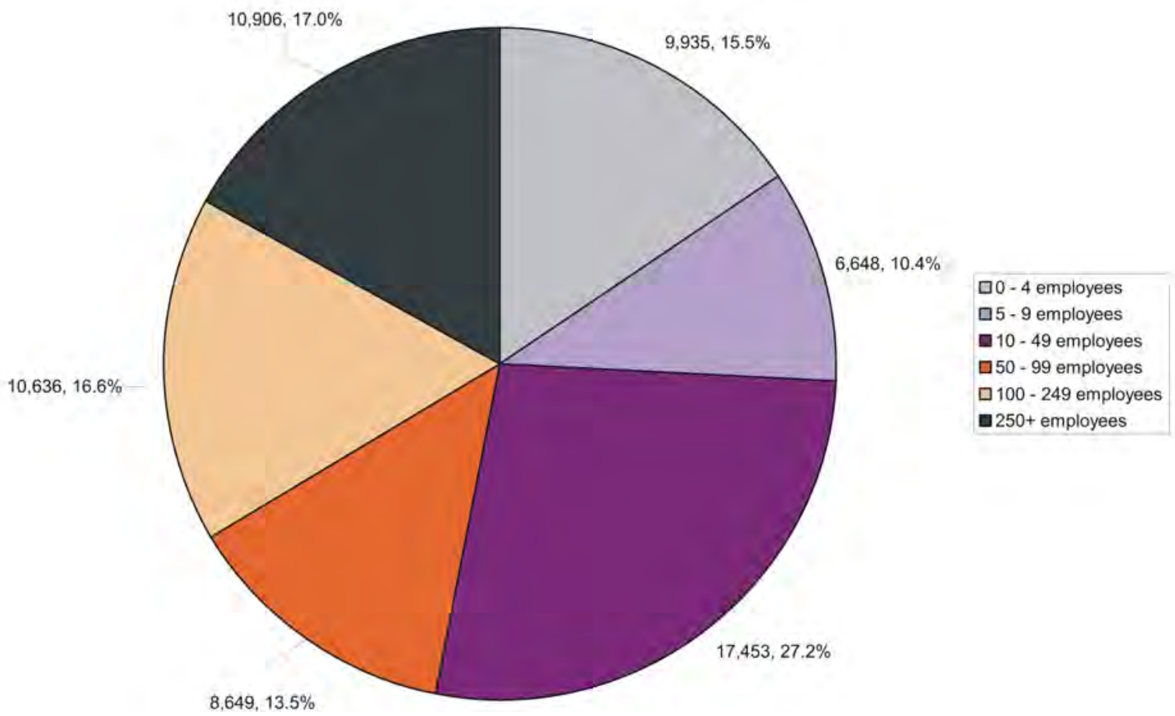
9.4 Within West London the IDBR shows that Ealing has the highest number of businesses, with 13,370 local units recorded. Out of these six boroughs Harrow is ranked fifth for the number of businesses, with only Hounslow having slightly fewer businesses. 15.4% of businesses in West London are in Harrow. However, over 78% of Harrow's businesses employ less than five people, the highest proportion compared to all the other West London boroughs. Just 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 2011

Local Unit Size	Harrow	Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow	London	England
0 to 4 persons	8,225 (78.5%)	8,710 (74.9%)	10,170 (76.1%)	8,255 (72.7%)	7,470 (69.1%)	7,470 (72%)	282,195 (71.6%)	1,480,340 (68.5%)
5 to 9 persons	1,210 (11.5%)	1,415 (12.2%)	1,550 (11.6%)	1,385 (12.2%)	1,405 (13.0%)	1,325 (12.8%)	51,790 (13.1%)	314,135 (14.5%)
10 to 19 persons	535 (5.1%)	750 (6.4%)	800 (6.0%)	790 (7.0%)	795 (7.4%)	675 (6.5%)	28,965 (7.4%)	174,625 (8.1%)
20+ persons	510 (4.9%)	760 (6.5%)	850 (6.4%)	920 (8.1%)	1,135 (10.5%)	900 (8.7%)	31,105 (7.9%)	192,090 (8.9%)
All Units (Total)	**10,480**	**11,635**	**13,370**	**11,350**	**10,805**	**10,370**	**394,055**	**2,161,190**

Source: ONS Inter-Departmental Business Register, March 2011

Figure 30 Percentage of Workforce Employed by Business Size, Harrow, 2011



Source: ONS Inter-Departmental Business Register, 2011

9.5 Figure 30 shows that just over 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 78% of businesses in the borough, but only 15.5% of people who work in the borough are employed in these micro businesses.

Figure 31 Percentage of Workforce Employed by Business Size, Harrow, 1999 - 2011

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

Table 23 Number of Businesses (Data Units) by Size, Harrow, 1999 - 2011

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

Source: ONS Inter-Departmental Business Register, 2011 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** 2,300 VAT only units in Harrow and data units with no employees recorded (included in Table 22).

9.6 Figure 31and Table 23 give an indication of how Harrow's business base has been changing over the past 12 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. However, it appears that the number of medium-sized businesses, employing between 11-24 and 25-49 people, has been growing in recent years.

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 contracting, but two of Harrow's larger businesses who moved out of the borough in 2011/12 were GE Capital (to Watford) and Winsor & Newton (to White City and France).

Business Rates

9.8 Business rates are collected by local authorities on behalf of Central Government, with money being re-distributed to local authorities as part of Formula Grant funding. 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 every five years, the latest base being 2011. An analysis of Harrow's Business Rate's Register for the first nine months of 2011/12 shows that the number of businesses on the register has been falling slightly, from 5,383 in the first three months to 5,361 in the last three months of 2011, a fall of 22 businesses. Over this period the average amount of rates paid per business was approximately £23,840.

9.9 Research undertaken by Centreforcities in October 2011[33] 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 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.

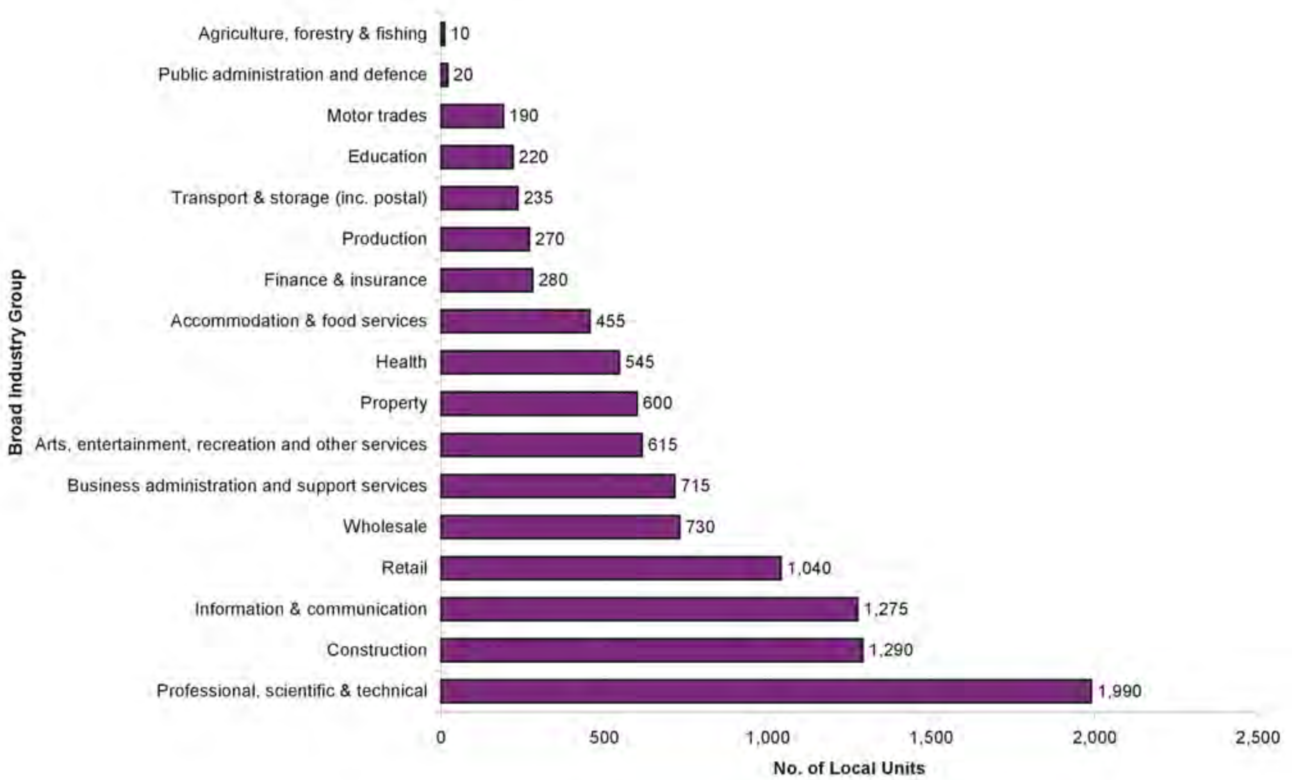
9.10 The Local Government Finance Bill was introduced to Parliament on 19th December 2011. The Bill sets out the draft legislation for the introduction of a business rates retention scheme for councils to keep a proportion of the business rates they raise locally; the introduction of Tax Increment Financing (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). Subject to progress through Parliament, the Bill allows for these changes to come into effect in April 2013. The proposals contained in the Bill confirm the schemes set out in the various consultation papers.

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

Sectors

9.11 The ONS IDBR also provides a breakdown of the number of local units in an area, broken down by broad industry group.[34] For Harrow, in 2011, the highest concentration of businesses were Professional, scientific and technical based, with nearly 2,000 (19%) 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 Construction with 12.3% of businesses. Within West London and London, Construction is ranked fourth, and nationally it is ranked third. 12.2% of Harrow's businesses are categorised in the Information and communication group, the same proportion as in West London and above the level for both London and England (Figure 32 & Figure 33).

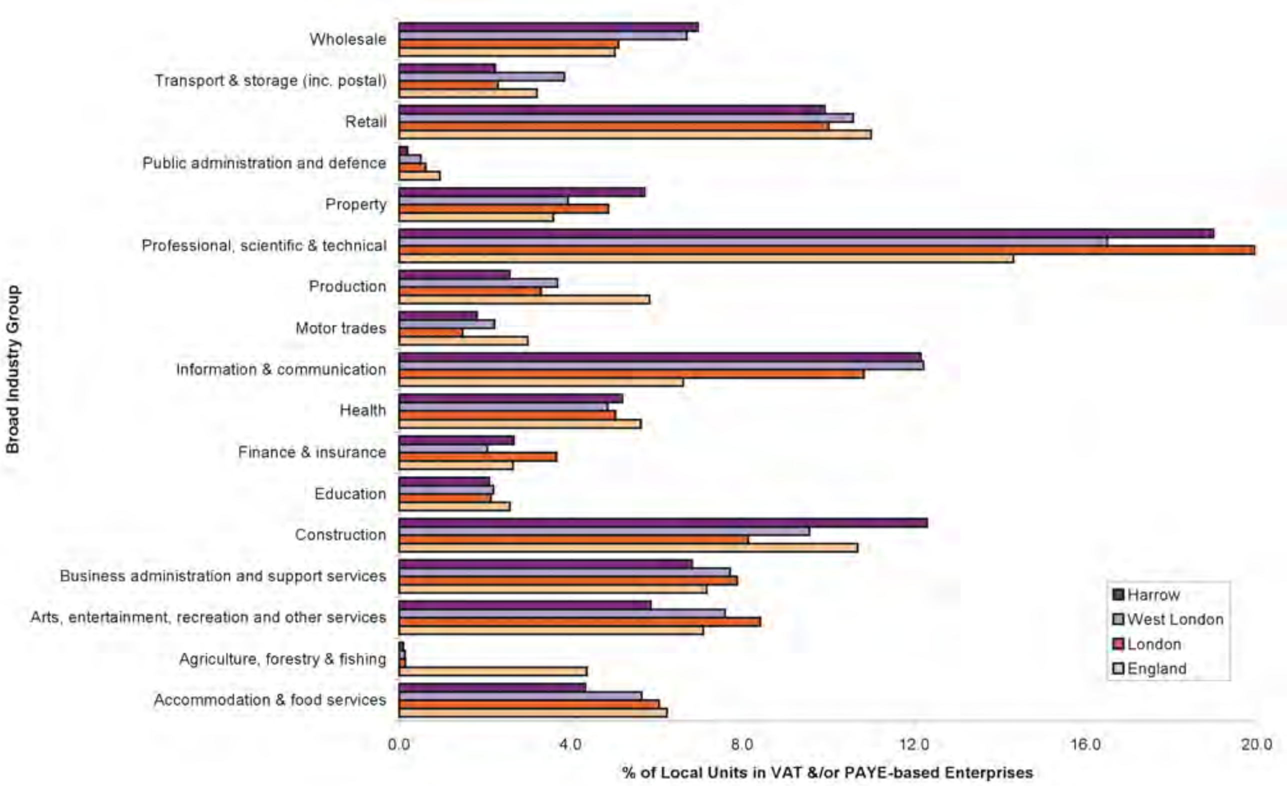
Figure 32 Broad Industry Group by Number of Local Units, Harrow, 2011



Source: ONS, Inter Departmental Business Register, March 2011

34 Based on the 2007 Standard Industrial Classification (SIC)

Figure 33 Businesses by Broad Industrial Group, 2011



Source: ONS, Inter Departmental Business Register, March 2011

Age of Businesses

Table 24 Number of VAT and/or PAYE-based Enterprises by Age of Business, 2011

Age of Business	Harrow	Brent	Ealing	H'smith & Fulham	Hillingdon	Hounslow	London	England
Less than 2 years	1,835 (19.8%)	2,065 (20.2%)	2,345 (20%)	2,080 (21.5%)	1,625 (19%)	1,965 (22.7%)	66,295 (19.8%)	271,250 (15.2%)
2 - 3 years	1,475 (15.9%)	1,720 (16.8%)	2,010 (17.1%)	1,670 (17.3%)	1,385 (16.2%)	1,515 (17.5%)	52,885 (15.8%)	238,035 (13.4%)
4 - 9 years	2,710 (29.2%)	2,955 (28.9%)	3,335 (28.4%)	2,680 (27.8%)	2,385 (27.8%)	2,220 (25.7%)	95,770 (28.6%)	504,135 (28.3%)
10+ years	3,245 (35%)	3,490 (34.1%)	4,035 (34.4%)	3,225 (33.4%)	3,180 (37.1%)	2,950 (34.1%)	119,445 (35.7%)	767,405 (43.1%)
Total	**9,265**	**10,230**	**11,725**	**9,655**	**8,575**	**8,650**	**334,395**	**1,780,825**

Source: ONS Inter-Departmental Business Register, March 2011

9.12 Nearly 20% of Harrow's businesses[35] were established less than two years ago. This is the same proportion as for London as a whole, but above the national level of 15%, perhaps indicating a higher level of entrepreneurship within the London area. Over a third (35%) of

35 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

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'.

Business Births and Deaths

9.13 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 2009, Harrow, like the majority of the other West London boroughs, recorded more business births than deaths. This was mirrored in London overall and nationally (Table 25).

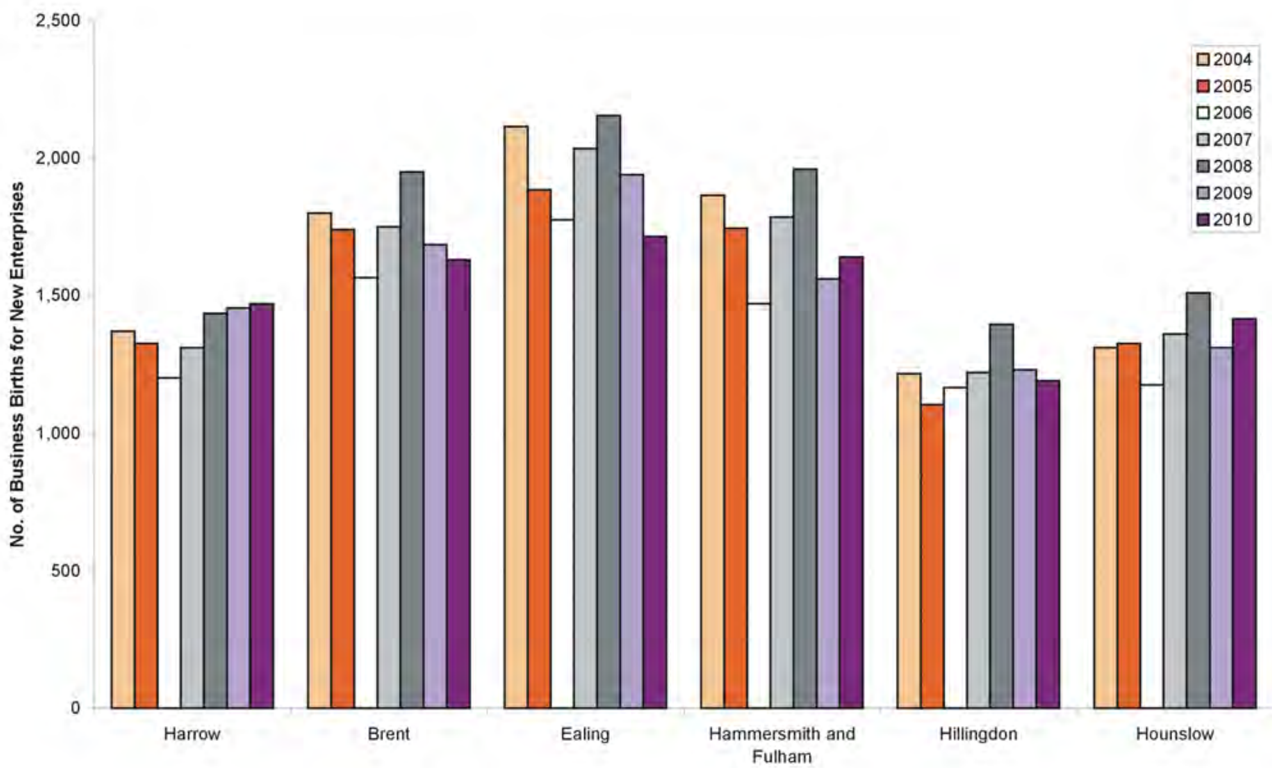
Table 25 Business Births and Deaths in Harrow, 2004 - 2010

Harrow	2004	2005	2006	2007	2008	2009	2010
Births	1,370	1,325	1,200	1,310	1,435	1,455	1,470
Deaths	1,375	1,190	1,075	1,145	1,250	1,505	1,740
Net Change	-5	135	125	165	185	-50	-270

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

Business Start-Ups

Figure 34 Business Births, 2004 - 2010



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

9.14 From 2006 to 2010 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 has fallen quite considerably since 2008. Similarly, business start-ups in Hammersmith & Fulham and Hounslow fell between 2008 and 2009, but increased in 2010 (Figure 34).

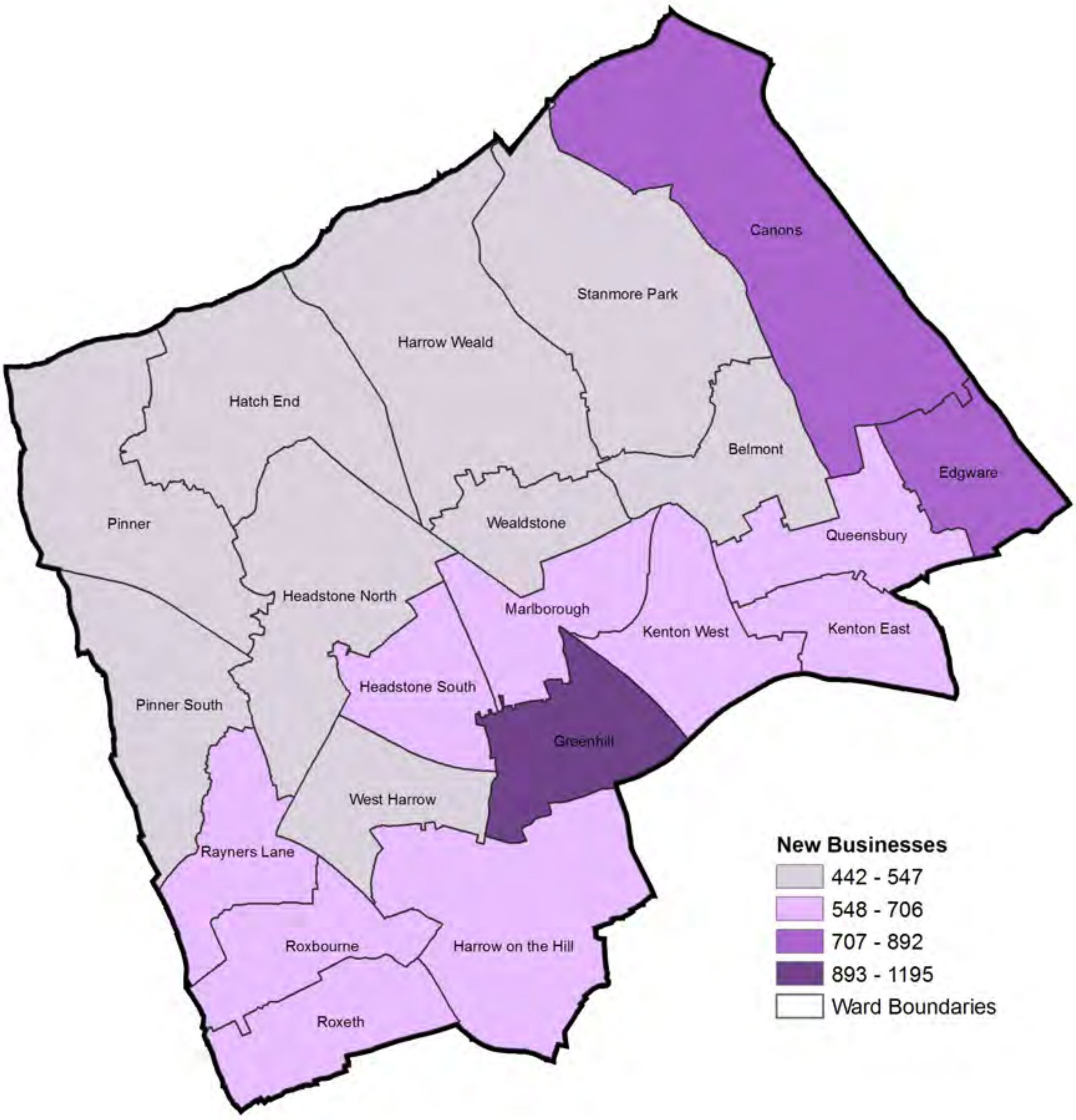
9.15 An alternative source for information on new business start-ups is provided by BankSearch Consultancy Ltd. Their information is obtained by collecting start-up information from the main suppliers of banking services, based on new business accounts opened. According to the latest data from a BankSearch survey, the number of businesses starting up in Harrow during 2011 was slightly higher compared to the previous year (Table 26).

Table 26 Business Start-ups by Industry, 2008 - 2011

Industry Sector	2008	2009	2010	2011	2008-2011
All	2,780	2,929	3,690	3,724	13,123
Real estate, professional services & support activities	1,074	1,139	1,512	1,468	5,193
Wholesale & retail trade	350	548	549	595	2,042
Construction	495	391	514	477	1,877
Recreational, personal & community service	425	362	407	356	1,550
Transport, storage & communication	84	83	118	209	494
Manufacturing	95	83	137	167	482
Accommodation & food service	96	110	132	138	476
Human health & social work	71	96	122	141	430
Education	57	80	127	94	358
Public administration & defence	7	9	9	14	39
Agriculture, hunting & forestry	5	5	14	11	35
Activities auxiliary to financial intermediation	6	7	8	13	34
Financial intermediation (excl. insurance & pension funds)	9	9	7	8	33
Individuals & individual trusts	0	0	10	20	30
Unknown	0	0	18	5	23
Electricity, gas & water supply	3	5	3	4	15
Mining & quarrying	2	0	3	1	6
Insurance companies & pension funds	1	2	0	2	5
Fishing	0	0	0	1	1

Source: BankSearch Information Consultancy Ltd, Jan 2012

Map 10 New Business Start-ups by Ward, 2008 - 2011



Source: BankSearch Information Consultancy Ltd, Jan 2012

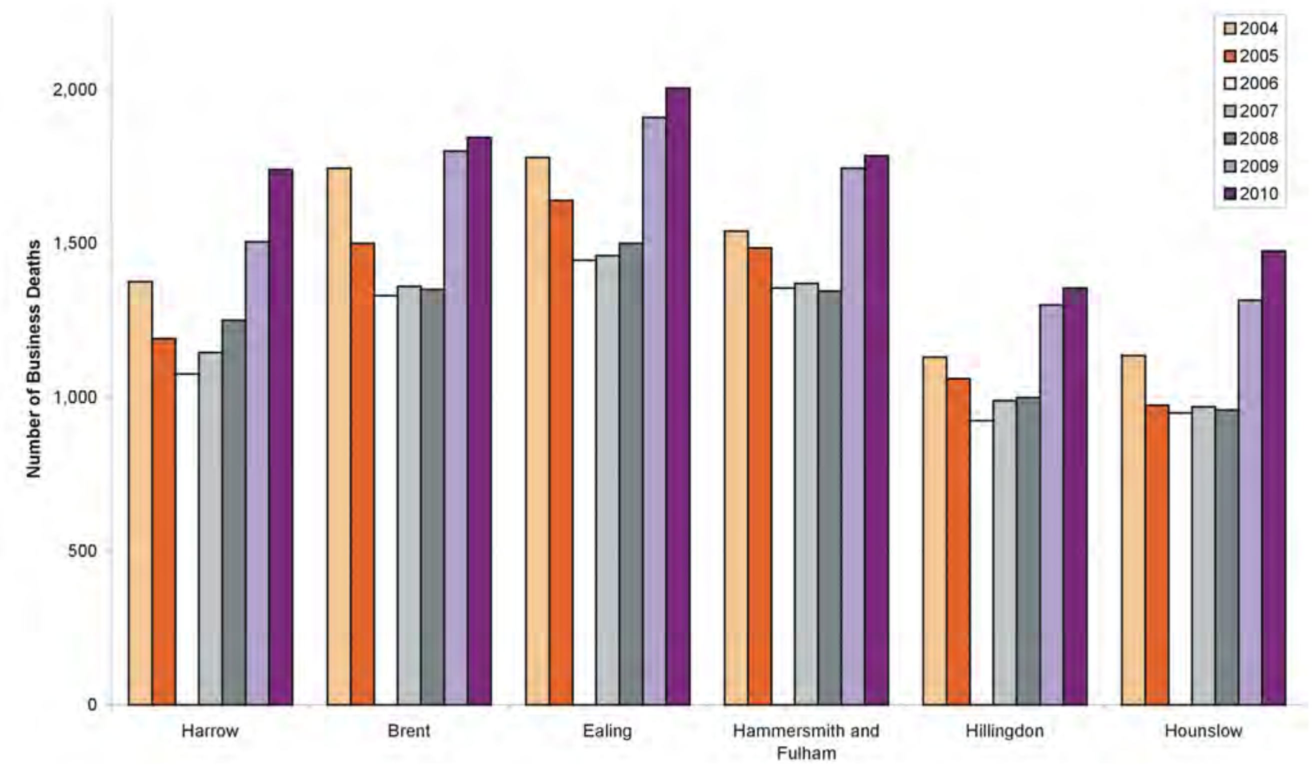
9.16 An analysis of the BankSearch start-up data by industry shows that since 2008, the largest number of new businesses start ups has been in the Real Estate, Professional Services and Support Activities followed by Wholesale and Retail Trade, and Construction.

9.17 Regionally, Greenhill has seen the highest number of business start-ups over the past four years, with nearly 1,200 new businesses forming. Edgware and Canons are ranked second and third and Harrow Weald last, with 442 new business start-ups over the past four years (Map 10).

Business Deaths

9.18 The number of businesses which have failed in Harrow has been increasing year on year since 2007, which follows a three-year period when the number of failing businesses fell. In 2009 the number of businesses which folded increased considerably, coinciding with the United Kingdom going into recession in late 2008. Again in 2010 there was another surge in failing businesses in the borough. This trend over the past two years is mirrored by the other West London boroughs, in London as a whole and nationally.

Figure 35 Business Deaths



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

Business Survivals

9.19 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. Harrow's two-year business survival rates generally follow national trends, rather than the overall London trends (Table 27).

9.20 Over a five-year period business survival rates averaged 44.1% nationally, based on businesses started up in 2005. Harrow's rate was slightly lower at 41.3%, but better than London's rate of 39.7%.

Table 27 Percentage of Businesses born 2005 - 2008 and still trading after Two Years

	2005	2006	2007	2008
Harrow	79.9%	80.4%	84.1%	73.7%
Brent	75.6%	77.3%	76.1%	70.9%
Ealing	77.2%	78.9%	75.2%	71.1%
Hammersmith & Fulham	73.6%	75.5%	75.5%	64.2%
Hounslow	79.7%	80.4%	80.7%	73.5%
Hillingdon	78.5%	79.8%	83.0%	75.2%
London	78.3%	78.8%	79.1%	66.0%
England	79.9%	80.7%	81.3%	73.9%

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

Growth of Knowledge-based Industries

9.21 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.

9.22 Using Eurostat definitions of the 'Knowledge Economy' applied to the 2010 Business Register and Employment Survey[36] 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).

9.23 Approximately 51% of people work in the Knowledge Economy nationally. In Harrow, approximately 34,700 peoples jobs fall within this definition, which equates to just under 55% of Harrow's workforce. This is a higher proportion than most of the other West London boroughs, except for Hammersmith & Fulham, at 62%, and lower than London's overall rate of 59%. Overall a very low number of people are employed in High-technology manufacturing industries within the West London boroughs and London generally.

9.24 The Centre for International Competitiveness publishes an analysis of knowledge based businesses by borough on an annual basis. The latest survey places Harrow 10th in London (24th nationally) in terms of the proportion of knowledge based industries with 29% 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.

9.25 Table 29 again confirms 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.

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

Table 28 Number of people working in the 'Knowledge Economy', 2010

	High-technology Manufacturing Industries	Knowledge-Intensive Services	Total 'Knowledge Economy'	Total Jobs	Percentage of Total Jobs
Harrow	300	34,400	34,700	63,200	54.9%
Brent	400	40,200	40,600	93,800	43.3%
Ealing	500	47,100	47,600	106,100	44.9%
H'smith & Fulham	300	74,700	75,000	121,100	61.9%
Hillingdon	500	94,700	95,200	177,700	53.6%
Hounslow	300	61,800	62,100	122,500	50.7%
London	7,500	2,410,400	2,417,900	4,090,400	59.1%
England	213,700	11,291,000	11,504,700	22,620,200	50.9%
Source: ONS Business Register & Employment Survey (BRES), 2010					
Note: Uses Eurostat definitions of Knowledge Intensive Services (KIS). Data rounded to the nearest 100					

Table 29 Knowledge-based Businesses (% of all businesses)

	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
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=

	2007		2008	
	Score	London Rank	Score	London Rank
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	31	19.2	30
Havering	16.1	30	17.0	31
Barking & Dagenham	13.3	32	15.0	32

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

Place Competitiveness

9.26 The UK Competitiveness Index 2010 (UKCI), produced by the Centre for International Competitiveness at the University of Wales Institute, represents a benchmarking of the competitiveness of the UK's 379 localities. The index has been produced since 1997.

Table 30 UK Competitiveness Index, 2009 & 2010

Borough	2010 Rank (out of 379)	2010 Score	2009 Rank	2009 Score	Change in Score from 2009 to 2010	Change in Rank from 2009 to 2010
Harrow	70	106.5	75	106.6	-0.1	+5
Brent	114	101.9	122	101.0	+0.9	+8
Ealing	65	108.6	63	108.1	+0.5	-2
H'smith & Fulham	5	141.5	4	141.3	+0.2	-1
Hillingdon	42	112.9	42	111.7	+1.2	-
Hounslow	40	114.1	49	110.8	+3.3	-9

Source: 2010 UK Competitiveness Index, Centre for International Competitiveness

9.27 Harrow's place competitiveness ranking for 2010, like all the West London boroughs, is ranked towards the top end of the competitiveness index. Both Harrow and Brent have improved places since 2009 - Harrow's ranking improving by 5 places and Brent's position by 8 places since 2009. The borough has an overall ranking within the top 20% of local authorities nationally (Table 30).

Constraints to Business Investment and Economic Growth

9.28 Due to the low level of office rents in Harrow, there has not been any significant office development in the borough for over 15 years. Over the past few years, and due to the current economic climate, it seemed unlikely that this position would change in the foreseeable future.

9.29 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

9.30 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.

9.31 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.

Housing **10**

Local Economic Assessment 2011-12

10 Housing

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. Harrow has a good supply of brownfield sites to meet these targets and over the past five years Harrow has delivered 2,658 net additional units in conventional supply, exceeding targets by 858 units. More detailed information on housing supply and delivery is available in Harrow's Annual Monitoring Report.[37]

Tenure

Table 31 Housing Tenure

Tenure	Harrow %	West London %	London %	England %
Owner Occupied: Owns Outright	32.19	23.56	22.05	29.19
Owner Occupied: Mortgage or Loan	42.08	34.27	33.51	38.88
	74.27	**57.83**	**55.56**	**68.07**
Owner Occupied: Shared Ownership	0.90	1.29	0.96	0.65
	0.90	**1.29**	**0.96**	**0.65**
Rented: Council (Local Authority)	7.03	14.13	17.12	13.21
Rented: Housing Association/Registered Social Landlord	4.10	8.99	9.09	6.05
	11.13	**23.12**	**26.21**	**19.26**
Rented: Private Landlord or Letting Agency	10.51	14.72	14.34	8.80
Rented: Other	3.20	3.05	2.93	3.22
	13.71	**17.76**	**17.27**	**12.02**
Private Sector (Owner Occupied and Privately Rented)	88.88	76.88	73.79	80.74

Source: Census 2001, Key Statistics Table KS18

37 Harrow's Annual Monitoring Report: http://www.harrow.gov.uk/info/856/local_development_framework__policy/1922/annual_monitoring

10.2 Based on 2001 Census data, Table 31 shows that the private sector (owner occupied and privately rented) constitutes upwards of 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.

10.3 The 2001 Census showed, that in comparison with the West London and the London average, Harrow has a low level of households living in the private rented sector. However the 2011 Census results are likely to show that this sector has expanded, due to an increase in buy-to-let landlords over recent years.

10.4 Table 32 shows that Harrow also has the highest level of owner occupation and the lowest concentration of social housing stock. This information is based on data which the council's supply to the CLG in their annual housing returns.

Table 32 Housing Tenure in West London

Borough	LA (including Owned by other LA's)	Registered Social Landlord (RSL)	Other Public Sector	Private Sector (non RSL)	Total
Harrow	4,991	4,910	175	76,976	87,052
%	5.7	5.6	0.2	88.4	-
Brent	9,115	17,672	140	83,493	110,420
%	8.3	16.0	0.1	75.6	-
Ealing	13,060	12,335	126	102,363	127,884
%	10.2	9.6	0.1	80.0	-
Hammersmith & Fulham	13,113	15,424	47	53,281	81,865
%	16.0	18.8	0.1	65.1	-
Hillingdon	10,479	7,695	1,281	85,676	105,131
%	10.0	7.3	1.2	81.5	-
Hounslow	13,412	10,288	199	72,256	96,095
%	14.0	10.6	0.2	75.2	-
Source: Harrow Council, Housing; HSSA returns 2010/11; London Borough of Hounslow, Housing Strategy & Services; Tenants Services Authority					
Note: Percentages may not sum due to rounding					

Household Composition

10.5 It is estimated that there were 85,100 households in the borough in 2011[38], an increase of 6,000 since the 2001 Census. The projections show that 30% of Harrow's households are likely to be one-person households, considerably lower than the London average of just over 39%.

38 GLA 2010 Round of Household Projections (SHLAA-based)

Affordability

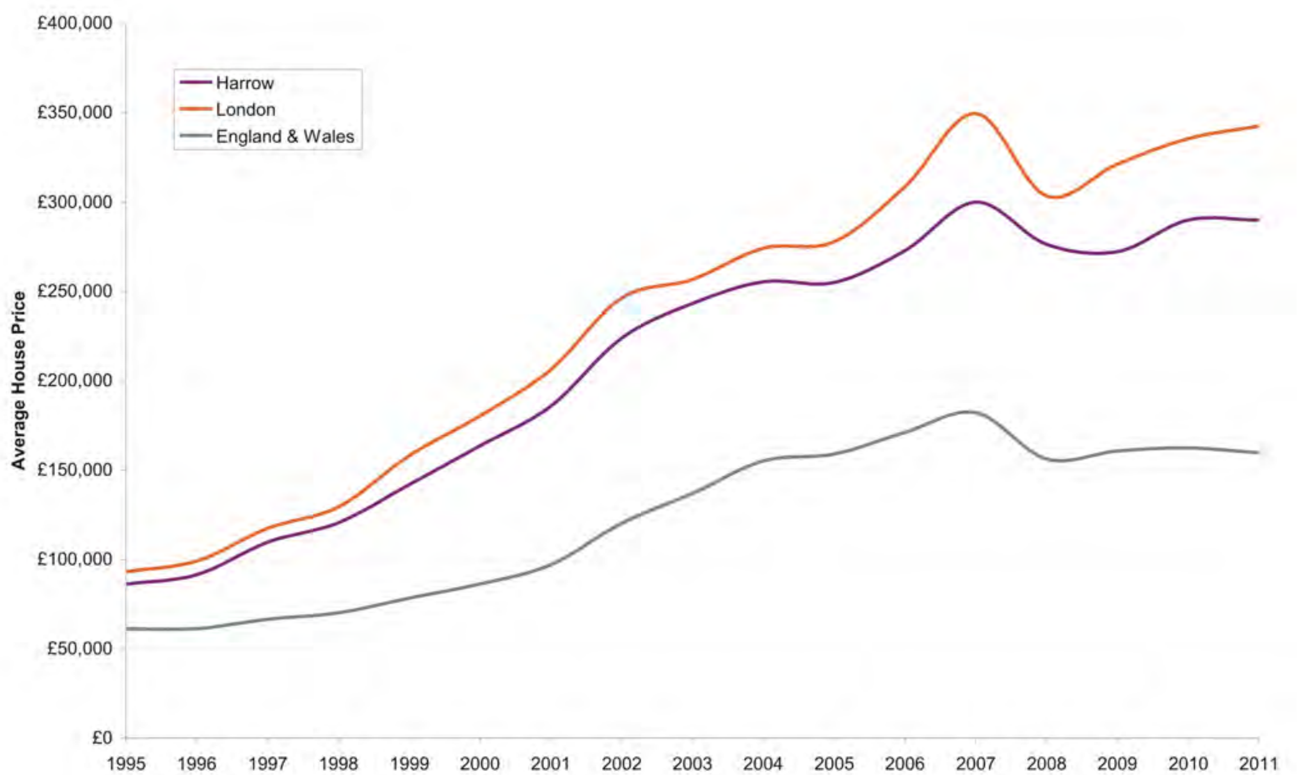
10.6 CLG guidance on affordability maintains that a household can be considered able to afford to buy a home if it costs no more than 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households (Strategic Housing Market Assessment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

Table 33 Income to House Price Ratios in Harrow

Lower Quartile										
2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
7.00	7.69	9.07	8.97	8.94	9.72	10.57	10.72	11.25	8.96	12.07
Median Ratios										
6.59	7.19	8.18	9.41	9.59	9.62	9.42	10.63	10.25	8.60	10.51
Source: CLG Live Tables 576 & 577										

10.7 Average house prices in Harrow are lower when compared to London overall, but considerably higher than the national average (Figure 36). 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 two 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 36 Average House Prices, 1995 - 2011



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

10.8 The average lower quartile house price in Harrow at the end of 2010 was £239,750, but provisional data for the third quarter of 2011 indicates that this could have fallen slightly to around £232,800 (CLG Live Table 583). A single earner household would need to earn around £66,500 per annum and a dual income household £80,300 per annum to be able to access such a property (based on the 3rd quarter 2011 price).

10.9 Communities and Local Government Live information at January 2011 show that the ratio of lower quartile house price to lower quartile earnings in Harrow has now reached 12.07 which is the highest ratio in Outer London. 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) 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.

10.10 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.

10.11 According to the Annual Survey of Household Earnings (2011)[39], the average lower quartile earnings for full-time males working in Harrow was around £23,800 and full-time females was around £18,500. Taking these figures together as a full-time lower quartile average wage, the combined earnings figure is someway short of accessing even the lowest cost open market housing.

10.12 In June 2010 the Government introduced caps in Local Housing Allowance (LHA) to be introduced from April 2011, and reductions in the rate at which is calculated from October 2011. This will affect 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.

39 Provisional data

Planning, Development and Infrastructure **11**

Local Economic Assessment 2011-12

11 Planning, Development and Infrastructure

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. The Harrow & Wealdstone Intensification Area, included in the London Plan, has been taken forward by the council and its partners as an area with the capacity to deliver at least 2,800 new homes and 3,000 jobs.

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.

11.3 The Harrow & Wealdstone Intensification 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 train station and Harrow bus station.

11.4 In order to realise these objectives and support the redevelopment of the Intensification Area, the council and its partners have undertaken the preparation of an Area Action Plan for Harrow and Wealdstone and it is anticipated that this will be adopted in Spring 2013. The emerging Plan 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. Such sites include:

- 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: identified for development to provide 150 homes and 130 jobs, as well as 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;
- 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, 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.

11.5 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 seeks 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.

11.6 With regard to Harrow and Wealdstone, the Core Strategy states 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 will be explored further through the Area Action Plan for the Harrow & Wealdstone Intensification Area, but will 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.
>
> With regard to proposals for redevelopment, it is envisaged that these will come forward as part of mixed-use proposals. In such circumstances, it is acknowledged that this might require significantly reduced amounts of office floorspace, but would not necessarily result in a net reduction in job numbers being achieved on site, due to more efficient use of the floorspace and increased job densities resulting from changing work practices, such as mobile and flexible working. The Council therefore considers that a target of 40% reprovision is appropriate subject to viability considerations.
>
> However, it is acknowledged that these measures alone may not be sufficient to see the town centre's office market return to a healthy state. To support and encourage a robust office market, and to strengthen Harrow Town Centre's Metropolitan status, the centre's retail offer will need to be expanded and diversified to provide for greater leisure and

entertainment uses (restaurant's, cafés etc), the quality of the environment within the town centre will need to be improved, and the transport facilities serving the centre will need to be enhanced.

To provide the modern, high quality town centre experience that shoppers expect, Harrow Town Centre will be the priority for the expansion of retailing and associated investment. 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 Intensification 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

11.7 There are no major transport infrastructure proposals planned for Harrow over the next few years. However, there may be some future capital spend around Kymberley Road in Harrow Town Centre, by the council, which could have a major traffic impact.

11.8 Proposals for upgrading Harrow-on-the-Hill train station and bus station have been hit by public spending cuts and lack of private sector development funding, although it is seen as a key investment requirement to maintain the competitiveness of Harrow Town Centre. The council is seeking to enhance bus standing capacity in the vicinity of the station as an interim low cost measure. Future plans will include the provision of disabled access to the train station and modernisation of the booking hall to increase capacity.

11.9 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. 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

11.10 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

11.11 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 2011-12

12 Town Centres, Offices and Industrial Estates

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

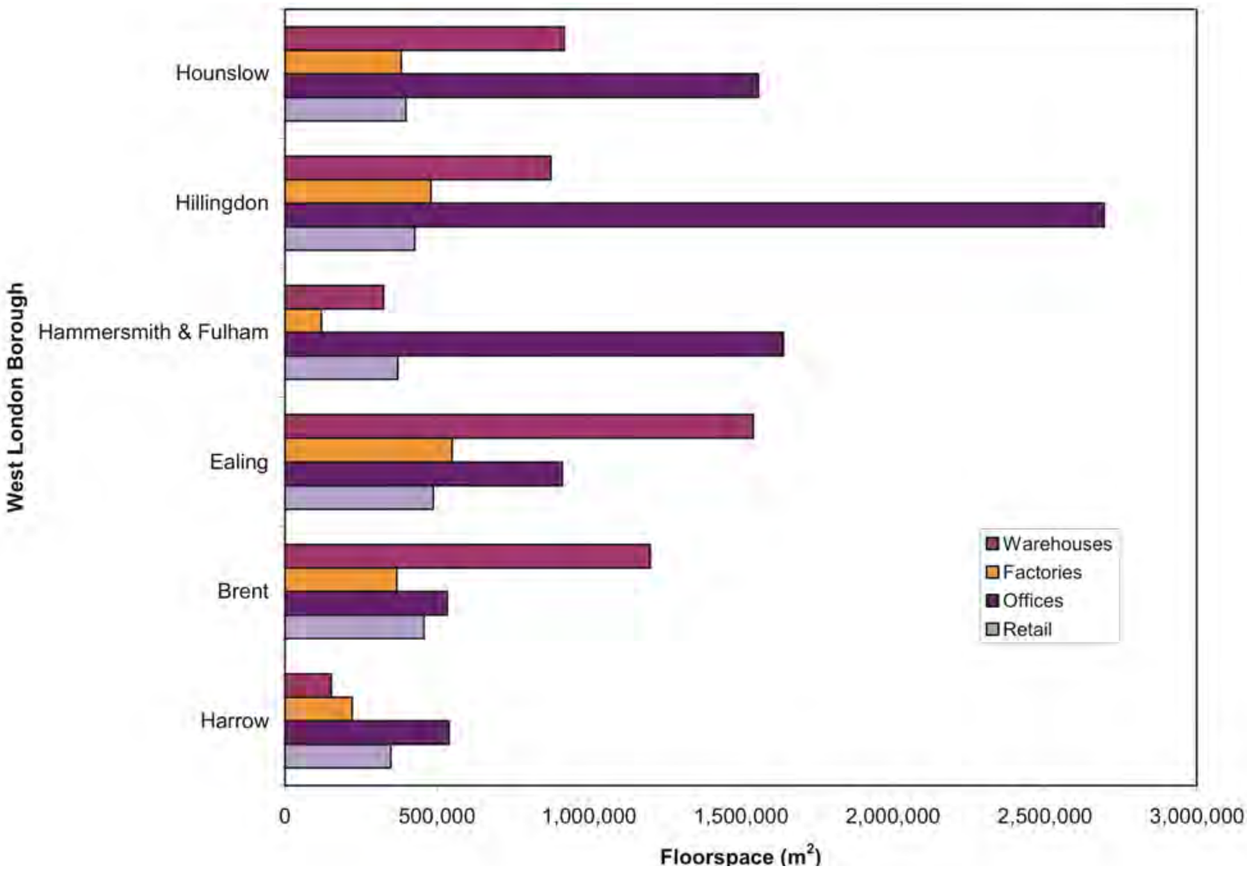
Table 34 Commercial Floorspace - Total Stock Changes, 1998 - 2008

Type	1998		2008		Change	
	Floorspace (m^2)	%	Floorspace (m^2)	%	Floorspace (m^2)	%
Retail Premises	350,000	25.5	348,000	34.2	-2,000	-0.6
Offices	327,000	23.8	270,000	26.5	-57,000	-17.4
- Commercial Offices	275,000	20.0	218,000	21.4	-57,000	-20.7
- Other Offices	52,000	3.8	52,000	5.1	0	0
Factories	234,000	17.0	221,000	21.7	-13,000	-5.6
Warehouses	135,000	9.8	152,000	14.9	17,000	12.6
Other Bulk Premises	-	-	28,000	2.7	28,000	-
Total: All Bulk Classes	1,046,000		1,019,000		-27,000	-2.7
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 34 shows that in 1998 the borough's commercial stock was relatively evenly split between the main types of space - retail, offices and industry/warehousing. In 2008 retail accounted for the the largest share (34%), followed by offices (26.5%), factories (22%) and warehousing (15%). Although the amount of retail floorspace declined slightly in this ten-year period, there were bigger declines in the amount of office floorspace (-17%) and factory stock (-5.6%), which has resulted in Harrow's retail floorspace accounting for the highest proportion of commercial floorspace in Harrow in 2008. Harrow's warehousing stock grew by 12.6% 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 37), although the Hertfordshire districts of Hertsmere and Three Rivers generally have smaller stocks. Harrow has: the smallest stock of retail and warehousing space in West London; the second lowest level of office floorspace (after Brent) and the second lowest level of industrial (factory) floorspace, after Hammersmith and Fulham. It is worth noting that the greater stock of employment space in some adjoining boroughs includes large concentrations of industrial space at Park Royal (Ealing and Brent) and warehousing space in close proximity to Heathrow (Hillingdon).

Figure 37 Retail, Office, Factory and Warehouse Floorspace in West London, 2008



Source: Valuation Office Agency, LB Harrow Analysis

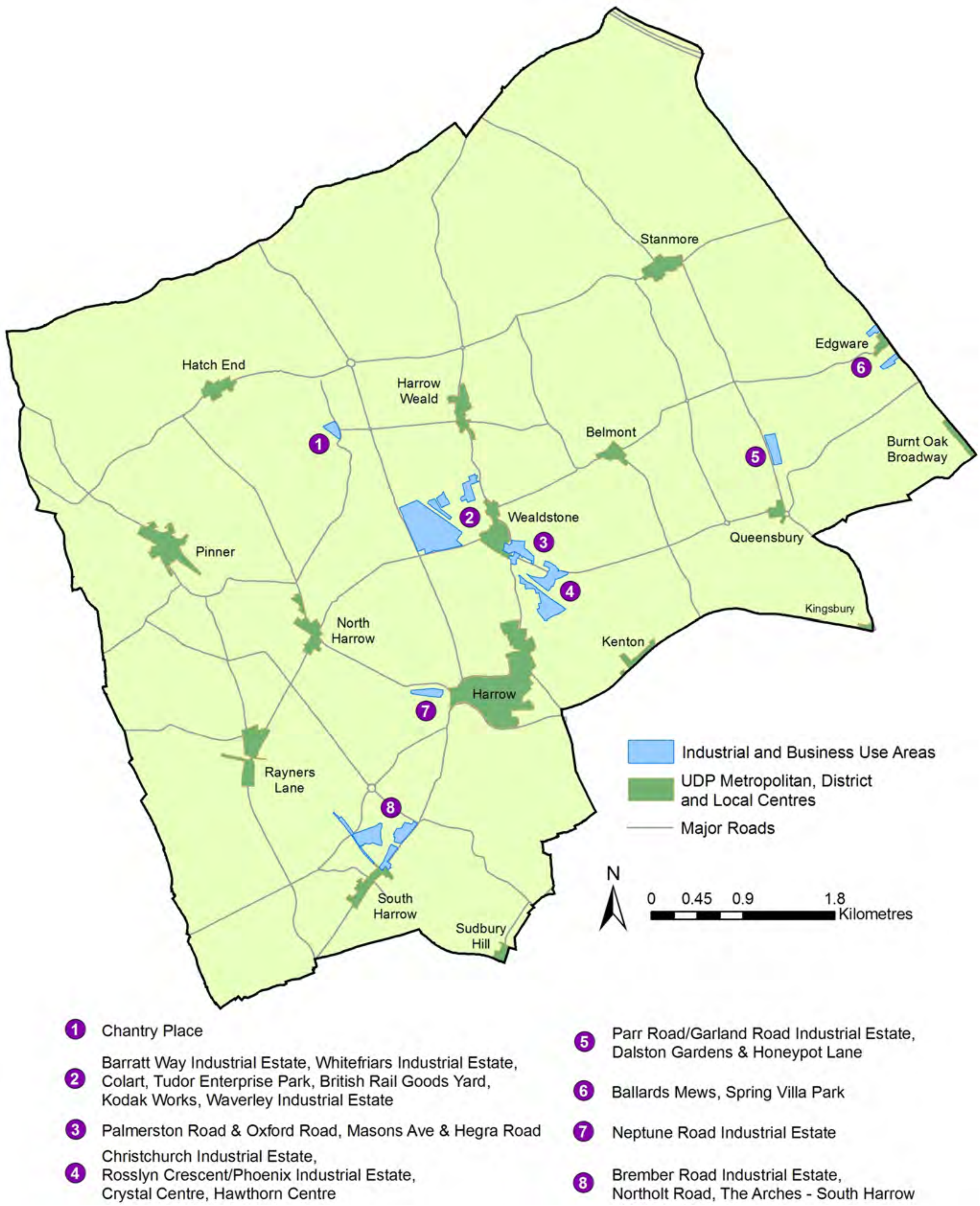
12.3 Much of Harrow's office (B1) use class has been lost from change of uses to residential rather than demolition, reflecting the relative higher land values for residential use that have existed in the borough. This difference in land values continues despite the recent down turn in the economy. The pressure for changes of use from lower value land uses (office and light industrial) to higher value land uses (residential and retail) is likely to continue.

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 1998 to 2008, this showed an increase of 5.5 % from 4,154 to 4,379 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. Retail ranking data from Management Horizons Europe's (MHE's) UK Shopping Index for 2008 ranked Harrow Town Centre in 108th place out of a database of over 6,000 retail locations. More recently 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

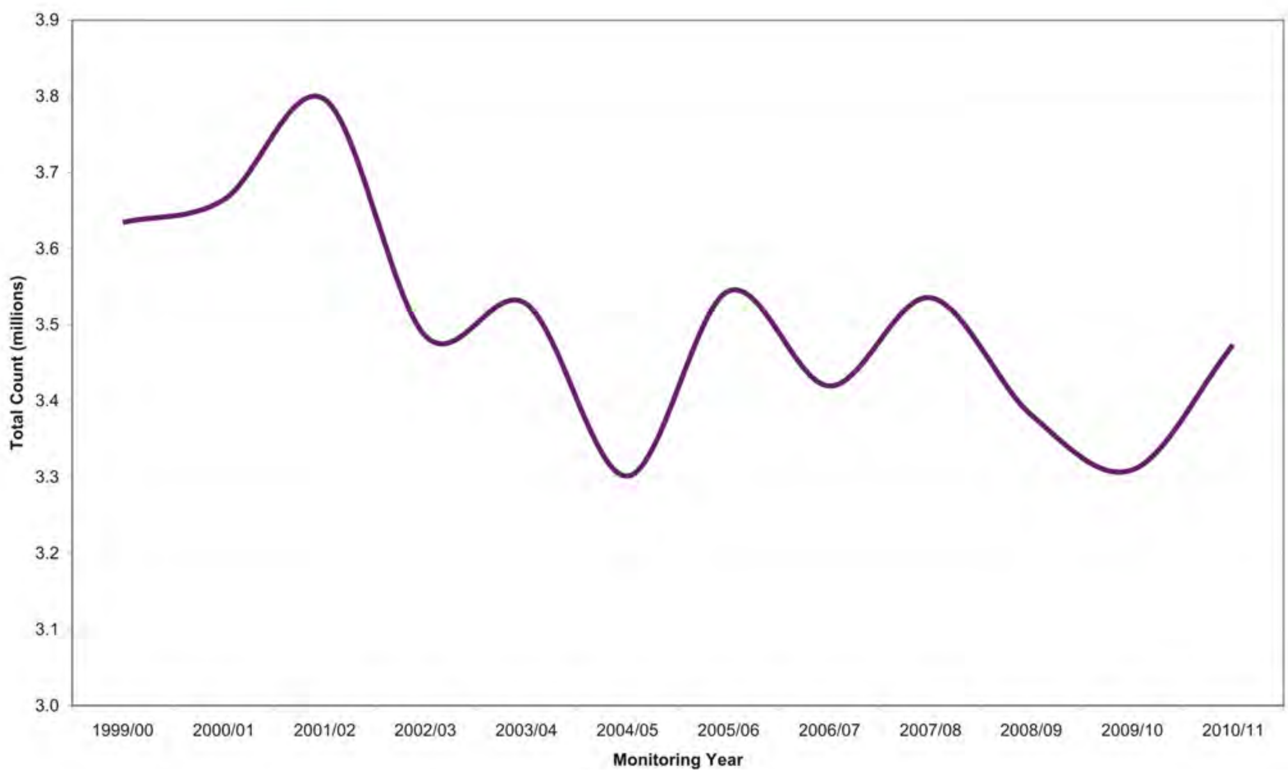
Map 11 Location of Town Centres, Industrial and Business Areas



Source: Harrow Council, Economic Development, Research & Enterprise 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.

12.6 As well as Harrow Town Centre, the London Borough of Harrow has nine District Centres and six 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 11 shows the location of the Metropolitan, District and Local Centres in Harrow.

Figure 38 Total Pedestrian Count Across All Town Centres, 1999/00 - 2010/11



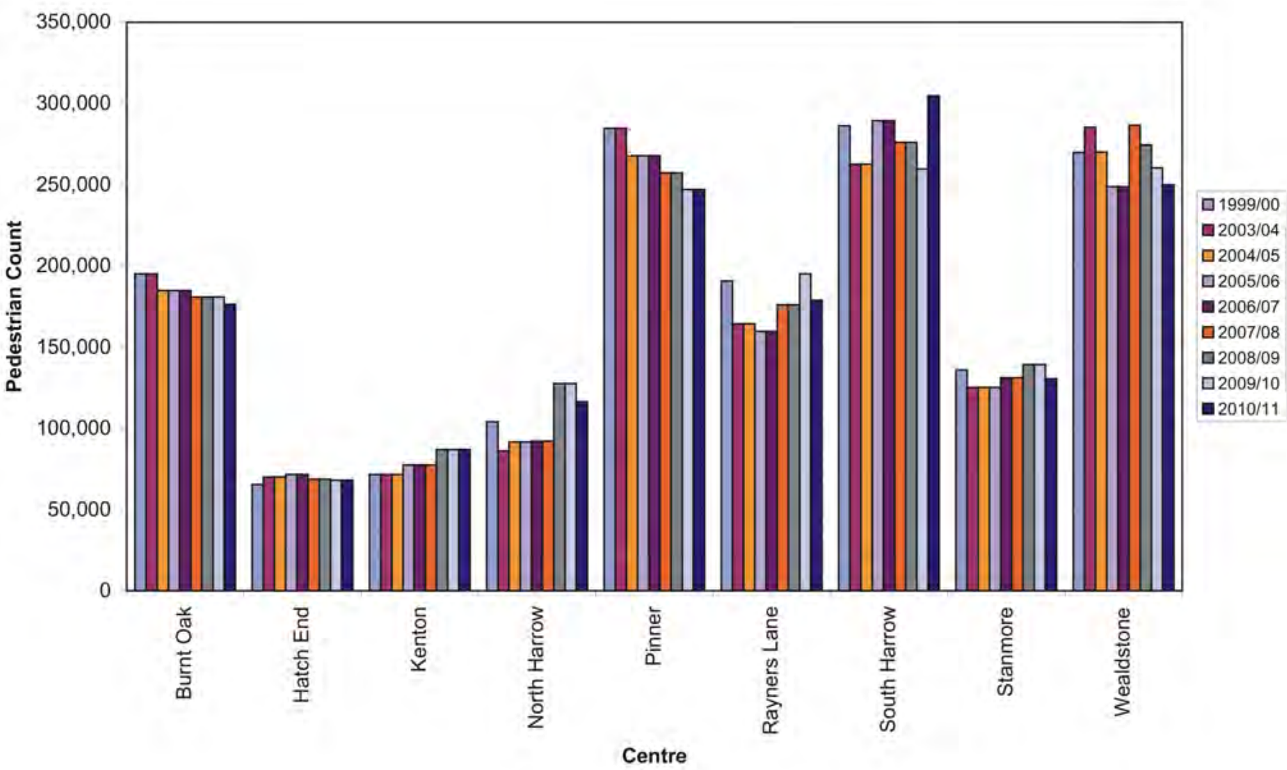
Source: Harrow Council, Economic Development, Research & Enterprise

12.7 Figure 38 shows that there has been an overall footfall decline within the centres of 160,710 from 1999 levels, which equates to an overall fall of 4.4%. This is in line with national trends, with reports[40] showing that high street footfall has fallen, on average, by more than 10% in just three years (excluding Central London). 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 39) and vacancy levels (based on the number of vacant units) remaining relatively low over a long period (Figure 40).

40 Colliers International, Footfall Focus, Autumn 2011

Figure 39 Pedestrian Counts in District Centres, 1999/00 & 2003/04 - 2010/11



Source: Harrow Council, Economic Development, Research & Enterprise

12.9 In 2010/11, three district centres had vacancy rates of more than 10%, they were Edgware[(41)], North Harrow and Rayners Lane. All three of these centres also had vacancy rates greater than 10% in 2009/10 along with Burnt Oak[(42)]. The highest vacancy rate was in North Harrow with 15.7%, although this showed a drop of 2% compared to the previous year. In total four district centres (Burnt Oak, North Harrow, Pinner and Rayners Lane) saw a decrease in vacancy levels compared to only two the previous year, Edgware and Stanmore.

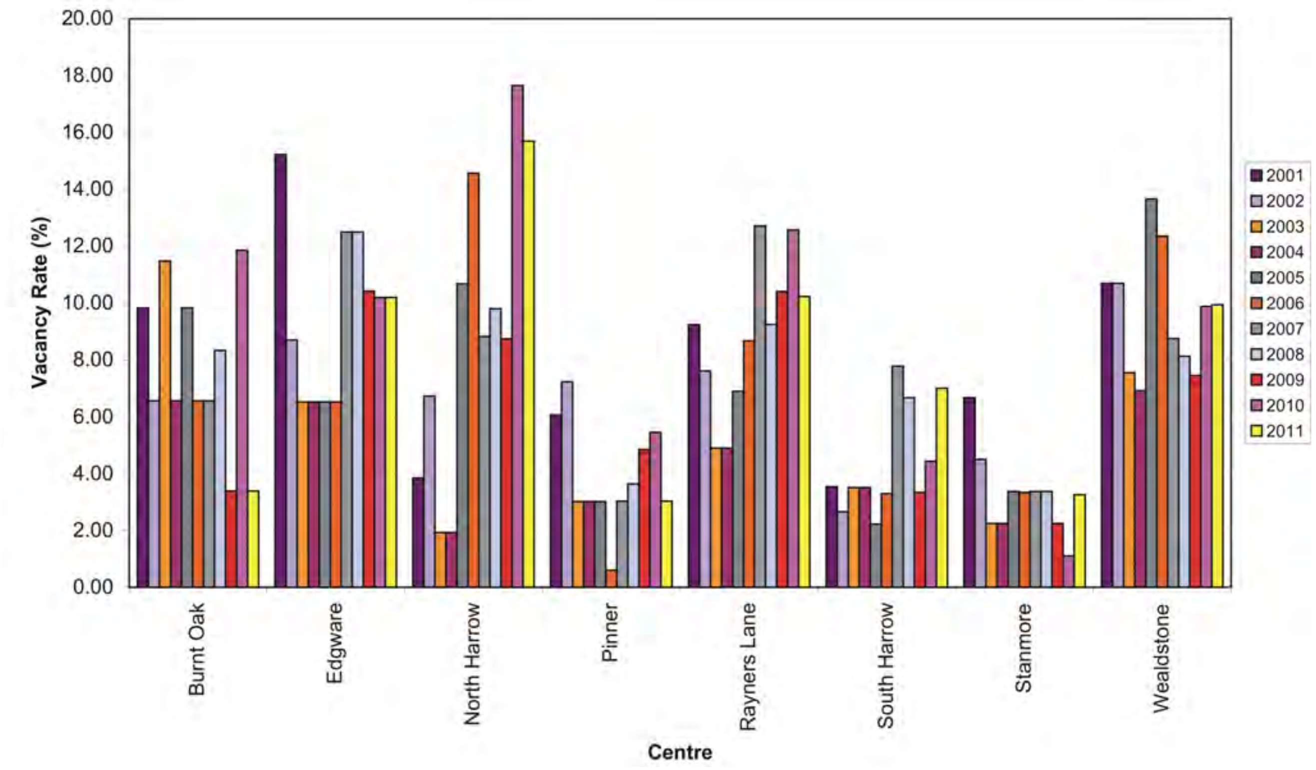
12.10 Reducing the number of vacant units in all of Harrow's town centres is a priority for the council. Initiatives within the Economic Development, Research and Enterprise section aim to encourage businesses to move into vacant units to revitalise the shopping districts. In addition, work to improve 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. North Harrow will see investment and initiatives designed to reduce its high vacancy rate and revitalise the centre to attract a wider range of shoppers. 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. Rayners Lane also has a high vacancy

41 Only part of the centre in London Borough of Harrow
42 Only part of the centre in London Borough of Harrow

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.

Figure 40 Vacancy Rates in District Centres, 2001 - 2011



Source: Harrow Council, Economic Development, Research & Enterprise

12.12 Harrow Town Centre achieves a Zone A[(43)] retail rent of £1,560 per sq m, whereas Edgware achieves a rent of £1,022 per sq m. The retail rents for Harrow and Edgware are relatively low, with Uxbridge and Ealing both achieving rents of over £2,000 per sq m. (Harrow Retail Study, 2009)

Outer London Fund

12.13 In summer 2011 Harrow Council won £860,000 to spend in North Harrow and Harrow Town Centre by 31st March 2012. The funding was secured to invest in a range of projects to boost footfall and spend. The council chose these areas respectively because of the economic importance of Harrow Town Centre, and the scale of vacant shop units in North Harrow.

12.14 The money has been invested in a range of projects:

North Harrow

- Additional parking bays and improvements to the car park to provide for convenience shopping
- Festive lights

43 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

- Town centre management
- Events, including a street market to attract additional footfall in North Harrow
- Visual merchandising training for independent businesses
- Banners to decorate the streets
- Planters to improve the appearance of the area
- Local Development Order to provide greater flexibility in business use
- Good practice project to support traders develop their local district centre
- Website and Business Directory to help businesses to promote their goods and services

Harrow Town Centre

- Festive lights
- Town centre management
- Food and Dance Festival to attract additional footfall into Harrow
- Visual merchandising training for independent businesses
- Banners to decorate the streets
- Website to help businesses to promote their goods and services.
- Pop up shop to bring an empty business into use
- Light installations/sculptures to celebrate respectively Diwali and Christmas
- Public realm improvements to improve the capacity of the town centre to host events
- Animating the town centre, producing a film designed by college students to project onto and promote the town centre.
- A training programme to support young people gain work experience

12.15 In the 4th quarter of 2011/12 Harrow Council was informed that it had secured £1.7m for Harrow Town Centre. 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, public realm improvements including parking and wayfinding signage. The revenue element of the programme will be used to stage events and develop a Business Improvement District in the town centre.

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 will be explored further through the Area Action Plan for the Harrow & Wealdstone Intensification Area, but will 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 35 shows that from 2007 to 2009 office vacancy rates the borough remained relatively steady between approximately 10% and 12%, with a low of 10.4% in 2008. However, since then there has been a steady increase reaching 13.8 % in 2010 and the highest recorded level of 15.8% in 2010/11.

Table 35 Office Floorspace and Vacancy Rates in Harrow, 2007 - 2011

Year	Occupied Office Space (m²)	Vacant Office Space (m²)	Total Office Space (m²)	Vacant (%)
2007	326,800	40,100	366,900	10.9
2008	311,750	36,350	348,000	10.4
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

Source: Harrow Council, Economic Development, Research & 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 2011. The latest available data shows that in 2009, 25.6% of people in employment in the borough worked in Harrow Town Centre. 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 2007, but the level of vacancy has increased dramatically from around 15% in 2009 to 30% in 2011 (see Table 36).

Table 36 Office Floorspace and Vacancy Rates in Harrow Town Centre, 2007 - 2011

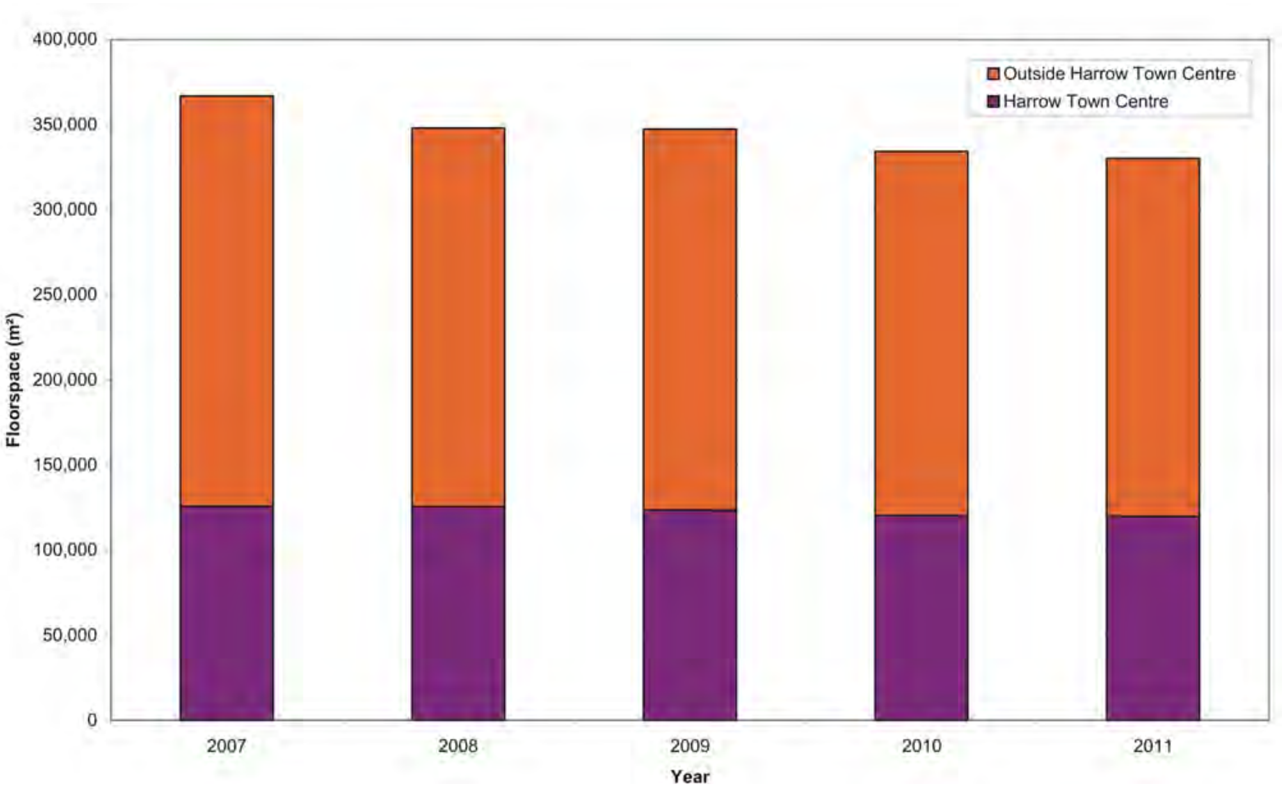
Year	Occupied Office Space (m²)	Vacant Office Space (m²)	Total Office Space (m²)	Vacant (%)
2007	114,200	11,500	125,700	9.1
2008	107,650	17,900	125,550	14.3
2009	105,250	18,450	123,700	14.9
2010	97,600	22,900	120,500	19.0
2011	83,700	36,000	119,750	30.1

Source: Harrow Council, Economic Development, Research & 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 35 & Table 36 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, 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 41 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; and Scanmoor House, Northolt Road, South Harrow where 1,130 m² was lost through the change of use to a hotel.

Figure 41 Total Office Floorspace, 2007 - 2011



Source: Harrow Council, Economic Development, Research & Enterprise

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 pending planning approval for a mixed use development of residential, office, and other uses. Although, this proposed development 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. There is also a planning permission for the redevelopment of Signal House, Lyon Road as a hotel which if implemented would result in a loss of 1,145 m². There were no planning applications for any major office developments determined during 2010/11, continuing a trend seen over a number of years.

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 £10 per sq ft and £18 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. Older buildings in Harrow Town Centre, albeit still with a reasonable specification, tend to achieve around £12 to £14 per sq ft, whilst more peripheral parts of the borough will only achieve about £10 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).

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 11). 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.[(44)] The latest survey was undertaken in March 2012 and showed an occupancy rate of 14.6%, based on the number of units.

12.26 Rental levels reflect the type of units available and are typically between £6 per sq ft and £8 per sq ft in Harrow. This level is generally lower than Watford (£9 per sq ft) and the A40 corridor in West London (£9 to £10 per sq ft). (Employment Land Review, Nathaniel Lichfield and Partners, 2010)

44 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/11433/industrial_estates_march_2012

Environmental Infrastructure and Sustainability **13**

Local Economic Assessment 2011-12

13 Environmental Infrastructure and Sustainability

Air Quality

13.1 West London produces more of London's CO_2 emissions than any other sub-region - as much as north and south London combined. However, Harrow has the lowest levels of CO_2 emissions of the West London boroughs both at a domestic and commercial level and is in the best 20% of all the London boroughs. Table 37 shows levels of CO_2 emissions across West London.

Table 37 Total CO_2 Emissions per capita

Borough	Tonnes per capita (Industry and Commercial, Domestic and Transport)	Comparison with all London Boroughs	Tonnes per capita (only Industry and Commercial)	Comparison with all London Boroughs
Harrow	4.4	In top 20%	1.3	In top 20%
Brent	5.0	Average	2.0	Average
Ealing	5.3	In top 20%	2.2	In top 33%
H'smith & Fulham	6.1	In bottom 33%	2.2	In bottom 33%
Hillingdon	8.0	In bottom 10%	4.0	In bottom 20%
Hounslow	6.7	In bottom 20%	3.1	In bottom 33%

Source: Oneplace 2010

13.2 In 2000, the Government set boroughs a number of objectives relating to air quality including ones to reduce the number of incidents of nitrogen dioxide (NO_2) exceeding 40 µg/m^3 and the number of incidents of particulates (PM_{10}) exceeding 50 µg/m^3, both to be achieved by 2005.

13.3 In Harrow there is a general trend of decreased nitrogen dioxide (NO_2) concentrations across the borough which has continued since 2003. In 2010 the average measurements over all four monitoring sites were lower than in 2008 and 2009. Three of the four sites in the borough designed to be representative of public exposure have met the annual objective every year since 2001 (these sites are all either intermittent or background locations). However, the site closest to the roadside has had a consistently higher reading, and in 2010 the mean level was slightly above the objective level.

13.4 Harrow is below the national average for background measures of airborne particulates and continues to meet the National Air Quality Strategy target to reduce the number of days that particulates exceed the objective level.

13.5 The Department for Environment Farming and Rural Affairs (DEFRA) released provisional statistics for 2009 related to the air quality indicators for sustainable development. This data showed that there is no significant difference between Harrow roadsides and the national average.

Waste

13.6 In 2008, London produced 22 million tonnes of waste, a figure forecast to rise to 34 million tonnes by 2031. The Mayor is committed to London managing as much of its waste within its own borders as is practically possible and to be sending zero waste to landfill by 2031. There are three main types of waste produced in London: municipal household waste (19%); commercial and industrial waste (34%); and construction, excavation and demolition waste (47%). The Mayor is committed to achieving recycling levels for municipal household waste of 45% by 2015, 50% by 2020 and 60% by 2031.

Table 38 Household Waste Recycled/Composted

Borough	Performance (%)	Comparison with all London Boroughs
Harrow	43.11	In the best 5%
Brent	28.21	Average
Ealing	35.09	In the best 25%
Hammersmith & Fulham	27.84	Average
Hillingdon	35.32	In the best 20%
Hounslow	23.60	In the worst 25%
Source: Oneplace 2010		

13.7 Table 38 shows that the recycling/composting levels achieved by boroughs is uneven across West London with a 20% difference between the best performing borough (Harrow) and the worst performing borough (Hounslow). Harrow is in the top 5% of all 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 2010/11 Harrow produced 101,000 tonnes of municipal waste of which 43% was recycled or composted, more than the target of 40% set by the West London Waste Authority (WLWA). 88,000 tonnes of municipal household waste was produced of which half was recycled or composted, therefore Harrow has reached the 50% target well ahead of schedule.

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 2009/10 total gas consumption in Harrow was 2,079 GWh. Domestic customers accounted for 73.8% of gas consumption in Harrow, the second highest level in West London after Brent and above the London and national averages (Table 39).

Table 39 Gas Consumption, October 2009 - September 2010

Area	Commercial and industrial consumers			Domestic consumers			All consumers
	Consumption 2009/10 (GWh)	% of total consumption	Average commercial and industrial consumption (kWh)	Consumption 2009/10 (GWh)	% of total consumption	Average domestic consumption (kWh)	Consumption 2009/10 (GWh)
Harrow	545.2	26.2	568,475.3	1,533.9	73.8	18,826.7	2,079.1
Brent	517.2	23.3	421,477.9	1,700.2	76.7	16,738.0	2,217.4
Ealing	746.8	28.6	495,874.5	1,860.5	71.4	15,822.3	2,607.3
H'smith & Fulham	637.5	38.8	637,471.5	1,004.6	61.2	13,469.6	1,642.0
Hillingdon	1,351.8	46.2	1,117,159.3	1,573.7	53.8	16,299.2	2,925.5
Hounslow	673.5	34.4	599,219.9	1,282.0	65.6	15,493.3	1,955.5
London	22,722.0	33.7	513,386.5	44,701.2	66.3	14,961.6	67,423.2
England	162,960.1	35.4	659,026.4	297,406.7	64.6	15,109.6	460,366.8
Source: Department for Energy & Climate Change (DECC)							
Note: GWh is Giga Watt hours, KWh is Kilo Watt hours							

Electricity

13.11 In 2009 total electricity consumption in Harrow was 631.4 GWh. Domestic customers accounted for 58.6% of electricity consumption in Harrow, the highest level in West London and above the London and national averages (Table 40)

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 40 Electricity Consumption, 2009

Area	Commercial and industrial consumers			Domestic consumers			All consumers
	Consumption 2009 (GWh)	% of total consumption	Average commercial and industrial consumption (kWh)	Consumption 2009 (GWh)	% of total consumption	Average domestic consumption (kWh)	Consumption 2009 (GWh)
Harrow	261.5	41.4	45,418	370.0	58.6	4,290	631.4
Brent	801.1	64.3	60,232	445.2	35.7	4,000	1,246.3
Ealing	894.3	64.1	75,719	501.0	35.9	3,890	1,395.3
H'smith & Fulham	759.2	72.0	55,883	295.4	28.0	3,629	1,054.6
Hillingdon	1,205.1	73.2	154,580	440.4	26.8	4,196	1,645.5
Hounslow	957.5	70.9	118,772	392.9	29.1	4,063	1,350.5
London	27,709.7	67.5	68,803	13,371.0	32.5	3,982	41,080.6
Great Britain	182,986.1	62.0	76,262	112,289.3	38.0	4,152	295,275.3

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 2011-12

14 Issues and Analysis

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 over the next 15 years
- The Harrow Core Strategy (adopted February 2012) has identified that 3,000 additional jobs could be created through comprehensive and co-ordinated regeneration within the Harrow and Wealdstone Intensification Area. A further 1,000 jobs are likely to come from infill development within Harrow’s network of town centres and from other identified sites on previously developed land.
- Commuting patterns show that Harrow is a net exporter of labour
- Economic activity and employment rates in Harrow are amongst the highest in London
- Wages paid to workers in Harrow are generally lower than in West London and London, perhaps leading to higher levels of out-commuting, but generally Harrow's residents have relatively high household earnings
- Unemployment rates in Harrow are lower than in all the other West London boroughs, but have averaged 4% since the recession in late 2008
- The number of people on key out-of-work benefits has been falling over the past two years, but rates in 15 of the borough's Lower Super Output Areas exceed the London average of 12.4%
- The borough has a relatively well skilled and well qualified workforce, but a high proportion of Harrow's residents hold foreign qualifications
- Harrow's most dominant employment sectors are Finance, IT, Property & Business Services and Public Administration, Education & Health
- Micro businesses, employing less than five people, represent 78% of Harrow's 10,000+ '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 recent 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 Watford, Ealing and Uxbridge
- There has been some small-scale office development in the borough in recent years
- Footfall levels across the borough's town centres have been falling, in line with national trends. Events organised in Harrow's town centres in recent months have stimulated one-off increases in footfall levels.

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
- The borough needs to stem the flow of the loss of further major employers (through closures or relocation), as further losses could have a significant effect on the local economy
- 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
- 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 adoption of the Harrow and Wealdstone Action Area Plan (anticipated in spring 2013) will facilitate economic development and regeneration within the Harrow and Wealdstone Intensification 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, particularly long-term benefit claimants, needs to be tackled
- Welfare reform measures will increasing result in more people coming off benefits and seeking work, so appropriate training programmes need to be in place

Analysis

Harrow's Current Economic Conditions and the Likely Economic Trajectory

14.1 The current economic conditions in Harrow, although difficult, do show signs of recovery. Overall the impact of the recent financial crisis has not been as severe in Harrow, as in other parts of London, or nationally.

14.2 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 nearly 19,000 people (27.6% 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.

14.3 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 (February 2012) suggest that employment growth will be slower than previously forecast.

14.4 The recent adoption of the Harrow Core Strategy, with the establishment of the Harrow and Wealdstone Intensification Area (which encompasses the Kodak site) should 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

14.5 Harrow, like many Outer London boroughs, has a small local economy while at the same time having significant links with the employment opportunities in Central London and neighbouring boroughs. Around 31% of Harrow’s residents work within the borough, while about 25% work in the neighbouring London boroughs of Brent, Hillingdon, Barnet and Ealing. Due to the good public transport links into Central London, a significant proportion (at least 23%) 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. Links to other major West London employment centres e.g. Heathrow are not thought to be significant.

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

14.6 Harrow's two most dominant employment sectors are the Finance, IT, Property & Other Business and Public Administration, Education & Health sectors, accounting for 57% of Harrow's jobs. There is a strong local business economy with just over 10,000 'businesses' in the borough (ONS Inter-Departmental Business Register, 2011). Just over 78% of these are small businesses employing between 0 and 4 people. In 2011/12 there were approximately 28 'businesses' in the borough that employ 200 or more people, down from over 40 in 2005.

14.7 These 28 'businesses' now provide 20% 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.

14.8 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., Jan 2012).

Harrow's Infrastructure

14.9 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.

14.10 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.

3.15 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 will also prepare 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 from 2007 to 2016 are set out in detail in 'Enterprising Harrow', the council's Economic Development Strategy. This is available at: http://www.harrow.gov.uk/downloads/file/1199/enterprising_harrow.

14.12 Other relevant priorities and policies are set out in the Harrow Core Strategy and the Harrow Sustainable Community Strategy.

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

Local Economic Assessment 2011-12

Appendix 1 Extract from WLB Business Sentiment Survey

1.1 The West London Business Sentiment Survey has been conducted annually at the beginning of each year since 2008 and is now in its fourth year of tracking trends among businesses operating in the West London area. The survey is 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 are 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.

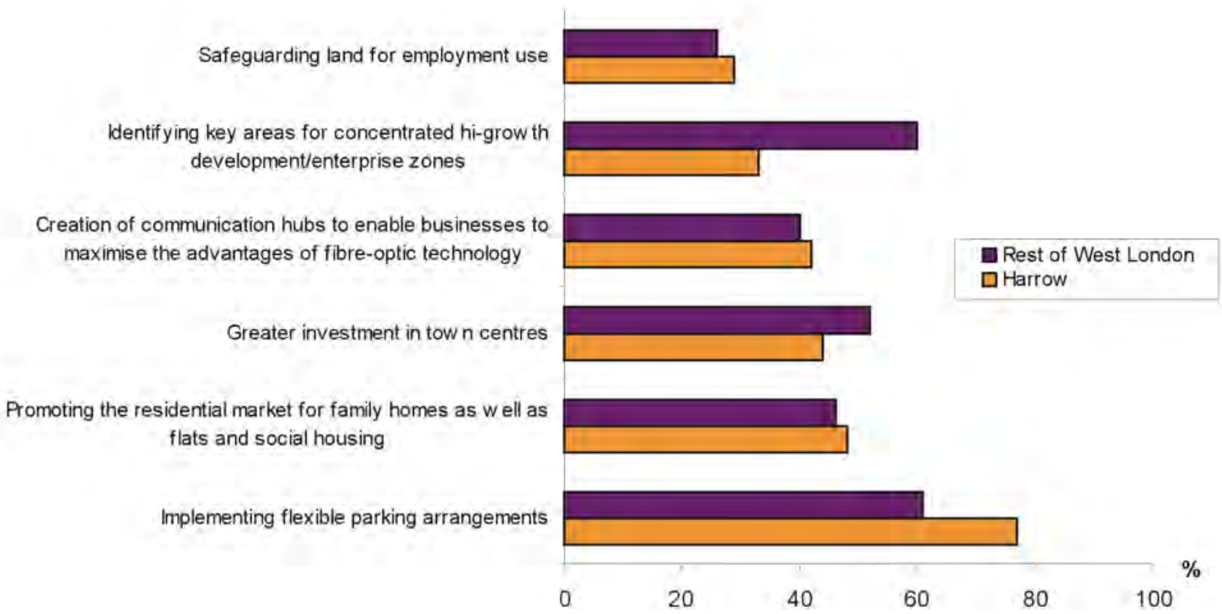
Business Environment

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 42 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?

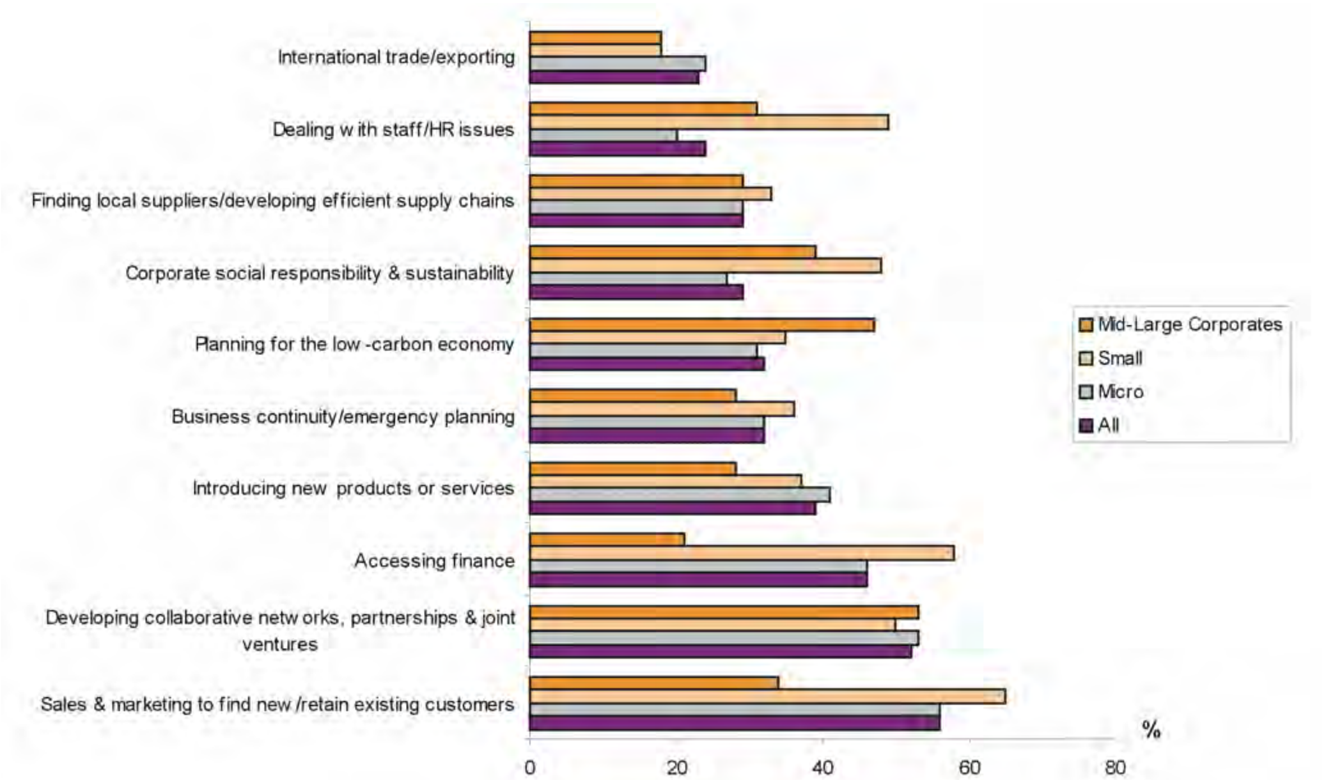
1.7 In response to the questions 'Given the expectation that public finances will be cut post election, which of the following measures do you consider to be important in order to sustain the West London economy?', flexible parking arrangements are key for Harrow business, stated as important by 77%, 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.

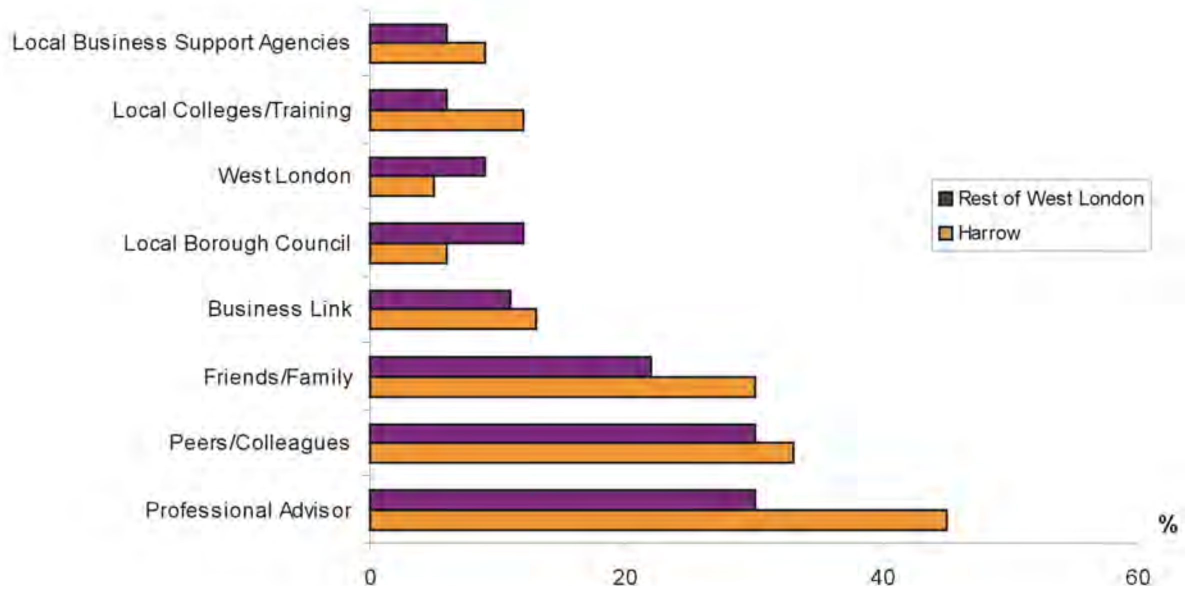
Figure 43 External Business Help and Support Requirements



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 44 Likelihood to Use Different Support Services

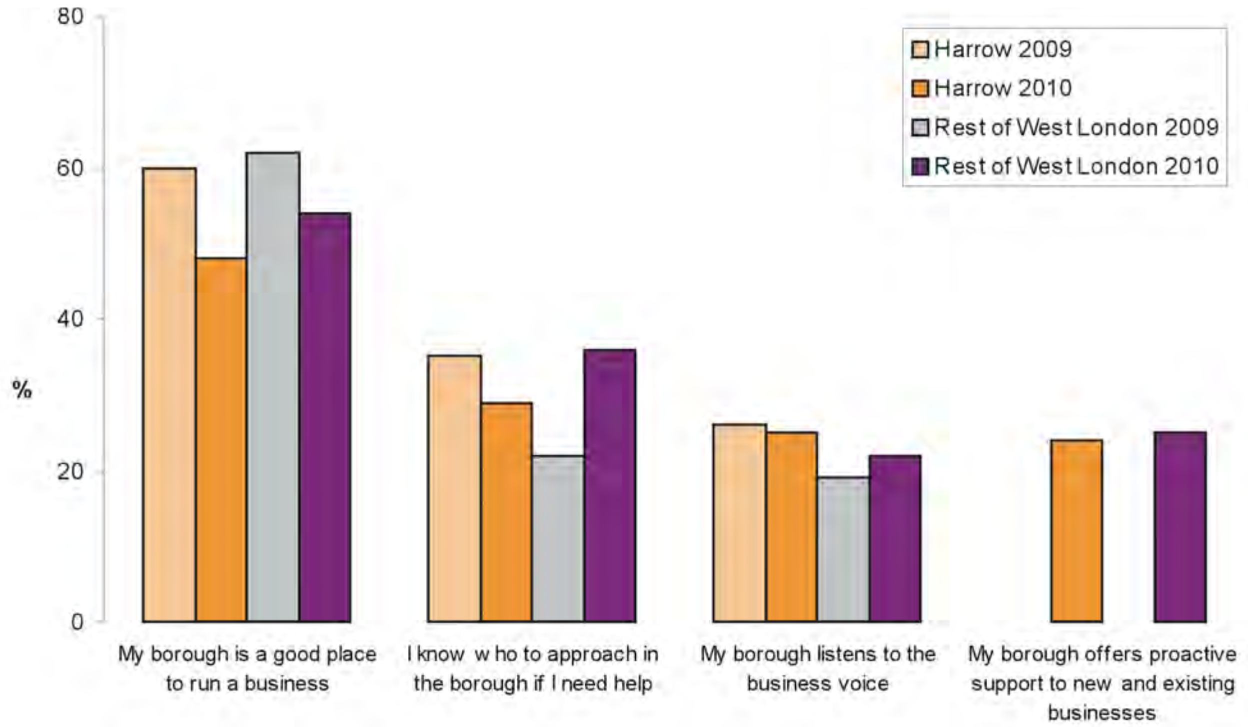


The question asked was: How likely are you to use the following support services in the next 12 months?

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.

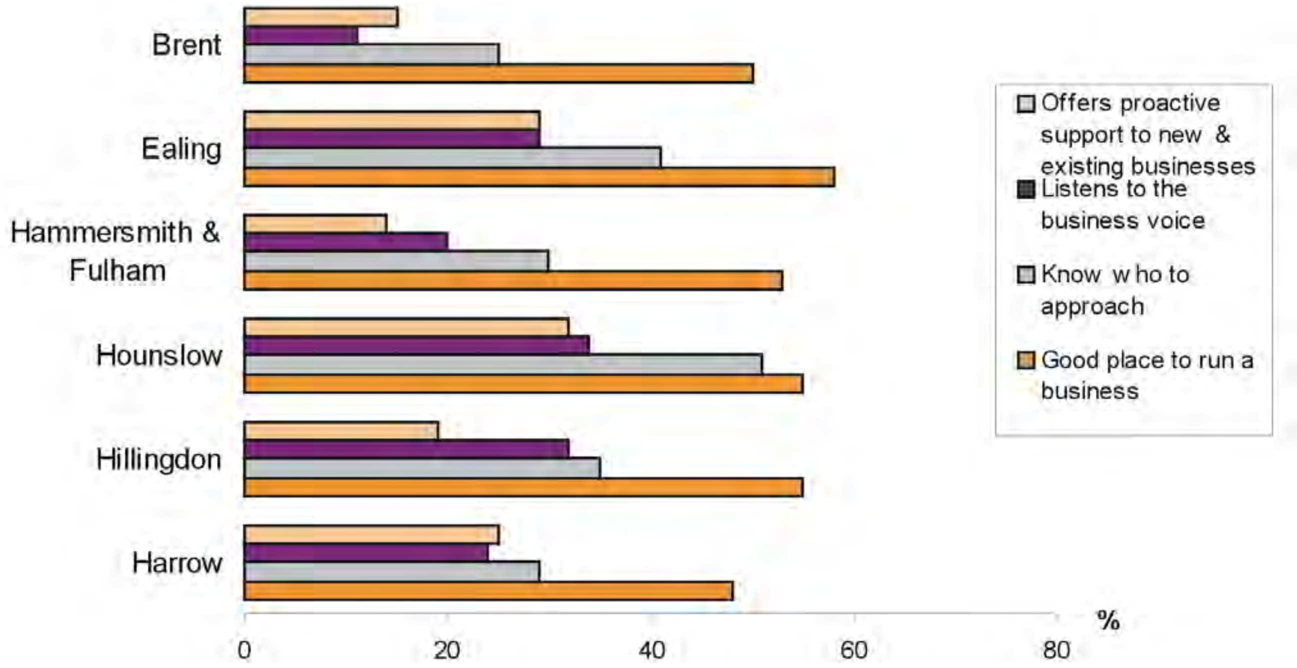
Figure 45 Perceptions of Business Support in the Borough, 2009/10



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 46 Perceptions of Business Support by Borough, 2010



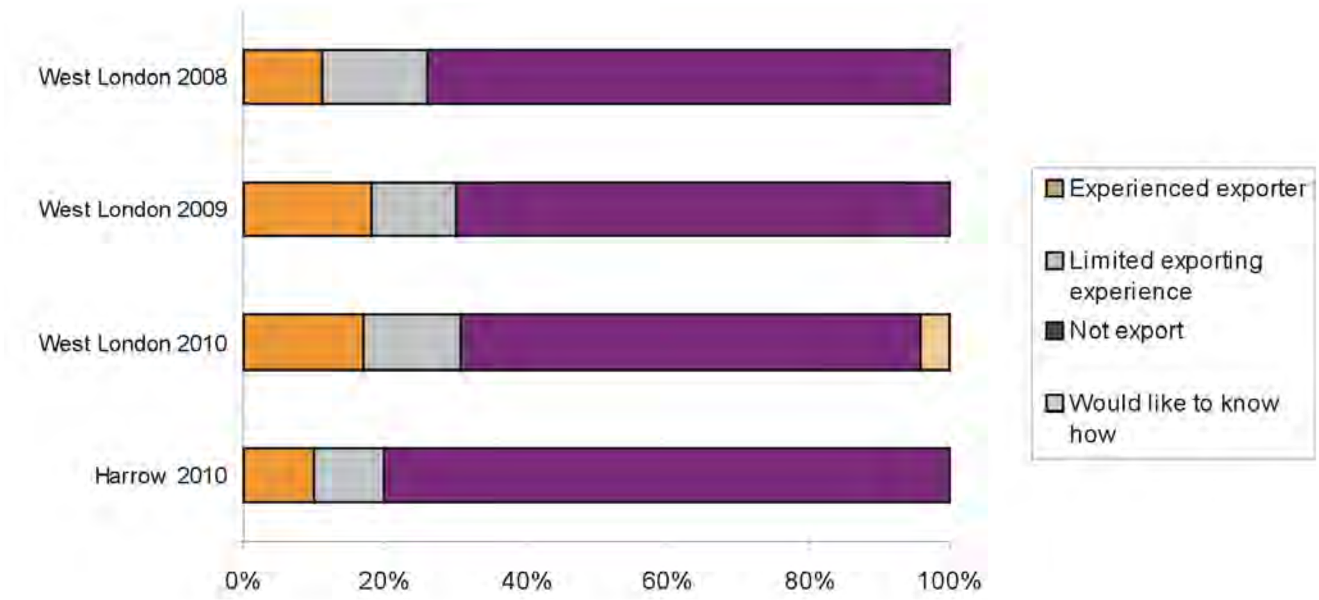
The question asked was: To what extent do you agree with the following statements about your borough?

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 47 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 2011-12

Appendix 2 Extract from the West London LEA, March 2011

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.[45] 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.

45 European Centre for the Development of Vocational Training 2009

Glossary and Further Information
Appendix 3

Local Economic Assessment 2011-12

Appendix 3 Glossary and Further Information

Glossary

Annual Business Inquiry (ABI): The Annual Business Inquiry Part 1 (ABI/1) is a statutory annual survey conducted by the Office for National Statistics under the Statistics of Trade Act 1947. The ABI is a survey of employment information from businesses and other establishments in most industry sectors of the economy. Businesses receive a questionnaire which asks for a profile of its employees at a specified date in the year. This profile includes working patterns (full or part-time), gender, and whether the employee is a working proprietor.

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 Population Survey (APS): First conducted in 2004 by the Office for National Statistics, the Annual Population Survey (APS) combines results from the Labour Force Survey (LFS) and the English, Welsh and Scottish LFS boosts. The survey provides enhanced data on key social and socio-economic variables. The survey asks 155,000 households and 360,000 people per dataset about their own circumstances and experiences regarding a range of subjects including housing, employment and education.

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. This 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: 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. It is based on a survey of approximately 80,000 businesses/reporting units. This provides data on employee jobs and employment.

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: 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.

HGV: Heavy Goods Vehicle

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.

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.

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

SHLAA-based projections: These Greater London Authority Demographic Projections use the 2009 Strategic Housing Land Availability Assessment for the housing capacity data element of the projections

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: 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 2011 the VAT registration threshold was £73,000.

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

London Skills & Employment Observatory: www.lseo.org.uk

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