

Harrow

Local Economic Assessment 2019 - 2020

Executive Summary

Population

- With an estimated resident population of 250,100 (2018 ONS Mid-Year Estimate), Harrow's population has been steadily increasing over the past 30 years. Since 2008 Harrow's population has grown by 9%, lower than London's growth of 14% over the same period and higher than England's growth of 8%.
- Population projections indicate that Harrow's population will continue to grow for the next 25 years and beyond. By 2050 Harrow's population could be as high as 320,100 based on the GLA's 2017-based long-term trend i.e. 28% greater than the population of the borough in 2018.
- Harrow has one of the most ethnically diverse populations in the country. The 2011 Census shows that over 69% of Harrow's residents were of ethnic minority, where ethnic minority is defined as all people who are non-White British. A significant proportion of Harrow's residents are of Indian origin, estimated to be around 26% in 2011.
- The 2019 Indices of Deprivation rank Harrow the 207th most deprived local authority district in England (out of 317) based on Multiple Deprivation and the seventh least deprived London borough, both showing a slight decline compared to 2015
- Employment deprivation, as measured by the 2019 Indices of Deprivation, shows that Harrow is ranked 227th out of 317 which is a slight improvement in ranking compared with other local authorities since 2015. Three of Harrow's Lower Super Output Areas (LSOAs) are in the 20% most deprived nationally for this domain. The areas of most employment deprivation correspond with the locations of larger council housing estates. Harrow's average score indicates that 6.7% of the working age population (18-64 year olds) is experiencing employment deprivation, equating to approximately 10,600 individuals.

Linkages and Flows

- Commuting patterns show that Harrow is a net exporter of labour with large numbers of workers commuting into Inner London (22%) and the neighbouring London boroughs of Ealing, Brent, Hillingdon, and Barnet (23%). 40% of Harrow's residents work within the borough itself.
- 29% of Harrow's jobs are filled by its residents, with a slightly higher proportion (32.5%) either having no fixed workplace or working mainly at or from home. The neighbouring boroughs of Brent, Hillingdon, Barnet and Ealing supply 20% of the borough's workforce.

Labour Market

- Harrow's economic activity rate shows a general upward trend and, at 78% (year ending June 2019), is very similar to London's rate. Harrow's overall employment rate for the year ending June 2019 was 74.6% which is close to the average rate for West London, slightly above London's rate of 74.5% and below the national rate of 75.8%.
- In 2018/19 (July to June) the employment rate (71.4%) for Harrow residents who are UK nationals from ethnic minorities was higher than the rates for West London, London and England
- 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 2019 was the lowest level in London.
- At 4.1% (June 2019), the unemployment rate in Harrow, along with Brent, is lower than in all the other West London boroughs and London as a whole. Unemployment in Harrow is the joint third lowest rate out of all the London boroughs and has shown a downward trend since 2013.
- The overall number and proportion of people on key out-of-work benefits declined between 2013 and 2018, but there was slight increase in 2019. In 2018, an estimated 4,000 households (5.6%) in Harrow were workless households. This is substantially below the average rates for London and England.

Skills

- Harrow's workforce is well qualified - nearly half of working age residents held a degree level qualification in 2018 and only 4.9% 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 10.5%, this proportion is lower than in recent years but remains higher than the national rate of 6.8% and London rate of 8.5%.
- Attainment in Harrow's state schools and colleges continues to be above the national average at all levels. The 2019 English Indices of Deprivation placed Harrow as one of the least deprived local authorities nationally for the Education, Skills and Training Deprivation domain, with a ranking of 301 out of 317 local authorities (where 1 is the most deprived).
- Young people not in employment, education or training (NEET) are considered a priority group to support into the labour or learning markets. Local authorities have a duty to encourage, enable or assist young people's participation in education or training. In March 2019 the percentage of young people aged 16 to 18 who were not meeting Harrow's 'duty to participate' was 0.45%. This was the third lowest rate in England out of the 152 local authority areas.

Employment

- The 2018 Business Register and Employment Survey shows that Harrow provides employment for over 70,500 people. This is the smallest employment base of all the West London boroughs.
- Harrow's most dominant employment sectors are: Health (15.9%), Education (11.5%), Professional, Scientific and Technical (11.5%) and Retail (10.1%). In terms of employment sectors, 31% of the Harrow workforce are employed in Public Administration and Defence, Education and Health.
- The local authority is the largest employer in Harrow, but 61% of local government jobs in Harrow are part-time jobs
- A high proportion of Harrow's employed residents (22.4%) are engaged in 'Professional Occupations'. This compares to 24.3% in West London and 26.3% in London overall.
- In 2018/19 17.3% of Harrow's workers (aged 16+) were self-employed, above the levels for West London, London and Great Britain
- Employment forecasts, based on the delivery of homes and jobs in the borough particularly within the Harrow and Wealdstone Opportunity Area, predict declines in some industry sectors, notably in manufacturing, trade and recreation activities. Rapid growth is predicted in other sectors, particularly professional services, real estate activities and education over the period from 2016 to 2036, with an overall growth of 9.3%.

Business and Enterprise

- Small businesses (0-4 people) in the borough represent 87% of the total number of Harrow's businesses. Harrow has the highest proportion of small businesses compared to the other West London boroughs.
- The number of businesses overall in Harrow has increased over the period from 2008 to 2019. There has been an overall increase in the number of businesses in each employment sizeband except for business employing 200 or more people.
- The highest concentration of businesses in the borough are professional, scientific and technical based with nearly 3,265 (21.5%) businesses. This is the most dominant sector locally, regionally and nationally. The Information and Communication sector is the second largest at 15.1% and Construction is third at 14.9%
- Harrow 69.4% of businesses formed in 2016 survived two years compared to London (68.5%) and England (68%). By 2018, 45.2% of Harrow businesses formed in 2013 were still trading, compared to London (39.3%) and England (42.5%).
- There has been a steady increase in business start-ups, but business survival rates have been worsening

- In 2018/19, there were 5,690 rateable properties in Harrow, with a rateable value of £141million. Retail accounted for the largest share of the total rateable value at 41.9%.
- Around 61% of Harrow's workforce are employed in the 'Knowledge Economy' compared to 57.4% nationally
- Harrow has a ranking within the top 10% of local authorities nationally in the 2019 UK Competitiveness Index

Housing

- Housing supply and affordability are major issues in Harrow. A key challenge is providing for a range of housing, including affordable housing that are of a type, price and mix suitable and accessible to achieve mixed and balanced communities.
- Harrow has a good supply of brownfield sites and over the past five years (to the end of March 2019) Harrow delivered over 4,000 net additional units, exceeding targets by over 1,300 units.
- Harrow is one of the most unaffordable areas to live in the West London sub-region based on ONS affordability ratios data (calculated by dividing house prices by gross annual workplace-based earnings) for 2019. High housing costs can have a negative impact on the local economy both in terms of attractiveness to workers and future business location.

Planning, Development and Infrastructure

- The Harrow Local Plan Core Strategy was adopted in February 2012. It sets out the long-term vision of how Harrow, and the places within it, should develop by 2026 and sets out the council's strategy for achieving that vision.
- An Action Area Plan for the Harrow and Wealdstone Intensification Area was adopted in July 2013. In March 2015, the GLA published the Further Alterations to the London Plan (FALP) which indicated that the Intensification Area designation for Harrow and Wealdstone had been upgraded to an Opportunity Area designation. This was because the development potential of the area could sustainably accommodate a minimum of 3,000 jobs and 2,800 new homes. A new London Plan was published in March 2016.

Town Centres, Offices and Industrial Estates

- Harrow Town Centre is regarded as one of the UK's top retail locations, ranked 99th in the "Hot 100 UK" retail locations and 59th in the nationwide "High Street Investment Ranking"
- A Business Improvement District (BID) was developed in Harrow Town Centre. A five year BID term began in April 2014 and was extended for a further five years in April 2019. The BID's aim was to focus on three main activities: Town Centre Management, Promotion Programme, and Improving Pedestrian Experience.
- Harrow has a significantly lower amount of total commercial floorspace than all the other West London boroughs. Harrow has the smallest stock of retail, industrial, and office floorspace in West London.
- In 2019 the vacancy rate in Harrow Town Centre, based on the number of units, was 8.86% similar to the rate in 2013. None of Harrow's major and district centres have a vacancy rate of more than 10%.
- Valuation Office Agency commercial floorspace statistics for Harrow over the period 2001/02 to 2018/19 show: a significant loss (41%) of office floorspace; a small increase in retail floorspace (4.2%); and a 34.4% decrease in industrial floorspace
- In Harrow industrial/warehousing rental levels, although similar to Barnet, are generally lower than rental levels in West London. Retail rental levels have fallen in Harrow in recent years, this follows the trend seen in other outer London centres. Harrow's average office rents increased between 2012 and 2018.
- There has been a general decline in footfall across the borough's town centres since 1999, in line with national trends

- The amendment to the General Permitted Development Order (GPDO) came into force in May 2013, changing Permitted Development (PD) rights to allow a change of use from Class B1(a) office to Class C3 residential without the need for planning permission. This is leading to a loss of office floorspace and jobs in the borough, as schemes are implemented.

Issues and Analysis

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