

West London Economic Assessment

March 2011



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Executive Summary

1. The Local Democracy, Economic Development and Construction (LDEDC) Act placed a new duty on councils to prepare an assessment of local economic conditions. West London comprises of six authorities including Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon and Hounslow. Whilst each authority is producing a local LEA it was considered useful to develop a west London wide LEA to draw out a sub regional approach to the local economic context building on the partnership working that has been maintained in West London since the 1990s and to build on the uniqueness and functionality of the West London Sub Region recognised in the Mayor's London Plan. This document has been produced by the West London Alliance through a reiterative process in consultation with a range of partners including the GLA and LDA. This process began in April 2010, followed by a second consultation in September 2010 and culminated in a third consultation in February/March 2011. Copies of representations and responses are available at the West London Alliance.

2. West London Key Strengths, Weaknesses Opportunities and Threats

Strengths	Opportunities
Strategic location between central London and Greater South East	Identified Opportunity Areas have commercial interest and are being developed e.g. Wembley
Home to many leading global businesses	Crossrail & HS2
Excellent communications with markets	New government funding initiatives for business and public sector including TIF and CIL
Diverse range of business sectors support the area's resilience to cyclical shocks	Community links with BRIC economies
Strong local knowledge/ academic/ R&D base e.g. Brunel and GSK	Transition to low carbon economy
Heathrow Airport – UK's only International Hub Airport	Planning policy stability in London provides comparative advantage when compared with Greater South East
Established business support and networking	Global capital increasingly mobile potential for new inward investment
Good supply of business premises	
Weaknesses	Threats
Congestion on transportation networks – investment lagging behind need	GLA forecast additional population of 173,000 and 99,000 more jobs by 2031- significant mismatch with working age population and jobs
Some town centres struggling to improve	Availability of finance for private sector
Air and noise pollution in parts of the sub region	Rival locations building strongly - magnets for new investment and R&D development especially Thames Valley and overseas
Skills mismatch – residents need skills employers require	Public Sector austerity measures
Embedded worklessness	Lack of affordable housing

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Slow progress on reducing carbon emissions	Housing Benefit changes increasing overcrowding and homelessness
Absence of low level business face to face support	Exposure to overseas investment decisions
High SME failure rate	National policy focuses on addressing market failure rather than rewarding market success e.g. Extra support for unemployed in rest of country
	Regional policy focuses investment on other parts of London
	Capital increasingly mobile
	Other airports with plenty of capacity threatening the predominance of Heathrow as a hub airport

- With over 1.47million residents, 57,665 businesses, 70,000 places of work and 700,000 employees, West London contributes £32.8bn GVA to the UK economy, second in London sub regional terms only to the Central Activity Zone (CAZ).
- West London's economy benefits from its strategic location and proximity to Central London, its good connections with regional, national and international markets, especially out of London along the Thames Valley and to the north towards Luton. The advantages of West London's location have been a significant factor in attracting or retaining a number of major employers including GSK and BSKyB.
- Key sectors include the Banking, finance, and insurance sector which accounts for 24 per cent of employment. Transport and communications - 16 per cent - more than double the London average, due in part to Heathrow and the distribution, hotels and restaurants sector which accounts for 23.6% of employment – a rise of 19% since 1995.
- 90% of West London businesses employ fewer than 10 people and 7% employ between 10 and 49 people.
- West London's location gives employers good access to skilled labour markets in the wider SE and this means that significant numbers of employees commute into West London for work. Although many of the intermediate and high skilled jobs available in West London (particularly managerial and associate professional jobs), are filled by people who live outside of the sub-region and commute into the area, the 2001 Census indicated that the majority of jobs in West London were filled by West London residents. 62% of employees working in West London also lived in West London, 17% of jobs were filled by residents of other London boroughs and 23% commuting in from outside London.
- The West London economy could potentially grow by between 6% (sector growth predictions) and 12% (GLA triangulation methodology) by 2031. When these figures are compared with West London's neighbours in inner London and out of London, with the exception of Hammersmith and Fulham, the rate of employment growth is noticeably lower for West London.

9. The Greater London Authority (GLA) has identified a number of Strategic Outer London Development Centres where key business sectors are likely to grow. These include: Leisure and Tourism in Wembley and Hillingdon, Media in White City and parts of Park Royal; Logistics in Hillingdon, Hounslow and Park Royal, Other Transport Related Functions in Hillingdon and Hounslow and Further Education in Uxbridge.
10. The March 2010 West London Business – Business Sentiment Survey reveals local concerns for business, the main issues included the impact of the recession and customer confidence, availability of finance, taxation levels and government regulation. There were also mixed responses regarding transport developments and infrastructure initiatives including concerns regarding the future competitiveness of Heathrow following the government's decision preventing a third runway and local councils' responses to tackling transport capacity issues.
11. With regard to employment there are notable variances across West London in the type of occupations carried out. Hammersmith and Fulham has the most significant percentage of managers and senior officials (21.9%) (London wide 17.8%), whereas Brent (7.9%) and Hillingdon (10.6%) have an above proportion of process plant and machine operatives when compared with the London wide figure of 4.4%.
12. Whilst West London is a relatively prosperous there are significant pockets of deprivation notably in southern parts of Brent and in smaller pockets spread across the area (notably in Ealing).
13. In 2010 there were approx 1,020,700 residents of working age in West London, of these residents, approximately 76% were economically active i.e. working or looking for work but 24% were economically inactive. Parts of West London have persistent levels of worklessness and low skills which reduce the capacity of the workforce. There is also the continuing challenge of low female employment rates, particularly amongst ethnic minority women.
14. With West London's working age population expected to increase by around 113,000 by 2031 there is a need to ensure that employees have the skills which employers require. West London, like London as a whole, has a considerably higher level of residents with NVQ level 4 or above (35.8%) than the British average and the strength of the skills base in West London underpins the strong performance of the economy with 45% of West London's workforce qualified to Levels 3 and 4 combined.
15. A significant proportion of West London residents have relatively low-level skills with around 13% having no formal qualifications and one in five lacking basic literacy and numeracy skills. There are notable concentrations of unqualified and poorly qualified residents in some areas (e.g. parts of Brent, Hounslow and Hillingdon) and across some ethnic groups (Bangladeshi, Black Caribbean, and Irish) which relate to patterns of social exclusion and deprivation. The high number of young people not in education, training or employment (NEET), is also a concern in Hammersmith & Fulham and Harrow.
16. 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 per cent of residents

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have a level two qualification or lower but only around 10 per cent 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 per cent 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 be a greater demand for skills at NVQ level 4 or above.

17. GLA forecasts suggest West London will need to accommodate 173,000 new residents between 2006 and 2031 – with high rates of growth predicted for Brent and Hammersmith & Fulham in particular. Improving housing supply is a key priority.
18. The WLEA identifies a number of key issues which need to be addressed in the coming years in order to create 99,000 additional jobs by 2031 which will be accessible by residents:

Businesses

- Develop West London's competitive advantage especially in response to growing competition from overseas and neighbouring sub regions through effective networking and SME development;
- Maintain a good supply of business sites and premises in the right locations to support economic development;
- Enhance support for innovation through stronger linkages between business, financial providers and academic institutions; and
- Develop green industries and business

People and Communities

- Tackle local concentrations of deprivation and worklessness;
- Support initiatives which bring education and skills providers together to provide education and training programmes which will ensure that West Londoners have the skills required by business to support local wealth creation; and
- Build more affordable housing to meet local need and to support sustainable employment.

Infrastructure

- Work with transport infrastructure providers to address local capacity constraints and to meet growing demand especially around the Strategic Opportunity Development Locations, the town centres and transport hubs;
- Support and implement 'green' infrastructure

Interventions

- Take full advantage of the economic packages including the Community Infrastructure Levy and Tax Incremental Financing.
19. West London local authorities will need to work with business, skills and education providers and other partners to ensure that policies are put in place and implemented which will ensure that economic growth can meet the expectations of a fast growing population.

CHAPTER 1

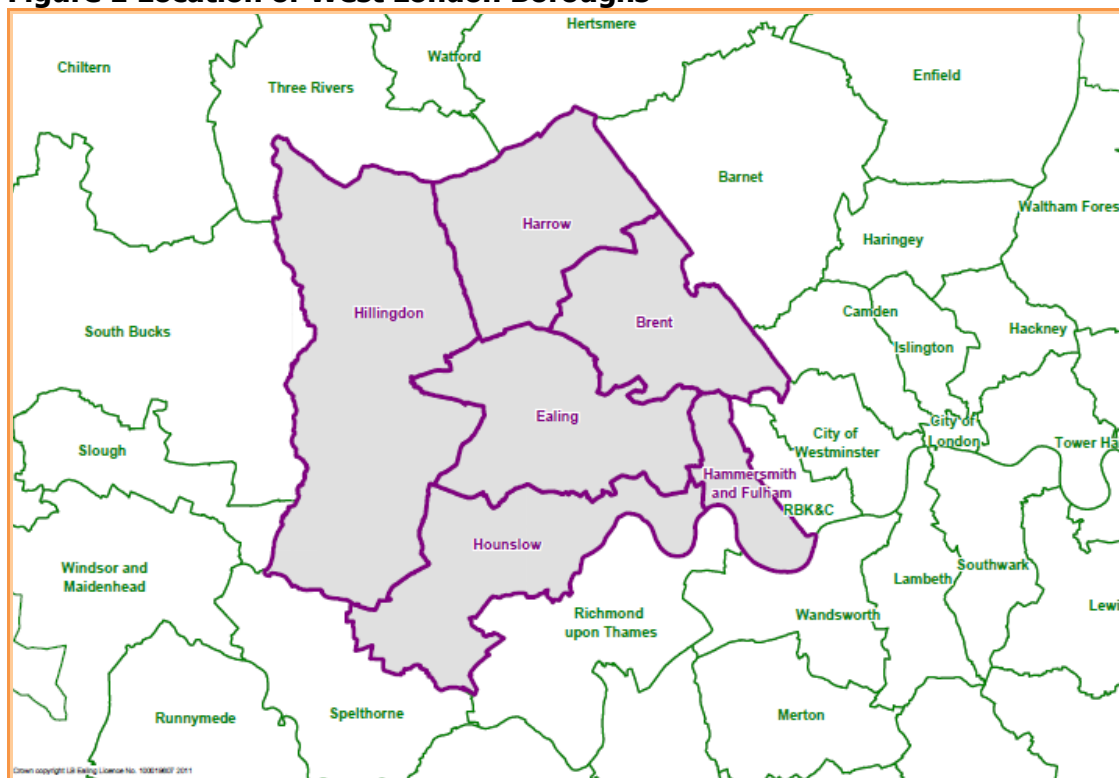
INTRODUCTION TO THE WEST LONDON ECONOMIC ASSESSMENT

1.1 Section 69 of the Local Democracy, Economic Development and Construction (LDEDC) Act placed a new duty on councils to prepare an assessment of local economic conditions. These assessments are referred to as 'Local Economic Assessments' (LEAs).

1.2 The West London sub-region comprises the London Boroughs of Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon and Hounslow. These boroughs work in partnership through the West London Alliance (WLA) and the West London Partnership (WLP) to develop collaborative strategies on key issues, including economic development. Since 2004 this grouping of boroughs has been identified as the West London Sub Region in the London Plan, a structure that continues to be supported in the draft replacement London Plan reflecting the uniqueness of the area and its functionality.

1.3 Whilst each of the West London boroughs will produce their own LEA, the nature and geography of the West London economy means that the production of an economic assessment at sub-regional level is desirable. This approach is supported by London Councils and the Greater London Authority (GLA) group and will ensure that the development of the boroughs' LEAs and the Mayor's Strategies are supported and informed by a sub-regional economic assessment. To ensure consistency of approach, this LEA takes account of the Memorandum of Understanding (MoU) agreed between London Councils and the GLA.

Figure 1 Location of West London Boroughs



Source: London Borough of Ealing

1.4 This document sets out a draft West London Economic Assessment (WLEA). The assessment provides a clear narrative about West London and its economic position today. The document also describes the economic opportunities, issues and challenges facing West London now and over the coming decades.

1.5 The WLEA has been prepared by the West London Alliance in collaboration with partners including the GLA and LDA since early 2010. This was a reiterative process, the first draft being considered in April 2010, the second in September 2010 and a final consultation in February/March 2011. This final version has considered the responses and comments received. Copies of representations and responses are available from the West London Alliance.

Purpose of the West London Economic Assessment

1.6 The overriding purpose of developing a WLEA is to ensure that local partners and statutory bodies are equipped with a better understanding of the West London economy which is based on a robust evidence base. This understanding should lead to the design of improved economic interventions.

1.7 The main aims of the WLEA are to:

- Provide a sound understanding of the economic conditions in West London and how they affect residents and businesses.
- Provide a better understanding of the local economic geography, including the economic linkages between West London and its neighbours, Central London and the Outer Metropolitan Area.
- Identify the comparative strengths and weaknesses of the West London economy.
- Identify the challenges West London faces in delivering sustainable economic and employment growth as well as the opportunities open to us.

Context, Content and Structure

1.8 West London partners have a strong track record of collaboration on strategic issues and have been producing joint strategies and plans for more than 15 years. Therefore, there is an existing policy and strategic context for West London. These strategies, along with other local strategies such as borough's Sustainable Community Strategies, as well as relevant London wide and mayoral strategies, have underpinned and informed the production of this Assessment.

1.9 This document begins with an Executive Summary which as well as providing an overview of West London's people, places and economic prosperity also summarises the key findings of this assessment. It then provides a brief overview of each of the six boroughs as it is important to recognise that the boroughs that make up West London are not uniform in their characteristics. The assessment itself is then developed around a number of lines of enquiry; Future Economic Forecasts; Business and Enterprise; People and Communities; Linkages and Flows; Human Capital; Housing; and Sustainable Development and Infrastructure. Naturally, these areas do not sit in isolation from one another and there are areas of overlap between themes.

1.10 Once in place, the WLEA should inform local strategies including Sustainable Community Strategies, Economic Development, Housing and Transport Strategies. It will also need to inform West London's engagement with the Skills Funding Agency and Young People's Learning Agency. In addition, it should form part of the evidence base for the preparation of Local Development Frameworks (LDF). It will also build upon and inform the Mayor's regional strategies including the London Plan and strategies for Economic Development and Transport.

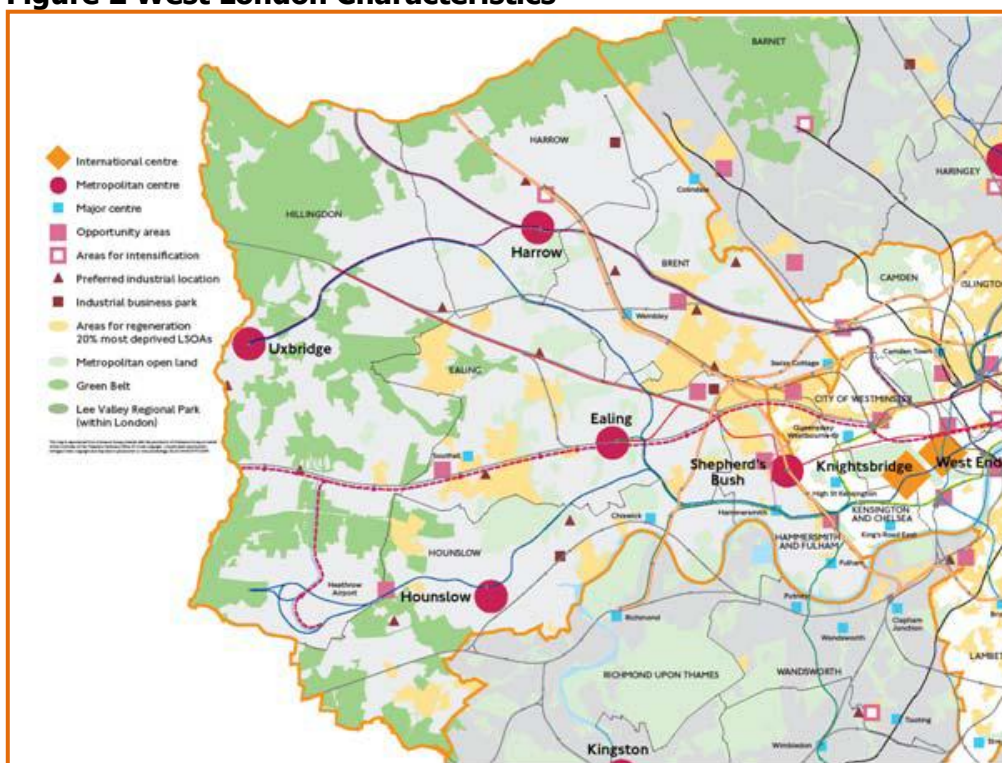
1.11 A detailed (draft) West London Worklessness Assessment has also been drawn up by West London Working (WLW) and WLA. This document informs and supports this assessment and contains further detailed information on worklessness, employment, skills, benefits and employment programmes and services.

1.12 With the formation of the Coalition Government in May 2010 and the move towards 'Localism' and de-regulation, the West London partners remain committed to supporting mechanisms, including the WLEA, which will assist in improving the area's investment opportunities and the well-being of its residents and businesses. This document not only meets the original statutory requirement but in the final chapter signposts actions which would help the long term future of the West London economy, create sustainable employment and support wealth creation at a time when global competition is intensifying and climate change continues.

CHAPTER 2 WEST LONDON'S PEOPLE: PLACES AND PROSPERITY

2.1 West London comprises six London boroughs (Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon and Hounslow) and lies between Central London to the East and Surrey, Berkshire, Buckinghamshire and Hertfordshire to the West. West London has the UK's only international hub airport at Heathrow, the national stadium at Wembley, the UK's largest industrial park at Park Royal and is home to many world-class companies. The six boroughs comprise the West London Sub Region as identified in the London Plan and the draft replacement plan.

Figure 2 West London Characteristics



Source: London Plan Base Map for West London GLA (2009)

2.2 West London has a population of 1.47 million people, greater than the UK's second city Birmingham, and comprises a rich mix of people of different nationalities, cultures and ethnic backgrounds. The draft replacement London Plan (DRLP) predicts substantial population growth for West London of 173,000 by 2031, with associated pressures on the need to create jobs, provide housing and adequate transport and social infrastructure.

2.3 The economic geography of West London is based upon a variety of centres of economic activity and employment sites located along established radial transport corridors connecting West London with Central London and the Outer Metropolitan Area. These corridors comprise a mix of town centres (West London has five 'Metropolitan' town centres – Ealing, Harrow, Hounslow, Shepherds Bush and Uxbridge, and 'Major Centres' at Wembley, Southall, Fulham, Chiswick and Hammersmith), Opportunity Areas, employment land and clusters of businesses.

2.4 Broadly, these transport corridors can be described as follows:

- M4/Great Western Rail/Uxbridge Road, extending from Hammersmith and Earls Court through Ealing; Southall and north of Heathrow via Hayes and Stockley Park beyond London to Slough (importantly also the alignment for the Crossrail Route);
- A4/A30/South West Rail, diverging from the above at Brentford through Hounslow and Feltham, and beyond to Staines;
- A40/rail corridor from White City, Park Royal and Old Oak via Perivale and Northolt out to Uxbridge;
- North-west rail corridor from Willesden Junction (also on the underground) to Wembley and Harrow, continuing to Watford, related to the A5/M1 North-west London corridor.

Strengths and Opportunities

2.5 West London makes a significant contribution to the economic output of London and is a major economy in its own right contributing some £35 billion a year to the UK economy (17% of the total output of Greater London), a figure predicted to rise to almost £48 billion by 2020¹. The sub-region has seen a considerable expansion in overall employment during the last decade across a spectrum of businesses from major blue chip companies to small businesses. There are 70,000 businesses and 800,000 jobs (including self employment) in West London.

2.6 West London's location in the wider London and South East region means it benefits from 'agglomeration' and clustering of businesses and industries across the greater south east. This provides firms in West London with specialised suppliers, customers, specialised labour markets and the ability to tap into particular sources of knowledge. The industrial structure of West London shares many of the features of the wider London economy with services dominating, however, there are some important differences in terms of its employment and business base compared with the regional economy, notably the high proportion of employment found in the transport, communications, logistics and hotel and restaurant sectors. West London's economic structure includes a good existing range of business sectors and world class businesses and institutions (e.g. BSkyB, GSK, Cisco, Sony Ericsson, Carphone Warehouse, Diageo, British Airways, BBC, Brunel University) and major assets in terms of leisure and tourism resources that give it a number of advantages to build on compared with other parts of London. West London is also home to a large number of small businesses that serve local communities and also provide a significant amount of jobs. In West London overall, of the 55,880 VAT and PAYE Registered businesses, 44,850 (80%) employ up to 4 people.

2.7 West London has been able to compete successfully and contribute so much to the national and London economy because it has proved an attractive environment for businesses to invest in. Its unique strategic location, situated between Heathrow Airport and Central London, is key to this. The role it plays in connecting Heathrow with Central London means that it has a unique relationship with the Central Activities Zone (CAZ), when compared with North, South and East London. Other important factors include:

- Good quality national and international accessibility by road, rail and air
- Proximity to important international and national markets through these transport connections

¹ Oxford Economics 2010

- Availability of a skilled and flexible workforce
- Significant green open spaces with a good range of leisure amenities as well as a rich historic environment with significant heritage assets
- A cohesive, culturally and ethnically diverse, young and entrepreneurial community

2.8 Looking forward, West London has the ability to offer employment growth across a range of industrial sectors, notably; modern manufacturing, logistics, transport and communications, creative industries, bio-medical industries, green technologies and leisure and tourism as well as continued growth in business services. The polycentric nature of West London's economy means that it has a variety of sites and premises located within the Opportunity and Intensification Areas, Strategic Outer London Development Centres and town centres that can support the development of these sectors. This gives West London the potential to further develop a balanced jobs market and a range of employment opportunities for residents, based on the sub-region's own characteristic of a variety of centres of economic activity and employment.

2.9 Whilst we are approaching a period of public sector retrenchment and reduction in investment in infrastructure, the major transport improvement planned for London over the next ten years, Crossrail, will bring specific benefits to parts of West London. As well as the opportunities for skills development and jobs from the construction of stations and railway routes, there is also a potential bigger boon for employment and construction skills from the residential and commercial developments associated with Crossrail stations in Ealing and Hillingdon. In the longer term High Speed Rail 2 (HS2) will bring further regeneration opportunities especially to Willesden and Royal Oak.

Weaknesses and Challenges

2.10 Despite the strength of its economy, West London performs poorly on a number of indicators of economic success. These include the impact of rising house prices on those with low incomes; increasing traffic congestion; reported skills shortages in the job market; and concentrated pockets of economic inactivity and deprivation. These weaknesses mean continued economic growth and success is not guaranteed and they inform a range of inter-related challenges for the sub-region's economy:

- **Employment and population growth.** The Mayor's draft replacement London Plan forecasts that there will be substantial population growth in West London, with an additional 173,000 people living in the area by 2031. A planned and managed approach to this population growth will need to see more sustainable employment opportunities in the sub-region (alongside measures to ensure that residents have the skills to secure those jobs).
- **Housing and infrastructure.** Delivering an adequate supply of housing and supporting transport and social infrastructure within an attractive environment is vital in securing balanced and sustainable development in West London. Predicted housing requirements outstrip housing supply and the affordability of houses within West London continues to diminish, especially for those on lower incomes and young people.
- **Increased competitiveness and productivity.** West London's economy and ability to attract inward investment is vulnerable in the light of competition from some emerging

economies and the challenges associated with the rapid pace of technological change. The predominance of Heathrow Airport as an international hub airport is under threat from rival airports, including Frankfurt, Amsterdam, Paris and Dubai, where there is additional capacity to attract airlines who want to exploit both new and existing routes which could harm Heathrow's own service network. There are also more localised challenges, including most notably skill levels and traffic congestion, which impact on our ability to retain and attract businesses and employees when compared with Central London and the Outer Metropolitan Area.

- **Worklessness and inclusion.** Whilst an overview of West London reveals a relatively prosperous area, significant pockets of deprivation exist within the sub-region, particularly in southern Brent and parts of Ealing. Employment rates are lower than the national average with some groups and localities affected disproportionately. The problems of worklessness are related in part to a mismatch between the skills offered by some residents and those required by businesses, as well as a range of other barriers to labour market participation.
- **Environmental and spatial challenges.** The ability to adapt and respond to changing circumstances is a critical factor in retaining and attracting investment in West London and sustaining economic growth, in particular the significant competition we face from Central London and the Outer Metropolitan Area. Looking forward, it is important to consider spatial changes to London's economy which will impact on West London. Nationally and regionally, there will continue to be a strong policy, infrastructure and regeneration focus on reshaping growth eastwards to take advantage of the regeneration opportunities from London 2012 in particular, and also the enormous amount of brownfield land in Opportunity Areas and Areas for Regeneration that provide East London with the opportunity to be a key location for the development of emerging sectors of the economy.
- **Financial austerity in the public sector.** Recent Coalition Government announcements have made it clear that they see the creation of a more balanced economy, where "we are not so dependent on a narrow range of economic sectors, and where new businesses and economic opportunities are more evenly shared between regions and industries" as a key priority. Whilst West London is in an advantageous position in relation to possessing a fairly broad range of economic sectors which could benefit from a policy approach that aims to rebalance growth away from financial and business services, national policy will also lead to a reduction in employment in the public sector, and this will have important consequences for West London. Although West London is not as dependant on public sector employment as other parts of London or the UK, it is still a major employer and anticipated reductions in the public sector workforce will create a number of challenges.

CHAPTER 3 BOROUGH OVERVIEW

3.1 When assessing the strengths and weaknesses of West London's economy, it is important to note that the area is not uniform in terms of its characteristics. Hammersmith and Fulham shares many of the same characteristics and challenges as inner and central London boroughs whilst West London's outer areas have much in common with the 'Outer Metropolitan Area' outside the Greater London boundary. The narrative below provides an overview of the individual boroughs that constitute West London – their characteristics, areas of strength and future challenges and provides valuable contextual information for the full WLEA.

Figure 3 West London Boroughs – key facts

Borough	Current population ²	Est. Pop in 2031 ³	Unemployment rate ⁴	Deprivation rank ⁵ (out of 354)	Average house price ⁶	Average weekly Earnings by workplace ⁷
Brent	255,500	262,700	9.6%	53	£314,044	516
Ealing	316,600	353,300	9.9%	84	£322,458	548.9
H&F	169,700	177,900	10.4%	59	£499,031	652.2
Harrow	228,100	277,000	7.4%	205	£292,195	515.8
Hillingdon	262,500	313,600	7.7%	157	£256,971	629.3
Hounslow	234,200	282,700	8.1%	105	£291,092	597.2

London Borough of Brent

3.2 Covering an area of 43 sq km (almost 17 square miles), Brent is located between inner and outer North West London. It extends from Burnt Oak, Kenton and Kingsbury in the North, to Harlesden, Queen's Park and Kilburn in the South. The North Circular Road divides the less densely populated northern part of the Borough from the south. The Borough is home to Wembley Stadium with the new stadium forming the centrepiece of a new Wembley; comprising major regeneration initiatives and ventures. Already known for its sporting and music venues, it is anticipated that Wembley will develop further into a major regional, national and international destination with a range of major retail and leisure attractions whilst also delivering significant employment growth.

3.3 With over 255,500, Brent's population is relatively young with almost a quarter of its residents aged 19 years or under. Black and Ethnic Minorities collectively constitute the majority of Brent's population at 55%. Over 120 languages are spoken in Brent and the borough has been officially

² ONS Mid Year Estimates 2009 See Glossary section on Population Estimates

³ ONS Sub-national projections 2008

⁴ ONS Annual Population Survey NOMIS (April 2009 – March 2010)

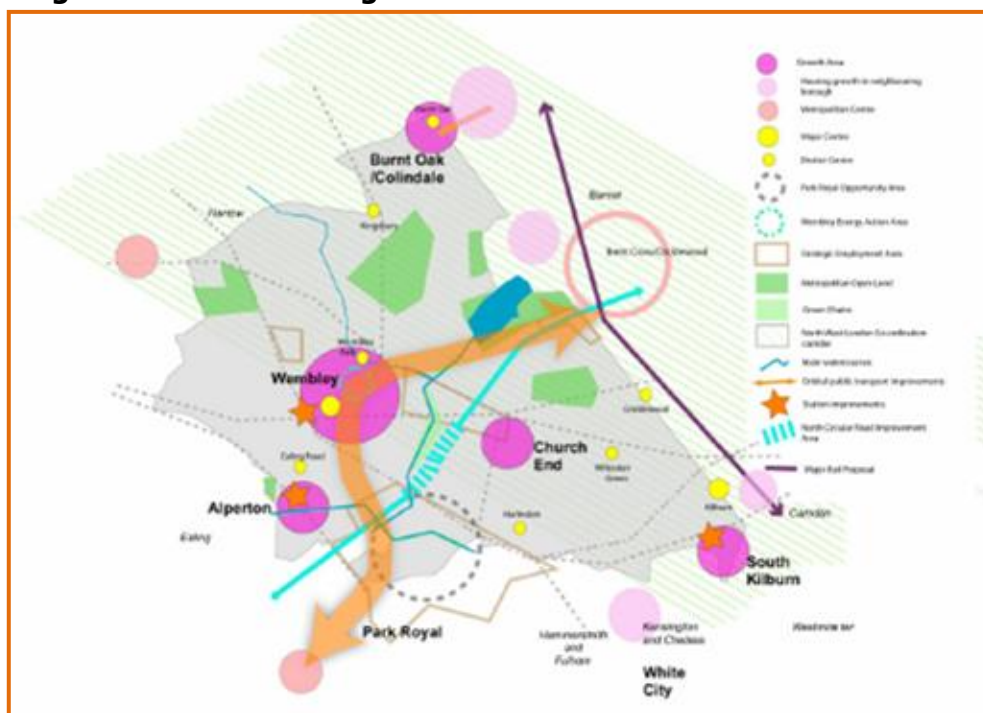
⁵ IMD 2007

⁶ Land Registry House Price Index September 2010

⁷ ONS Annual Survey of Hours and Earnings, gross weekly pay for full-time workers

recognised as the most ethnically diverse local authority area in the country⁸. Nearly 8% of its population are classified as refugees or asylum seekers, and in 2007 Brent had the second highest number of new National Insurance registrations in the country at 15,600. Ranked 58th on the national deprivation league table, there is a sharp north-south divide with an affluent north and generally poorer south.

Figure 4 London Borough of Brent



3.4 One in seven residents live in areas that are amongst the ten per cent most deprived wards in the country. The population is predicted to rise steadily over the next twenty years, with a large increase in the proportion of older residents. Unemployment levels are higher than average for London and average weekly earnings are amongst the lowest in London.

London Borough of Ealing

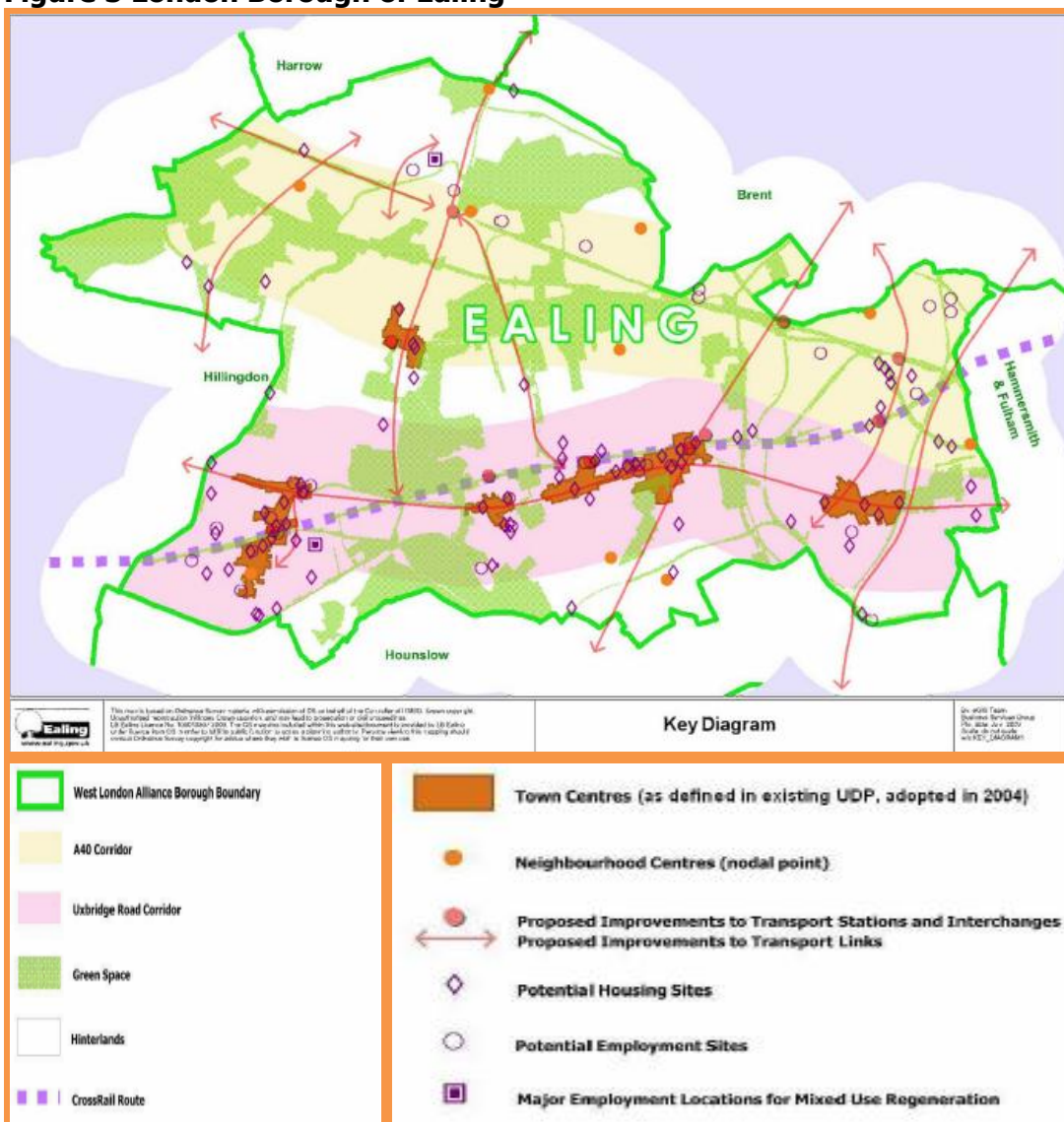
3.5 Ealing covers an area of around 55 square km in West London (21 sq miles) and with 316,600 people is the third most populous borough in London. Ealing is located at the centre of the West London sub-region, and shares borders with Brent, Harrow, Hillingdon, Hounslow, and Hammersmith and Fulham Boroughs. The Borough is made up of seven distinct areas - Acton, Ealing, Greenford, Hanwell, Perivale, Northolt, and Southall. These areas have diverse populations, Ealing is the 4th most diverse Borough in the UK and more than 100 languages are spoken in the Borough. 41.3% of residents are from an ethnic minority, compared to 9.1% nationally, and 28.8% across London. About 20 percent of the minority ethnic community describe themselves as Asian. Within this, the largest minority group is of Indian origin, which accounts for 17 percent of the Borough's total population. 15.1% of Ealing residents (45,401 people) live with a long term illness,

⁸ ONS 2006

health problem or disability, which limits their daily activities or the work they can do. Predictions show Ealing will experience a steady population growth over the next twenty years but during this time the number of residents aged 85 and over will more than double.

3.6 Ealing, and in particular Ealing town centre, is a 'transport hub' for West London and has good access to central and East London. Central Ealing is approximately six miles from Heathrow Airport and a similar distance from the central London Congestion Charging zone. Three underground lines and several mainline train services serve Ealing. Key highways in the Borough include the A40, Uxbridge Road and the North Circular.

Figure 5 London Borough of Ealing



3.7 The two largest employment sectors within which Ealing residents work are business services (20.4%) and retail (15.9%). 73% of employment is in small and medium size firms, employing less than 200 people. The Borough is located near several major employment locations in West London, such as Heathrow and White City, and contains a number of key sites of its own, in Park Royal, Southall, Acton and Northolt / Greenford. Overall, Ealing is relatively prosperous but it is a community of sharp contrasts. On the one hand it benefits from a healthy economy, with a large number of registered businesses offering local employment opportunities, relatively high household incomes, and high levels of home ownership. However, pockets of serious poverty exist in the borough, with residents experiencing poor standards of health and education, low incomes and high benefits dependency. Twenty three per cent of Ealing's areas are within the top 20 per cent most deprived areas in the country.

Hammersmith & Fulham

3.8 Situated on the western edge of Inner London in a strategic location on the transport routes between the City and Heathrow, Hammersmith and Fulham is the smallest West London borough covering an area of 16 square km (6.3 sq miles) and home to a population of 169,700. The Borough is oriented on a north-south axis with most major transport links, both road and rail, carrying through traffic east-west across the Borough. Some of the busiest road junctions in London are located in the Borough at Hammersmith Broadway, Shepherd's Bush and at Savoy Circus and the Borough suffers disproportionately from the effects of through traffic. However north-south movement in the Borough is poor.

Figure 6 London Borough of Hammersmith and Fulham



3.9 The Borough contains wealth, poverty and attractive environments, many of which are protected by conservation designations and other areas that are less attractive and that need improvement. The Borough has some of the highest average house prices within London, but on the other hand is ranked as the 59th most deprived local authority in the country (IMD 2007) and there are significant pockets of deprivation largely concentrated on the larger social housing estates, such as the White City area,

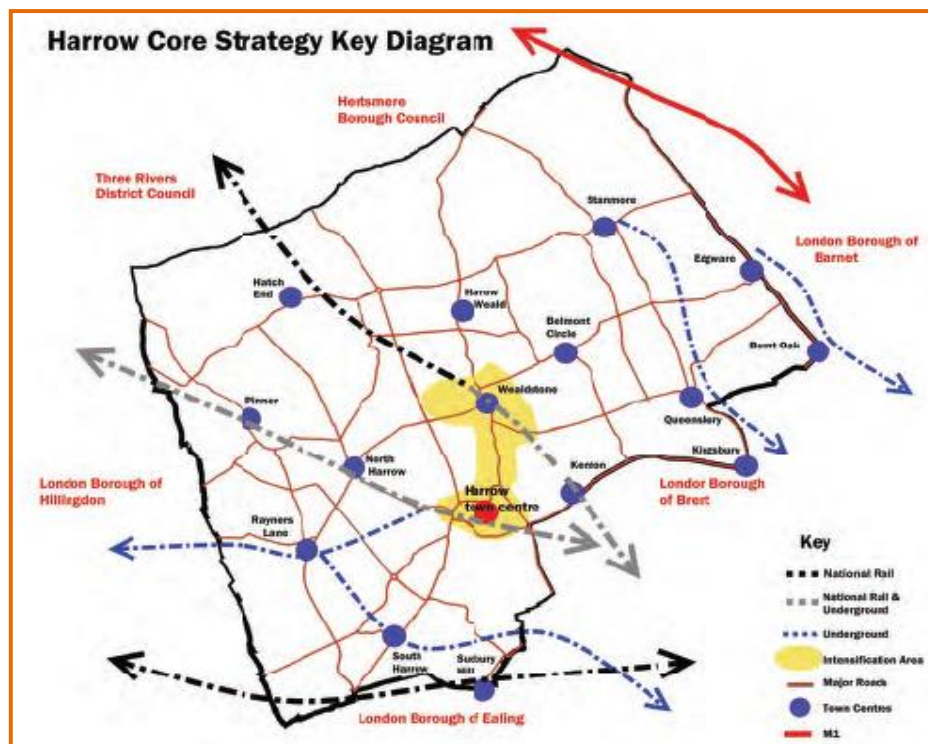
3.10 The Borough has at least four distinct areas; Fulham, Hammersmith, Shepherds Bush and the College Park/Hythe Road area. Hammersmith and Fulham's economy is part of the wider London and West London economic area. The Borough occupies a favourable location in West London and is attractive to a variety of businesses. It has enjoyed significant growth in employment and economic activity over the last three decades with the central Hammersmith area becoming an important sub-regional location for offices. Hammersmith and Fulham is home to some major international companies and is noted for its media and entertainment industry, as well as being home to two large exhibition centres, three professional football clubs and the new Westfield shopping complex. The largest employer in the Borough, the BBC, is based in Wood Lane and has expanded its complex there in recent years and has approximately 14,000 employees. This number will decrease with the proposed move of some of the BBC's staff to Salford and Central London. To the north of the Borough the Hythe Road industrial area forms a part of the extensive Park Royal area. Park Royal is the closest industrial and warehousing area to central London and the West End and also serves Heathrow. Significant numbers of workers commute in and out of the borough daily.

3.11 The numbers of young adults (ages 25-39) is particularly high compared to the national average. The proportion of people from different ethnic minority groups is higher in Hammersmith and Fulham than both the London and national averages, including one of the largest Irish populations in the country.

London Borough of Harrow

3.12 Harrow covers an area of approximately 50 sq. km (19 sq miles) and has a population of 228,100. Over a quarter of the borough (1,300 hectares) is open green space. The Borough shares many characteristics typical of other outer London boroughs where development followed the expanding railway services in the early 20th century. As a result there are a number of old villages that existed prior to this expansion including Pinner, Stanmore and Harrow on the Hill surrounded by classic 'Metroland' development. The Borough is ethnically diverse with around 55% of the population being from BME backgrounds, with the largest group being of Indian ethnicity. It is primarily a suburban area, with a relatively limited amount of land and buildings devoted to employment and industrial activity, compared with other outer London Boroughs. With 78% of its residents economically active, the borough has the highest economic activity rate in West London with a high concentration of micro and small businesses.

Figure 7 London Borough of Harrow



3.13 The employment structure of Harrow similar proportions of the population working in distribution, hotels and restaurants (23%), finance, IT and other business activities (26%), public administration, education and health (28%). The regeneration priorities in the borough are focused around a new Intensification Area, providing the impetus to regenerate Wealdstone and rejuvenate Harrow Metropolitan town centre. Capacity exists to deliver substantial employment growth through an uplift in retail, office and hotel development within the town centres and the intensification of industrial and other business use within the Wealdstone Industrial Area.

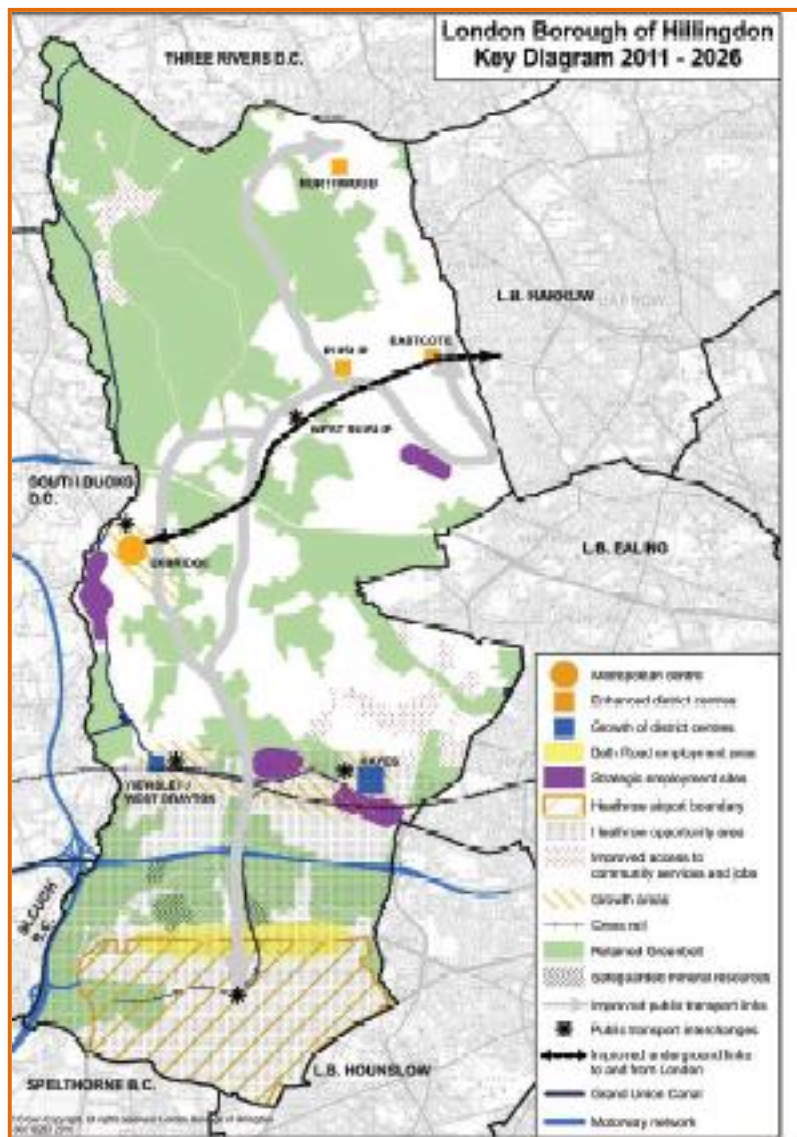
London Borough of Hillingdon

3.14 Hillingdon is London's second largest Borough by area, covering 109 sq. km. (42 sq. miles) with a population of 262,500 people which is growing faster than the national average. The Borough has a distinctive character with its combination of suburban streets and shopping centres, industrial land, major office developments and large areas of open land, historic woodland and inland waterways including 4,960 hectares of Green Belt.

3.15 The north of the borough is semi-rural, green belt land centred around Ruislip. The south is more densely populated and urban in character with the main towns of Uxbridge, West Drayton and Hayes. Despite remaining one of London's greenest Boroughs, Hillingdon has a pivotal role in the economic success of the capital being the home of Heathrow Airport, the busiest international hub airport in the world. It attracts over 67 million passengers each year, and employs 76,600, people on site. In addition, a large number of international corporations have their headquarters in

the Borough. There are around 10,090 active enterprises in Hillingdon, ranging from large multinational corporations to local family firms.

Figure 8 London Borough of Hillingdon

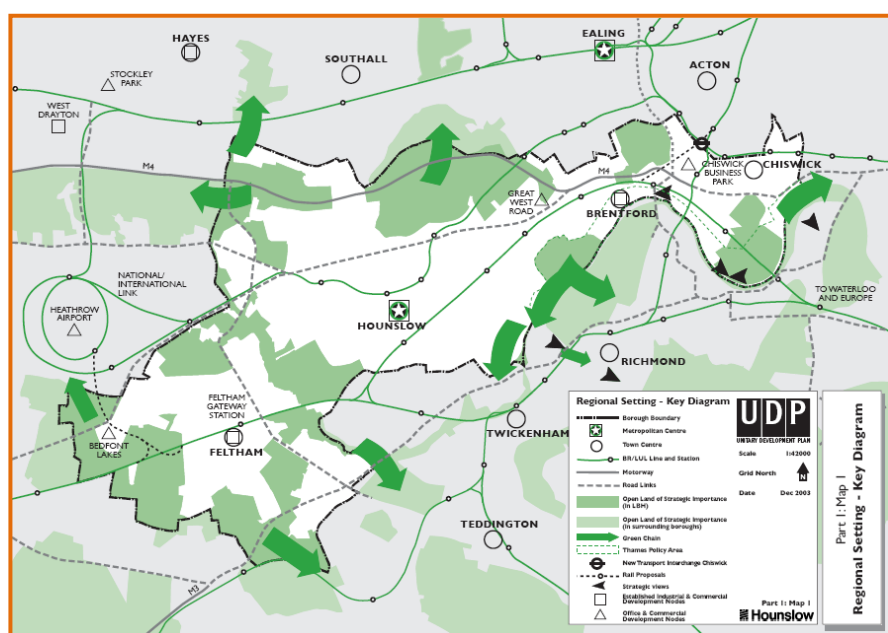


3.16 At present around 21% of Hillingdon's population is made up of black and ethnic minority communities and this figure is projected to rise by a further 15-20% over the next 10 years. Compared to many other London boroughs that have ageing populations, Hillingdon has a population with a high proportion of young residents, with around 41% being under 30 years of age and 19% being under 15 years of age.

London Borough of Hounslow

3.17 Geographically situated in outer West London, Hounslow is a large Borough covering approximately 57 sq. km (22 square miles) with a population of 234,200. It stretches from Chiswick in the east to the boundaries of Heathrow Airport in the west. The transition from the urban environment of the suburbs to the semi-rural environment of the urban fringe takes place within Hounslow. The Borough has a mix of residential, commercial and industrial land uses interlaced with several waterways, including the River Thames, large areas of open space and areas of cultural and architectural heritage. It is reasonably well served by public transport and ideally located for national transport links, with easy access to major roads and motorways linking Central London and the City to the south west, Wales, the Midlands and beyond via the A4, M25 and M4.

Figure 9 London Borough of Hounslow



3.18 There are four town centres – Brentford, Chiswick, Hounslow and Feltham. These centres as well as Chiswick Park, the Great West Road and Bedfont Lakes are the Borough's key nodes. Recently Feltham and Hounslow town centres have undergone significant redevelopment with further development anticipated for Hounslow. Brentford's regeneration continues with a number of vacant employment sites on the Great West Road being redeveloped for mixed-use.

3.19 A number of wards including Bedfont, Brentford, Hanworth, Heston West and Syon, have notable and persistent deprivation. These areas are characterised by higher unemployment, skills mismatch, a large percentage of lone parent families, lower academic attainment, high crime rates and drug abuse, a higher amount of local authority housing, and areas of environmental and industrial decline. Hounslow is well connected with London and the rest of the country. The area has good external road, rail and air links to all parts of Britain. Heathrow Airport located to the west of Hounslow is a major employer, with over 10,000 Hounslow residents working at the airport. Hounslow is also the location for a significant creative industries sector. Some of the biggest blue chip businesses in the world, for example BSKYB and GlaxoSmithKline are based in Hounslow.

CHAPTER 4 FUTURE ECONOMIC FORECASTS

4.1 Before looking at employment and population forecasts it is important to recognise that forecasts such as these must be given an appropriate 'health warning'. There are a number of uncertainties that need to be recognised in developing population and employment forecasts: the long term prospects for financial and professional services are riskier than pre-credit crunch; the impact of the anticipated decline in public sector employment as well as the rebalancing of the UK economy from debt-dependant and financial service sectors to a more balanced range of sectors is unknown; the future path of migration is uncertain due to government policy and economic conditions; and the impact of rising oil prices on certain industrial sectors as well as on commuting options (LDA 2010).

4.2 The GLA forecasts that West London will face considerable growth and will need to accommodate 113,000 new residents of working age and 99,000 new jobs in the period to 2031. However, these projections are made on a series of pre-recessionary assumptions. For example, the most recent data for industry sectors and employment, as well as the GLA population projections, comes from 2008, and therefore misses the impact of the recession on these sectors. This means that they are predicting future growth on the basis of figures from the peak of an economic cycle. It is likely that the predictions of future growth will be revised downwards. However, these projections are considered robust enough by the GLA to inform their scenario planning. It should be noted that population projections by Oxford Economics (up until 2020) provide very similar figures to the GLA and that their employment forecasts are similar at 2030 (although they are considerably higher at 2020).

Employment Forecasts

4.3 GLA Economics provide employment projections up to the years 2031. These are based on a 'triangulation' method where three separate projections are 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 methods are then reconciled using a set of rules designed to lead to consistent estimates.

4.4 The forecasts project an increase in employment of 99,000 jobs across West London between 2007 and 2031, although as indicated earlier, 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).

Figure 10 Triangulated employment projections by Borough

Borough	Actual '000s			Projection '000s					Change between 2007 – 2031 (%)
	2005	2006	2007	2011	2016	2021	2026	2031	
Brent	113	112	110	112	116	115	119	124	13%
Ealing	135	137	139	137	138	143	148	154	11%
Hammersmith & Fulham	128	130	132	139	149	166	173	178	35%
Harrow	84	83	82	82	83	82	86	88	7%
Hillingdon	201	203	203	201	202	202	210	217	7%
Hounslow	133	132	134	130	129	129	133	138	3%
West London	794	797	800	801	817	837	869	899	12%
London	4588	4632	4676	4797	4953	5114	5280	5452	17%

Source: GLA Economics Working Paper 38/39 2009

4.5 Whilst the triangulation method provides for greater accuracy due to it being comprised of three separate factors, it is useful to look at the three methods separately. In the case of Hammersmith and Fulham, the highest component of their employment growth is from local employment trends. For Brent, the projections based on local employment trends is actually negative and growth is predicted to occur from employment sites being built out and improved transport accessibility in the borough. Across West London as a whole, the most significant method of growth is that based on the continuation of local employment trends.

4.6 These estimates for employment growth are clearly sensitive to the assumptions used. The simplest way to account for the impact of the recession is to assume that there will be no overall growth in the period 2007-2011 (i.e. total employment in 2011 will be the same as total employment in 2007), and then assume that employment grows by the same number as predicted before. In this case, West London would see 90,000 new jobs by 2031 instead of 99,000. With the greatest impact (i.e. lower employment growth), felt in Hammersmith and Fulham and Brent.

4.7 A second assumption made in the models is that growth will achieve a long-term trend of 2.5%, as this is fairly similar to trend growth over the previous fifty years (GLA Economics 2010). Other estimates regard this as a high figure. It is possible to produce moderated employment growth using similar sector based growth predictions as the GLA (but without accounting for changes in land use and accessibility). This simple exercise suggests that if growth were at 2.2% rather than 2.5% this would result in 48,000 new jobs in West London by 2031, rather than 99,000.

Employment forecasts in neighbouring areas

4.8 To provide a more complete picture of how employment growth will affect West London's residents (in terms of accessibility to employment) and businesses (in terms of location decisions) it is necessary to look at employment forecasts in neighbouring authorities, both London boroughs and the OMA. It should be noted that different methodologies have been used and different timescales e.g. The South East of England figures were modeled to 2026; WLA have extended the

West London Economic Assessment March 2011

projections through to 2031 using annual changes. In spite of these differences a clear picture begins to emerge regarding where future employment growth is forecast to occur.

Figure 11 Triangulated Employment Projections For Neighbouring London boroughs

Borough	Actual 000's			Projection 000's					Change between 2007-2031 (%)
	2005	2006	2007	2011	2016	2021	2026	2031	
Barnet	133	134	134	136	140	139	145	150	12%
Camden	279	283	290	307	326	340	350	361	24%
K&C	134	130	129	131	138	148	151	153	19%
Richmond	84	92	92	90	88	87	91	95	3%
Wandsworth	126	127	127	126	127	127	131	136	7%
Westminster	606	609	610	624	646	674	696	720	18%

Source: GLA Economics 2009

4.9 The GLA triangulated employment projections show that in London, the inner boroughs will benefit from the greatest increase in employment growth. Figure 12 shows very strong growth in employment forecast for neighbouring districts outside London, especially to the west.

Figure 12 Employment Projections for Neighbouring Districts Outside London (000's)

Districts	2001	2006	2011	2016	2021	2026	2031	Change Between 2006-26 (%)	Change between 2006-31 (%)
Hertsmere	54	48.3	49.5	52.2	54.2	56.7	59.7	17.3	23.6
Three Rivers	34.2	38.6	39.9	40.6	40.7	41	41.2	6.2	6.7
Slough	77.7	79.4	82.6	86.2	89.9	92.8	n/a	16.8	21*
South Bucks	35.2	35.7	37.5	39.6	41.8	43.8	n/a	18	22.5*
Spelthorne	68.6	63.5	65.8	68.6	71.3	74.4	n/a	17	21.2*
Watford	64.1	57.1	57.7	60.2	61.6	63.1	65.4	10.5	14.5
Windsor & Maidenhead	82.9	94.1	98	102.3	106.5	111.6	n/a	18.5	23.1*

Source: Institute of Employment Research *Employment Projections for the South East of England (2005)*/Hertfordshire County Council/Roger Tyms (2009)/WLA estimate *.

4.10 Whilst employment in West London will continue to increase between 2007 and 2031, when these figures are compared with West London's neighbours in inner London and out of London, with the exception of Hammersmith and Fulham, the rate of employment growth is noticeably lower for West London. This may be attributable to capacity issues but has consequences on maintaining local sustainable employment and future impact on commuting. In particular slower employment growth would put less pressure on transport networks whereas employment growth which keeps pace with West London's growing population would raise capacity issues especially at peak times. (See Linkages and Infrastructure chapters below). It further highlights the need for West London to

respond proactively to encourage new employment opportunities locating in West London rather than encouraging residents to travel out of the sub region.

Population projections

4.11 The Office for National Statistics (ONS) projections show strong population growth in West London, with an estimated 113,000 more working age residents living in the area by 2031.

Figure 13 West London Boroughs' Working Age population projections (thousands) 2007 to 2031

Borough	2007	2011	2016	2021	2026	2031	% Change 2007 - 2031
Brent	183.3	186.0	190.2	194.9	200.5	203.4	11%
Ealing	207.8	210.6	214.5	218.6	223.9	225.9	9%
Hammersmith and Fulham	123.1	127.0	132.0	136.2	140.0	142.5	16%
Harrow	137.4	139.8	143.9	148.0	153.1	155.1	13%
Hillingdon	160.2	163.6	168.3	171.9	177.2	179.1	12%
Hounslow	148.2	152.0	156.3	160.6	165.6	167.7	13%
West London	960.0	979.0	1005.2	1030.2	1060.3	1073.7	12%

Source: ONS, Cited in West London Working Draft Worklessness Assessment

4.12 The assumptions underlying these population projections also need to be challenged⁹. It is not clear how migration patterns will respond to changing economic circumstances, which makes some of the assumptions open to debate. The London Borough of Ealing has recently produced special projections to reflect local circumstances¹⁰. The forecasts may also understate the extent to which residential preferences will be stable; in particular, as populations become more affluent there may be an increased demand for residential space.

4.13 The population projections show an increase in the working age population of around 113,000 by 2031. It should be noted that this exceeds the employment projections (113,000 people compared with 99,000 jobs), implying that in future, employment will have to be provided by central London or other areas (a likely scenario given the neighbouring authority employment forecasts above), or through increases in unemployment, educational activity or other inactivity.

4.14 It is informative to explore the implications for West London if the population projections are revised downwards. If we assume that population growth rates were actually 30% lower than they are in the GLA estimates then we would see an increase of 79,000 in the working age population by 2031.

⁹ See Glossary for further discussion on population estimates.

¹⁰ http://www2.ealing.gov.uk/ealing3/export/sites/ealingweb/services/environment/planning/planning_policy/local_development_framework/consultation/_docs/backgroundpaperdemography.pdf

4.15 The matrix below compares the different employment projections with the population projections and identifies a number of possible 'scenarios'.

Figure 14 Population and Employment Growth Scenarios

2011 - 2031	Population growth – 113,000	Population growth – 79,000
Working age emp. Growth – 99,000	Scenario 1. 14,000 more people than jobs	Scenario 4. 20,000 more jobs than people
Working age emp. Growth – 90,000	Scenario 2. 23,000 more people than jobs	Scenario 5. 11,000 more jobs than people
Working age emp. Growth – 48,000	Scenario 3. 65,000 more people than jobs	Scenario 6. 31,000 more people than jobs

Key issues

4.16 There are clearly a number of difficulties in using forecasts for assessment purposes; however, we can draw some broad conclusions from the simplified scenarios identified above. If we accept the GLA employment and population figures (Scenario 1) then there is a clear imbalance between the two (14,000 more people than jobs). The potential outcomes from this would be either greater rates of unemployment and inactivity in West London or higher rates of out commuting to the surrounding area.

4.17 Scenarios 4 and 5 identify a situation where employment is growing faster than population. This would be a desirable outcome, however, these must be considered the more unlikely scenarios based on the principle that increased economic activity is associated with more people being in any given area (GLA Economics 2005). Allied to this, previous trends across West London suggest population growth is consistently higher than employment growth (e.g. see Jobs Density in Section 7).

4.18 Based on the differing assumptions above, the West London economy could potentially grow by between 6% (sector growth predictions) and 12% (GLA triangulations) by 2031.

Chapter 5 Business and Enterprise

5.1 In terms of productivity (output per capita and per worker), West London performs better than the national average, however it lags behind the rest of London. The overall employment growth experienced by West London since 1994 has also exceeded national growth, but has grown at a similar level to the rest of London. Between 1989 and 2008, the West London economy grew and employment expanded by 19%, creating more than 100,000 additional jobs. However, this employment growth has been spatially uneven across West London with most of the growth concentrated around Heathrow and Hammersmith, with employment in LB Hillingdon itself rising by 80,000. The 2008/09 Heathrow Employment Survey shows that more than 27,850 people from the West London boroughs are employed at the airport. The employment growth in West London matched the overall growth rate for Greater London, with West London's share of total London employment remaining at 17%.

Industrial Structure

5.2 Nearly 70,000 workplaces are located in West London and they employ more than 700,000 people in the West London area. Small and medium-sized enterprises (SMEs) make up the vast number of businesses in West London: 90% of businesses employ fewer than 10 people; and 7% employ between 10 and 49 people.

5.3 Local jobs are more evenly distributed across different sizes of business. In 2008, 39% of all local jobs were in small businesses employing less than 50 people, 22% in medium size businesses employing between 50 and 199 people and 38% in large businesses employing 200+ people. As figure 13 shows, Hillingdon has the greatest proportion of larger businesses in West London, this is due to the location of Heathrow in the borough (similarly for Hounslow due to the proximity of Heathrow for the supply chain) and the type of complementary sites available for these businesses. By comparison, Harrow has the greatest proportion of small businesses (83% employ between 0 and 4 people).

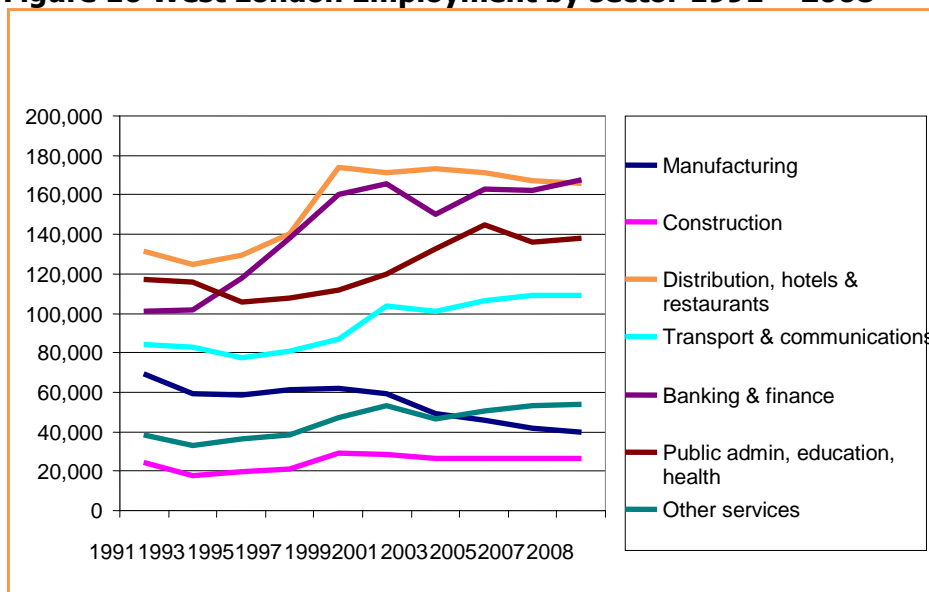
5.4 There are around 58,000 VAT registered businesses and 70,000 workplaces in West London. West London has the greatest business density of all the London sub-regions aside from Central London. There were 38.4 VAT registered businesses per 1,000 residents in 2007, compared to 33.0 across Great Britain (the London average was skewed heavily by the business districts of Central London). VAT Registered businesses are also predominantly small in size; in 2008, 89 per cent employed between 1 and 10 people, compared with 85 per cent across Great Britain and 87 per cent in London.

5.5 Figure 16 below illustrates the change in employment growth by sector between 1991-2008. The highest levels of employment growth in West London were in the Banking & Finance and Transport & Communications sectors. The largest decline in employment was in the manufacturing sector and public sector employment has also started to decline after the steady increases from 1997 to 2005. Employment in the distribution, hotels and restaurants sector (including retail) has remained at similar levels in West London since 2000 (after rapid increases in the 1990s).

Figure: 15 Number of VAT &/or PAYE Enterprises by Employee band

Area	Number of Employees							Total
	0 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250+	
Brent	8,260	1,110	450	220	90	60	30	10,220
Ealing	9,650	1,130	505	280	95	60	45	11,765
Hammersmith and Fulham	7,685	1,000	500	260	115	60	50	9,670
Harrow	7,585	885	350	170	45	30	25	9,090
Hillingdon	6,615	890	440	235	110	80	75	8,445
Hounslow	6,700	905	415	240	85	55	65	8,465
West London	44,850	5,700	2,650	1,420	560	365	335	57,665
Spelthorne	2,705	385	165	95	30	20	15	3,415
Slough	2,665	420	235	175	60	55	55	3,665
Windsor and Maidenhead	6,190	835	375	240	65	45	35	7,785
South Bucks	3,320	500	215	120	45	30	15	4,245
Three Rivers	3,155	435	160	80	35	15	20	3,900
London	259,925	36,920	18,110	9,350	3,420	2,060	1,750	331,535
GB	1,538,755	262,690	123,450	65,915	21,040	11,545	8,450	2,031,845

Source: ONS UK Business Activity, Size and Location 2010

Figure 16 West London Employment by sector 1991 – 2008


Source: Annual Business Inquiry (2009)

NB: The methodology for the collection of the Annual Business Inquiry changed between 2005 / 2006 and is likely to understate employment growth between the two periods. This discontinuity is likely to be around 24,000 and 52,000 jobs in London overall, and is particularly severe in the retail, hotel and restaurant sectors. As there is no simple modification to account for this, trends over this

period need to be assessed with caution. For more information see: GLA Economics (2008) London's Economic Outlook: Spring 2008.

5.6 The industrial structure of West London shares many features of the regional economy. Services dominate, accounting for 89 per cent of employment (92 percent across London) with the manufacturing industry in continued decline. The decline in manufacturing in recent decades was offset partly by the construction sector that grew until 2008, but this sector has been the one most affected by the recession with construction employment forecast to decrease by 10% between 2008 and 2014¹¹.

5.7 Whilst sharing some of the same features of the London wide economy, it is interesting to note some of the key characteristics of the West London economy that differ from the wider London region:

- Banking, finance, and insurance is the most significant sector in West London, accounting for 23.9% of employment. However this is modest when compared with the London wide figure of 35%.
- The distribution, hotels and restaurants sector is the second largest accounting for 23.6% of employment having experienced growth of 19% between 1995 and 2005 (compared to 12 per cent across the capital).
- The transport and communications sector accounts for a high proportion of employment in West London, at 16 per cent this is more than double the London average, reflecting the importance of Heathrow.

5.8 A large proportion of employment in West London is in the knowledge-based sectors. These industries accounted for around 32% of employment in 2008 and are likely to see growth in the future, although this will involve increasing dependence on highly qualified workers. Alongside this, West London has strengths in a number of other key sectors¹². These are:

- **Logistics:** Around 18% of employment in West London is in logistics related sectors (129,000). Demand for goods and services in the logistics sector, which includes both transport and warehousing/distribution elements, is anticipated to rise by 12 to 15 per cent in London overall between 2006 and 2026¹³. Demand in London is strongest around Heathrow and Park Royal where the concentration of warehousing is amongst the highest in London.
- **Creative industries:** This sector has a strong presence in the West London economy. It is hard to measure the exact size of the creative industries because of confusions of definition and extensive part time working. According to the broader ABI definition West London creative industries support 93,000 jobs (13% of employment) or around 58,000 by the more sophisticated GLA measure¹⁴. The sector is dominated by a cluster of TV and radio companies

¹¹ Construction Skills Network forecast

¹² All 2008 figures from the Annual Business Inquiry, unless stated. Detailed (4 digit SIC) definitions for sectors taken from the GLA (logistics), Eurostat (high-technology) and DCMS (creative industries). General groups as follows: Transport and communications - SIC I, Health and Social Care - SIC 85, food and drink manufacturing - SIC15 and food and drink wholesale - SIC513.

¹³ London Freight Plan TFL 2007

¹⁴ See Alan Freeman (2010) "London's Creative Workforce: 2009 update", GLA Economics Working Paper 40.

including the BBC and BSkyB. Two-thirds of the West London jobs in the sector are located in the two boroughs of Hammersmith & Fulham (BBC) and Hounslow (BSkyB). The sector experienced strong employment growth between 1998 and 2008, particularly in TV and radio. In addition, many more people work freelance in the sector involved in commercials, independent production and post production. It is anticipated that the planned relocation of some BBC departments and channels to Manchester, and the impact of new technologies will have some impact on the prospects of the sector in West London. However, there are also a number of opportunities for this sector with the proposed media industries hub at White City.

- **The health and social care sector:** The health and social care sector has an increasingly strong presence in West London and accounts for 9 per cent of all employment (60,000 employees), having experienced strong employment growth between 1998 and 2005. Much of the growth has been linked with employment in local NHS Trusts and Primary Care Trusts. Pharmaceutical companies also have a presence with GSK headquartered in Hounslow, and various diagnostic centres are located in the sub-region.
- **High technology services:** Around 6.5% of employment is in high-tech services (46,000 jobs). West London, like London as a whole, has sustained a strong high technology services industry, growing by 1.4 per cent per year and accounting for almost 20 per cent of total West London employment. The area has a large number of IT services firms, including Cisco Systems, Adobe and Apple, and is well located for accessing Central London corporate clients as well as new technology firms in the Thames Valley.
- **Tourism:** Employment in the tourism industry expanded by 20 per cent in West London over the period 1998 to 2005, faster than the 15 per cent growth seen across London as a whole. There are no direct measures of tourism related employment, but the LDA's Local Area Tourism Impact (LATI) model estimated employment in the sector in 2007 as 255,000 across London, with 47,800 tourism sector jobs in West London. The tourism and leisure sector is an important provider of jobs at a wide range of skill levels. There are a number of popular visitor sites in the sub-region including exhibition centres at Earl's Court and Kensington Olympia, the National Stadium and entertainment venues at Wembley and historic heritage assets such as Syon House and Chiswick House.
- **Food and drink:** While the food and drink manufacturing industry contracted in London over the period 1998 to 2005, employment in West London expanded by 15 per cent and in 2005 accounted for 14,400 jobs. Employment in the sector in West London fell to 13,000 employed in food and drink manufacturing in 2008 (1.9% of total employment), but still accounts for more than half of the 25,400 total sector jobs in London. In addition, a further 8,000 jobs are in food wholesale activities. Within this context, the food sector is a key employment area for the sub-region and its significance is also recognised regionally.

Business Birth and Survival

5.9 Over the last decade, West London has been successful at growing its business base. Enterprise growth in West London has been strong since the early 1990s. From 1994 to 2008, the number of VAT registered businesses has grown by 40%, in line with growth seen across London and outstripping the 26% growth seen across Great Britain. Business survival rates in West London are broadly consistent with) the London average. 62.6 per cent of businesses started in 2006 were still

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active in 2009 compared with the London-wide rate of 63.7% and England 66.2% survival rate. With the global down turn following the banking crisis of 2008/9, new business start ups in West London fell by 10% in 2009 from the previous year, whilst business failure rates increased by 23%. In terms of business creation West London continues to exceed the London-wide and England rates though the death rate is consistent with the London-wide rate but above the England rate. This may be in part due to West London's exposure to the global economy.

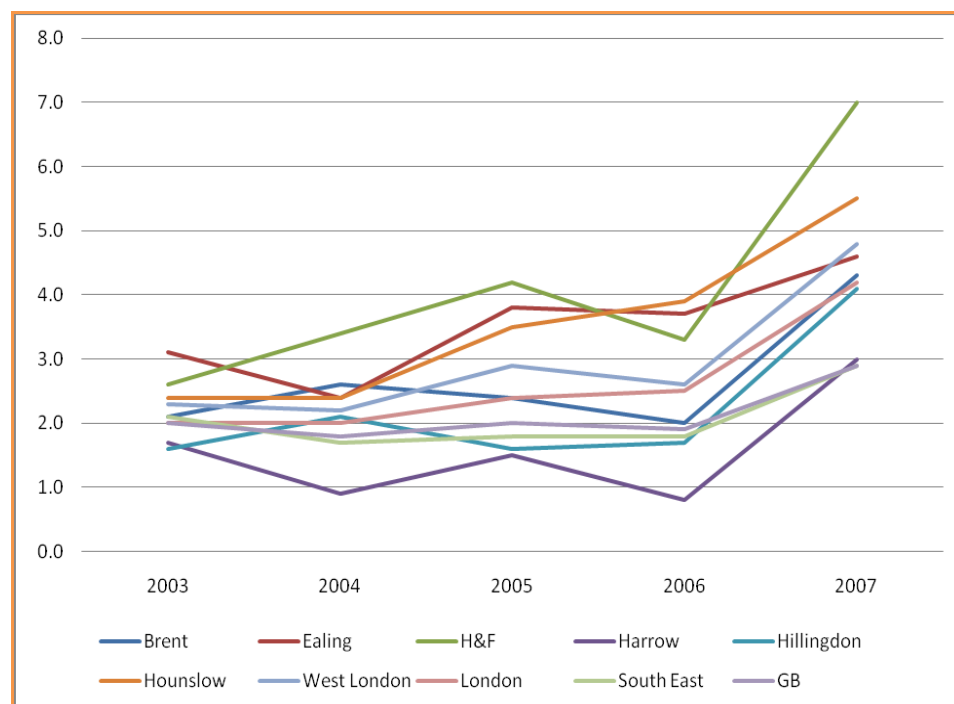
Figure 17 Business birth and survival rates 2009

	West London	London	England
All active enterprises	69,705	402,315	2,040,150
Births	9,055	50,575	209,030
Births %	13.0	12.6	10.2
Deaths	9,650	55,100	248,110
Deaths %	13.8	13.7	12.2

Source: ONS Business Demography (2010)

5.10 In the five years between 2004 and 2008 there was a steady increase in the number of VAT registered businesses across West London but the change was variable across the boroughs. Hammersmith and Fulham, Ealing and Hounslow have benefitted from the most significant percentage increase in business VAT registrations. As a result of these increases West London's performance exceeded that of London, the South East and GB growth. Whilst all West London boroughs achieved growth year on year, Harrow and Hillingdon's gains were more modest below the London wide figure and often below the South East and GB gains.

Figure 18 Percentage Change in the Number of VAT Registered Businesses 2003-2007



Source: Source: BERR - VAT registrations/deregistrations by industry

Small Businesses and Employment Growth

5.11 Whilst business birth and survival rates is a useful indicator of an area's entrepreneurial spirit, it is the linkage between small businesses and the employment they generate which provides a useful insight on the economic dynamism these businesses can bring to an the area. Data has been collected (NI172) which shows the percentage of VAT registered businesses showing year-on-year employment growth. The indicator includes businesses registered for VAT with less than 50 employment (around 98% of all VAT registered enterprises). It measures the proportion of those businesses showing year on year employment growth, where employment is measured as the number of employees (full and part-time) plus the number of self-employed people that run the business.

Figure 19 Percentage of VAT registered businesses showing year-on-year employment growth

Ranking out of 353	Area	2003	2004	2005	2006	2007	2008	% change
213	H&F	9.8	9.6	10.6	13	12.9	13.9	4.1
261	Hounslow	9.9	10.1	10.8	13.8	12.6	13.5	3.6
266	Brent	9.6	9.5	10.3	12.9	13.2	13.4	3.8
286	Hillingdon	9.5	9.3	9.8	13.4	12.7	13.2	3.7
315	Ealing	9.2	9.4	9.6	12.4	12.2	12.7	2.6
337	Harrow	9.4	8.1	9.6	12	12.1	12.1	2.7
-	London	10.1	9.7	10.8	13.9	13.3	13.6	3.5

Source: DCLG 2010

5.12 The figures reveal that out of the 9 regions, London is 8th with regard to small business employment growth. Between 2003 and 2008 there was a 3.5% increase. In West London, Hammersmith and Fulham returned the strongest performance but was only managed a ranking of 213. Ealing and Harrow saw a relatively low improvement managing a ranking of 315 and 337 respectively.

5.13 Whilst many of the neighbouring Outer London districts achieved comparable performance to West London (South Bucks 13.5%(263) and Three Rivers 12.9% (305)), Slough achieved a 15.2% (59) year on year employment growth for new businesses and the Royal Borough of Windsor and Maidenhead 14.4% growth (149). Although there has been an overall improvement in small business employment growth since 2003, West London needs to improve its performance to support wealth creation especially as employment growth is expected by government to come from the private sector.

Self-Employment

5.14 In addition to the growth in employment with local employers, there has also been considerable growth in self-employment in West London. The total number of jobs based in the sub-region, both employee and self-employed, is close to 800,000. Our analysis of the Annual Population Survey 2007 and 2008, using the industrial sectors in the Mayor's Economic Development Strategy, indicates the approximate number of self-employed jobs in West London as detailed in the following table. Construction, Business Services and Other Services (mainly Creative & Media) account for 60% of the total.

Figure 20 Estimated Self-employed Jobs in West London 2007 - 2008

Industry	Self-Employed
Manufacturing	3,100
Construction	18,550
Wholesale	4,200
Retail	3,660
Hotels and restaurants	2,490
Transport & Communications	5,920
Financial intermediation	1,170
Business services	14,640
Health & Education	6,850
Other Services	13,010
Total	77,880

Source: Annual Population Survey 2007 and 2008

Borough Sector Analysis

Public Sector Employment

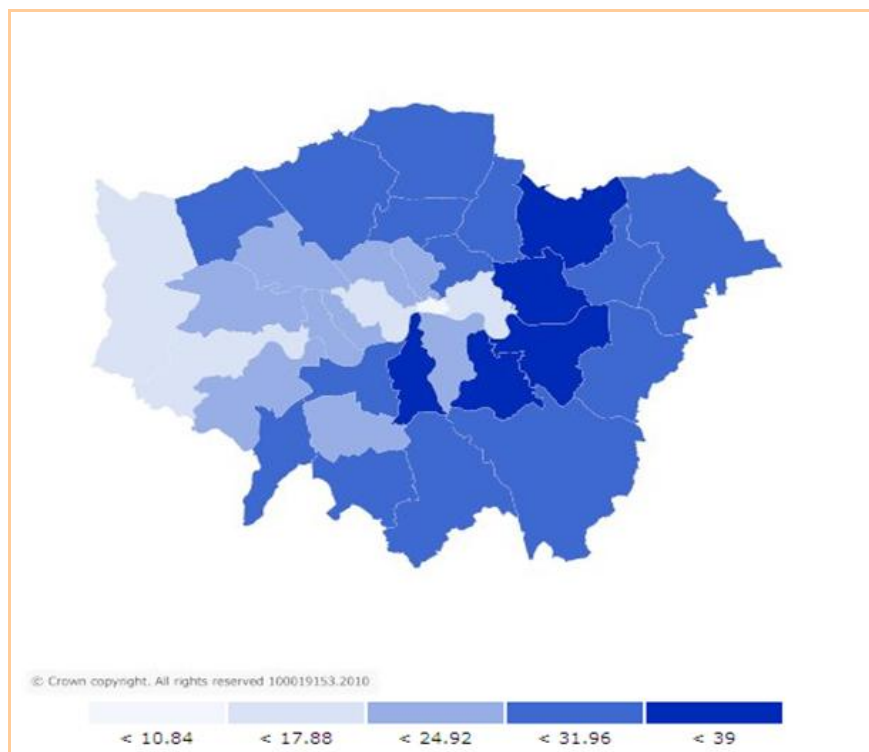
5.15 Although West London is in an advantageous position in relation to possessing a fairly broad range of economic sectors which could benefit from a policy approach that aims to rebalance growth away from financial and business services, national policy will also lead to a reduction in employment in the public sector, and this will have important consequences for West London. Although West London is not as dependant on public sector employment as other parts of London or the UK (see Figures 21 and 22 below), with four of the six boroughs being in the bottom ten London Boroughs when it comes to the percentage of people employed in the public sector, it is still a major employer and anticipated reductions in the public sector workforce will create a number of challenges. These challenges will be spatially uneven across the sub-region with the greatest impact of these cuts appearing to be in Brent and Harrow. However, it will be essential for all West London boroughs to understand the role of the public sector in the local economy, the impact of these job losses and how they might be mitigated and managed strategically.

Figure 21 Public Sector Employment West London (Public Admin, Education & Health)

Borough	Number of people employed in public sector (out of total employment)	% of people employed in public sector (as a proportion of total employment)
Brent	23,400	24.9%
Ealing	22,400	20%
H&F	23,900	20.3%
Harrow	18,100	27.2%
Hillingdon	28,300	15%
Hounslow	20,700	17.1%
Total	136,800	17.1%

Source: ONS Annual Business Inquiry employee analysis 2008

**Figure 22 Percentage of Public Sector Employment in London
(Public Administration, Education and Health)**



Source: ONS Annual Business Inquiry employee analysis 2008

Strategic Growth Sectors

5.16 The Mayor's draft Replacement London Plan sets out a new policy framework for encouraging above trend growth in outer London, Policy 2.16 - Strategic Outer London Development Centres (SOLDCs). SOLDCs are identified as business locations with specialist strengths which do, or potentially could, function above the sub-regional level and which could generate growth above the long term outer London trend. The policy identifies the following sectors in the following locations but states that this list is not exhaustive and requires detailed testing:

Figure 23 Potential West London Strategic Outer London Development Centres

Strategic function(s) of greater than sub regional importance	Potential West London development centres
Leisure/tourism	Wembley, Hillingdon
Media	White City, parts of Park Royal
Logistics	Hillingdon, Hounslow, Park Royal
Other transport related functions	Parts of Hillingdon, Hounslow
Higher education	Uxbridge

Source: GLA draft replacement London Plan 2009

5.17 This policy is an attempt to co-ordinate public and private investment into spatial locations which the GLA believe have the opportunity to generate above trend growth. Although this is an emerging policy, in an era of financial austerity and reduced public resources, it does offer a potentially more effective way of enabling development through the concentration of those remaining resources at specific locations rather than diluting development investment over too wide an area, and with too little sector or policy focus.

Key issues

Strengths and Opportunities

Diversity of the economy. Whilst financial and business services will continue to be an important sector in West London, the relative diversity of the West London economy means that post recession recovery can be rooted in within a number of key sectors (e.g. logistics, transport, creative industries, hotels and restaurants). A diverse industrial structure should help achieve balanced, sustainable growth as growth is not dependant upon any one sector.

New industries. Linked to the point above, sustainable post recession recovery requires a more diverse London-wide economy, structurally – based on knowledge and technology (including emerging green technologies), and spatially – creating a real opportunity for outer London and West London in particular, if the right policies can be put in place to realise the inherent growth potential of our business sectors. We need to capitalise on our strong radial transport infrastructure around which employment growth will cluster and which serves our town centres, but, in order to increase the quality of life and sustainability of our centres and suburbs we need investment to ensure public transport accessibility to these radial routes. The Mayor's identification of locations and business sectors with strategic growth potential in his policy for SOLDCs provides an opportunity for West London to develop proactive policies and tools to encourage these sectors. Further to this, in seeking to develop long term employment growth, and supporting the transition to a low carbon economy, West London has an opportunity to capture growth opportunities from emerging green technologies and new manufacturing as we have the locations (in the Opportunity Areas, Intensification Areas and SOLDCs) for these sectors to grow. However, it is important to recognise the strong competition from East London and the Outer Metropolitan Area as they too have locations where these sectors could develop.

Knowledge. West London has significant strengths in research and development with access to a network of first class universities and research and development institutions within West London (such as Brunel University and the University of Westminster) and in the wider Southeast region and at locations including Central London and Surrey, Reading and Oxford. These organisations can play a pivotal role in supporting and enhancing the region's competitiveness, sustainability and growth.

Business support. A range of business networks, membership organisations and forums exist across the West London area which can facilitate business engagement in developing and informing local economic development strategies. At a local level businesses and employers participate in business networks and forums and in Local Strategic Partnerships. Membership organisations, notably West London Business, Park Royal Partnership and Chambers of Commerce, support business interests within the sub region and will have a key role to play in encouraging the

development of emerging sectors of the economy. West London Business works across the entire sub region and comes together with the WLA, and the voluntary sector to form the West London Partnership – which promotes the interests of West London. However, these types of membership organisations will face challenges in light of both public and private sector cutbacks, as well as emerging national policy directing funding for inward investment lobbying toward the national level, so their position is by no means assured.

Weaknesses and Challenges

Competitiveness as a location for businesses

The March 2010 West London Business – Business Sentiment Survey reveals local concerns for business, the main issues included the impact of the recession and customer confidence, availability of finance, taxation levels and government regulation. There were also mixed responses regarding transport developments and infrastructure initiatives including concerns regarding the future competitiveness of Heathrow following the government's decision preventing a third runway and local councils' responses to tackling transport capacity issues.

Exposure to Overseas Investment Decisions

Foreign owned companies make up a significant percentage of the larger businesses in West London. In an era of highly mobile capital, where companies are examining their cost base and options for locations within Europe, Asia and the USA, local considerations are often ignored. In Harrow half of private sector large employers are owned by companies outside the UK; two have recently made investment decisions that ignored all local factors. With the growing population, SME growth, investor development and business retention are vital to support wealth creation in West London. .

Heathrow Airport

Heathrow has a huge impact on the West London (and London) economy. Sustaining the connectivity provided by Heathrow (particularly in relation to emerging BRIC economies), both in absolute terms and in relation to other European hubs, will be important to West London's future economic prospects and it is important to consider whether historic growth at the airport can be expected to continue in the medium term as it has been the single biggest contributor to jobs growth in West London over the past twenty years. However with the airport operating close to capacity with regard to its permitted air traffic movements of 480,000 per annum, further research is needed to understand and model the potential impact of change at Heathrow as a centre for employment and driver of the regional economy. This is particularly pertinent as the Mayor is supporting a new airport to the east of London. Should this be developed, it is unlikely that there will be requirement for two hub airports in London with Heathrow potentially losing out and by implication the West London economy.

Financial austerity in the public sector

Although West London is not as dependant on public sector employment as other parts of London or the UK, it is still a major employer and anticipated reductions in the public sector workforce following the Comprehensive Spending Review in October 2010 and the Local Government Finance Settlement in December 2010 will create a number of challenges. Firstly, a large number of professional workers will enter the jobs market across the regional economy at the same time. There will be intense competition for a small pool of public sector jobs. Whilst professional public

sector workers may have transferable skills, it is not certain whether the private sector will be able to create a large number of new jobs for these displaced workers. Whilst local authority and public administration employment will be hardest hit in the short term, it is reasonable to expect a 'second round' of reductions in currently protected areas such as Health and Education. A related issue will be the impact on private sector businesses who are involved in, and may rely on, the public sector supply chain. A further challenge will be potential relocations, and a rationalisation of the public sector estate, away from expensive locations. Whilst West London is cheaper than Central London, it may well suffer as a result of national policy to push public sector employment to the regions. The most notable example is the relocation of some of the BBC's functions away from White City to Salford in Manchester – this may well impact on West London's creative sector, as location and proximity to similar firms is still a crucial factor in these industries, those firms that are nimble and flexible enough may choose to relocate closer to Salford.

SME Survival Rates and Employment Growth

Whilst West London has a good track record creating new businesses especially in Hammersmith and Fulham, Hounslow and Ealing, a greater percentage of businesses fail in West London (10.7%) than across London (10.3%) and the UK (9.5%). Moreover Figure 19 reveals that in West London the percentage of VAT registered businesses showing year-on-year employment growth is among the poorest performers nationally. Although 4 boroughs exceed the very low London growth rate of 3.5%, when compared with neighbouring locations outside London, local performance has been lagging. This would suggest that tailored local help for small businesses would help tackle this issue at a time when government policy is seeking employment growth and wealth creation from the private sector.

Chapter 6 People and Communities

6.1 The total population of West London was estimated to be 1.47million in the 2009 mid-year estimates, an increase of 11%(almost 150,000 people) in the 17 years since the 1991 Census and a small increase on the 2001 total, as shown in Figure 24. In terms of gender, there are very slightly more males (50.2%) than females (49.8%). Two-thirds of the population are of working age (aged 16-65).

Figure 24 West London Total Population 2009

Borough	1991	1996	2001	2009	% change 1991 - 2009
Brent	240,800	252,000	269,600	255,500	6%
Ealing	283,800	292,800	307,300	316,600	12%
Hammersmith & Fulham	153,800	155,000	169,400	169,700	10%
Harrow	203,000	207,200	210,000	228,100	12%
Hillingdon	234,400	242,000	245,600	262,500	12%
Hounslow	203,900	206,000	216,000	234,200	15%
West London	1,319,700	1,354,900	1,417,900	1,466,600	11%

Source: ONS population mid-year estimates 2009

Population composition

6.2 One of the notable features of West London is the diversity within the population. At the time of the 2001 census, 63% of the West London population were from White ethnic groups and 37% from Black, Asian and Minority Ethnic (BAME) groups as detailed below. The percentage of the West London population from BAME groups is projected to rise to 47% in 2016 and 50% by 2026¹⁵, with the largest increases from 2001 in Harrow and Hillingdon. Around eighty percent of the young people entering the workforce in West London in future years will be from BAME communities. This rich, multi-cultural and international base not only provides a strong link to international communities and markets but also allows a variety of experiences and cultures to bring about productive innovation and creativity in various economic sectors¹⁶. However, a more heterogeneous population also presents its own distinct public policy challenges in terms of cohesion, economic development and particular skills needs e.g. English as a Second or Other Language (ESOL).

¹⁵ GLA 2006 Round Ethnic Group Population Projections

¹⁶ Alesina and Ferrara 2005

Figure 25 Population structure by ethnic group in West London

Ethnicity	Number (000s)	%
White: British	712	49.6%
Asian or Asian British: Indian	212	14.8%
White: Other White	117.8	8.2%
Black or Black British: Black African	63.8	4.4%
Black or Black British: Black Caribbean	56.2	3.9%
Asian or Asian British: Other Asian	50	3.5%
White: Irish	49.1	3.4%
Asian or Asian British: Pakistani	48.2	3.4%
Chinese or Other Ethnic Group: Other	36.2	2.5%
Chinese or Other Ethnic Group: Chinese	18	1.3%
Mixed: White and Asian	16.9	1.2%
Mixed: Other Mixed	14.1	1%
Mixed: White and Black Caribbean	12.8	0.9%
Asian or Asian British: Bangladeshi	10.7	0.7%
Black or Black British: Other Black	9.8	0.7%
Mixed: White and Black African	7.3	0.5%
TOTAL	1,434.9	100%

Source: ONS Estimated resident population by ethnic group (experimental statistics) 2007

6.3 Figure 25 above shows that apart from White British, there is a large Indian heritage population in West London. Although there are particular concentrations in Southall and Wembley, most West London boroughs have significant Indian heritage populations, ranging from 10% in Hillingdon to 22% in Harrow (only H&F has a small Indian heritage population at 2%).

Migration

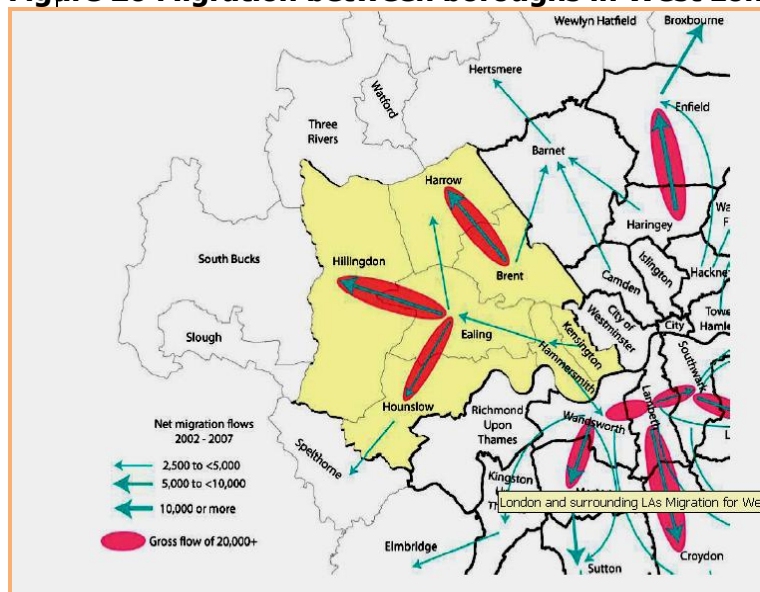
6.4 The ONS publishes localised migration data using information from the NHS Central Register (NHSCR) which records the movement of individuals who change GP¹⁷.

Migration within London

6.5 In general, the West London population tends to move outwards (north, west and south) to the outer boroughs and then into Surrey. In particular, there are significant movements contained within West London from Brent into Harrow and from Ealing into Harrow and Hillingdon. This is illustrated in Figure 26 below.

¹⁷ Whilst fairly accurate, it is important to note that some migration will not be counted as not everyone who moves will be registered with a doctor.

Figure 26 Migration between boroughs in West London (inc. K&C) 2000 –2007



Source: ONS Migration Statistics Unit, cited in WL SHMA 2010

UK Migration and West London

6.6 When in-migration into West London from other Local Authority areas is considered, a trend can be discerned from university cities from across the UK¹⁸. This is also reflected by the 16-24 age category being the only category to show net in-migration into West London. This reflects the sub-region's need for highly skilled employees and reflects employer concerns about a lack of indigenous West London supply at NVQ Level 4 and above.

Figure 27 Local Authorities with the highest net migration to West London (inc K&C) from university cities 2002-2007

Local Authority	In-migrants	Out-migrants	Net
Westminster	24,550	18,180	6,370
Newham	5,870	4,750	1,120
Camden	12,290	11,260	1,030
Oxford	3,780	3,080	700
Newcastle upon Tyne	1,700	1,190	510
Haringey	6,080	5,700	380
Cambridge	2,330	1,960	370
Southampton	1,980	1,790	190
Durham	660	480	180
Bristol	3,410	3,240	170

Source: ONS Migration Statistics Unit, cited in WL SHMA 2010

¹⁸ This shows movement of new graduates from their universities rather than a young person's place of origin

6.7 When the reverse is considered (out-migration from West London to other Local Authority areas), the highest net out-migration from the sub-region is to Richmond upon Thames and Wandsworth (there is also strong in-migration from these boroughs emphasising the strong links with south west London). The other areas with significant movement from West London are the Outer Metropolitan authorities in Herts, Bucks, Berks and Surrey.

Figure 28 Local Authorities with the highest net migration from West London (inc K&C) 2002-2007

Local Authority	In-migrants	Out-migrants	Net
Richmond upon Thames	10,080	17,260	7,180
Wandsworth	12,010	18,980	6,970
Three Rivers	2,310	7,790	5,480
Spelthorne	2,630	7,600	4,970
Slough UA	3,260	7,540	4,280
Chiltern	1,260	5,100	3,840
South Bucks	1,500	5,260	3,760
Watford	1,720	5,140	3,420
Hertsmere	1,680	4,940	3,260
Wycombe	1,670	4,750	3,080

Source: ONS Migration Statistics Unit, cited in WL SHMA 2010

International Migrant workers

6.8 West London is a key employment area for international migrants, particularly since a number of Eastern European states (also known as 'A8 states') joined the EU in 2004. There were 66,400 National Insurance numbers (NINOs) allocated in 2007/08 to migrant workers intending to work in West London, accounting for 25% of the London total and 9% of the national total, the same proportions but double the level compared to 2003 (i.e. prior to the 'A8' states joining the EU). 30% of those registering were from Poland, the next highest country of origin was India at 7%.

6.9 The Workers Registration Scheme requires employees from the A8 states to register details of their employment when starting work in the UK. The latest quarterly data shows that the workers are predominantly young; 40% of the registrations to work in West London were from people aged 18-24 and more than 80% were aged 18-34. 60% of the jobs filled paid £5.35 to £6 per hour (i.e. around the minimum wage level). This suggests that workers from the A8 are filling relatively low skilled jobs and this may reflect the fact that a relatively high proportion of West London residents have low skill levels (around 13% have no formal qualifications and 20% lack basic literacy and numeracy skills).

The Labour Market and Economic Inclusion

6.10 Whilst an overview of West London reveals a relatively prosperous area, the reality for some is very different: significant pockets of deprivation exist within the sub-region and worklessness disproportionately impacts on particular population groups. Unemployment and worklessness in West London is also relatively high.

6.11 In 2010, there were approx 1,020,700 residents of working age in West London. The Annual Population Survey indicates that in 2010, of these residents, approximately 76% were economically active i.e. working or looking for work, and 24% were economically inactive (see Figure 27 below).

6.12 According to the survey, of those who were economically inactive, only one in five wanted a job. The main reasons for not actively seeking work were classified as: 'discouraged workers', long-term sick and looking after family/home and students. The male employment rate in West London is similar to the GB average at 75.2%; the female employment rate of 62.3% is lower than the GB average of 65.5%. Further to this, we can see that West London has 703,600 residents of working age in employment (as at March 2010) and that the Employment Rate (12 month average to March 2010) for West London is 68.9% (c/w 68% for London and 70.3% for Great Britain).

Figure 29 Economic Activity West London Residents of Working Age

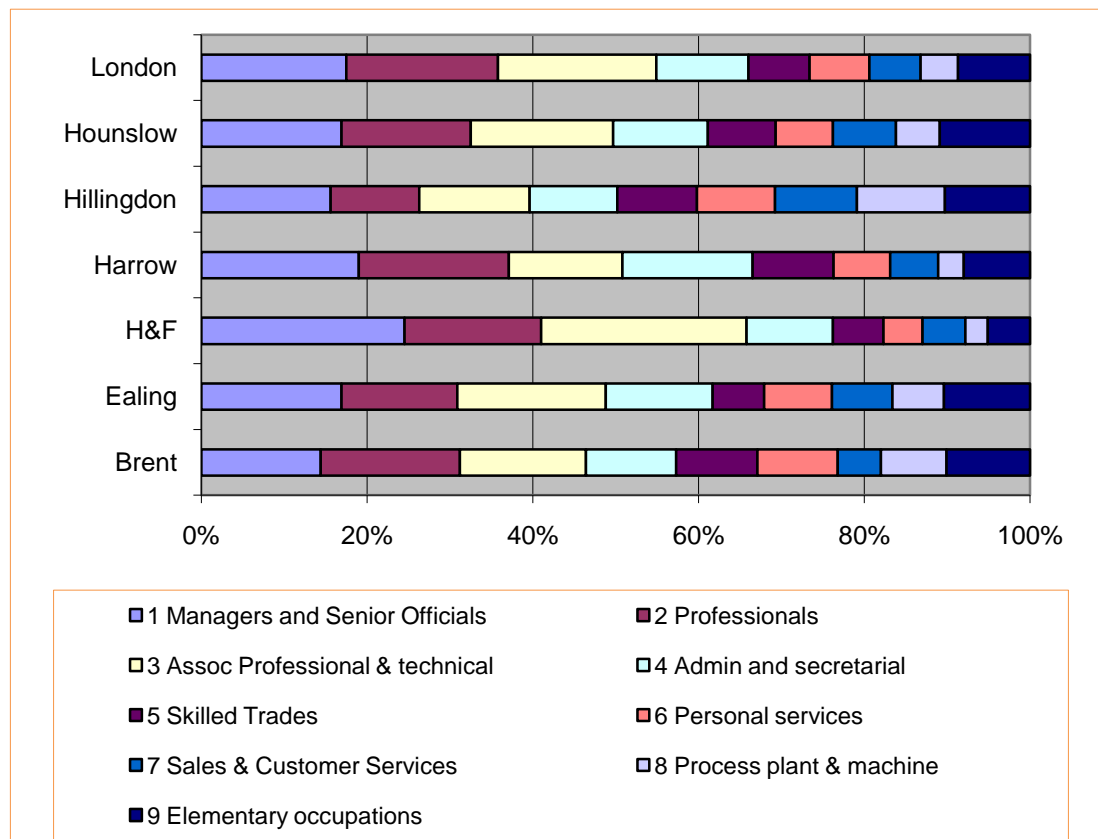
Area	Working age residents in West London who are:							
	Economically Active (employed/ looking for work)		In Employment		Economically Inactive		Economically Inactive who want a job	
	No.	%	No.	%	No.	%	No.	%
Brent	144,200	74.3	131,600	67.7	48,700	25.7	8,000	4.2
Ealing	163,000	73.1	144,200	64.5	58,900	26.9	7,800	3.6
Hammersmith & Fulham	93,300	72.3	83,400	64.6	35,100	27.7	8,800	6.9
Harrow	115,200	78.0	105,000	71.1	31,500	22.0	5,800	4.1
Hillingdon	137,800	80.2	126,700	73.6	33,500	19.8	7,300	4.3
Hounslow	123,600	77.2	112,700	70.2	35,900	22.8	9,300	5.9
West London	777,100	76.1	703,600	68.9	243,600	23.9	47,000	4.6
Greater London	3,997,300	74.9	3,629,050	68	1,339,700	25.1	322,600	6.0
South East	4,449,000	79.1	4,167,000	74.2	2,329,000	20.9	282,000	6.1
GB	29,598,400	76.5	27,199,570	70.3	9,104,400	23.5	2,178,600	5.6

Source: Annual Population Survey, April 2009 – March 2010

Occupation

6.13 There are significant disparities across West London with regard to the type of occupations carried out. Hammersmith and Fulham has the most significant percentage of managers and senior professionals, whereas Hillingdon has the lowest percentage. Brent (7.9%) and Hillingdon (10.6%) have an above proportion of process plant and machine operatives when compared with the London wide figure of 4.5%¹⁹.

Figure: 30 Borough Employment by Occupation



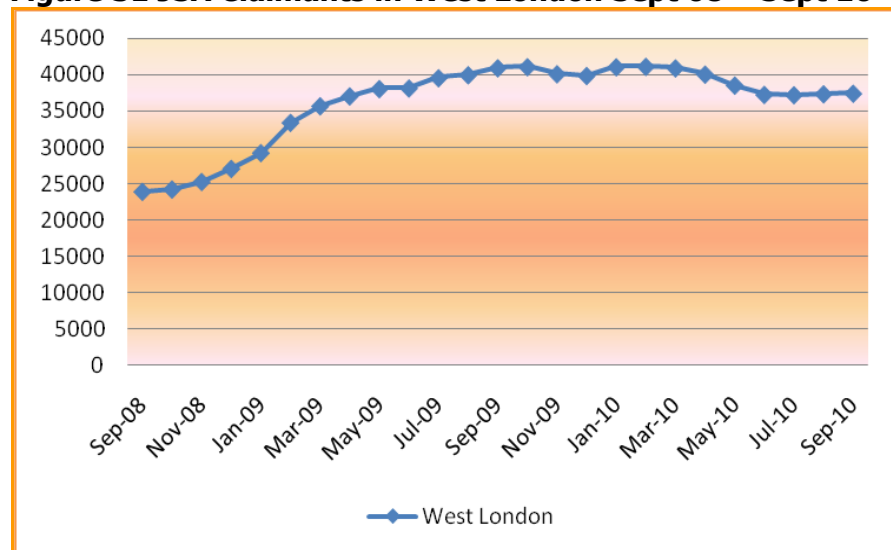
Source: ONS Annual Population Survey 2010

Unemployment

Job Seekers Allowance (JSA) Claimants

6.14 The number of claimants of Job Seekers Allowance provides one means of showing unemployment levels. Whilst it is a reliable set that is regularly updated, it should be noted that it does not represent all who are unemployed.

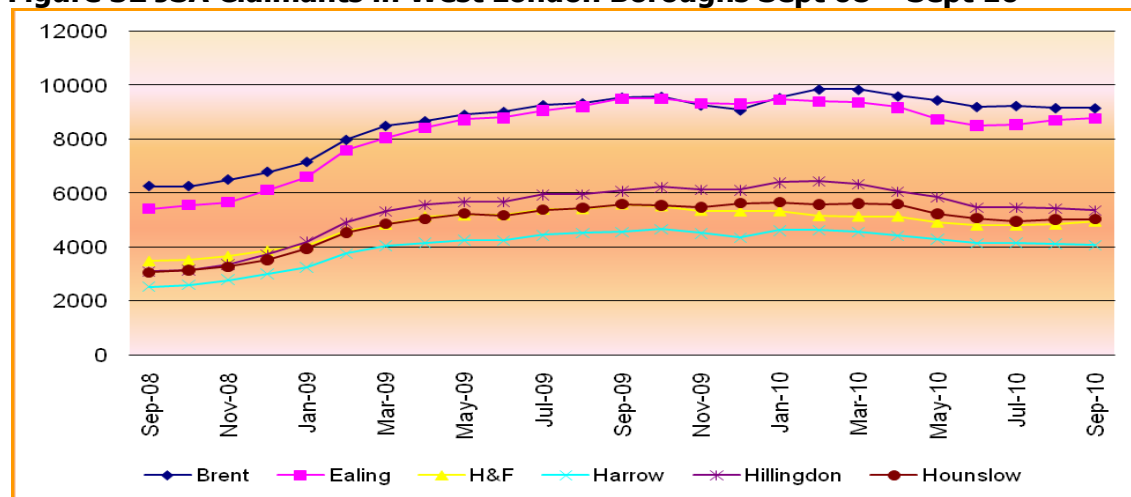
¹⁹ Numeric tables are contained in Appendix 1.

Figure 31 JSA Claimants in West London Sept 08 – Sept 10


Source: ONS Nomis Official Labour Market Statistics, 2010

6.15 Figure 31 above shows a notable increase in the number of claimants since the start of the economic downturn in 2008. However this peaked in October 2009 when there were 41,084 JSA claimants in West London. Since then the number of claimants has reduced to 37,343 a fall equivalent to a 9.1% fall but this is still 56% higher than in September 2008²⁰.

6.16 Closer examination of individual borough performance (Figure 32) reveals a similar shape to the number of claimants for each borough but that in numerical terms, Brent and Ealing are a significantly greater number of claimants than the other West London boroughs in part reflecting the size of their working age populations. Hammersmith and Fulham appear to have the steadiest number of claimants during the same period.

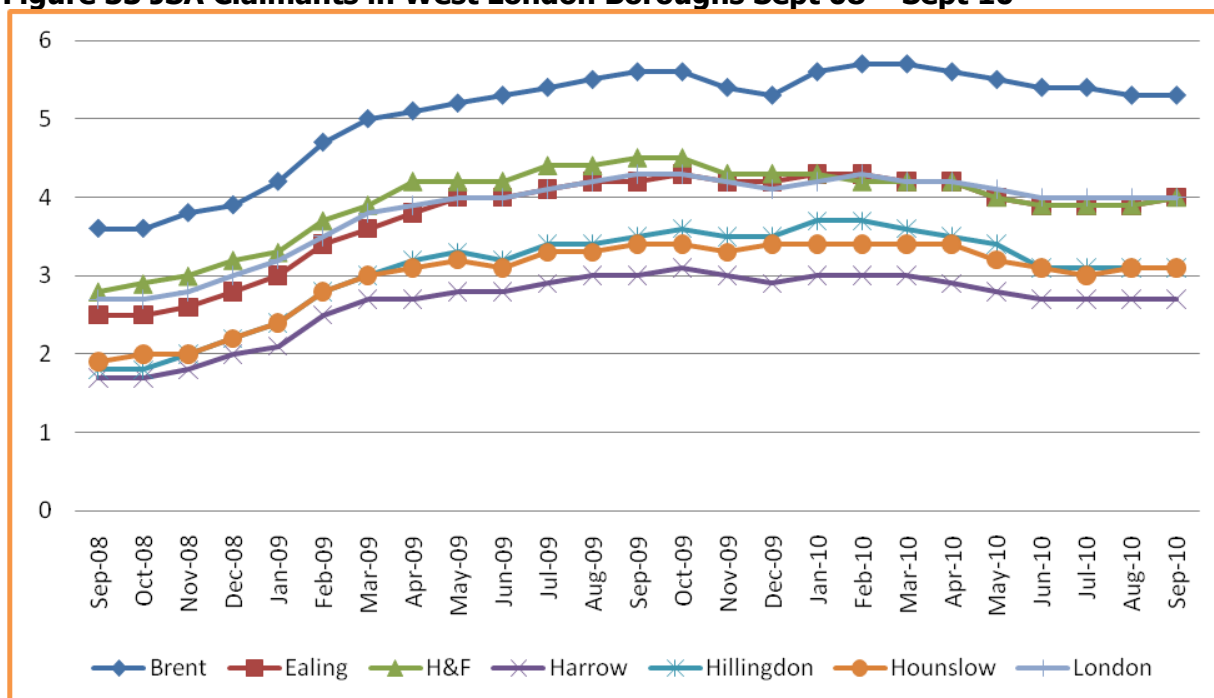
Figure 32 JSA Claimants in West London Boroughs Sept 08 – Sept 10


Source: ONS Nomis Official Labour Market Statistics, 2010

²⁰ Detailed tables contained in Appendix 1.

6.17 With regard to claimant rates, the following picture emerges showing that Brent has the highest claimant rate for the period September 2008 to September 2010. Ealing, Hillingdon, Hounslow and Harrow generally maintain rates below the London-wide figure. The figure also shows a relative consistency in the pattern of claimant rates across West London.

Figure 33 JSA Claimants in West London Boroughs Sept 08 – Sept 10



Source: ONS Nomis Official Labour Market Statistics, 2010

6.18 In considering the overall change in JSA Claimants across West London between October 2008 and September 2009 (Figure 34), there was a 68.8% increase in the numbers claiming with Hillingdon experiencing the greatest growth of 93.3% and Brent the lowest increase of 52.6%. Between October 2009 and September 2010, West London saw an 8.9% decline in the number of claimants with Harrow and Hillingdon achieving declines of 14.4% and 13.7% respectively. Despite having the largest number of claimants, Brent saw a decline of only 4.4% or 425 claims in the same period. Whilst West London's fall in JSA claimants in 2009-2010 is favourable compared with the England decline of -11%, it falls below the South East rate of recovery of -16% with some districts in the Thames Valley, Windsor and Maidenhead and South Bucks achieving -25% and -21.6% falls respectively.

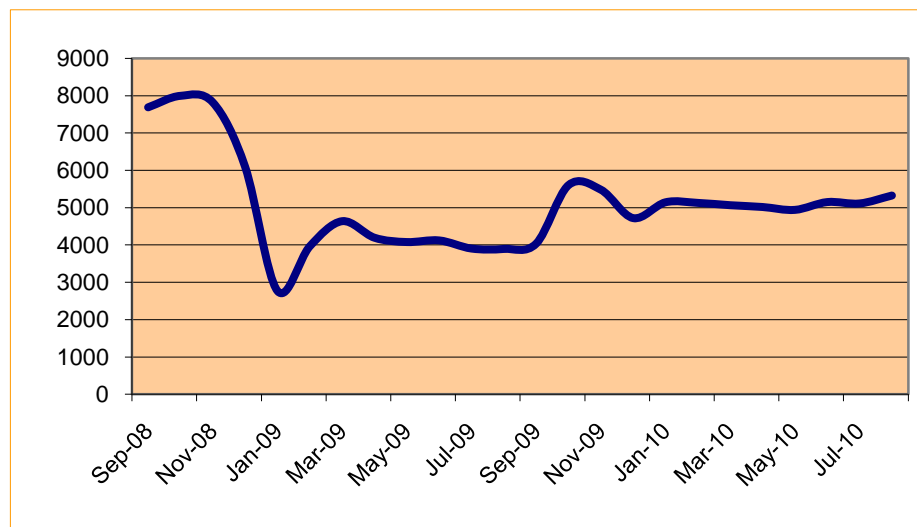
Figure 34 Change in JSA Claimant Rates 2008-2010

Area	Change from Oct 08 to Sept 09	% Change from Oct 08 –Sept 09	Change from Oct 09 – Sept 10	% Change from Oct 09–Sept 10
Brent	3,298	+52.6	-425	-4.4
Ealing	3,970	+71.5	-726	-7.6
H&F	2,058	+58.1	-559	-10.1
Harrow	1,977	+76.3	-589	-14.4
Hillingdon	2,941	+93.3	-855	-13.7
Hounslow	2,437	+77.1	-498	-8.9
West London	16,681	+68.8	-3652	-8.9

Source: ONS Nomis Official Labour Market Statistics, 2010

Vacancies

6.19 In order to understand the labour market in West London, it is helpful to have an appreciation of the jobs market. To assist in the preparation of the WLLEA Job Centre Plus unfilled vacancy figures have been used to provide an indicator of job prospects. They do not include all vacancies. Figure 35 shows the Job centre Plus unfilled vacancies between September 2008 and August 2010 for West London.

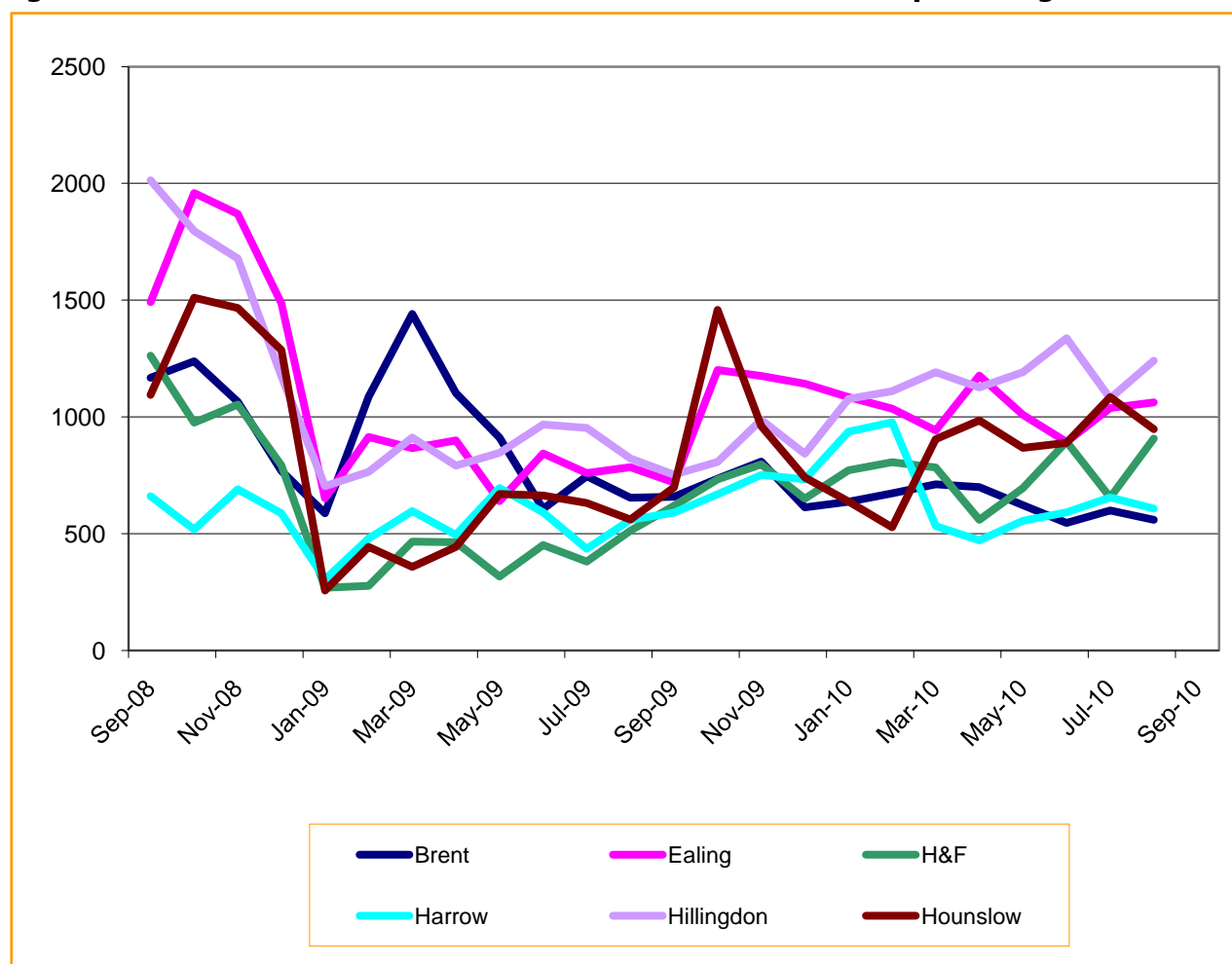
Figure 35 Job Centre Plus Unfilled Vacancies for West London Sept 08-Aug 10


Source: ONS Nomis Official Labour Market Statistics, 2010

6.20 Since the down turn in autumn 2008 when there was a sudden decline in the number of vacancies, there has been a partial recovery in the number of job vacancies in the six boroughs. This has hovered around 5,000 vacancies during 2010 which was 1,000 more than in the second half of 2009 but significantly below the peak of 7,822 in November 2008.

6.21 At the borough level (Figure 36), Ealing, Brent and Hounslow saw the steepest decline in the number of vacancies in late 2008/early 2009 but have seen a steady recovery during 2010. Although Brent experience wide fluctuations from Sept 08 to summer 09, since then vacancies are hovering around the 600 mark. Harrow has experienced some fluctuations, with vacancies in Sept 10 only slightly below the situation in Sept 08 falling from a peak in March 2010.

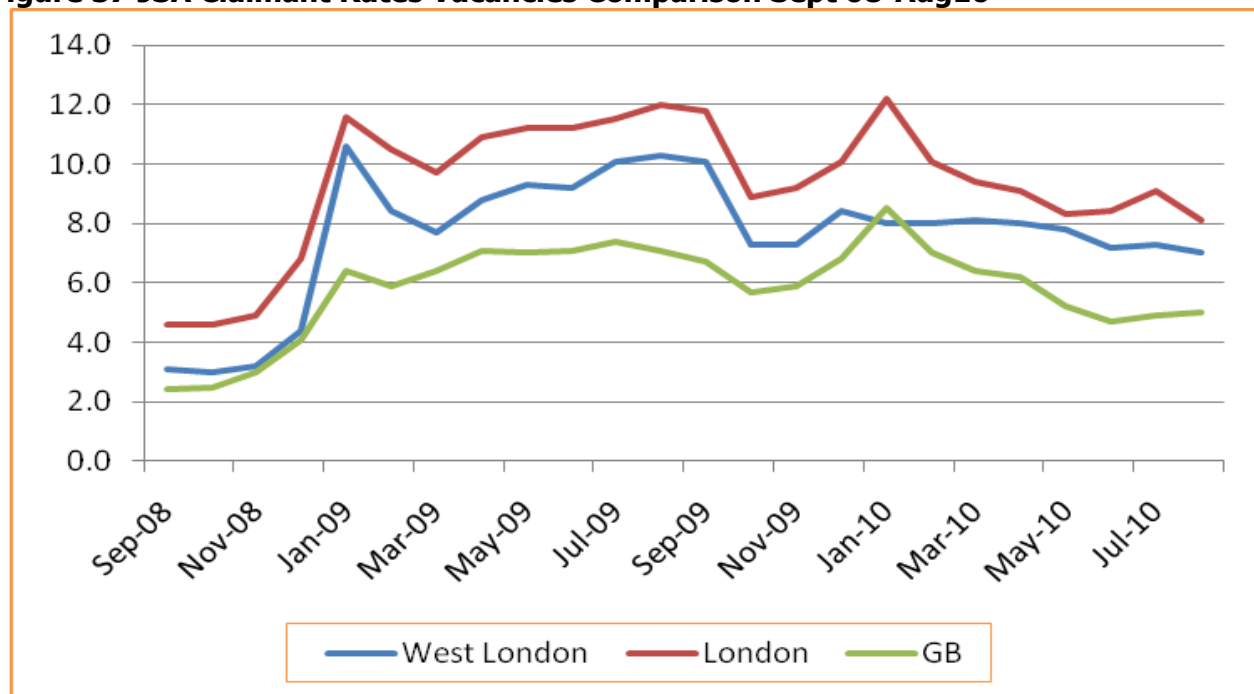
Figure 36 Job Centre Plus Unfilled Vacancies in West London Sept 08-Aug10



Source: ONS Nomis Official Labour Market Statistics, 2010

6.22 When bringing together the number of JSA claimants and the number of Job Centre Plus unfilled vacancies (Figure 37), Brent has seen the number of claimants per job exceed other West London boroughs and London wide since summer 2009. In August 2010 there were 16.4 claimants per unfilled vacancy in August 2010 suggesting that competition for jobs was intensifying, increasing the likelihood of Brent unemployed residents experiencing longer period of unemployment. For other West London Borough's there are fewer claimants for each vacancy than the London wide rate.

Figure 37 JSA Claimant Rates Vacancies Comparison Sept 08-Aug10



Source: ONS Nomis Official Labour Market Statistics, 2010

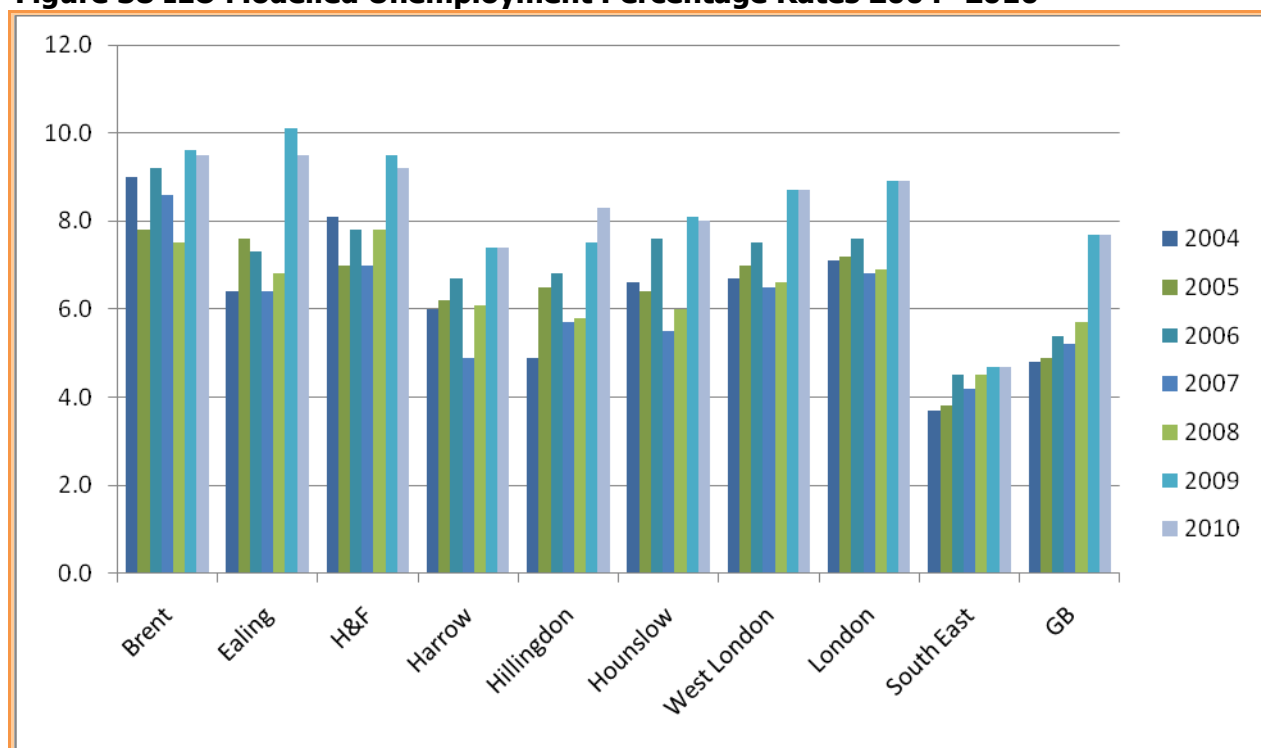
6.23 Whilst the number of JSA claimants has increased in West London since 2008 there has been a steady recovery in the number of vacancies in 2010. However the inner boroughs appear to have fared worse than the outer boroughs with regard to the number of claimants to the number of vacancies. However from an employers view there are more opportunities to attract the right person for specific jobs, unlike in autumn 2008 where the ratio of claimants to vacancies was very low especially in Hounslow where this was 1.5 compared with 4.4 in autumn 2010. This is nearly half the London wide figure of 8.1.

ILO Unemployment

6.24 In order to take account of unemployed people who do not claim job seekers allowance, the ONS have developed a model that considers unemployment as a proportion of the economically active population 16-64 year olds. This is more consistent with the International Labour Organization approach.

6.25 Figure 38 below reveals that between 2004-2010 West London unemployment reflects that for London but that this consistently exceeded GB and the South East levels. Apart from 2005 and 2008 Brent has achieved levels in excess of 8%, with Ealing and Hammersmith and Fulham not far behind. Not surprisingly with the recession 2009 and 2010 have been seen the highest levels of unemployment for all areas, though in the South East this increase has been very modest compared with other areas.

Figure 38 ILO Modelled Unemployment Percentage Rates 2004 -2010

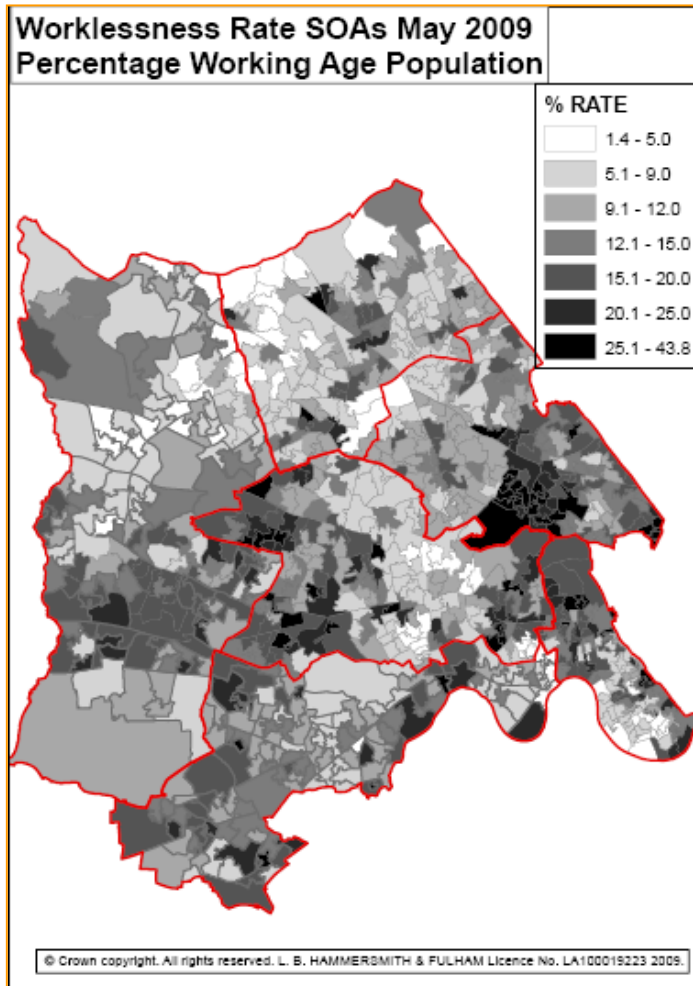


Source: ONS Annual Population Survey

Worklessness

6.26 Within the boroughs there are areas with high levels of worklessness that persist across West London. Figure 39 below maps the percentage of the population who are workless in 'super output areas' and illustrates which neighbourhoods have the highest worklessness rates across the sub-region. These concentrations also closely match areas in which there are high numbers of residents living in social housing in West London. Figure 40 lists the key areas of deprivation by borough.

Figure 39 Worklessness Rates in West London Neighbourhoods 2009



Source: LB Hammersmith & Fulham 2009

Figure 40 Key Areas of Deprivation in West London Boroughs

Local Authority	Deprived location
Brent	Carlton , Stonebridge, St Raphaels, Roundwood , Harlesden
Ealing	Southall, Northolt, Cleveland, Elthorne, Greenford Broadway, South Acton
Hammersmith and Fulham	Wormholt and White City, Addison, Shepherds Bush Green, Fulham Broadway, North End, Avonmore and Brooke Green
Harrow	Wealdstone, Marlborough, Rayners Lane
Hillingdon	Botwell, Townfield, West Drayton, Yeading, Yiewsley
Hounslow	Feltham West, Hanworth, Isleworth

Source: Indices of Multiple Deprivation DCLG 2007

Household Income

6.27 The median household income for London is £30,168 (Household Income 2009 'Paycheck'). The poverty line is defined by the government as 60% of median net income and during the period 2005/06 to 2007/08 27% of all Londoners lived below the poverty line²¹.

6.28 PayCheck estimates that 16 per cent of households across West London have an annual income lower than £15k, the same percentage as London as a whole. At a borough level Brent has the highest percentage of low income households at 21% and Hammersmith and Fulham the lowest at 14% – see Figure 41 below.

Figure 41 Annual Household Income

Borough	2009 Median equivalised annual Income	Percentage of Households with income below £15k pa	Number of Households with income below £15k pa
Brent	£26,437	21%	21,800
Ealing	£29,088	18%	21,600
Hammersmith & Fulham	£32,996	14%	10,900
Harrow	£29,994	16%	13,100
Hillingdon	£29,349	16%	15,800
Hounslow	£28,946	18%	15,700
London	£30,168	16%	504,000

Source: CACI Paycheck 2009

Living Wage

6.29 In 2010 the GLA's Living Wage Unit announced that the London Living Wage is £7.85 per hour²². The Living Wage is defined by the Family Budget Unit as, 'a wage that achieves an adequate level of warmth and shelter, a healthy palatable diet, social integration and avoidance of chronic stress for earners and their dependents'. In arriving at this figure the GLA first calculated a poverty threshold wage of £6.80 which is derived from a combination of the Basic Living Costs approach and the Income Distribution approach based on 60% of median income. The second stage added 15% to the poverty threshold wage to provide a sufficient yield to secure a margin that would ensure that the person involved does not fall to the level of poverty wages due to unforeseen events. If means tested benefits were not taken into account (that is, not including tax credits, housing benefits or council tax benefit) the equivalent Living Wage in London would be £10.15 per hour. However work benefits and tax credits are taken into account.

6.30 Data from the Annual Population Survey (APS) for 2007 suggests that 90% of full time employees in London receive more than the Living Wage of £7.85 per hour. Of the remaining 10% of workers, about 5% of workers receive between the poverty wage of £6.80 per hour and the Living Wage. 10% of full time and part time employees are paid below the poverty threshold wage. In West London the London Borough of Ealing, Barclays, HSBC, Royal Bank of Scotland and Westfield Shopping Centre are implementing the Living Wage.

²¹ Households Below Average Income dataset

²² A Fairer London: The 2009 Living Wage in London, GLA Economics Living Wage Unit (2009)

Child Poverty

6.31 Child poverty is also a longstanding issue in the capital with 39% of all children living below the poverty line. Child Poverty data is available for children in households living below 60% median income and children in households claiming out of work benefits. In May 2008 there were more than 73,000 children in out of work benefits households in West London, as shown in Figure 42. There is a noticeable variation across the sub-region within these figures, ranging from 20% of children living in out of work benefit households in Harrow to 32% in Hammersmith and Fulham and 33% in Brent.

6.32 In addition to children living in out of work benefit households, the West London Sustained Employment pilot estimated that there are an additional 11,000 in-work households with children with income levels below the poverty threshold.

Figure 42 Children in out of work benefit households

Borough	Number of 0-15 year olds in out of work Benefit Households by Benefit type					Children Aged 0-15 2008 Population MYE	Percentage of children in out of work benefit households
	IS	JSA	IB/SDA	PC	All		
Brent	14,450	1,170	3,620	290	16,610	51,100	33%
Ealing	14,040	1,190	3,440	250	16,300	59,000	28%
Hammersmith & Fulham	8,240	380	1,730	90	9,040	28,400	32%
Harrow	7,160	680	2,070	130	8,460	42,600	20%
Hillingdon	10,170	800	2,240	140	11,760	51,800	23%
Hounslow	10,160	720	2,370	160	11,680	44,000	27%
West London	64,220	4,940	15,470	1,060	73,850	276,900	27%
Greater London	352,670	29,720	77,950	5,880	405,620	1,472,000	28%

Source: DWP Work and Pensions Longitudinal Study

Key issues

Strengths and Opportunities

Community links with emerging economies. There is the opportunity to build on local community links with emerging, high growth economies. The development of the Indian economy provides opportunities for areas such as Southall and Harrow to use the connectivity between these communities to develop sectors such as finance and business services. The number of HQs and multi-nationals in West London also point to a broader relationship between West London and the global economy.

Weaknesses and Challenges

Managing growth. The GLA predicts that there will be substantial population growth in West London (173,000 people between 2011 – 2031), with higher rates of growth predicted for Brent, Ealing and Hammersmith & Fulham in particular. The Plan also suggests that 99,000 additional jobs will need to be accommodated, primarily in the opportunity areas at Wembley, Park Royal, White City, Heathrow and Earls Court. The growth, particularly where it is to be accommodated through an increased density of development, will place significant pressure on social and physical infrastructure. Managing this growth appropriately to maintain West London's quality of life and competitiveness is essential.

Embedded worklessness. There are parts of West London with persistent levels of worklessness and low skills which reduce the capacity of the workforce. Areas of deprivation occur in both larger concentrations, notably in southern parts of Brent (such as Harlesden) and in small pockets spread across West London (notably areas of Ealing). There is also the continued challenge of low female employment rates in West London, particularly amongst ethnic minority women as well as a broader impact from reduced public sector employment over the medium term.

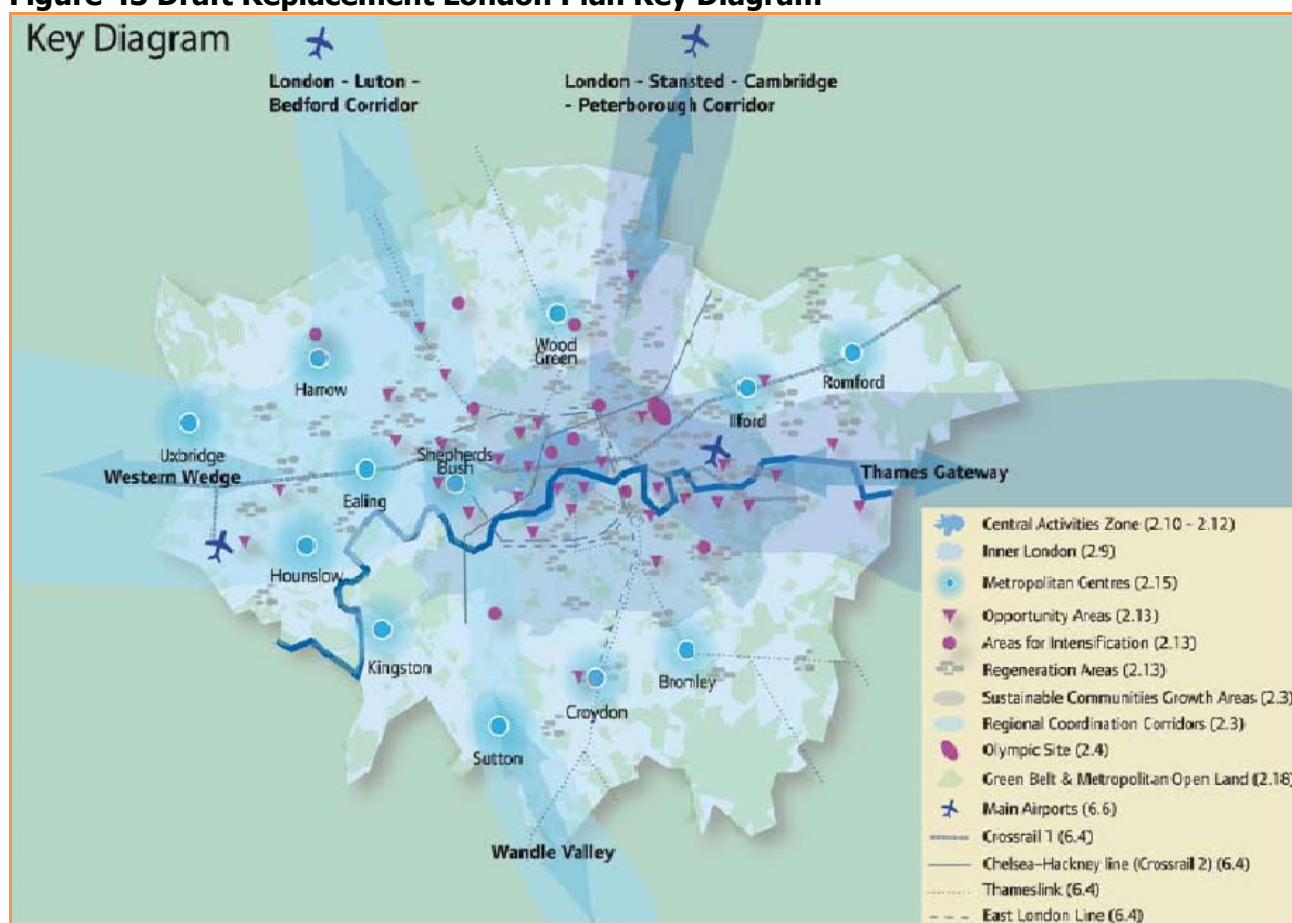
Living Wage. With 15 per cent of full time employees earning less than the Living Wage and 10% paid below the poverty threshold, it is clear that there are many failing to meet the day-to-day economic challenges in West London. In recognising skills and commitment of London's workers, the Mayor is campaigning for workers to be paid at least the 'London Living Wage' to provide a minimum acceptable quality of life. Key areas in West London where there are specific deficiencies are office cleaning and care-work especially where there is sub-contracting.

Chapter 7 Linkages and Flows

Economic linkages

7.1 West London is an important economic sub region of London and the wider South East Region. The sub region forms part of one of the most dynamic growth areas of the country, described as the Western Wedge in the London Plan, stretching from inner West London out to the western edge of greater London. Activities and connections extend beyond the boundaries of West London's constituent boroughs, particularly to the outer metropolitan boroughs of Buckinghamshire, Hertfordshire and the Berkshire unitary authorities.

Figure 43 Draft Replacement London Plan Key Diagram



Source: Greater London Authority October 2009

7.2 Parts of West London also form part of the London-Luton-Bedford strategic co-ordination corridor which threads through the boroughs of Brent and Harrow (as well as Camden and Barnet) in London and then extends along the M1 / Thameslink corridor up to Luton and Bedford. This corridor includes a number of major sites located in West London such as the major regeneration scheme at Wembley as well as the Metropolitan Town Centre of Harrow. Both of these sites are expected to experience major growth in economic development, housing and population numbers over the medium term. Furthermore to the east in neighbouring Barnet, the Cricklewood/Brent

Cross Opportunity Area has been identified in the London Plan for significant wider economic development and regeneration including 10,000 new homes and 20,000 jobs.

7.3 West London's economy benefits from its strategic location and proximity to Central London and southeast England. Through its arterial road and rail networks and Heathrow Airport, West London has excellent connections with national, European and global markets. Together with its attractive local environment, West London is an appealing location for decision makers and has been significant in both attracting and retaining a number of major employers in the sub region, e.g. GSK, BSkyB. To help ensure that the sub region addresses existing deficiencies and future pressures on its transportation network the Mayor has recently published the West London Sub Regional Transport Plan.

7.4 Whilst West London has a broad range of different business activities, some industries tend to focus in specific hubs or clusters where there are agglomeration benefits from different businesses being in close proximity. Heathrow Airport is a focus for transport and tourism functions, Park Royal is London's principal food processing location, White City and Osterley are focal points for television and film production whereas the biopharmaceuticals sector focuses on a number of locations including Brentford, Greenford, Uxbridge and Harefield.

7.5 Around Heathrow Airport there are two distinct layers of clustering – those directly dependent on the airport functions including transportation, tourism and logistic operations and the indirect businesses attracted to West London partly because of the proximity of the airport and its international business connectivity as a hub airport, (though there will be other considerations including local skills, the transport and communications networks and the availability of suitable sites, premises and incentives). With regard to the directly dependent airport businesses, these can be found either on airport or within a few miles of the airport perimeter. These businesses can be found in Hillingdon and Hounslow but also extend into Spelthorne (Poyle industrial estate) and Slough.

7.6 Indirect businesses include the international ICT companies who extend from West London along the Thames Valley to Reading, the Biopharmaceuticals who whilst clustered in West London have associate facilities around the M25 in Surrey, Buckinghamshire and Hertfordshire.

7.7 Further linkages can be identified in the creative sectors associated with Pinewood Studios in South Buckinghamshire and Levensden Studios in Watford and West London media companies.

Commuting

7.8 The travel demands in outer West London include a large number of people from beyond the region, particularly on the road network. The high travel demand from beyond the London boundary, in boroughs such as Hillingdon, is caused by a number of factors but principally the attraction to high levels of employment and a number of radial routes entering London from the West (M4, M40, M3, A3) and the orbital M25.

7.9 West London's location also gives employers good access to skilled labour markets in the wider SE and this means that significant numbers of employees commute into West London for work. Although many of the intermediate and high skilled jobs available in West London (particularly managerial and associate professional jobs), are filled by people who live outside of the

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sub-region and commute into the area, the 2001 Census indicated that the majority of jobs in West London were filled by West London residents. 62% of employees working in West London also lived in West London, 17% of jobs were filled by residents of other London boroughs and 23% commuting in from outside London. At the time of the 2001 Census there were approx 650,000 employees working in West London (now more than 700,000).

7.10 Figure 44 below shows in more detail the employee numbers commuting between West London boroughs. As would be expected, the boroughs located closer to Inner London have a greater proportion of working residents commuting to work elsewhere in London. More than 200,000 local residents commuted to work elsewhere in London. For those residents close to borough boundaries, employment elsewhere in London may still be fairly local to home e.g. Brent residents commuting to Brent Cross retail centre located in LB Barnet. LB Hillingdon and the employment hubs around Heathrow airport attract the greatest number of employees commuting in from outside London. One example of this is found at Stockley Park, a large office development in Hillingdon employing around 7,500 people. A recent travel assessment undertaken by Arup²³ found that nearly two thirds (61%) of employees live outside the GLA boundary. Hillingdon also has the greatest numbers of residents who commute to areas outside West London for work. Overall nearly 60,000 people from West London commuted to work outside the Greater London Region²⁴.

Figure 44 Local Employment Commuting West London

Employment Area	Employees from West London	Employees from rest of London	Employees from outside London	Local residents commuting to work in rest of London	Local residents commuting to work outside London
Brent	62,026	17,165	10,690	50,213	6,414
Ealing	81,607	14,665	13,663	39,468	10,691
H&F	45,841	41,159	13,194	46,029	3,660
Harrow	50,284	5,478	11,788	27,140	10,354
Hillingdon	100,117	13,132	62,868	14,424	14,977
Hounslow	63,012	19,480	26,867	25,337	11,993
West London	402,887	111,079	139,070	202,611	58,089

Source: 2001 Census

7.11 The ONS has developed more up to date information on commuting patterns comparing 2001 and 2008 flows. Borough figures for where residents work and where workers live are contained in the appendix. The data reveals that a smaller percentage of residents are working in the boroughs they live. With the exception of Ealing (2% increase) and no change in Hounslow, a smaller percentage of the borough workforces are comprised of local workers. It is also noticeable that between 2001 and 2008 there has been a significant increase in the percentage of residents from Brent (1.8% to 19.8%), Harrow (1.6% to 15.2%) and Hammersmith and Fulham (4.3% to 10.5%)

²³ Source: Ove Arup & Partners Ltd (2009).

²⁴ Detailed commuting tables contained in Appendix 1.

working in Southwark. This would appear to be largely attributed to the improved accessibility following the opening of the Jubilee Line Extension in late 1999 and significant new employment related development along the route. However there has been a significant decline in the percentage of Brent (9.3% down to 4.4%) and Harrow (7.4% down to 3.5%) residents working in the City but an increase from Hillingdon (From 1.3% to 3.5%).

7.12 The Heathrow Airport Employment Survey 2008-2009 (Figure 45) provides a useful indicator of commuting patterns around outer West London and the neighbouring areas. Overall 61.3% of Heathrow employees commute to work by car, with the local bus services transporting 14.9% of the workforce. 6% travel by underground but only 1.4% use the Heathrow Express and Heathrow Connect Services. Driving to work by car remains the main method of travel for Heathrow employees. This is especially noticeable for those living outside London in the adjoining boroughs and districts. 38.6% of car drivers cite 'no alternatives' as the main reason for commuting by car, whereas a further 34.9% considered their car as a time saver. It should be noted though that the Heathrow Travel Plan is the most comprehensive such scheme in Europe with the largest car share group. This has contributed to a reduction in single occupancy car trips to and from Heathrow and improvements to local public transport.

Figure 45 Heathrow Workers by Local Authority of Residence Top 10

Local Authority	Count	%	Car Driver	Local Bus	Tube
LB Hounslow	10,755	14.6	44.5%	28	16.6
LB Hillingdon	8,960	12.2	34.8	34.8	*
LB Ealing	5,760	7.8	44.5	33.5	10.1
Slough	4,092	5.6	67.7	15.3	0
Spelthorne	3,916	5.3	67.3	11.2	0
Windsor & Maidenhead	2,077	2.8	84.7	3.8	0
LB Richmond upon Thames	2,007	2.7	59.8	15	8.2
Runnymede	1,514	2.1	84	2.7	0
Surrey Heath	1,278	1.7	83.4	*	0
Bracknell Forest	1,270	1.7	85.9	*	0
Total Heathrow Workforce	73,436 ²⁵				
* Denotes less than 0.5%					

Source: Heathrow Airport Employment Survey 2008-2009 (2010)

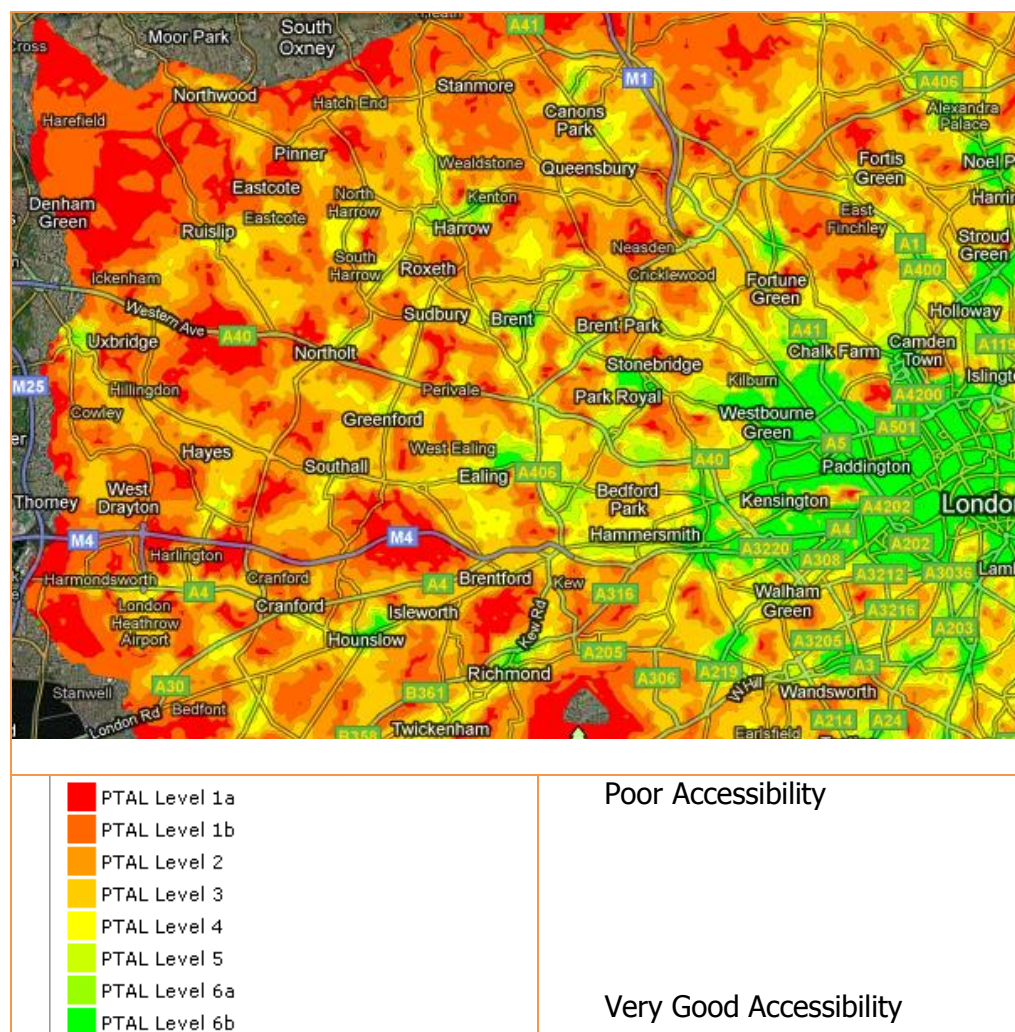
Public Transport

7.13 Key to understanding commuting flows in London is the public transport network. Figure 46 shows the public transport accessibility levels (PTAL) for West London. It shows that inner London,

²⁵ The Heathrow Airport Employment Survey included BA's Waterside Headquarters. However due to the size of the sample response was excluded from the travel assessment used in Figure 44. The Heathrow employment figure of 76,850 quoted elsewhere in the WLEA includes BA Waterside.

the town centres and Heathrow are generally well served but there are many locations where the service provision is poor which contributes to people relying on private vehicles. This is especially pronounced in outer West London where public transport connectivity is often very limited especially in the early mornings, evenings and weekends both within the subregion and to neighbouring locations outside London.

Figure 46 Public Transport Accessibility Levels in West London



Source: LondonProfiler.org 2010

7.14 The opening of Crossrail in 2017 and current planned improvements to the Underground and Overground services will improve capacity on the network through to 2031 and help relieve traffic congestion. However due to the growing population, parts of the public transport network in West London will continue to experience overcrowding at peak travel times approaching central London including the Wimbledon branch of the District Line and overground routes to Paddington and Clapham Junction²⁶ Further investment will be required to address these longer term challenges.

²⁶ West London Sub Regional Transport Plan 2010 TFL

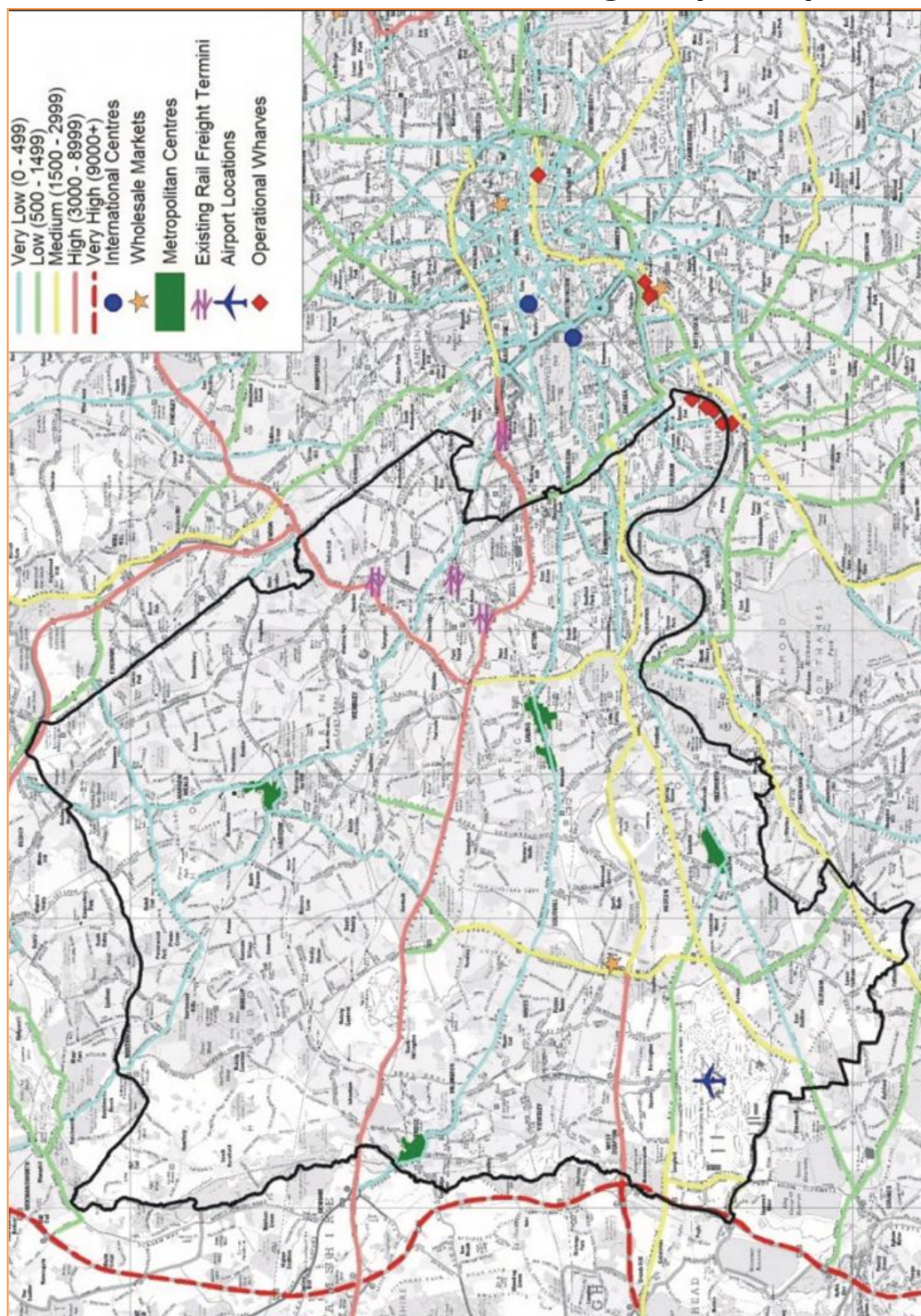
Freight

7.15 Freight and servicing originating in West London plays a crucial role in the local economy and in transportation of freight across the capital as well as between London and the outside world. West London acts as a key gateway for freight into and out of London. Park Royal and Heathrow are considered to be two key areas where freight access is considered to be fundamentally important to both businesses in West London, and London as a whole. They are located at the nexus of the national strategic road network, where the M25, M/A40 and M/A4 all converge. West London has significant links with other major freight centres including Southampton, the Thames Valley, the Midlands and the North West. These generators result in high levels of heavy good vehicles travelling on the M40/A40, M4, M1 and A406 with Park Royal and Heathrow being the two key starting points or destinations (See Figure 47). Around Heathrow road freight trips generate 2 million trips annually. Transport for London anticipates a 15% increase HGV movements in West London between 2006 and 2031 which will contribute to capacity issues on the existing infrastructure.

Rail Freight

7.16 West London is also one of the most important parts of London for rail freight where the concentration of rail facilities is the greatest. The West Coast Main Line between Willesden and the north is the busiest freight route in the country and this can be accessed from much of West London. The West London Line is also a key freight route as it is used by the majority of trains from south of the Thames (including the Channel Tunnel) to anywhere north of London.

Figure 47 HGV Flows in West London- Annual Average Daily Flows (DFT Counts)



Source: *West London – Developing a Sub-Regional Transport Plan, Interim Report on Issues and Challenges TFL (2009)*²⁷

²⁷ HGVs are large vehicles weighing more than 3,500kg.

West London's Competitiveness

7.17 The Huggins UK Local Competitiveness Index analyses a locality's performance based on a range of factors (e.g. % of knowledge based businesses, % working age with NVQ 4+, business registrations, economic activity rates etc). Figure 48 below shows West London's competitiveness rankings and provides a comparison with neighbouring London boroughs as well as authorities in the Outer Metropolitan Area (OMA).

Figure 48 UK Local Competitiveness Index

Locality	Competitiveness (UK = 100)	Rank 2010 (out of 379)	Rank 2009 (out of 379)
West London Boroughs			
Brent	101.9	122	114
Ealing	108.6	65	63
H&F	141.5	5	4
Harrow	106.5	70	75
Hillingdon	112.9	42	42
Hounslow	114.1	40	49
Neighbouring London Boroughs			
Richmond	123.4	13	13
Kensington and Chelsea	132.7	7	7
Kingston Upon Thames	114.3	39	40
Barnet	109.6	58	64
Outer Metropolitan Area Boroughs			
Spelthorne	106.4	72	85
Windsor and Maidenhead	125.9	10	9
South Bucks	124.5	12	12
Wycombe	115.6	34	22
Slough	110.7	51	59
Reading	118.5	23	27

Source: Huggins UKCI 2010

7.18 From Figure 48 we can see that Hammersmith and Fulham (5th) and Brent (122nd) are 'outliers' compared with the other west London boroughs who are ranked between 40th and 70th out of the 379 localities. Whilst neighbouring London Boroughs are not too dissimilar, it is important to recognise that the OMA boroughs generally score higher on this index of competitiveness than the WLA boroughs. This has implications for West London as the OMA boroughs are often our nearest competitors in attracting knowledge, innovation and high technology businesses for example.

Jobs densities

7.19 The OMA's greater competitive position is also reflected in job density levels compared to West London. The jobs density for an area estimates the number of filled jobs in an area divided by the working age resident population for the area. The jobs density for West London was measured at 0.85 in 2000, this has since reduced to 0.83 in 2008. This demonstrates that the working age population grew at a faster rate than the number of jobs. Figure 49 below shows the job density figures for West London and the projections for 2031.

Figure 49 Jobs density in West London

Borough	Jobs Density – 2008	Jobs Density – Projected 2031
Brent	0.63	0.61
Ealing	0.60	0.68
H&F	1.09	1.25
Harrow	0.51	0.57
Hillingdon	1.20	1.21
Hounslow	0.85	0.82
West London	0.83	0.84
London	0.9	

Source: ONS 2008

7.20 The higher densities in H&F and Hillingdon reflect the fact the H&F has many employment characteristics of an inner London borough and that Heathrow airport is located in Hillingdon. Figure 50 shows job density figures for a selection of Outer Metropolitan Authorities. Broadly, it can be seen that jobs density in the OMA is higher than most West London boroughs, reflecting their success over the last twenty-five years in attracting businesses to locate there.

Figure 50 Jobs density in the outer metropolitan area

Authority	Jobs Density - 2008
Hertfordshire	0.85
Buckinghamshire	0.82
Bracknell Forest	0.93
Slough	0.95
Windsor and Maidenhead	0.95

Source: ONS 2008

Key issues

Strengths and Opportunities

Strategic location. West London's position is unique in the UK. It is situated between Heathrow and Central London and benefits from excellent radial road and rail transport links. This allows employers access to national and international markets and a wide catchment area for a skilled labour force. Similarly it provides employees access to a wide range of employment opportunities.

West London has a number of well-established business sectors including ICT, Biopharmaceuticals and creative sectors as well as a range of transportation and logistic operations in part associated with the location of Heathrow Airport. Although West London has a number of specific strengths in a range of sectors, the local economy is diverse and as such is considered robust with regard to potential external shocks such as a global recession.

Weaknesses and Challenges

Sustainable local commuting. Whilst the overall level of internal commuting is high (60%), performance is uneven across the sub-region. Employment locations in the outer boroughs, Hillingdon in particular, rely on substantial commuting from outside London. Further to this, the ability of West London's road network to support commuters, residents, businesses and freight, especially on the orbital routes, will be called into question by the predicted 5% rise in traffic congestion on west London's roads at a time when climate change gas emissions are being reigned in to meet the UK's contribution to emission reductions.

Changing linkages. Growing competition from other locations will continue to threaten the prosperity of the West London economy, especially from the emerging economies and the prospect that some services may wish to locate in the new markets. Key for West London is to ensure that its own linkages remain strong and updated to reflect changing circumstances especially with regard to improving local infrastructure and upgrading broadband services.

Chapter 8 Human Capital

Skills and Qualifications

8.1 It is widely recognised that having a well-skilled, and appropriately skilled, workforce is key in aiding business competitiveness (in terms of directly influencing value added, profitability, operating costs and innovation) as well as individuals own well-being (in terms of people's own aspirations for employment, job satisfaction, career development etc).

8.2 West London, like London as a whole, has a considerably higher level of residents with NVQ level 4 or above (35.8%) (NI 165) than the British average and the strength of the skills base in West London underpins the strong performance of the economy. However, it should be recognised that the level of residents with NVQ level 4 or higher is significantly lower than the London level of 39.7%. Over 45% of West London's workforce is qualified to NVQ3 or above (NI 164). This proportion is higher than the UK and London averages. It is also higher than East London and North London, but lower than Central and South London. 60% of West London's population have achieved at least NVQ2 (NI163), though there are borough discrepancies with Brent achieving 54.7%. Compared with the London wide figure of 64.5% achieving NVQ2 or above, only Hammersmith and Fulham exceed this figure with 66.6%. Over the last decade the proportion of the workforce with high skill levels has increased in line with general trends in London.

Figure 51 West London Resident Population Aged 16 – 64 Qualifications (Jan 2009-Dec 2009)

Borough	NVQ4 ²⁸		NVQ3		NVQ2		NVQ1		Other Qualifications		No Qualifications	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Brent	65,300	34.6	21,800	11.6	16,100	8.5	14,200	7.5	52,900	28	18,400	9.8
Ealing	79,800	36.5	24,700	11.3	22,400	10.2	20,200	9.2	41,500	19	30,200	13.8
H&F	58,800	46.4	15,700	12.5	9,700	7.7	7,900	6.2	17,500	13.8	16,900	13.4
Harrow	47,300	33.1	20,500	14.3	17,600	12.3	12,300	8.6	36,300	25.4	9,100	6.4
Hillingdon	53,200	31.7	31,500	18.7	21,900	13	20,000	11.9	20,400	12.1	21,100	12.6
Hounslow	54,700	34.9	21,400	13.6	19,300	12.3	13,600	8.7	23,600	15	24,300	15.5
West London	359,100	35.8	135,600	13.5	107,000	10.7	88,200	8.8	192,200	19.2	120,000	12
London		39.7		13.5		11.3		9.5		14.3		11.8
England		29.9		19.4		16.1		13.5		8.8		12.3

Source: ONS Annual Population Survey 2010

8.3 There remains a concern that 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. Individuals with no qualifications are significantly more likely to be without work or earn low wages. The problem is not as marked as in some other sub-regions of London and the proportion of the workforce with a low level of skills attainment is declining. A key

²⁸ See Glossary for Qualification definitions

challenge for the sub-region is that there are concentrations of unqualified and poorly qualified residents in some areas (e.g. parts of Brent, Hounslow and Hillingdon) and across some ethnic groups (Bangladeshi, Black Caribbean, and Irish) which relate to patterns of social exclusion and deprivation. The high number of young people (16 to 24 year olds) not in education, training or employment (NEET), a group prioritised in national skills and employment policy, is also a concern in some boroughs in particular - 256 (7.7 per cent) in Hammersmith & Fulham to 762 (7.2 per cent) in Harrow according to 2006 Connexions data. This compares with a figure for West London of 1,673 (5%), London at 5.4% and England 6.5%.

8.4 In terms of educational attainment (achievement of 5 or more A-C grades at GCSE including Maths and English), whilst all boroughs show improvement over recent years (in line with broader regional and national trends), performance is uneven across West London, ranging from 52% of pupils achieving 5 or more GCSE A-C grades in Hillingdon to 64.1% in Hammersmith and Fulham.

Figure 52 Borough educational attainment performances

Borough	% of pupils achieving 5 GCSE grades A-C (including Maths and English)	Performance compared with all London Boroughs
Brent	57.1%	In the best third
Ealing	54%	Average
H&F	64.1%	In the best 20%
Harrow	60.8%	In the best 20%
Hillingdon	52%	Average
Hounslow	56.6%	Average

Source: CLG Data Interchange Hub

A skills gap?

8.5 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 per cent of residents have a Level two qualification or lower but only around 10 per cent 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 per cent 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.

8.6 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 per cent were hard to fill due to skill shortages in comparison to 60 per cent nationally. Employers also have problems with existing staff, with a reported 6.9 per cent of workers regarded as having gaps in their skill sets (5.4 per cent across London). Despite these problems, the 2005 National Employers Skills Survey (NESS) found that more than 50 per cent of employers in West London did not have a training plan for their staff and only 60 per cent 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.

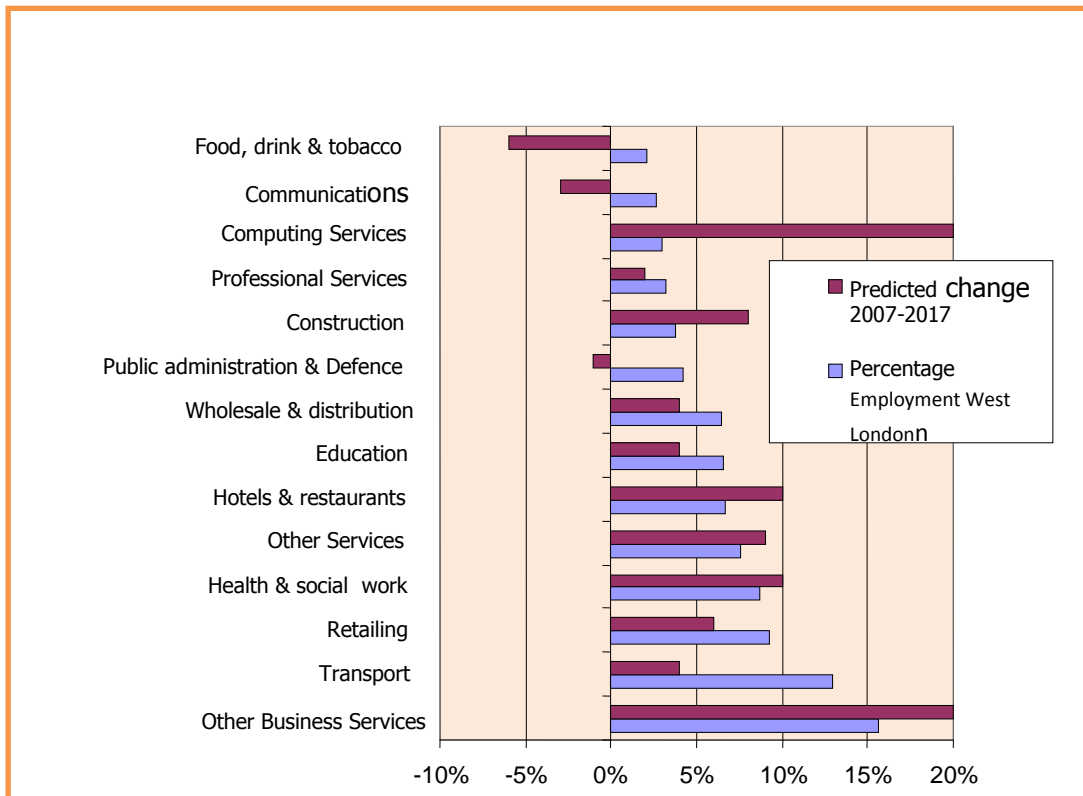
Skills Forecasts

8.7 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; Figure 53 illustrates the 2007-2017 the national employment projections for the main sectors 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.

8.8 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 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).

Figure 53 Working Futures UK Employment Projections – Main West London sectors 2007- 17



Source: UKCES Working Futures 2007-2017, Annual Business Inquiry 2007

8.9 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

8.10 As identified in Chapter 5 (paragraph 5.12), 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.

8.11 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.

8.12 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.

8.13 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 etc²⁹. There will also be opportunities for developing skills for potential 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.

²⁹ European Centre for the Development of Vocational Training 2009

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. To help address this

Chapter 9 Housing

9.1 Housing is an important consideration in the WLEA as it not only affects where people live but also the economic environment of the area. In West London housing need and affordability are fundamental considerations. Maintaining an appropriate supply of well designed housing to meet different needs, at sustainable prices provides workers and their families somewhere to live, employment and wealth creation opportunities for the construction industry and as well as improving the vitality and economic dynamism of a place.

9.2 GLA forecasts suggest West London will need to accommodate 173,000 new residents between 2006 and 2031 – with high rates of growth predicted for Brent and Hammersmith & Fulham in particular. The need to improve housing supply in order to meet the demand of a growing population is a key priority.

9.3 The Mayor's Housing Strategy places emphasis on building more homes of the right type in the right place; homes that are well designed and create communities that are strong, inclusive and sustainable; supported by high quality social, physical and economic infrastructure; while ensuring that less well off Londoners can find homes they can afford and that meet their needs, by improving housing opportunities, choice and mobility. Partners in West London have also noted the need for more family housing in West London to avoid residents moving out of the area in search of more space³⁰.

9.3 The draft replacement London Plan seeks an average of at least 34,000 additional homes across London each year over the life of the Plan. This is identified through the GLA's 2008 Strategic Housing Market Assessment (SHMA) which informs both the London Plan and the Mayor's Housing Strategy, and with reference to the London housing supply range suggested by the National Housing and Planning Advisory Unit (NHPAU). The target will be reviewed in 2015/16.

9.4 The draft replacement London Plan sets annual and ten year targets for the period 2011 – 2021 for each London Borough. The six West London boroughs will be required to supply a minimum of 40,150 for this period. This ranges from an average of 1,065 additional homes per year in Brent to 350 per year in Harrow. Boroughs are asked to enable development capacity and realise the potential of town centres, opportunity areas and other sites for housing. Figure A26 in the appendices shows areas for intensification and opportunity areas in West London. The draft replacement London Plan gives minimum targets for new homes at these locations (Figure 47) the combined target for these West London sites is 34,500.

Housing Supply and Housing Requirements

9.5 The West London Strategic Housing Market Assessment 2010 (WLSHMA) sets out the total housing requirements for West London for the next 5 years and any anticipated shortfall in supply. (NB the WLSHMA includes Kensington and Chelsea (K&C) in addition to the six WLA boroughs – K&C is removed from figures below wherever possible).

³⁰ West London Economic Development Strategy

9.6 Housing Supply – The table below shows the minimum targets for all new build housing (of all tenures) across West London. These targets are agreed by the GLA and the boroughs and are based upon estimates of land capacity rather than actual housing requirements.

Figure 54 GLA Proposed dwelling delivery (5 years)

Borough	Source of supply			
	Annual conventional supply	Annual vacant dwellings returned to use	Annual dwelling delivery target	5-year dwelling delivery target
Brent	975	61	1,036	5,180
Ealing	843	47	890	4,450
Hammersmith & Fulham	564	30	594	2,970
Harrow	349	0	349	1,745
Hillingdon	415	0	415	2,075
Hounslow	453	0	453	2,265
West London Total	3,599	138	3,737	18,685

Source: WLSHMA (2010)

9.7 Housing requirements – The West London SHMA has forecast a shortfall between housing requirement and the proposed housing delivery in West London of 6,900 units over a five year period.

House Prices, Affordability and Housing Need

9.8 High housing costs have a negative impact on the West London 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.

Figure 55 Ration of lower quartile housing prices to lower quartile earnings by borough in West London (1997-2009)

Area	1997	2000	2003	2006	2009
Brent	4.55	6.49	9.12	10.06	10.04
Ealing	4.53	6.73	9.01	10.12	9.78
H&F	5.63	8.85	9.84	11.51	10.75
Harrow	4.97	7.00	8.97	10.57	8.96
Hillingdon	3.88	5.59	7.93	9.71	8.18
Hounslow	4.29	5.82	8.68	9.87	8.29
England	3.65	3.98	5.23	7.12	6.28

Source: CLG: table 576, housing research, housing statistics

9.9 Figure 55 shows that the ratio of affordability has more or less doubled in all West London Boroughs (in line with the England average) between 1997 and 2009 with homes in Hammersmith and Fulham being the least affordable in relation to lower quartile earnings. The ratios peaked in West London in 2006 with affordability slightly improving during the economic down turn. However since 2008 lenders have become increasingly cautious, requiring home purchasers to provide larger deposits to secure mortgages. In October 2010 the Council for Mortgage Lenders³¹ revealed that Gross Mortgage Lending in the UK was at its lowest level since 2000. For many, especially first time buyers, including those in West London, this has restricted their housing options.

9.10 Housing affordability is obviously affected by levels of income. Figure 56 below shows the level of annual income required to afford social rents, lowest quartile market rents and lowest quarter owner occupation. The median income for West London residents in £32,000 per annum – this suggests affordability is a real issue for the sub-region.

Figure 56 Annual household income required for dwellings by tenure for West London (inc. K&C)

Housing type	Target rents social	Lowest quartile market rent	Lowest quarter owner occupation
Bedroom size			
1-bed	£17,600	£38,500	£50,000
2-bed	£20,300	£52,000	£54,300
3-bed	£23,000	£60,800	£70,000
4-bed	£25,700	£73,600	£85,700

Source: HCA data March 2008, GLA survey of advertised properties 2008 and Land registry records Oct 2008-Sep 2009. Note social and private rents are an average across all boroughs

9.11 Housing need is defined as 'the quantity of housing required for households who are unable to access suitable housing without financial assistance'³². In West London (inc Kensington and Chelsea), a total of 110,148 households were assessed as living in unsuitable housing³³. This equates to 16.8% of all households (this compares with a GLA study in 2004 which found that 18.4% of all households across London were living in unsuitable housing.)³⁴ The most common factor in defining a household as living in unsuitable housing was overcrowding (53,488 almost 8% of total households). Other large problems were 'accommodation being too expensive' and 'major disrepair'.

Housing Composition and Tenure

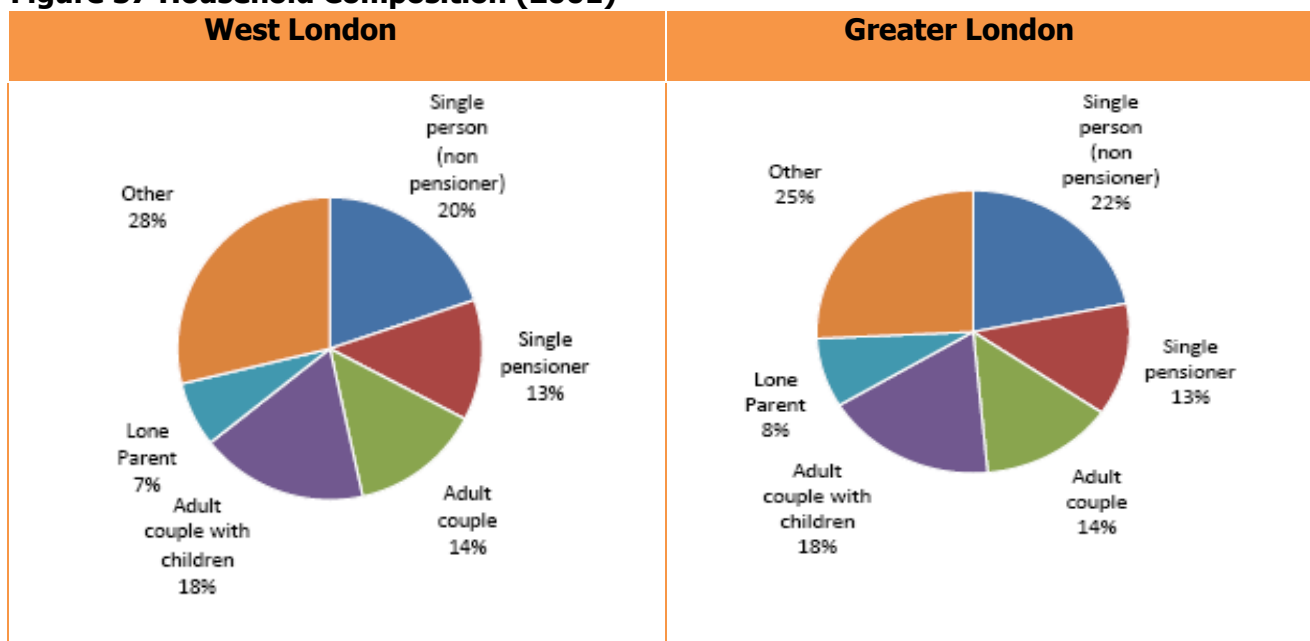
9.12 The household composition in West London is similar to London as a whole with the relatively young population being reflected in the number of 'single person' household types and 'other' households (although, it is important to note that this information is from 2001) (Figure 57).

³¹ Council of Mortgage Lenders at <http://www.cml.org.uk/cml/media/press/2745>

³² PPS3

³³ West London Household Surveys c/f WL SHMA

³⁴ GLA Housing Requirements Study 2004 (definitions of unsuitability vary slightly between the two studies).

Figure 57 Household Composition (2001)


Source: West London Strategic Housing Market Assessment 2010 using ONS Census 2001 data

9.13 Hammersmith and Fulham has a higher proportion of single (non-pensioner) households (approx. 30%) and a smaller proportion of adult couples, with or without children, when compared to the rest of West London. In contrast, Harrow and Hillingdon have the highest proportion of adult couples and adult couples with children (37%). Almost 35% of households in Brent consist of other multi adult households (Figure 58).

Figure 58 Percentage of Households by Housing Tenure (2009)

Area of residence	% Owned outright	% Being bought with mortgage or loan	% Local Authority	% Housing association	% Private landlord	% Other Rented
Brent	22	29	11	11	23	4
Ealing	24	30	15	6	22	5
Hammersmith and Fulham	14	23	20	16	26	4
Harrow	28	37	8	4	20	4
Hillingdon	22	43	11	4	18	3
Hounslow	19	35	15	8	21	3
West London	22	32	13	8	22	3
London	21	32	16	9	20	3

Source: ONS Annual Population Survey 2009 reproduced by GLA November 2010

9.14 According to the Annual Population Survey 2009, just over 53% of households in West London are owner occupied or being bought with a mortgage, with about 22% being private rented,

compared to the London wide figures of over 53% owner occupation/ being bought with a mortgage and 20% private rented. Tenure also varies significantly between boroughs in West London; there is a clear divide between the inner and outer boroughs. Over 65% of the housing stock in Harrow and Hillingdon is owner occupied or being bought with a mortgage with less than 22% private rented. In contrast the owner occupation/ buying with a mortgage rate in Hammersmith and Fulham is just under 35% with private renting rates higher than the other boroughs at around 26%. Social renting rates are also particularly high in Hammersmith and Fulham where over 36% of the dwelling stock is in this category, this is contrasted with a very low proportion in Harrow of 12%.

Key Issues

Strengths and Opportunities

Just over 55% of households in West London are owner occupied or being bought with a mortgage. Greatest home ownership is in Harrow and Hillingdon where over 65% of households are owner occupied or being bought with a mortgage but lowest in Hammersmith and Fulham (37%). Whilst there is a strong housing demand in West London, there remains a good supply of sites and unlike other parts of the country where Regional Strategies are in the process of being revoked, in London with the continued support of the London Plan by Government there is certainty as to what and where delivery will occur. Such certainty is encouraging house builders to develop sites, though there remain concerns over future development finance and mortgage availability following the 2008 economic down turn and questions over the impact of the Government's Comprehensive Spending Review in October 2010.

Weaknesses and Challenges

Housing demand and affordability. Housing affordability is a significant issue in West London. Based on an affordability measure, housing is less affordable than in London as a whole, with affordability a particular problem in Harrow, Brent and Hammersmith and Fulham. There is a gap in supply for households approaching median levels of income (average £32,000 per annum for West London residents). Such households, especially families and young single person or two person households, cannot reasonably afford either good quality open market housing in the private rented sector or existing Homebuy products due to costs being close to market prices. There is also an issue with the sufficiency of housing supply with predicted shortfalls in the required number (almost 7,000 units) and types of housing – e.g. shortages of family sized units. Issues of affordability and supply will impact on economic growth and sustainability in West London, these impacts include:

- The composition of populations groups migrating into and out of West London may have implications for the composition of the local workforce, e.g. if those leaving possess higher levels of qualifications than those arriving.
- A more mobile and transient population can create recruitment difficulties for employers with higher staff turnover.

Reductions in Housing Benefit. The Coalition Government's emergency budget in June 2010 put in place plans to reduce housing benefit. Limits of £280 per week for a flat and £400 per week for a house will come into effect in April 2011. The WLSHMA suggests that these reductions in

housing benefit levels could result in fewer lettings being available to people on housing benefit, particularly in high value inner London boroughs. This could result in greater pressure on the lower end of the private rented sector in outer London boroughs and more demand for social housing in inner London boroughs.

Supply of New Housing. In 2010 the Housing and Communities Agency supported 70% of new housing development in London. During the banking crisis of 2008-2009 when private funding was restricted, projects such as KickStart were established to unlock housing sites in order to maintain supply (Parkwest in Hillingdon received £2.21m). In October 2010, the Comprehensive Spending Review reduced the social housing building project by 50%. With funding for such schemes drying up there are concerns that the number of new starts will slow in 2011. At the same time the number of new mortgages being accepted is very low compared with the 2007 high, as lenders have sought to reduce their risk by requiring borrowers to provide larger deposits. Although homeownership will remain important in West London it may decline which reveals opportunities for new long-term institutional funding models.

Chapter 10 Sustainable Development and Infrastructure

Development Opportunities

10.1 The potential of the West London economy to grow depends on its capacity to accommodate new residents and businesses. The London Plan provides the regional framework for delivering this growth. It recognises that effective and efficient transport infrastructure and services are critical to achieving the objectives of the Mayor's Economic Development Strategy and managing growth in a sustainable way.

10.2 Spatially, West London has a variety of centres of economic activity and employment sites located along established radial transport corridors connecting West London with Central London and the Outer Metropolitan Area. These corridors comprise a mix of town centres, employment land and clusters of businesses (as well as including Opportunity Areas where most future employment growth and housing development will occur). Broadly, these transport corridors can be described as follows:

- M4/Great Western Rail/Uxbridge Road, extending from Hammersmith and Earls Court through Ealing; Southall and north of Heathrow via Hayes and Stockley Park beyond London to Slough (importantly also the alignment for the Crossrail Route);
- A4/A30/South West Rail, diverging from the above at Brentford through Hounslow and Feltham, and beyond to Staines;
- A40/rail corridor from White City, Park Royal and Old Oak Common via Perivale and Northolt out to Uxbridge
- North-west rail corridor from Willesden Junction (also on the London Underground) to Wembley and Harrow, continuing to Watford; related to the A5/M1 North-west London corridor.

10.3 The London Plan forecasts significant growth in the sub-region over the period of the Plan, much of which is expected to be accommodated in the 'Western Wedge' growth corridor. The Plan advocates a polycentric approach to urban development across London and aims to make better use of existing spatial structures within London; town centres, opportunity areas, intensification areas and strategic industrial locations. West London has a relatively limited amount of brownfield development land and therefore much of the planned growth will need to be realised through higher density development, exploiting locations with good existing or potential access by public transport. With seven opportunity and intensification areas, the presence of five Metropolitan centres and six major centres there is considerable opportunity for growth.

Opportunity Areas and Areas of Intensification

10.4 Figure 59 below provides a summary of the draft replacement London Plan's targets for West London's Opportunity Areas and Areas of Intensification. This is followed by a brief description of each area.

Figure 59 West London Opportunity Areas and Areas of Intensification

Location	Area (Ha)	Indicative Employment Capacity	Minimum new homes
Opportunity Areas			
Earls Court & West Kensington	31	7,000	2,000
Heathrow	700	12,000	9,000
Park Royal / Willesden Junction	751	14,000	1,500
Southall	46	2,000	4,000
White City	110	10,000	5,000
Wembley	239	11,000	11,500
Areas of Intensification			
Harrow & Wealdstone ³⁵	177	2500	1500

Source: GLA draft replacement London Plan 2009

- **Earl's Court and West Kensington.** The draft replacement London Plan identifies this area as having the potential for 7,000 new jobs and 2,000 new homes by 2031. With a particular focus on establishing an international convention centre for London, this area has the potential to provide significant new housing along with a strategic office location with supporting retail and hotels.
- The **Heathrow** airport area³⁶ is a key driver of the West London economy, as well as the economies of London and South East England. The airport employs 76,850 people on site; and contributes £5 billion to the UK economy. The Opportunity Area includes locations along the A4 corridor, Stockley Park, Uxbridge, the Hayes West Drayton corridor, Hounslow and Feltham. The area has a target of 12,000 new jobs and 9,000 new homes between now and 2031. It is anticipated that most of the new jobs will be outside the Heathrow Airport perimeter.
- **Wembley:** The area is one of the largest regeneration opportunities in Europe with more than 60ha of land for development. As well as being an Opportunity Area, Wembley is also a Major Town Centre with the potential to support 11,000 additional jobs and a minimum of 11,500 new homes.
- **Park Royal** estate is the largest industrial and business location in the UK. It is home to around 2,000 businesses and provides 40,000 jobs. It services Heathrow and London markets, exports goods and services, and has access to the trunk road network for the whole of the UK. It has potential to accommodate 14,000 new jobs and 1,500 new homes between now and 2031.

³⁵ Proposed

³⁶ It is important to distinguish between Heathrow Airport and the Heathrow Opportunity Area which although not precisely defined in the replacement London Plan would extend beyond the airport's boundary

- **Southall:** The potential exists here for 2,000 new jobs and 4,000 new homes as well as opportunities to enhance the local environment. The area has the potential to develop a more diverse retail offer that builds on the local community's links with south Asia.
- **White City** is home to the BBC's Media Village and Westfield London shopping centre. It has capacity for a minimum of 5,000 new homes and 10,000 new jobs by 2031. The area has experienced substantial recent change with the completion of the Westfield retail development (the largest of its type in London) – this has raised the status of the area to a Metropolitan town centre. There is also potential for further mixed-use development.
- **Harrow and Wealdstone:** Capacity exists to deliver 2,500 new jobs through retail, office and hotel development within the town centres and the intensification of industrial and other business use within the Wealdstone Industrial Area. There is also scope to accommodate a substantial portion of the Borough's future housing need.

Town Centres

10.5 West London has strong urban centres but also vulnerable or declining secondary town centres and suburban areas (e.g. vacancies have been increasing in Harrow and Hounslow town centres). Town centres have an important role to play in accommodating some of the projected growth in housing and employment, and it is important for West London to rejuvenate these town centres through the re-use of vacant and underused land and investment in the public realm. Town Centres are a key spatial priority for the draft replacement London Plan and the policy approach is to ensure that they are the main focus in outer London for commercial and residential development.

10.6 The West London sub-region has five Metropolitan Centres and six Major Centres and a number of these overlap with the Opportunity Areas (see 10.4 above). Figure A27 in the appendices shows London's Town Centre Network. The London Plan also gives each centre a designation in terms of their future growth potential (High, Medium or Low growth potential). The five Metropolitan Centres are described in more detail below:

- **Ealing:** The London Town Centre Health Check (TCHC) identifies that Ealing Town Centre has the capacity for 12,604 sqm of non-residential floorspace between now and 2031 as well as having potential for a town centre based office quarter. The Ealing Supplementary Development Framework argues that to support the potential of Ealing Town Centre to develop a number of challenges need to be overcome including; the range and quality of retail, leisure, arts and community facilities, the quality of the pedestrian environment, high levels of traffic congestion and lack of a clear identity and image.
- **Harrow:** Harrow's Core Strategy (preferred option) identifies a central growth area based on Harrow town centre, Wealdstone and a corridor linking the two which would provide the Borough's major focus for change to 2026 (and beyond), more natural growth in the other parts of the Borough with good public transport accessibility, and a managed approach to change elsewhere informed by context and local character. This central growth area (known as the Harrow and Wealdstone Intensification Area) has the potential to accommodate a substantial portion of the Borough's future housing need through the delivery of higher density and high quality residential and mixed use development on key strategic sites; to focus and co-

ordinate commercial investment in retail, office, higher education and leisure sector development within Harrow town centre; and to encourage significant job growth through the intensification of industrial and other business uses within the Wealdstone Preferred Industrial Location, including the existing Kodak site. There are major infrastructure improvements required to deliver this, including proposals for a revamped transport hub at Harrow-on-the Hill station which will also improve connectivity between the town centre, the station and the south.

- **Hounslow:** Hounslow's town centre as a commercial centre has performed poorly in recent times. The office market is currently underperforming compared to other West London locations, there are significant amounts of vacant property within the town centre with currently low levels of demand and rents. Allied to this, there is a predominance of lower grade convenience shopping and employment, service and leisure functions are limited and located towards the edges of the centre³⁷. The regeneration vision for Hounslow town centre argues for a more varied range of retail and leisure activities and the development of an office quarter towards the western end of the High Street. The Council has identified at least seven major sites ready for redevelopment. The town centre has a number of opportunities for growth due partly to its excellent transport links which mean it is still a desirable location for residential development and business growth.
- **Shepherd's Bush** Shepherd's Bush has been designated as a Metropolitan Town Centre in the draft Replacement London Plan due to the huge increase in retailing with the opening of Westfield shopping centre, the largest urban shopping centre in Europe (with a retail floor area of over 150,000m²). Although the area is primarily residential in character, the main focus of the town centre has increasingly become the shopping area of Shepherds Bush Green and Westfield on its northern apex. Shepherd's Bush is well served by road, bus, tube and rail. With these excellent transport links and with major employment opportunities in the area (at White City – BBC and Westfield) there is potential for further residential growth and further employment opportunities from the creative and media hub at White City and potentially, as identified in the draft London Plan, mixed use office development.
- **Uxbridge** The planning application for the RAF Uxbridge site was submitted in February 2010, as well as delivering over 1,300 new homes it will also deliver a number of employment opportunities through the provision of a hotel, a restaurant, a decentralised energy centre, 14,000sqm of office and almost 3,000 sqm of retail space. The scheme is envisaged as part of extending the use of the town centre; however it is dependant on improving access links between the existing centre and the RAF site. Uxbridge also has the potential to develop a knowledge centre around Brunel university particular strengths in the bioscience sectors, and creative/media support services in the Uxbridge Business Park

10.7 As identified in Chapters 5 and 8 (paras 5.12 and 8.10) to support and facilitate an overall policy of polycentric urban development, as well as attempting to identify new sources of economic growth, the draft replacement London Plan proposes a policy to develop **Strategic Outer London Development Centres** (SOLDCs). SOLDCs are identified as business locations with specialist

³⁷ LB Hounslow, A brighter future for Hounslow Town Centre, 2009

strengths which potentially could, or already do, function above the sub-regional level and can generate growth significantly above the long term outer London trend.

10.8 Boroughs are directed to co-ordinate public and private investment in these locations, bring forward adequate development capacity, create a distinct business offer and improve access to these employment opportunities. As para 5.8 above identifies, these sectors are currently large employers within west London, notably logistics (18% of total employment in west London), transport (16%) and tourism (48,000 jobs).

Transport infrastructure

10.9 West London's connectivity and transport network are key strengths which have underpinned past economic growth. Yet weaknesses in the network associated with the lack of high capacity orbital routes and rail infrastructure, congestion, limited interchange facilities and low public transport accessibility in outer West London compromise future economic prospects. As with the rest of London, the need to improve the transport infrastructure and improve quality and service levels are fundamental to ensuring that planned economic growth is delivered in a sustainable way.

10.10 The TfL West London Sub-regional Transport Plan (2010) identifies five specific challenges for west London which are associated with its unique role as a national and international gateway to London and the UK. These have been identified through collaboration with boroughs and analysis and are summarised in the document as follows:

- **Improve north-south public transport connectivity**

Whilst Orbital bus and rail services are already a feature of the area including the new Overground service orbital links, north-south public transport connections within west London are relatively sparse and consequently many north-south journeys are undertaken by private vehicles. In outer west London, Heathrow is a major transport hub and a focal point for bus, rail and coach services including orbital links to Uxbridge, Harrow and Kingston, as well as locations outside London. However there is a potential long-term need for additional north-south services building on the hub at Heathrow as an effective means of improving connectivity.

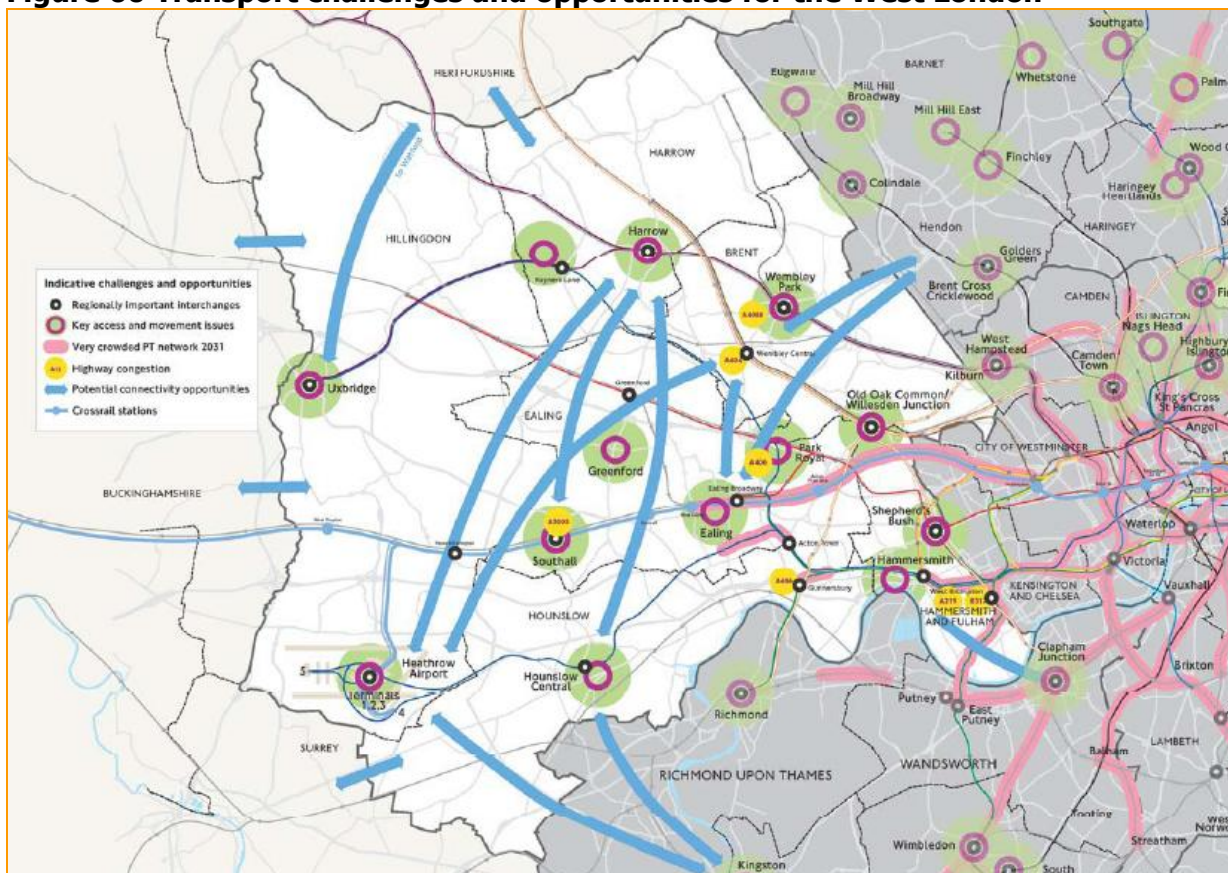
- **Enhance east/west capacity and manage congestion**

Although there are strong radial connections from west London to central London, these are often crowded or congested and enhancing east-west capacity and managing congestion is an immediate need. It is predicted that congestion on east-west corridors will continue to grow, even with the currently planned upgrades. Tackling these issues would benefit the economy and quality of life in west London. Of particular importance are the 'hub and spoke' corridors serving the subregion's growth areas and key places where high levels of demand are likely to be generated including the M4/A4 and Uxbridge Road corridors and public transport crowding, the Hounslow-Waterloo and Ealing-Paddington corridors.

Improve access to, from and within key locations: Locations in west London where improving access is important include those areas with large growth forecasts in employment and population (Harrow and Shepherd's Bush), those which suffer from congestion and / or crowding on public transport, as well as those with severance issues. Effective links between areas of deprivation and areas of employment are also crucial.

Enhancing the interchange between modes, particularly between radial 'hubs and spokes' in west London, would help address accessibility to all the Metropolitan town centres and other key places. Improvements to linkages to stations that are some distance from the town centre (i.e. Hounslow) and encouraging walking, cycling and parking where appropriate would help the flow of pedestrians within centres.

Figure 60 Transport challenges and opportunities for the West London



Source: West London - Developing a Sub-regional Transport Plan (GLA 2010)

- Improve land based air quality**

Key air quality pollutants arising from transport including fine particulate matter (PM₁₀) and oxides from nitrogen (NO₂). Heathrow is forecast to exceed NO₂ limit values set by the EU for 2015 to a degree matched by central London. There are challenges, around the A406 North Circular road and along the A40 and Great Western Mainline corridor. Measures to address these will involve Londonwide and local solutions such as the electrification of the Great Western Mainline and tackling particular hotspots to improve health and wellbeing.

- Enhance the efficiency of freight movements in west London**

Because of its gateway role, West London is home to a huge concentration of freight operations. Improving the efficiency of freight movements would benefit the economy of West London, the quality of life of its residents and visitors, and give rise to environmental benefits through reductions in emissions of climate change gases and air quality pollutants.

Crossrail

10.11 Crossrail is scheduled to open in 2018 and will add 10% to London's transport capacity. Crossrail will bring 1.5 million people within a 60-minute commute of the City and help to create an estimated 30,000 high-value jobs. It is anticipated that the development and completion of Crossrail will contribute to London's ability to compete globally and spur demand for development at Crossrail station sites. It will also improve accessibility to employment opportunities and this is one of West London's most fundamental infrastructure challenges. Crossrail will enter West London at West Drayton in Hillingdon and will connect the existing stations of Heathrow Airport, Hayes & Harlington, Southall, Hanwell, West Ealing, Ealing Broadway and Acton Mainline before it enters its tunnelled section at Paddington. Crossrail will benefit West London's residents both in terms of time spent travelling from the area to their places of work, but more importantly it will reduce the time taken to travel to a number of employment locations in West London from locations elsewhere in London and the South East. A study by Colin Buchanan found that the transport and economic benefits accruing from Crossrail would translate to £212.8m per annum with Ealing and Hillingdon being major beneficiaries³⁸. However, it is important to recognise that the benefits of Crossrail are not spread evenly across the sub-region, and journey times and capacity between West London and South and North London will not improve, nor will the connectivity between one part of West London (Harrow, Brent and Hammersmith and Fulham) to another (Ealing and Heathrow).

Figure 61 Annual Transport and Economic Benefits of Crossrail (Modelled to 2026)

Area	Number of Station Upgrades	Benefits (£M)
Brent	0	31.3
Ealing	5	56.9
Hammersmith and Fulham	0	23.3
Harrow	0	16.2
Hillingdon	3	58.5
Hounslow	0	26.6
West London	8	212.8

Source: Crossrail Transport and Economic Benefits Study Colin Buchanan 2010

High Speed Two (HS2)

10.12 There are proposals for a high-speed rail link initially between central London (Euston) and Birmingham, with future extensions proposed to Leeds, Manchester and eventually Scotland. A government announcement on 20 December 2010 supports a connecting station at Old Oak Common in Hammersmith and Fulham that would link with Crossrail and the Great Western Line. The station would provide a massive fillip to the wider regeneration ambitions for north Hammersmith as well as providing a significant boost to the regional economy through improved transport connections and accessibility. Similarly Willesden Junction would see significant enhancement where another connection is planned. It is anticipated that construction would start in 2019 with services commencing in 2026. To further improve connectivity, the Department for Transport have also proposed a direct link between Old Oak Common and Heathrow in a second phase.

³⁸ Crossrail Transport and Economic Benefits Study Colin Buchanan 2010

Environmental Infrastructure and Sustainability

10.13 West London generally possesses a high quality natural and historic environment, with large areas of open space, parkland and green belt land for leisure and recreation, and high quality historic townscapes and riverside. This is an attractor for residents, employees and employers and is beneficial for the West London Economy. However, its natural and urban environment, including its historic environment, is under pressure from development - population densities, transport levels and economic activities exert significant pressures on environmental quality. The draft replacement London Plan supports the development and protection of "green infrastructure" because of the wide ranging environmental and 'quality of life' benefits. Figure A28 in the appendices shows London's Strategic Open Space Network.

CO₂ Emissions and Air Quality

10.14 West London produces more of London's CO₂ emissions than any other sub region – as much as north and south London combined. Figure 62 shows West London's CO₂ emissions per capita – Hillingdon and Hounslow perform poorest whereas Harrow is one of the best in London.

Figure 62 Total CO₂ 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
Brent	5	Average	2	Average
Ealing	5.3	Best 20%	2.2	Best third
Hammersmith and Fulham	6.1	Worst third	3	Worst third
Harrow	4.4	Best 20%	1.3	Best 20%
Hillingdon	8	Worst 10%	4	Worst 20%
Hounslow	6.7	Worst 20%	3.1	Worst third

Source: Oneplace 2010

10.15 In common with other regions of the capital, there are pockets of poor air quality in west London, with high NO₂ concentrations around Heathrow, and high PM₁₀ concentrations around the Great Western Mainline/A4 corridor, and parts of the North Circular road among others. The Mayor's Air Quality Strategy identifies Heathrow as being one of the only locations outside central London with a serious air quality issue. High levels of activity throughout the day in the Heathrow area in particular and the preponderance of freight vehicles in west London pose difficult air quality challenges.

10.16 West London has three key routes that have very high daily flows of heavy goods vehicles; the North Circular between Brent Cross and Hanger Lane, the M40/A40 and the M4. Medium level flows exist on the A312 and the A4. In addition to congestion, freight is also a major contributor to

noise levels and environmental emissions in London, with road freight accounting for 23 per cent of CO₂ emissions from transport.

Waste

10.17 London produced 22 million tonnes of waste in 2008, 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% of the total; 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. Current performance by West London boroughs is provided below³⁹.

Figure 63 % of household waste sent for reuse, recycling and composting (NI 192)

Borough	Performance	Comparison with all London Boroughs
Brent	28.21%	Average
Ealing	35.09%	In the best 25%
H&F	27.84%	Average
Harrow	43.11%	In the best 5%
Hillingdon	35.32%	In the best 20%
Hounslow	23.6%	In the worst 25%

Source: Oneplace 2010

10.18 Performance is uneven across West London with a 20% difference between the best performer (Harrow) and the worst (Hounslow). Generally, boroughs in denser urban settings (with more flats above shops and housing estates), such as Hammersmith & Fulham as an inner London borough, would be expected to perform worse than outer London boroughs with more conducive housing types.

Other infrastructure

10.19 West London needs reliable and sustainable supplies of power and water to support population and economic growth. The London plan highlights increasing importance of ensuring that London has the infrastructure provision required – “whether this is the network of substations and power lines distributing electricity, the network of water or gas mains or the wires and fibre optic cables that facilitate the flow of information increasingly important to a modern city.” The extent to which West London possesses adequate and high quality infrastructure will impact on the ability of the region to attract investment and support business growth.

10.20 West London Boroughs are beginning to address this issue through infrastructure plans drawn up as supporting documents to their LDFs. At this stage the availability of data from sources such as utility companies is not comprehensive and it will be important to undertake work to expand this area in future assessments.

³⁹ The targets for commercial and industrial waste and construction waste are considerably higher at 70% and 95% by 2020 respectively – this reflects the fact that performance in these areas is substantially better across London than household recycling.

Key Issues

Strengths and Opportunities

Sites for new sectors. West London has the ability to offer employment growth across a range of industrial sectors notably modern manufacturing, logistics, transport and communications (including Heathrow Airport), creative industries, bio-medical industries, green technologies and leisure and tourism as well as business services including facilities management because we have in the 'opportunity areas' the possibility of providing them with sites and premises – and that can include industrial and manufacturing industries. Most significantly are the local transport networks and proximity to markets both within the sub-region and the rest of London as well as out of London. This gives West London the potential to develop further a balanced jobs market and a range of employment opportunities for residents, based on the sub-region's own characteristic of a variety of centres of economic activity and employment established along radial transport corridors, comprising a mix of town centres and clusters of business and employment along those corridors.

Weaknesses and Challenges

Investment in transport infrastructure. Due in part to the scale of new development and existing capacity constraints in some locations, investment in transport is essential if we are to ensure that the conditions are in place for private sector economic output and employment to increase over the medium and long term. This is particularly important for West London's spatially designated growth locations (Opportunity Areas, Areas for Intensification, SOLDCs etc) to be able to attract new business sectors and to support West London's wider regeneration ambitions. Added to this, congestion is a particular problem across West London's road network, which is compromising business competitiveness and also limiting its ability to attract business investment. Around four million trips are generated in West London in an average weekday, most of which are made within the region (nearly two-thirds) with the car as the dominant mode of transport (over 50 per cent). These trends are reinforced by travel to work patterns with 40 per cent of West London residents driving to work compared with the London-wide proportion of 34 per cent. TfL forecasts indicate that highway vehicle trips will increase in West London more strongly than elsewhere in London, which will worsen congestion and air pollution. West London also suffers from poor public transport accessibility, particularly around the outer areas which limits the ability of some people to access employment and skills development opportunities and contributes to economic exclusion and associated deprivation. Specifically, in some locations there is weak orbital accessibility and lack of direct links between deprived areas and employment zones.

Evolution to a low carbon economy. In seeking to develop long-term employment growth, and support the transition to a low carbon economy, boroughs are trying to position themselves to capture the benefits from emerging green technologies and new manufacturing. BIS have estimated that the Low Carbon Environmental Goods and Services Sector (LCEGS) was worth £106 billion in 2007/8 and is estimated to grow to £156 billion by 2014/15⁴⁰ for the UK. In London, the sector is estimated to see a 5.9% expansion, the highest of all the UK regions with a range of initiatives already in place including RE:NEW (domestic retrofitting), RE:FIT (Public sector energy

⁴⁰ Green Expectations: London's low carbon job prospects Labour Market Research Series 3 LDA September 2010

improvements) and decentralised energy projects. There is potential in West London, perhaps most notably at Park Royal, to promote these sectors. However evolving West London to a low carbon economy will necessitate a co-ordinated sub-regional approach in areas such as recycling, waste management, development of green industries and the application of low carbon development. Just across the border from Heathrow in Slough Borough is the new Lakeside energy from waste plant at Colnbrook. This site has the potential to play an important part in delivering energy in a more sustainable way in the Heathrow area. More decentralized energy schemes based on carbon reduction principles in town centres, employment areas and housing estates across West London would help contribute to reducing West London's CO2 emissions.

Chapter 11 Next Steps

11.1 This chapter of the WLEA focuses on the development of policy and strategic issues for consideration as a next step beyond this assessment.

11.2 The assessment reveals that West London has a competitive, diverse and resilient economy but that it is in a state of change. Between now and 2031 much of the change will be coming from population increase and the need to develop wealth creation opportunities to deliver sufficient employment (Chapter 2). The indications are that many of the new jobs will be increasingly knowledge based.

11.3 The assessment reveals a number of threats and opportunities that would need to be considered in enhancing West London's economy. Housing affordability, specialists skills needs, entrenched deprivation in some neighbourhoods, high levels of worklessness, infrastructure and transportation capacity issues and competition from West London's neighbouring authorities both inside and outside London will provide challenges to West London as the area progresses into the 21st century. At the same time there are opportunities to be maximised including local business agglomerations and trading networks, a broad based economy, excellent communications, academic excellence and diverse communities. To help ensure beneficial outcomes are achieved, West London will require significant investment both in its physical capital notably, ICT and infrastructure and intangible capital such as education, training, innovation and design.

11.4 With the West London population continuing to grow, one of the key economic issues will be maintaining business development at a sustainable rate where job creation matches increases in the working age population and infrastructure capacity and reduces worklessness. Although the GLA triangulated employment forecasts consider that there will be a 12% increase in employment in West London between 2007 and 2031 (Chapter 4), there are a number of challenges to realising such growth.

Promoting business growth and enterprise

11.5 West London has a good record in this area through the work of West London Business, the local authorities, GLA, LDA, businesses, chambers of commerce and academic and skills providers when compared with similar regions. However with intensifying competition and attention focusing on East London (The proposed new tech city ⁴¹) and along the Thames Valley as well as increasing regional and overseas competition, it is critical that West London continues to evolve its own support and development. By building on West London's business and local sector strengths there are opportunities where benefits can be gained.

11.6 To facilitate this process it will be necessary to continue to support and develop business initiatives and linkages that improve access to supply and value chains so that they can be fully exploited by local businesses. By exploiting these opportunities, sub regional expenditure leakage out of the area can be reduced; this would help stimulate business and employment opportunities locally and enhance SME survival rates. Key to this will be the promotion of local procurement schemes and building mechanisms which will enable enterprises to network and share best

⁴¹ PM announces East London 'tech city' 4 November 2010

<http://www.number10.gov.uk/news/topstorynews/2010/11/pm-announces-east-london-tech-city-56606>

practices. Chapter 5 identified a number of geographical locations in West London which were well suited to development opportunities for specific economic including Logistics, Higher Education, Tourism and Leisure and Other Transport Functions. Each of these sectors provide opportunities for new businesses and existing businesses to succeed.

11.7 The sharing of business knowledge and lessons learnt is especially significant for new entrants. Many small businesses fail in the first few years of trading. Sharing knowledge would help new ventures construct more robust business cases incorporating more effective risk and benefit assessments. By building the West London dimension into new business creation and new market exploitation, business confidence would be enhanced thereby stimulating an environment that captures more of the financial and trading expertise in West London and the City which would underlie the sub regions future wealth creation and employment opportunities. The development of a specific knowledge sharing and risk management support for new enterprises could become part of a specific initiative in West London.

11.8 To support business development, the Government has recently announced a number of new mechanisms⁴² including:

- the establishment of a £1.5 billion Business Growth Fund to provide equity finance to established SMEs who need capital to secure their growth plans,
- Support for the Enterprise Finance Guarantee to enable lending to viable small businesses who need capital to secure their growth plans,
- £200 million increase in Government's share of Enterprise Capital Funds to provide investment for early stage innovative SME's with the highest growth potential.
- Enhanced Business Link web service
- Better regulation
- Improving incentives to work
- Removing barriers to job creation

Each of these initiatives provide a new opportunity which West London should seek to exploit.

Seeking new Opportunities from Public Sector contraction

11.9 Following the October 2010 Comprehensive Spending Review and the Local Government Finance Settlement in December 2010 public sector investment will become increasingly constrained through to 2014 as a programme of improving efficiencies and savings begins to take effect to reduce the budget deficit in contrast to the expansion that was seen during the noughties. As chapter 5 identified there will be a notable change to the scale of the public sector in West London with boroughs facing up to a 27% reduction to their funding from central government. This will have a knock on effect on some businesses dependent on the public sector. However there may be opportunities for new providers to develop new social enterprises including for example the development of free schools, the localising of primary care commissioning functions to GPs through personal budgets and meeting the additional needs of an ageing population.

⁴² The path to strong, sustainable and balanced growth published by HM Treasury and BIS November 2010
http://www.hm-treasury.gov.uk/ukecon_growth_index.htm

Investor development and retention

11.10 For the West London economy to continue to grow, it will need to continue to be a location which actively encourages, supports and works to retain business investment. This is significant given the mobility of capital and the degree of exposure of many West London businesses to global market fluctuations and investment decisions within transnational organisations. Much of West London maintains a healthy supply of business premises and sites to meet the needs of industry and commerce. The town and district centres are key locations where business is done as well as the business parks and industrial estates. Uxbridge, Hounslow, Harrow, Ealing and Hammersmith are particularly well serviced by public transport. As transport hubs the town centres are very accessible to the communities they serve and are attractive places for businesses to operate (Chapter 7).

11.11 Although there is strong competition from rival locations including Slough, the Blackwater Valley/Winnersh Triangle and Science Vale UK (Didcot/Wantage), maintaining a steady supply of land and premises of the right type, in an appropriate environment, with good access will help to support investment and retain businesses locally. The London Plan and the borough's Local Development Frameworks provide the mechanism to achieve this outcome. It is anticipated that following independent public examination, the revised London Plan will have been approved by mid 2011 and that all the West London boroughs will have an adopted Core Strategy by the end of 2012. Through businesses and the boroughs working in partnership and with the GLA, West London can improve the process of bringing forward major town centre and opportunity areas sites and securing development of them.

11.12 When investment decisions have been made the partners will need to make sure that there are good linkages with those developments and maximise their benefits for West London businesses and residents. Road capacity is frequently cited by businesses as a challenge to the health of the West London economy. Crossrail and improvements to the Tube network will help relieve some of the pressure on public transport but capacity issues will remain on parts of the network post 2017. The West London Sub Regional Transport Plan together with Local Transport Plans provide the main means of addressing transport issues. Where there is new infrastructure investment such as Crossrail (which is capable of delivering £212.8m of transport and economic benefits to West London), there will be significant leverage opportunities which will need to be fully exploited.

11.13 Local planning authorities are preparing infrastructure delivery plans as part of the Local Development Framework process. These 'living documents' identify infrastructure necessary to implement Core Strategies. To help fund new investment the boroughs and GLA are working towards the introduction of the new Community Infrastructure Levy (CIL). CIL is a charge on new development which will help pay for the infrastructure required to serve new development. The new neighbourhood dimension added in November 2010 will help ensure that communities and businesses affected by new development will benefit from improvements to local infrastructure.

11.14 The introduction of Local Enterprise Partnerships by the government in summer 2010 provides a further opportunity for local businesses to work with local communities to achieve improvements to their local economies, tailoring to their local needs. One of the areas where LEPs could be a significant will be in future infrastructure delivery in terms of identification, fund raising and implementation. Already in the Outer Metropolitan Area, Berkshire was among the first tranche

of LEPs to be approved in October 2010. In London the Mayor London-wide LEP was approved in March 2011. It is important that local partners ensure that West London's profile is maintained at the regional level to capture appropriate new investment.

11.15 Further initiatives being considered by the government include local councils being allowed to retain a proportion of the business rates locally and the introduction of Tax Incremental Financing (TIF). TIF has been used mainly in the United States to finance infrastructure improvements. The method uses future increased tax revenues (tax increment) associated with land value uplift from significant public projects to help finance the debt associated with the project. It is envisaged that these mechanisms would help provide opportunities to address some of the structural weaknesses in West London especially with regard to infrastructure capacity constraints. How this could best work for West London could form part of a pilot study.

Housing Delivery

11.16 With a growing population and an existing shortage of local housing, there is a need to deliver more housing, especially affordable housing in West London. High housing costs are a key driver of high wage demands. The New Homes Bonus announced in November 2010 will provide an incentive for local authorities to support new housing delivery. However the introduction of caps to housing benefit payments will particularly affect people relying on such benefits currently living in the private rental sector in the more expensive neighbourhoods of London. It is possible that unless the landlords drop their rents in these locations that people will be displaced to cheaper neighbourhoods. Although this will be a London and South East wide issue the change could put more pressure on West London's finite housing supply and affect the numbers of people moving into the West London boroughs. It is likely that it will contribute to increases in overcrowding, the number of houses in multiple occupation and homelessness. This in turn would put additional pressure on local infrastructure and service provision. The ongoing monitoring of the demand and supply of different types and tenures of housing will need to be maintained along with efforts to secure additional suitable housing in the most appropriate locations to meet housing need. Core strategies together with the house building industry and social landlords will be key to delivering sufficient housing.

Promoting Regeneration

11.17 The London Plan identifies 'Opportunity Areas' and 'Areas for intensification' where there is significant capacity for new jobs and housing. In West London regeneration of many of these areas is progressing. The Heathrow Opportunity Area provides a chance for strategic and local partners to co-ordinate renewal by prioritising neighbourhood based action and investment to capitalise on the benefits of the airport. Opportunity Area Planning Frameworks are a key way of taking forward investment and job creation opportunities. To realise such benefits it is highly desirable for the Heathrow Opportunity Area to have an OAPF in place.

Maximising the exploitation of West London's trade links

11.18 West London has uniquely strong overseas trading links both due to the presence of Heathrow and the entrepreneurial characteristics of its economy and businesses located here. In order to meet local wealth creation and employment opportunities, it is important that the trading expertise and knowledge that this brings to West London is maximised to support businesses, especially among the SME community. This will facilitate the development of new international trading opportunities for existing products and services and new markets for new products and

services. The formation of an 'export hub' (identified in Chapter 7) will help to share knowledge and market intelligence and promote (alongside national and regional initiatives) exporting. The continued success of Heathrow airport will be vital in developing these opportunities.

Enabling knowledge transfer and innovation

11.19 One particular area that could be enhanced in West London is enabling knowledge transfer and innovation. West London's HE institutions such as Brunel University and its major knowledge based businesses in, for instance pharmaceuticals, bio-medicine, IT and the creative sectors, represent a major opportunity to support business growth and innovation in West London, particularly SMEs. GSK in Hounslow is currently the UK's largest investor in research and development.

11.20 The Mayor has identified developing 'further London's strengths in innovation, by encouraging collaboration across sectors, promoting more productive links between business and academia, fostering entrepreneurial skills, and helping in accessing funding.'⁴³ At the national level, the government has recently published Blueprint for Technology (November 2010), which asserts that technology based innovation, will be one of the key drivers of the private sector economic growth. Technology and innovation are considered to be at the heart of the new global economic opportunities.⁴⁴ On specific help for innovation the government aims is to ensure that the UK intellectual property framework maximises support for technology innovation and creativity. Following the review of the UK's intellectual property framework it is anticipated that it will be easier and cheaper for companies, particularly start-ups, to protect and enforce intellectual property. In addition the Government is launching a 'peer to patent system' that would allow technology experts to comment on patent applications over the internet, helping the patent office to identify innovations which are genuinely inventive. The government are also putting a regional growth fund bid together which would set up of a Business Angel Co-investment Fund to boost angel investment in start up businesses. Each of these initiatives could bring real benefits to West London. Within the context of national and regional policy there is an opportunity to make the local knowledge and innovation linkages which would support business growth in West London.

Meeting businesses employment and skills needs

11.21 Within the context of the regional (through LSEB) and national strategies there are opportunities to work with partners and stakeholders to improve the supply of appropriately skilled employees to West London businesses and support residents, particularly those who are long term workless, to acquire the skills that businesses are seeking. Chapter 8 reveals that at present, compared with neighbouring areas, West London has comparatively few residents with the right skills at NVQ 3 and above when compared with its neighbours in inner London and the Outer Metropolitan Area. This results in many higher value jobs going to workers who reside outside of West London. At the same time there are a disproportionately higher number of residents qualified to NVQ 2 or lower compared with the job opportunities available. A relatively high proportion of West London residents have relatively basic low level or no skills with 13% having no formal qualification.

⁴³ The Mayor's Economic Development Strategy for London LDA May 2010

⁴⁴ HM Government Blueprint for Technology

11.22 Following the Comprehensive Spending Review in October 2010 the government has announced several significant changes that will impact on skills development in West London. The abolition of the Education Maintenance Allowance and its replacement with a more targeted smaller scheme will reduce the amount of government funding per student for sixth-formers and will particularly affect 16-19 year olds. The increase in university tuition fees and reduction of central funding for arts and social science courses will further affect young people developing NVQ4 skills. Whilst it is still too early to assess the impacts, what is clear is that young people will have to pay more for their education. At the same time academic institutions will need to be more aware of the skills needed by employers so that they can provide the type of courses that will be in demand from prospective students.

11.23 West London Partners can work together to tackle skills deficiencies. This can be achieved through: building practical linkages between businesses and HE/FE institutions; learners making well-informed choices about the skills they acquire; better working together in realising the opportunities of major development sites and investments; and through securing a good alignment with major government initiatives such as the Work Programme (learning the lessons from the West London Working CSP) and the National Apprenticeship Service. It is important therefore that local businesses work closely with skills providers and partners to bridge potential funding gaps to ensure that a steady stream of local labour with the right skills is maintained to support long-term growth in West London and enable residents to take advantage of employment opportunities.

Supporting 'Green' Best Practice by business

11.24 Chapter 10 raised the issue of sustainable development. Promoting and supporting businesses to adopt efficient energy and waste practices will lower their costs and improve the quality of the environment for investors in West London; adopting best practice in travel planning such as the schemes on the 'Golden Mile' and at Heathrow will contribute to reductions in traffic congestion and improve business efficiency.

11.25 Investing in low carbon technologies and management practices, resource efficiency and green IT will require the development and nurturing of West London's entrepreneurial spirit by supporting access to funding, know how and premises, strengthening the links between West London's universities and research facilities with existing business and new investors and exploiting West London's global connections to open up new markets for trading the new products. Potential ideas could be more efficient fuel cells, technologies or services that reduce the need to travel, enhanced use of renewable materials in day-to-day products, etc. This could be developed through a specific West London initiative.

Further Research

11.26 This evidence highlights the wide-ranging nature of the challenge involved in maintaining the competitive position of West London as a business location in order to retain and attract future investment and jobs. However to be of long-term use the WLEA will need to be reviewed regularly to take account of changing circumstances. This assessment has been designed to help those interested in enhancing the West London economy and it could form part of the evidence base for a West London economic strategy. Throughout this assessment a number of areas for research have been identified which would enhance future assessments, these include:

Develop a sound understanding of West London's overseas rival locations in Europe, the US and emerging economies. Identify their strengths and weaknesses which can form a best practice/ lessons log for dissemination among local partners and when appropriate, integrated into future policy.

Agglomerations and supply chains - It would be helpful to identify specific business supply chains, to assess the risks associated with the chains and to proactively assess where further opportunities to diversify and enhance connectivity can be developed.

Examine the impact of overseas investment in West London – This would help construct an understanding of how West London is perceived by overseas investors which in turn would help address local weaknesses and provide partners with knowledge to attract appropriate future investment.

Home working - There are many micro businesses in West London working from home and individuals who work for large organisations regularly from home. Data on these activities is at present limited. Understanding the operations and the impact of these activities would be very useful in future iterations of the LEA and help provide home businesses to become a more integrated part of the local economy and the benefits this can bring to expanding their operations.

Abbreviations

APS	Annual Population Survey
BAME	Black, Asian and Minority Ethnic
BRIC	Brazil, Russia, India and China
CAZ	Central Activities Zone
DRLP	Draft Replacement London Plan
GLA	Greater London Authority
GVA	Gross Value Added
IB	Invalidity Benefit
ILO	International Labour Organization
IS	Income Support
JSA	Jobseekers Allowance
K&C	Kensington and Chelsea
HS2	High Speed Two
LDF	Local Development Framework
LEA	Local Economic Assessment
LSC	Learning and Skills Council
MoU	Memorandum of Understanding
MYE	Mid Year Estimate
NESS	National Employers Skills Survey
NHPAU	National Housing and Planning Advisory Unit
NVQ	National Vocational Qualification
NHSCR	National Health Service Central Register
OAPF	Opportunity Area Planning Framework
ONS	Office for National Statistics
OMA	Outer Metropolitan Area
PC	Pension Credit
SDS	Spatial Development Strategy
SDA	Severe Disability Allowance
SOLDC	Strategic Outer London Development Centre
WLA	West London Alliance
WLB	West London Business
WLEA	West London Economic Assessment
WLP	West London Partnership
WLSHMA	West London Strategic Housing Market Assessment
WLW	West London Working

Glossary

GLA Employment Projections Triangulation Methodology

The GLA has developed a method that combines projections for the individual boroughs made on the bases of historic trends, transport accessibility and the availability of business sites into a unified or 'triangulated' set of employment projections. The triangulation methodology is described in detail in GLA Economics Working Paper No. 18 and four supporting Technical Papers, published in October 2006.

Gross Value Added: The Office of National Statistics define Gross value added as the difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of the raw materials and other inputs which are used up in production.

Knowledge Based Businesses

The OECD definition as used by the Centre for International Competitiveness 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 mediation
- Computer and related facilities
- R&D
- Other business activities
- Motion picture and video activities
- Radio and television activities.

Population Estimates

The Office of National Statistics (ONS) provides official Mid Year Estimates (MYE) and Sub National Population Projections (SNPP) for local authority areas. The latest estimates are from 2009 and the Latest Projections were published in May 2010. The SNPP are based on the 2008-based National Population Projections for England published by the ONS in October 2009.

Estimates and projections take birth and death records into account. The ONS also try to reflect the impact of national migration on population using local GP records. International migration is factored in based on the International Passenger Survey (IPS) and the Annual Population Survey (APS). The IPS and the APS however cannot robustly address international migration at the local level. The methodology has not allowed for changes in trends and policies at the local level since 2001.

The GLA also provides London boroughs with projections, which the boroughs are expected to use for planning purposes. These are based on the ONS Mid Year population estimates, development plans and other data (such as fertility rate, household size and average housing targets). GLA projections are based on the ONS estimates that are deficient in terms of estimating the size of the migrant population at the local level. They are therefore also unable to reflect the number of international migrants in the borough.

For the purposes of this document both ONS and GLA estimates have been used as a guide. In the case of the London Borough of Ealing revised figures were recently produced in October 2010 which through the use of council tax payments found that the number of residents exceeded ONS and GLA estimates. The Ealing special figures estimate a borough population of 322,100 in 2010 rising to 337,600 in 2021 and 360,300 in 2031.

Qualifications

The ONS criteria for qualifications is as follows:

No qualifications: No formal qualifications held

Other qualifications: includes foreign qualifications and some professional qualifications

NVQ 1 equivalent: e.g. fewer than 5 GCSEs at grades A-C, foundation GNVQ, NVQ 1, intermediate 1 national qualification (Scotland) or equivalent

NVQ 2 equivalent: e.g. 5 or more GCSEs at grades A-C, intermediate GNVQ, NVQ 2, intermediate 2 national qualification (Scotland) or equivalent

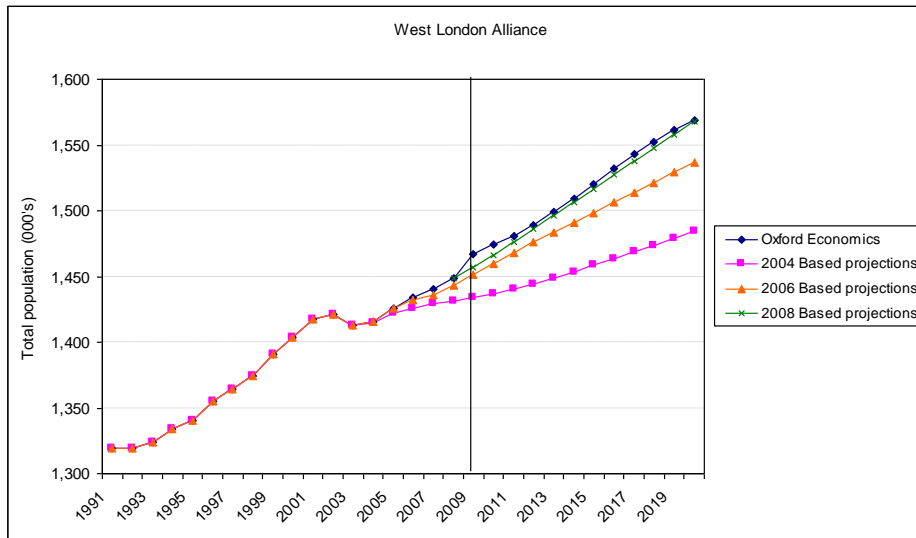
NVQ 3 equivalent: e.g. 2 or more A levels, advanced GNVQ, NVQ 3, 2 or more higher or advanced higher national qualifications (Scotland) or equivalent

NVQ 4 equivalent and above: e.g. HND, Degree and Higher Degree level qualifications or equivalent

Appendix 1. Additional data used to inform the West London Economic Assessment

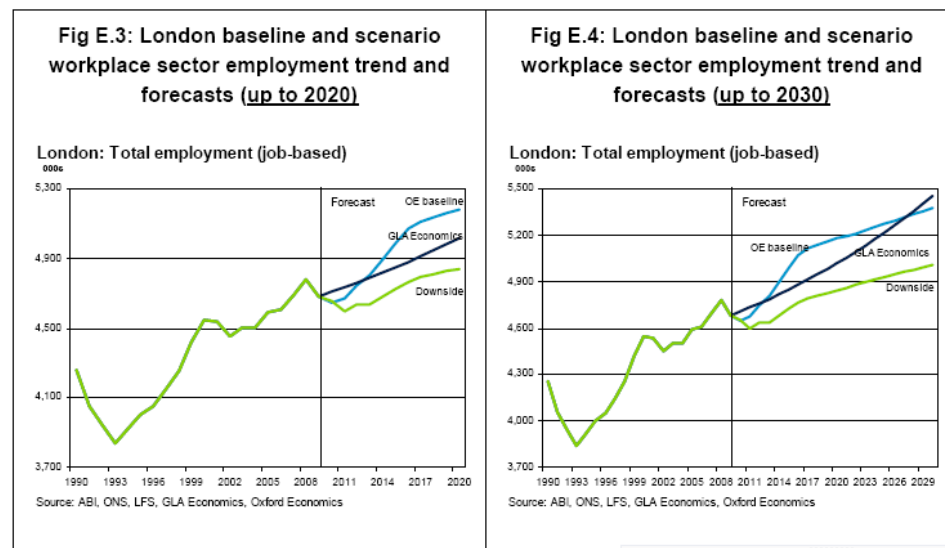
Chapter 4 Future Economic Forecasts

A1 Population Projections



Source: Oxford Economics, 2009

A2 Employment Forecasts



Source: Oxford Economics, 2009

Chapter 5 Business and Enterprise

A3 West London Numbers of Businesses by Company Size

Borough	Total Businesses	Number of Employees				
		1 - 4	5 - 10	11 - 49	50 - 199	200+
Brent	11,963	9,416	1,321	928	241	57
Ealing	13,976	11,030	1,442	1,143	298	63
H&F	11,744	9,119	1,270	1,011	266	78
Harrow	10,092	8,159	1,064	657	174	38
Hillingdon	11,025	7,948	1,337	1,213	386	141
Hounslow	10,308	7,643	1,262	1,005	308	90
West London	69,108	53,315	7,696	5,957	1,673	467

Source: Annual Business Inquiry (ABI) 2008

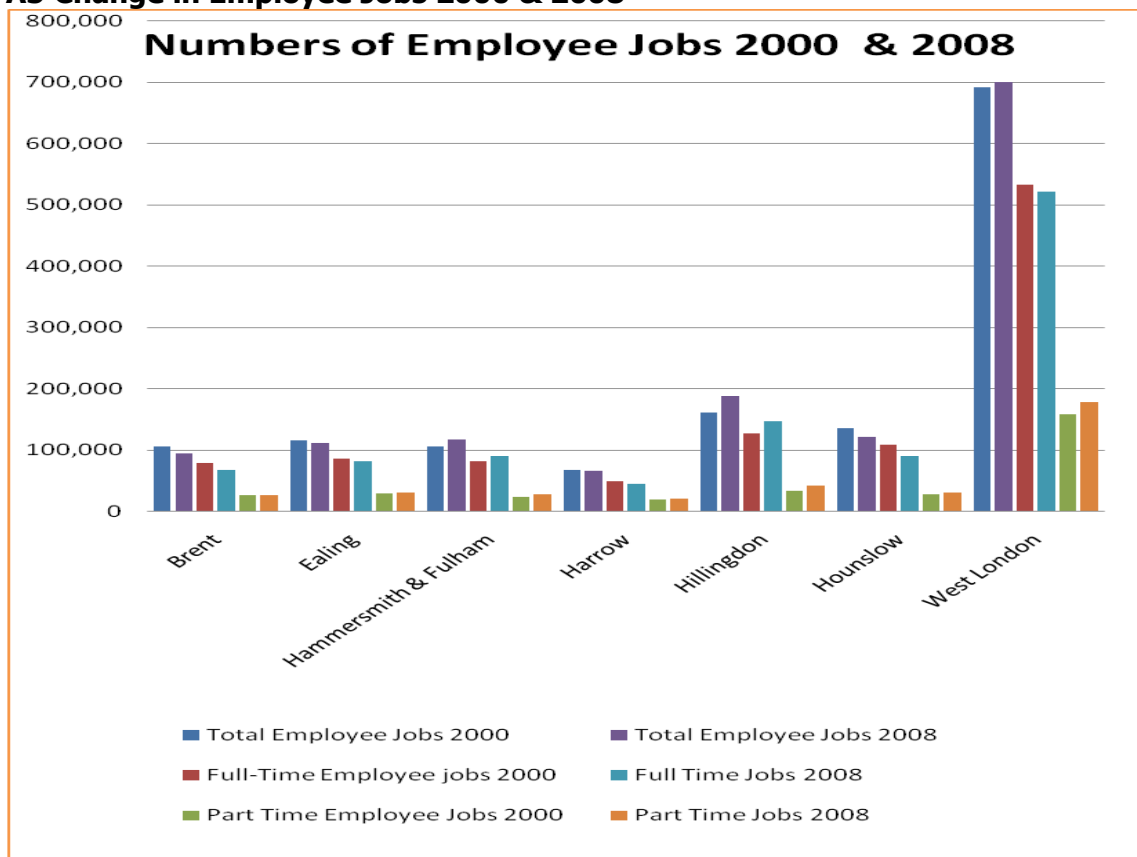
A4 Employee Jobs 2008

	Brent	Ealing	Hammersmith & Fulham	Harrow	Hillingdon	Hounslow	West London	London
Total employee jobs	94,000	112,200	117,800	66,800	188,600	121,600	701,000	
Full-time	67,100	82,000	89,800	45,600	146,600	91,000	522,100	
%	71.4	73.1	76.2	68.3	77.7	74.8	74.5	73.9
Part-time	26,900	30,200	28,100	21,100	42,000	30,600	178,900	
%	28.6	26.9	23.8	31.7	22.2	25.2	25.5	26.1
Employee jobs by industry								
Manufacturing	8,600	10,200	5,000	3,700	7,500	4,500	39,500	
%	9.2	9.1	4.3	5.5	4.0	3.7	5.6	4.3
Construction	4,800	4,700	1,700	5,200	5,500	4,200	26,100	
%	5.1	4.2	1.5	7.8	2.9	3.5	3.7	2.9
Distribution, hotels & restaurants	26,400	32,200	22,900	15,200	39,600	29,300	165,600	
%	28.1	28.7	19.4	22.7	21.0	24.1	23.6	21.0
Transport & Communications	8,900	9,800	4,700	2,600	67,000	16,000	109,000	
%	9.5	8.7	4.0	3.9	35.5	13.2	15.5	7.4
Finance, Business & Other business activities	15,100	26,900	39,200	17,000	35,500	33,900	167,600	
%	16.1	23.9	33.3	25.5	18.8	27.9	23.9	34.7
Public Admin, education & health	23,400	22,400	23,900	18,100	28,300	20,700	136,800	
%	24.9	20.0	20.3	27.2	15.0	17.1	19.5	22.2
Other services	6,500	5,800	20,300	4,800	4,400	12,400	54,200	
%	6.9	5.2	17.2	7.2	2.3	10.2	7.7	7.2
Tourism related	5,500	7,100	10,300	5,700	12,100	7,100	47,800	
%	5.9	6.4	8.8	8.5	6.4	5.8	6.8	8.3

Source: ONS Annual business inquiry employee analysis 2008

NB: Excludes self employed, government-supported trainees and HM Forces

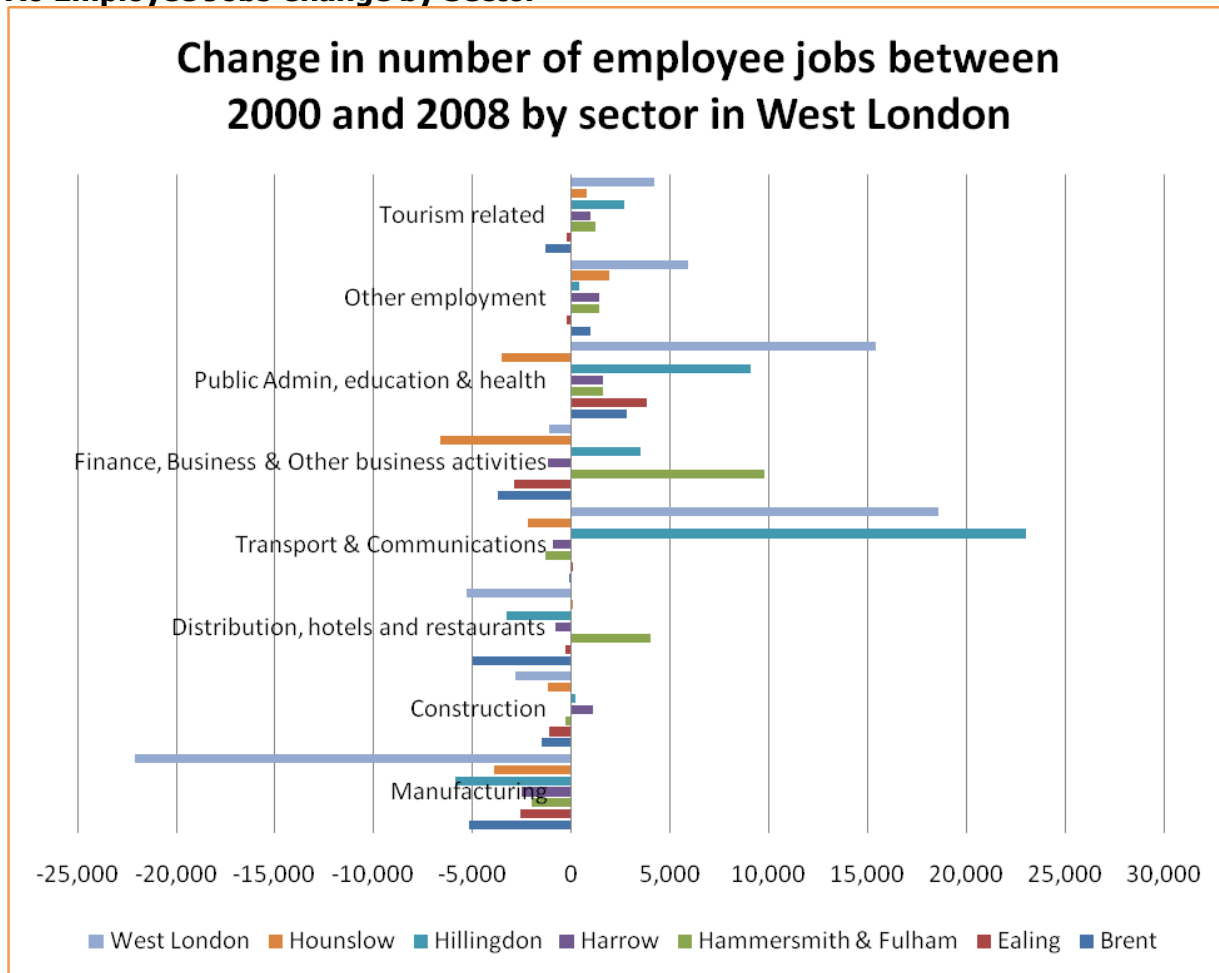
A5 Change in Employee Jobs 2000 & 2008



Source: ONS Annual business inquiry employee analysis

NB: Excludes self employed, government-supported trainees and HM Forces

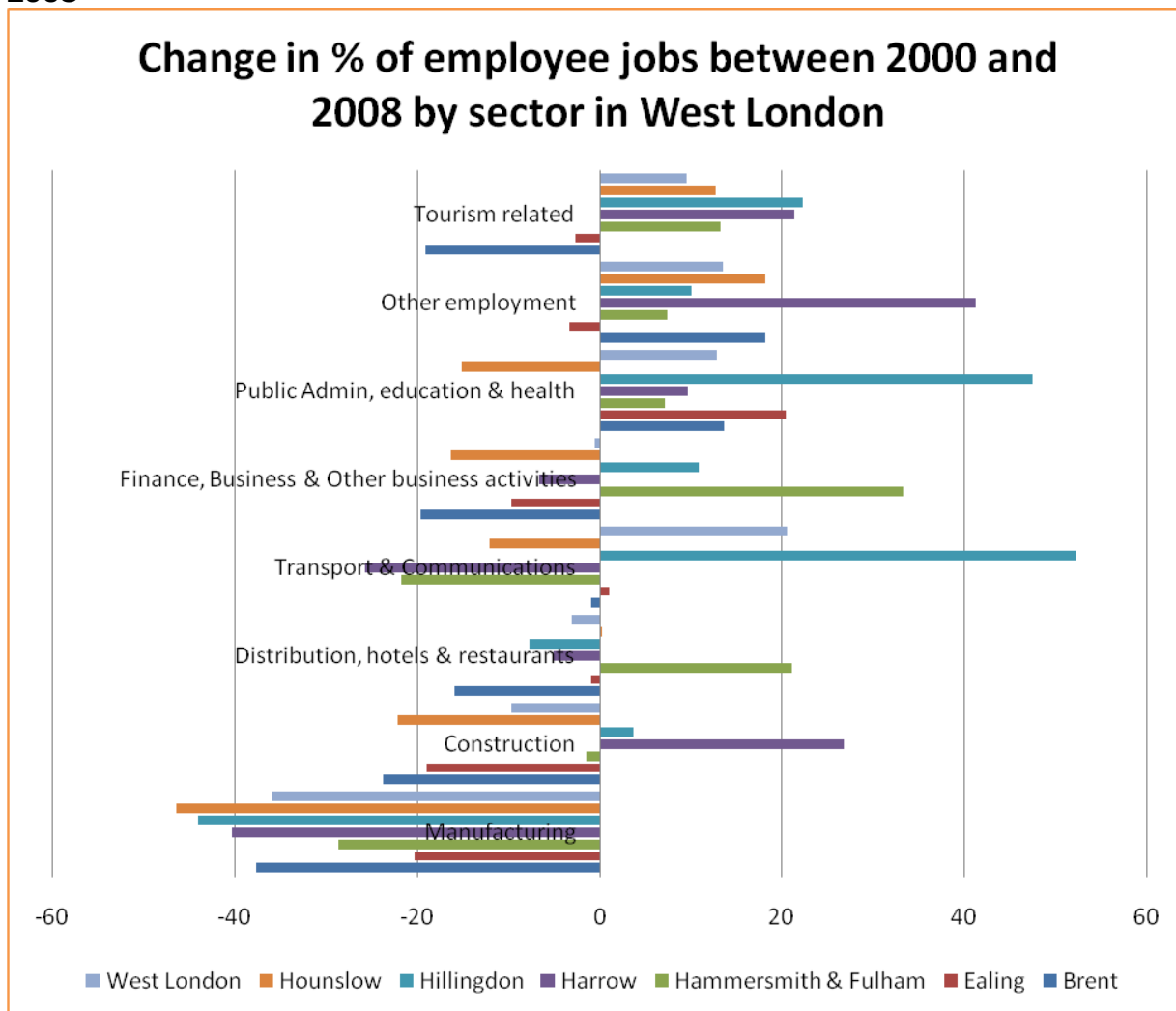
A6 Employee Jobs Change by Sector



Source: ONS Annual business inquiry employee analysis

NB: Excludes self employed, government-supported trainees and HM Forces

A7 Percentage Change in Employee jobs by sector between 2000 and 2008



Source: ONS Annual business inquiry employee analysis 2008

NB: Excludes self employed, government-supported trainees and HM Forces

A8 Employment by Occupation (Apr 2009 – March 2010)

	Brent	Brent	Ealing	Ealing	Hammersmith & Fulham	Hammersmith & Fulham	London	G B
	Numbers	%	Numbers	%	Numbers	%	(%)	(%)
Soc 2000 major group 1-3	61,100	46.9	68,200	46.2	56,100	66.8	54.3	43.9
1 Managers and senior officials	18,900	14.4	24,300	16.4	18,500	21.9	17.8	15.6
2 Professional occupations	22,200	16.8	20,000	13.5	15,800	18.7	17.5	13.4
3 Associate professional & technical	20,100	15.2	24,000	16.2	21,800	25.8	18.8	14.7
Soc 2000 major group 4-5	26,000	19.9	30,900	21.0	11,100	13.3	18.9	22.0
4 Administrative & secretarial	13,100	10.0	18,700	12.6	8,200	9.7	11.2	11.3
5 Skilled trades occupations	12,800	9.8	12,200	8.2	2,900	3.4	7.6	10.6
Soc 2000 major group 6-7	19,600	15.0	24,000	16.2	9,300	11.1	13.3	15.9
6 Personal service occupations	12,700	9.7	13,900	9.4	4,300	5.1	7.1	8.4
7 Sales and customer service occu.	6,900	5.2	10,100	6.8	5,000	6.0	6.1	7.5
Soc 2000 major group 8-9	23,600	18.1	24,400	16.6	7,500	6.9	13.5	18.2
8 Process plant & machine operatives	10,400	7.9	10,300	7.0	2,500	3.0	4.4	6.9
9 Elementary occupations	13,300	10.1	14,100	9.5	4,900	5.8	9.0	11.3

Source: ONS Annual Business Inquiry

A8 Employment by Occupation (Apr 2009 – March 2010) (Continued)

	Harrow	Harrow	Hillingdon	Hillingdon	Hounslow	Hounslow	London	G B
	Numbers	%	Numbers	%	Numbers	%	(%)	(%)
Soc 2000 major group 1-3	50,800	48.4	49,900	39.6	55,900	49.8	54.3	43.9
1 Managers and senior officials	20,600	19.6	19,800	15.6	19,000	16.9	17.8	15.6
2 Professional occupations	20,100	19.1	13,500	10.6	17,600	15.6	17.5	13.4
3 Associate professional & technical	10,100	9.6	16,700	13.2	19,300	17.1	18.8	14.7
Soc 2000 major group 4-5	28,700	27.3	25,400	20.2	21,900	19.5	18.9	22.0
4 Administrative & secretarial	18,900	18.0	13,300	10.5	12,700	11.3	11.2	11.3
5 Skilled trades occupations	9,800	9.3	12,100	9.6	9,200	8.1	7.6	10.6
Soc 2000 major group 6-7	14,200	13.5	24,400	19.4	16,200	14.5	13.3	15.9
6 Personal service occupations	7,100	6.7	11,800	9.3	7,800	6.9	7.1	8.4
7 Sales and customer service occu.	7,100	6.8	12,600	9.9	8,500	7.5	6.1	7.5
Soc 2000 major group 8-9	11,300	10.8	26,200	20.8	18,100	16.2	13.5	18.2
8 Process plant & machine operatives	2,900	2.8	13,300	10.5	5,900	5.2	4.4	6.9
9 Elementary occupations	8,400	8.0	12,900	10.2	12,300	10.9	9.0	11.3

Source: ONS Annual Business Inquiry

Chapter 6 People and Communities

A9 West London boroughs estimated components of population change 2009-2010

	Thousands
Natural Change (births minus deaths)	14.6
Inward borough migration from within UK	85.3
Component of population change	108
Net migration within UK	-22.7
International migration In	46.1
International migration Out	30.3
Net international migration	15.8
Overall West London Annual population change	7.7

Source: ONS 2006 based sub-national population projections

A10 Life expectancy and mortality rates

Borough	Life expectancy at birth – females (comparison with all London boroughs in brackets)	Life expectancy at birth – males (comparison with all London boroughs in brackets)	All age / all cause mortality rate (NI120) (comparison with all London boroughs in brackets)
Brent	84 (in the best 10%)	78.9 (in the best 20%)	519.23 (in the best 20%)
Ealing	83.1 (in the best 20%)	78.7 (in the best 25%)	547.68 (in the best 25%)
H&F	84.3 (in the best 10%)	78.3 (Average)	555.77 (average)
Harrow	84.2 (in the best 20%)	80.2 (in the best 10%)	460.39 (In the best 10%)
Hillingdon	83.2 (in the best third)	78.1 (average)	541.55 (Average)
Hounslow	81.6 (in the worst third)	77.4 (Average)	586.09 (Average)

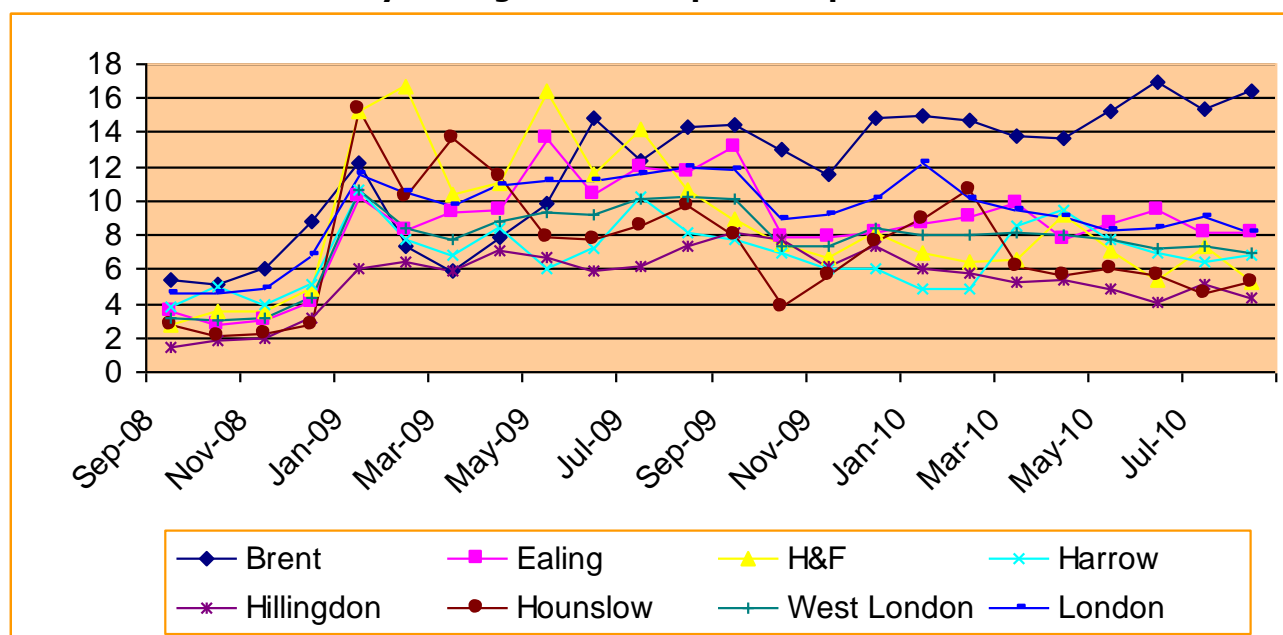
Source: GLG data (2009), cited from One Place website www.oneplace.audit-commission.gov.uk

A11 NI 152 Out of Work Benefits Client Groups August 2009

Area	JSA	IB / ESA	Lone Parents	Others income related benefit	LAA indicator total
Brent	8,780	12,510	5,060	1,260	27,610
Ealing	9,160	12,700	5,160	1,110	28,130
H&F	5,300	8,060	3,230	770	17,360
Harrow	4,320	6,890	2,570	600	14,380
Hillingdon	5,780	8,390	4,140	880	19,190
Hounslow	5,230	8,990	3,900	780	18,900
West London	38,570	57,560	24,070	5,410	125,610

Source: ONS 2009

A12 JSA Claimant Rates by Borough Set 08- Sept 10 Graph



A13 JSA Claimants in West London Boroughs Sept 08 – Sept 10 Data

JSA Claimants							
	Brent			Harrow	Hillingdon	Hounslow	West London
Sep-08	6266	5423	3505	2537	3107	3086	23924
Oct-08	6265	5546	3538	2590	3149	3161	24249
Nov-08	6508	5663	3686	2790	3356	3285	25288
Dec-08	6796	6111	3891	3004	3737	3542	27081
Jan-09	7165	6617	4076	3247	4200	3956	29261
Feb-09	7987	7594	4627	3766	4904	4546	33424
Mar-09	8507	8062	4859	4061	5330	4882	35701
Apr-09	8683	8432	5145	4165	5580	5058	37063
May-09	8919	8733	5197	4270	5689	5264	38072
Jun-09	9025	8802	5201	4250	5683	5185	38146
Jul-09	9278	9078	5411	4451	5949	5397	39564
Aug-09	9349	9222	5428	4542	5973	5465	39979
Sep-09	9563	9512	5596	4567	6090	5598	40926
Oct-09	9588	9510	5530	4670	6233	5553	41084
Nov-09	9268	9349	5368	4516	6132	5477	40110
Dec-09	9086	9320	5338	4367	6123	5639	39873
Jan-10	9544	9474	5352	4625	6409	5667	41071
Feb-10	9862	9411	5164	4650	6450	5591	41128
Mar-10	9852	9370	5152	4578	6346	5621	40919
Apr-10	9608	9191	5154	4432	6075	5598	40058
May-10	9459	8747	4937	4305	5868	5235	38551
Jun-10	9212	8522	4825	4149	5483	5081	37272
Jul-10	9250	8549	4823	4164	5475	4966	37227
Aug-10	9168	8705	4857	4134	5443	5042	37349
Sep-10	9163	8784	4971	4081	5378	5055	37432

Source: ONS Nomis Official Labour Market Statistics, 2010

A14 Job Centre Plus Unfilled Vacancies in West London Boroughs data

	Brent	Ealing	H&F	Harrow	Hillingdon	Hounslow	West London
Sep-08	1167	1492	1262	661	2013	1094	7689
Oct-08	1238	1959	976	518	1796	1510	7997
Nov-08	1065	1869	1053	690	1679	1466	7822
Dec-08	769	1486	793	588	1174	1286	6096
Jan-09	587	651	269	304	703	257	2771
Feb-09	1086	914	277	480	765	444	3966
Mar-09	1441	866	466	597	911	358	4639
Apr-09	1102	900	463	496	791	444	4196
May-09	912	640	316	696	846	670	4080
Jun-09	606	843	451	592	968	664	4124
Jul-09	746	759	381	436	953	631	3906
Aug-09	654	785	513	560	822	561	3895
Sep-09	658	719	620	590	753	698	4038
Oct-09	736	1201	733	669	808	1458	5605
Nov-09	809	1176	797	752	987	961	5482
Dec-09	613	1142	650	733	842	741	4721
Jan-10	637	1085	771	937	1077	638	5145
Feb-10	673	1036	806	977	1110	527	5129
Mar-10	712	942	783	533	1192	905	5067
Apr-10	699	1177	560	472	1126	985	5019
May-10	622	1009	696	555	1192	868	4942
Jun-10	546	893	894	592	1337	889	5151
Jul-10	600	1038	656	655	1080	1085	5114
Aug-10	560	1062	908	607	1241	948	5326

Source: ONS Nomis Official Labour Market Statistics, 2010

A15 JSA Claimant Rates per unfilled jobcentre vacancy

	Brent	Ealing	H&F	Harrow	Hillingdon	Hounslow	West London	London
Sep-08	5.4	3.6	2.8	3.8	1.5	2.8	3.1	4.6
Oct-08	5.1	2.8	3.6	5	1.8	2.1	3.0	4.6
Nov-08	6.1	3	3.5	4	2	2.2	3.2	4.9
Dec-08	8.8	4.1	4.9	5.1	3.2	2.8	4.4	6.8
Jan-09	12.2	10.2	15.2	10.7	6	15.4	10.6	11.6
Feb-09	7.4	8.3	16.7	7.8	6.4	10.2	8.4	10.5
Mar-09	5.9	9.3	10.4	6.8	5.9	13.6	7.7	9.7
Apr-09	7.9	9.4	11.1	8.4	7.1	11.4	8.8	10.9
May-09	9.8	13.6	16.4	6.1	6.7	7.9	9.3	11.2
Jun-09	14.9	10.4	11.5	7.2	5.9	7.8	9.2	11.2
Jul-09	12.4	12	14.2	10.2	6.2	8.6	10.1	11.5
Aug-09	14.3	11.7	10.6	8.1	7.3	9.7	10.3	12
Sep-09	14.5	13.2	9	7.7	8.1	8	10.1	11.8
Oct-09	13	7.9	7.5	7	7.7	3.8	7.3	8.9
Nov-09	11.5	7.9	6.7	6	6.2	5.7	7.3	9.2
Dec-09	14.8	8.2	8.2	6	7.3	7.6	8.4	10.1
Jan-10	15	8.7	6.9	4.9	6	8.9	8.0	12.2
Feb-10	14.7	9.1	6.4	4.8	5.8	10.6	8.0	10.1
Mar-10	13.8	9.9	6.6	8.6	5.3	6.2	8.1	9.4
Apr-10	13.7	7.8	9.2	9.4	5.4	5.7	8.0	9.1
May-10	15.2	8.7	7.1	7.8	4.9	6	7.8	8.3
Jun-10	16.9	9.5	5.4	7	4.1	5.7	7.2	8.4
Jul-10	15.4	8.2	7.4	6.4	5.1	4.6	7.3	9.1
Aug-10	16.4	8.2	5.3	6.8	4.4	5.3	7.0	8.1

Source: ONS Nomis Official Labour Market Statistics, 2010

A16 Gross Weekly Pay 2010

Area	All		Male		Female	
	By Residence	By Workplace	By Residence	By Workplace	By Residence	By Workplace
Brent	519.2	516	525.8	522.3	488.2	498.3
Ealing	567.7	548.9	603.6	593	515.7	507.7
H&F	662.1	652.2	710.6	743.2	633.6	584.5
Harrow	600.6	515.8	692.2	561	520.8	430.3
Hillingdon	583	629.3	631	672.9	521.4	542.3
Hounslow	550.3	597.2	597	659.7	516.4	537.6
West London	580.5	576.6	626.7	625.4	532.7	516.8
London	606.8	642.3	645.5	698.6	566.9	582.3
South East	547.8	523.7	604.6	574.9	461.4	444.1
GB	501.8	500.4	541.9	540.5	440	439.8

Source: ONS Annual Survey of Hours and Earnings - Resident Analysis & Workplace Analysis

Note: Median earnings for employees working in the area

A17 Crime Figures

Borough	Violence against the person offences recorded 09/10 (% change from previous year in brackets)	Sexual offences recorded 09/10 (% change from previous year in brackets)	Robbery offences recorded 09/10 (% change from previous year in brackets)	Burglary dwelling offences per 1,000 population 09/10	Theft of a motor vehicle offences per 1,000 population 09/10	Interfering with a motor vehicle offences per 1,000 population 09/10	Recorded crime BCS comparator offences per 1,000 population 09/10
Brent	7,020 (8%)	314 (10%)	1,863 (11%)	11	3	0	67
Ealing	8,052 (5%)	339 (8%)	1,447 (7%)	9	3	0	62
H&F	4,717 (-4%)	220 (-5%)	749 (10%)	8	4	1	73
Harrow	3,462 (11%)	207 (28%)	469 (-14%)	7	1	1	39
Hillingdon	5,866 (-4%)	296 (33%)	701 (-11%)	9	12	1	56
Hounslow	5,604 (1%)	280 (9%)	645 (-8%)	9	3	0	58

Source: Home Office, British Crime Survey

Chapter 7 Linkages and Flows

West London Commuter Flows 2001 and 2008

A18 Brent

Where Residents Work	2001	2008	Where Workers Live	2001	2008
Brent	31.4%	28.4%	Brent	41.9%	42.4%
Southwark	1.8%	19.8%	Harrow	11.1%	11.5%
Westminster	11.8%	5.9%	Ealing	7.1%	8.1%
Harrow	6.2%	5.2%	Barnet	7.0%	6.4%
City of London	9.3%	4.9%	Hillingdon	3.9%	2.8%
Barnet	3.1%	4.0%	Enfield	..	2.6%
Kensington and Chelsea	2.7%	3.5%	Camden	2.7%	2.5%
Camden	7.0%	2.8%	Hammersmith & Fulham	1.6%	2.2%
Ealing	6.1%	2.4%	Westminster	2.1%	1.9%
Hillingdon	2.4%	2.1%	Islington	..	1.1%

Source: ONS Commute-APS Local Labour Force Survey, 2001. Annual Population Survey, 2008

A19 Ealing

Where Residents Work	2001	2008	Where Workers Live	2001	2008
Ealing	35.2%	33.7%	Ealing	48.7%	51.7%
Hillingdon	8.8%	9.2%	Hillingdon	8.6%	8.3%
Westminster	8.0%	7.1%	Hounslow	5.3%	7.7%
Hounslow	7.6%	6.8%	Harrow	3.6%	3.7%
City of London	5.6%	6.2%	Brent	7.9%	3.4%
Southwark	3.0%	5.6%	Richmond upon Thames	1.8%	2.4%
Brent	5.0%	4.9%	Haringey	..	1.8%
Hammersmith and Fulham	4.6%	3.9%	Westminster	0.7%	1.5%
Camden	1.3%	3.5%	Slough	0.8%	1.5%
Harrow	2.4%	2.6%	Barnet	..	1.4%

Source: ONS Commute-APS Local Labour Force Survey, 2001. Annual Population Survey, 2008

West London Commuter Flows 2001 and 2008

A20 Hammersmith and Fulham

Where Residents Work	2001	2008	Where Workers Live	2001	2008
Hammersmith and Fulham	33.6%	29.0%	Hammersmith and Fulham	35.9%	31.8%
Westminster	13.9%	12.8%	Ealing	7.3%	7.3%
City of London	11.1%	11.4%	Hounslow	2.7%	5.8%
Southwark	4.3%	10.5%	Kensington and Chelsea	4.3%	3.8%
Kensington and Chelsea	10.0%	7.5%	Wandsworth	5.7%	3.7%
Camden	4.8%	5.2%	Richmond upon Thames	3.3%	3.4%
Tower Hamlets	..	3.7%	Lambeth	2.4%	3.3%
Wandsworth	1.0%	2.7%	Westminster	2.1%	3.0%
Hounslow	2.9%	2.5%	Hillingdon	1.3%	2.6%
Brent	1.7%	2.3%	Southwark	..	2.3%

Source: ONS Commute-APS Local Labour Force Survey, 2001. Annual Population Survey, 2008

A21 Harrow

Where Residents Work	2001	2008	Where Workers Live	2001	2008
Harrow	35.9%	31.1%	Harrow	50.2%	45.8%
Southwark	1.6%	15.2%	Hillingdon	7.7%	12.3%
Brent	10.6%	10.6%	Brent	11.0%	10.5%
Hillingdon	4.3%	6.3%	Ealing	4.6%	5.7%
Barnet	8.8%	4.8%	Hertsmere	3.1%	3.4%
Ealing	3.5%	3.7%	Watford	2.8%	2.6%
City of London	7.4%	3.5%	Camden	..	1.4%
Westminster	5.2%	3.3%			
Watford	2.3%	2.8%			
Hammersmith and Fulham	1.9%	1.7%			

Source: ONS Commute-APS Local Labour Force Survey, 2001. Annual Population Survey, 2008

West London Commuter Flows 2001 and 2008

A22 Hillingdon

Where Residents Work	2001	2008	Where Workers Live	2001	2008
Hillingdon	50.4%	43.2%	Hillingdon	35.7%	31.2%
Harrow	4.5%	6.9%	Ealing	6.8%	8.3%
Ealing	6.8%	6.8%	Hounslow	8.1%	6.7%
Hounslow	4.8%	3.8%	Slough	3.7%	4.5%
Westminster	3.9%	3.7%	Harrow	2.5%	3.7%
City of London	1.3%	3.5%	Spelthorne	3.0%	3.3%
Slough	1.6%	2.4%	Windsor and Maidenhead	2.2%	2.7%
Brent	3.0%	2.1%	Three Rivers	2.4%	2.6%
Spelthorne	1.0%	2.1%	South Bucks	1.6%	2.4%
Watford	1.0%	1.0%	Runnymede	1.9%	1.8%

Source: ONS Commute-APS Local Labour Force Survey, 2001. Annual Population Survey, 2008

A23 Hounslow

Where Residents Work	2001	2008	Where Workers Live	2001	2008
Hounslow	36.4%	31.5%	Hounslow	29.8%	29.8%
Hillingdon	13.1%	10.1%	Sutton	10.7%	10.8%
Richmond upon Thames	5.5%	7.9%	Ealing	7.9%	8.8%
Ealing	4.9%	6.8%	Richmond upon Thames	5.2%	5.2%
Westminster	5.7%	6.8%	Spelthorne	2.9%	4.8%
Southwark	4.0%	5.2%	Croydon	2.4%	4.7%
Hammersmith and Fulham	2.2%	4.2%	Hillingdon	4.6%	3.9%
Spelthorne	6.4%	3.6%	Reigate and Banstead	2.1%	2.5%
City of London	4.0%	2.9%	Kingston upon Thames	1.3%	2.3%
Kensington and Chelsea	2.9%	2.0%	Merton	2.6%	2.3%

Source: ONS Commute-APS Local Labour Force Survey, 2001. Annual Population Survey, 2008

A24 Commuting – London Boroughs

[illegible]

[illegible]

West London Economic Assessment March 2011

[illegible]

West London Economic Assessment March 2011

Resident in	Newham	Redbridge	Richmond upon Thames	Southwark	Sutton	Tower Hamlets	Waltham Forest	Wands worth	Westminster
Working in									
Barking and Dagenham	3%	4%	0%	0%	0%	1%	1%	0%	0%
Barnet	0%	1%	0%	0%	0%	0%	1%	0%	1%
Bexley	0%	0%	0%	0%	0%	0%	0%	0%	0%
Brent	1%	0%	0%	0%	0%	0%	1%	0%	1%
Bromley	0%	0%	0%	1%	1%	0%	0%	0%	0%
Camden	4%	4%	3%	6%	2%	6%	6%	5%	8%
City of London	6%	8%	5%	8%	3%	14%	6%	10%	11%
Croydon	0%	0%	0%	1%	8%	0%	0%	1%	0%
Ealing	0%	0%	2%	0%	0%	0%	0%	1%	1%
Enfield	1%	1%	0%	0%	0%	0%	3%	0%	0%
Greenwich	1%	0%	0%	1%	0%	0%	0%	0%	0%
Hackney	3%	2%	0%	1%	0%	4%	4%	1%	1%
Hammersmith and Fulham	1%	1%	4%	2%	1%	1%	1%	4%	3%
Haringey	1%	1%	0%	0%	0%	0%	3%	0%	0%
Harrow	0%	0%	0%	0%	0%	0%	0%	0%	0%
Havering	1%	3%	0%	0%	0%	0%	1%	0%	0%
Hillingdon	0%	0%	4%	0%	0%	0%	0%	1%	1%
Hounslow	0%	0%	8%	0%	1%	0%	0%	1%	1%
Islington	3%	3%	1%	3%	1%	4%	4%	2%	3%
Kensington and Chelsea	2%	1%	2%	2%	1%	2%	1%	4%	5%
Kingston upon Thames	0%	0%	4%	0%	3%	0%	0%	1%	0%
Lambeth	1%	1%	1%	8%	2%	1%	1%	4%	2%
Lewisham	0%	0%	0%	3%	0%	0%	0%	0%	0%
Merton	0%	0%	1%	1%	7%	0%	0%	3%	0%
Newham	36%	6%	0%	1%	0%	2%	3%	0%	0%
Redbridge	3%	36%	0%	0%	0%	1%	4%	0%	0%
Richmond upon Thames	0%	0%	38%	0%	1%	0%	0%	2%	0%
Southwark	2%	2%	1%	34%	2%	3%	2%	3%	2%
Sutton	0%	0%	0%	0%	42%	0%	0%	1%	0%
Tower Hamlets	11%	7%	1%	4%	1%	39%	5%	3%	3%
Waltham Forest	3%	5%	0%	0%	0%	1%	36%	0%	0%
Wandsworth	1%	0%	2%	2%	4%	1%	0%	29%	1%
Westminster	10%	8%	9%	15%	5%	13%	11%	17%	52%
Outside London	4%	7%	11%	3%	14%	4%	5%	5%	4%
	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Annual Travel Survey TFL 2010

Chapter 9 Housing

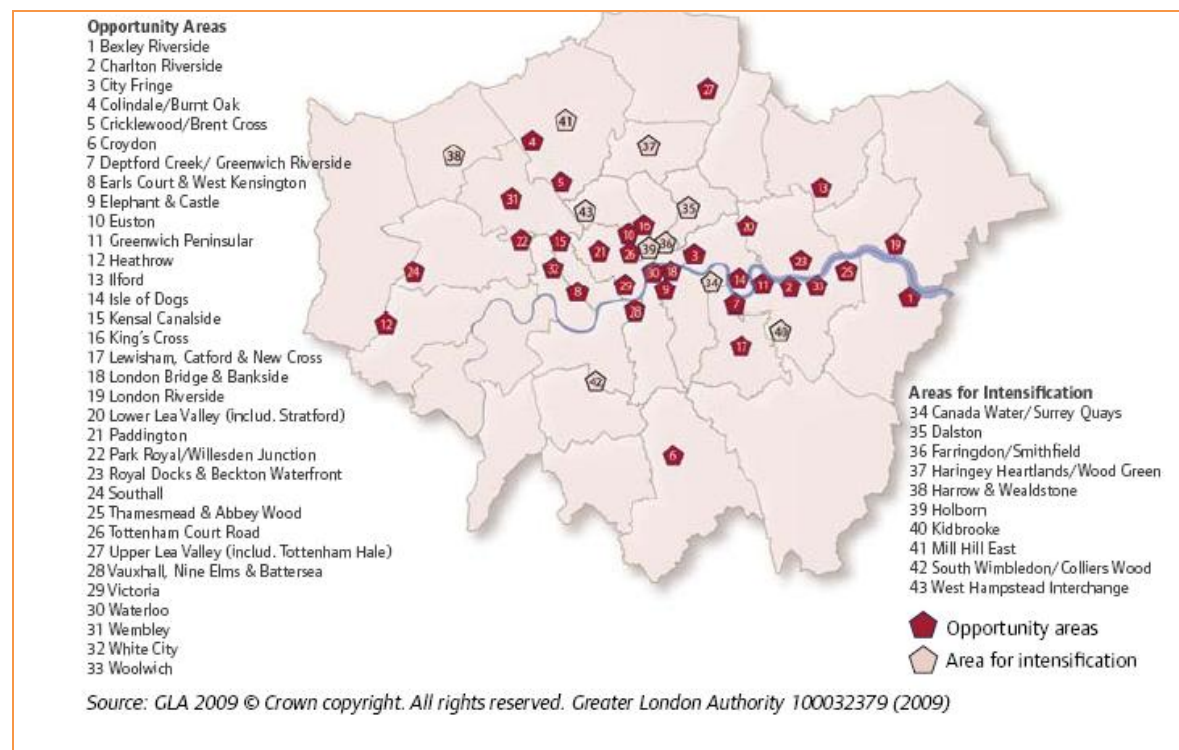
A25 New homes

Borough	NI 154 - Net additional homes provided – number of net increases in dwelling stock over year (comparison with all London boroughs in brackets)	Number of affordable homes for rent delivered (comparison with all London boroughs in brackets)
Brent	931 (in the best third)	670 (in the best 10%)
Ealing	828 (Average)	550 (in the best third)
H&F	453 (In the worst 25%)	290 (Average)
Harrow	770 (Average)	250 (In the worst third)
Hillingdon	785 (Average)	350 (Average)
Hounslow	537 (In the worst third)	560 (In the best 20%)

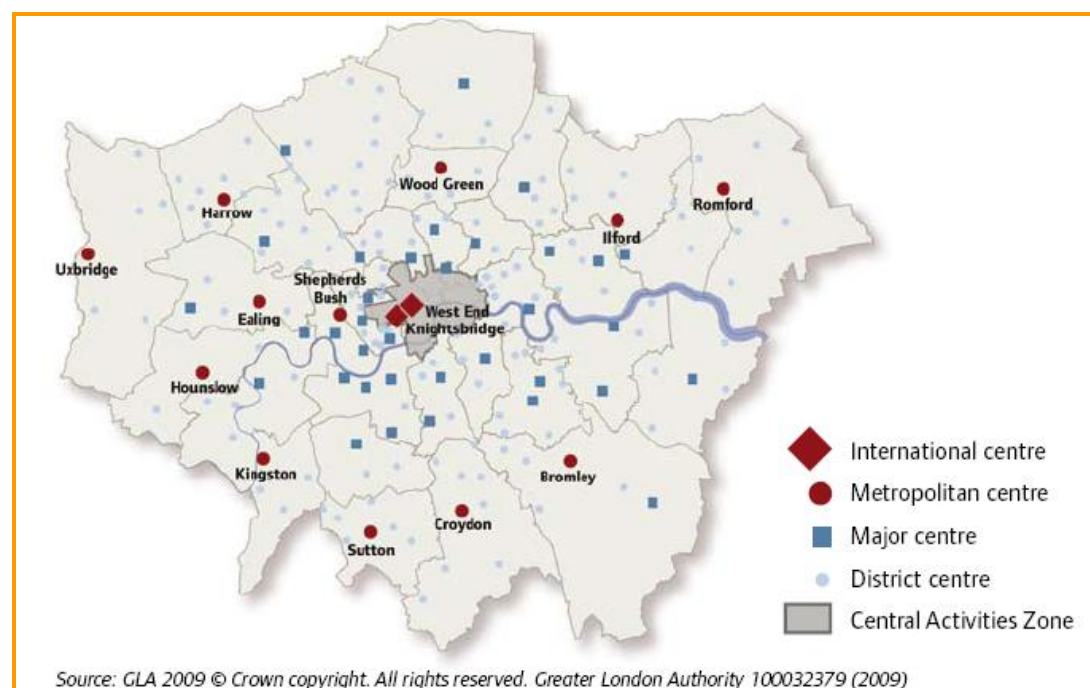
Source: GLG data (2009), cited from One Place website www.oneplace.audit-commission.gov.uk

Chapter 10 Sustainable Development and Infrastructure

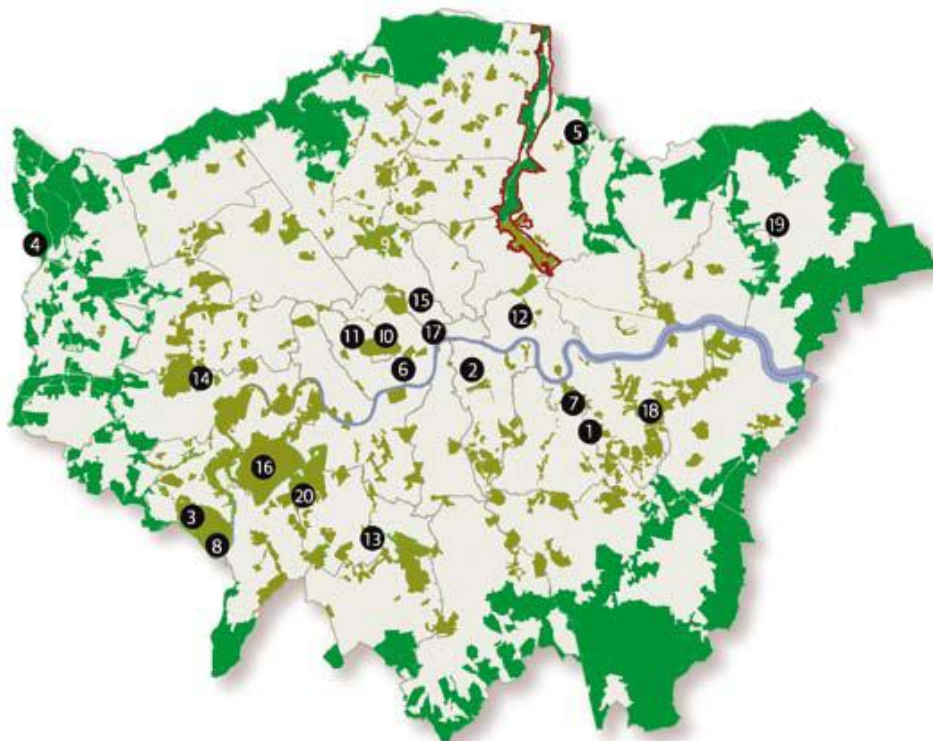
A26 London's Opportunity and Intensification Areas



A27 London's Town Centre Network



A28 London's Strategic Open Space Network



Khaki = Metropolitan Open Land
Green = Green belt

- | | |
|--------------------------------------|---|
| 1 Blackheath | 12 Mile End Park |
| 2 Burgess Park | 13 Wandle Valley |
| 3 Bushy Park (royal park) | Regional Park (proposed) |
| 4 Colne Valley Regional Park | 14 Osterley Park |
| 5 Epping Forest | 15 Regents Park (royal park) |
| 6 Green Park (royal park) | 16 Richmond Park (royal park) |
| 7 Greenwich Park (royal park) | 17 St. James's Park (royal park) |
| 8 Hampton Court Park | 18 SE London Green Chain |
| 9 Hampstead Heath | 19 Thames Chase Community Forest |
| 10 Hyde Park (royal park) | 20 Wimbledon Common |
| 11 Kensington Gardens | |

Source: GLA 2009. © Crown copyright. All rights reserved. Greater London Authority 100032379 (2009)

A29 Flood risk and coastal erosion

Borough	Flood and Coastal Erosion Risk Management (NI 189) ⁴⁵
Brent	100%
Ealing	100%
H&F	100%
Harrow	100%
Hillingdon	100%
Hounslow	80%

Source: GLG data (2009), cited from One Place website www.oneplace.audit-commission.gov.uk

⁴⁵ This is the percentage of agreed actions to implement long term flood and coastal erosion risk management plans that are being undertaken satisfactorily

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