

The background is a dark map of Ealing, London, with white outlines of its wards. Overlaid on the map are two heatmaps: one in the upper central area showing a bright orange and red glow, and another in the lower left area showing a similar but slightly dimmer glow. A horizontal dotted white line runs across the middle of the page, ending in a small white dot on the right side.

prd

INDUSTRIOUS EALING

INCLUSIVE ECONOMY BASELINE

2022

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THE INCLUSIVE ECONOMY BASELINE

Industrious Ealing is Ealing Council's flagship programme to understand how it can support diverse workspaces to ensure a sustainable, inclusive and socially just economy. Industrious Ealing will primarily provide the evidence to underpin the forthcoming Local Plan in relation to employment land. The Inclusive Economy Baseline represents one strand of Industrious Ealing and provides the latest socio-economic evidence on the performance of Ealing's economy.

Ealing sits at the heart of many of London's most pressing socio-economic policy issues around land economics, poverty, deprivation, and the climate emergency. The evidence from this Inclusive Economy Baseline shows that in Ealing, this can be distilled into three overarching economic challenges:

1. Housing affordability
2. A loss of knowledge economy and higher value employment
3. Maximising the value from industrial land

The primary focus of the Inclusive Economy Baseline is to enable Ealing to maximise the value from its uniquely large supply of industrial land. This is required because:

- Demand for industrial space has reached near unprecedented levels in London and this challenge is particularly acute in Ealing. However, this is under-delivering in terms of job creation due to demand being driven by lower employment density uses such as logistics. This could lead to a situation where economic demand is high but the social and environmental benefits for Ealing's residents are low.
- Due to the conditions set out by the London Plan, the ability to address these market failures on Strategic Industrial Land through planning policy alone is limited. This is because all compliant (but potentially low density) uses need to be supported. This heightens the importance of Locally Significant Industrial Sites to deliver the Borough's strategic job creation targets and address the wider socio-economic challenges identified within this document.

Therefore, in addition to the Local Plan, the Inclusive Economy Baseline recommends that Ealing considers wider policy levers to enact change in industrial areas. This includes (but is not limited to):

- Prioritising active market making role in places with land ownership and parts of the borough with strongest case for public sector intervention
- Taking a masterplan-led approach of LSIS starting with Acton
- Improving relations with key industrial-based businesses
- Establishing strategic partnerships with major landowners
- Considering the designation of Green Industrial Zones

The evidence shows that Ealing should also prioritise a locally-focused approach to industrial land policy. This responds to the evidence which outlines that opportunities and challenges vary significantly in different parts of the borough - reinforcing the 'seven towns' approach being taken through the Local Plan.



INTRODUCTION

- REPORT STRUCTURE AND PURPOSE
- IMPORTANCE OF INDUSTRIAL LAND
- TRENDS IN LONDON'S INDUSTRIAL SPACE
- EVOLUTION OF LONDON'S ECONOMY
- EXECUTIVE SUMMARY

Role and purpose of the Inclusive Economy Baseline

This report provides contemporary socio-economic evidence to support Ealing's Local Plan. It draws together various sources of publicly available data, secondary research, and qualitative on-the-ground intelligence by We Made That to provide a compendium of evidence as part of the borough's Industrious Ealing workstream.

The objective of this report (and the complementary Workspace Audit) is to augment the findings of the Employment Land Review (ELR) update and Affordable Workspace Study (AWS), with a bottom-up view of the borough's economic performance and the role of industrial land. Together with the demand-side analysis presented through the ELR and the specific policy recommendations from the AWS, these four pieces of evidence should be considered together to ensure that the growth delivered by the Local Plan benefits Ealing's communities.

The purpose of the Inclusive Economy baseline is to secure maximum socio-economic benefit from the business space and development projected in the ELR. Evidence from this report will enable Ealing to be the custodians of the borough's growth opportunity and ensure that it is leveraged to reduce inequality.

This report is the product of multiple rounds of engagement with senior officers and members to ensure it reflects the priorities of the council and is relevant across departments and service areas.

Report Structure

The report begins with an overview of Ealing's industrial areas and contextualises the findings in relation to London's economic evolution over the past decade.

The chapters have been designed to drill down into additional layers of detail to go beyond the borough-level averages to target interventions in specific parts of the borough – reflecting Ealing's seven towns approach.

From this, the recommendations of the report propose how the Local Plan (and wider policy levers) can help to meet the challenges and opportunities identified in Chapters 1 and 2.

Each chapter is structured around Key Messages to provide a compelling economic narrative for the borough and to provide the evidence for action through the Local Plan and other complementary council strategies.

Industrious Ealing studies



Employment Land Review



Inclusive Economy Baseline



Workspace Audit



Affordable Workspace Study

INTRODUCTION

Where is Ealing's industrial land and why is it important?

The majority of Ealing's industrial floorspace is located within designated industrial land (Strategic Industrial Land and Locally Significant Industrial Sites). The Ealing ELR shows that the borough hosts 1,986,000 sqm of industrial floorspace in total.

This makes Ealing's industrial land vital to the functioning of London's economy as the borough now hosts 8% of the city's total designated industrial floorspace. Ealing's industrial areas are integral to the borough's economic identity as well as local, regional, and national prosperity. Excluding Old Oak and Park Royal Development Corporation (OPDC), designated industrial areas contain an estimated:

- 43,530 jobs
- 2,000 businesses**

The OPDC area of Ealing contains an estimated additional 20,000+ jobs. There is evidence to suggest that industrial areas are becoming more important to Ealing's economy. Since 2016, designated industrial areas have been the principal driver of job growth (see map bottom right). Some of this activity is increasingly diverse and Ealing now hosts a range of activity - from film production to data centres.

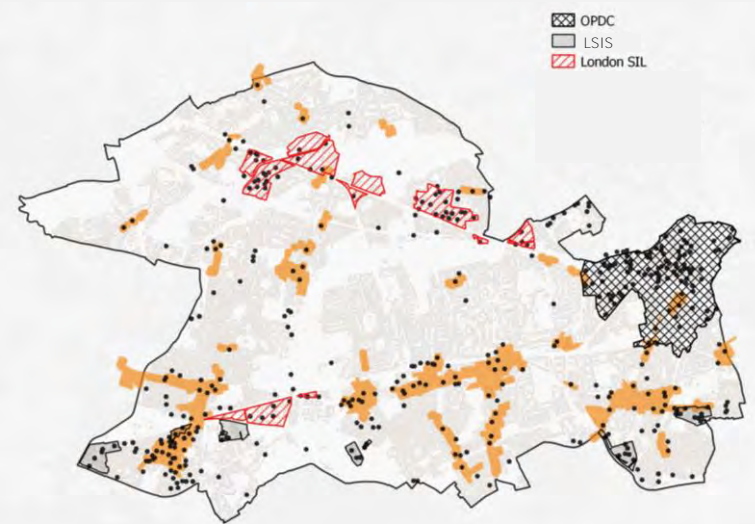
Ealing's industrial land represents a significant economic opportunity to deliver benefits to Ealing's communities.

The recommendations from this Inclusive Economy Baseline are intended to enable the council to maximise the economic opportunity associated with unprecedented demand for industrial space in Ealing; as set out within the ELR.

Sources: ONS BRES, Sqwyre, Icenl

**Note: Warple Way estate contains several addresses used just for company registrations and these have been excluded from the analysis. For the purposes of clarity, the maps and data presented within this report show 'best-fit' MSOA definitions of Ealing's seven towns and OPDC to enable collection of business data.

*Ealing's industrial properties, 2021**



*Note: each dot represents an industrial postcode and therefore may contain multiple industrial properties.

Ealing's employment change, 2016-2020



INTRODUCTION

London's economic evolution

Understanding London-wide economic changes provides important context for some of the key socio-economic findings presented within this Inclusive Economy Baseline.

London has grown significantly over the last ten years. The city's population has grown by 12% and the number of businesses and jobs have increased rapidly. Much of this has been high value economic activity, with the number of knowledge-intensive businesses (such as Financial and Professional Services) increasing by 72% since 2010.

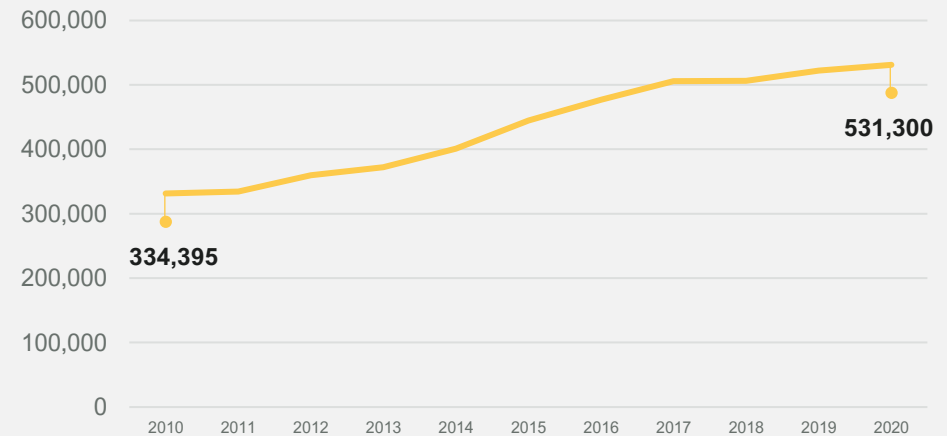
Despite sustained economic growth, many Londoners are not sharing in the city's success.

- 27% of Londoners live in poverty (the highest poverty rate in the UK), with almost one in three workers earning an income below London Living Wage (GLA Datastore).
- Between 2015 and 2019, the number of children in absolute low income households in London increased by 12%. This is all being driven by children living in working families – showing that employment is not always providing a reliable route out of poverty. A definition of absolute low income families is provided on Page 41.

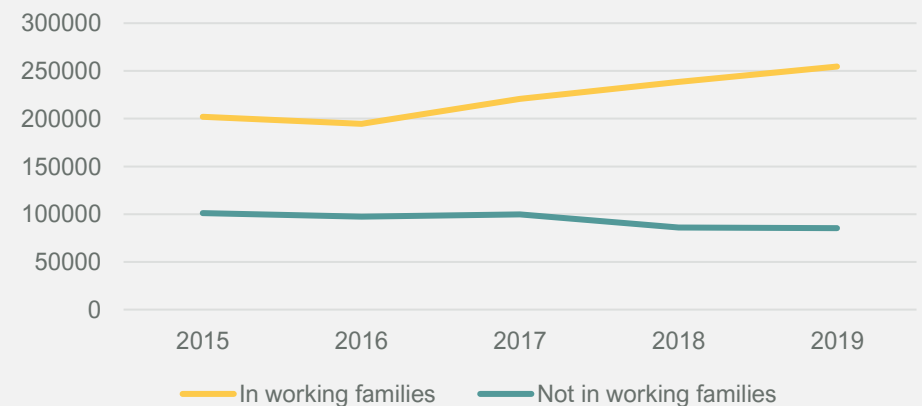
Currently, the ratio of income between the top 10% and bottom 10% of earners in London is around 10:1, around double the rate of inequality in the rest of the country. There is evidence to show that these long-term inequalities have been exposed and accentuated by the pandemic.

As a result, it is important to recognise the wider social, economic, and environmental factors shaping the role of industrial areas. Reflecting this, the Inclusive Economy Baseline takes a holistic view of the key socio-economic factors facing Ealing's economy and residents, and considers the role that industrial businesses and land resources can play to support a borough which is greener, fairer, and more resilient.

Number of businesses in London, 2010-2020



Number of children in absolute low income households by parental work status in London, 2015-2019



Sources: ONS UK Business Counts, DWP StatXplore

Changing behaviours and approaches to delivery

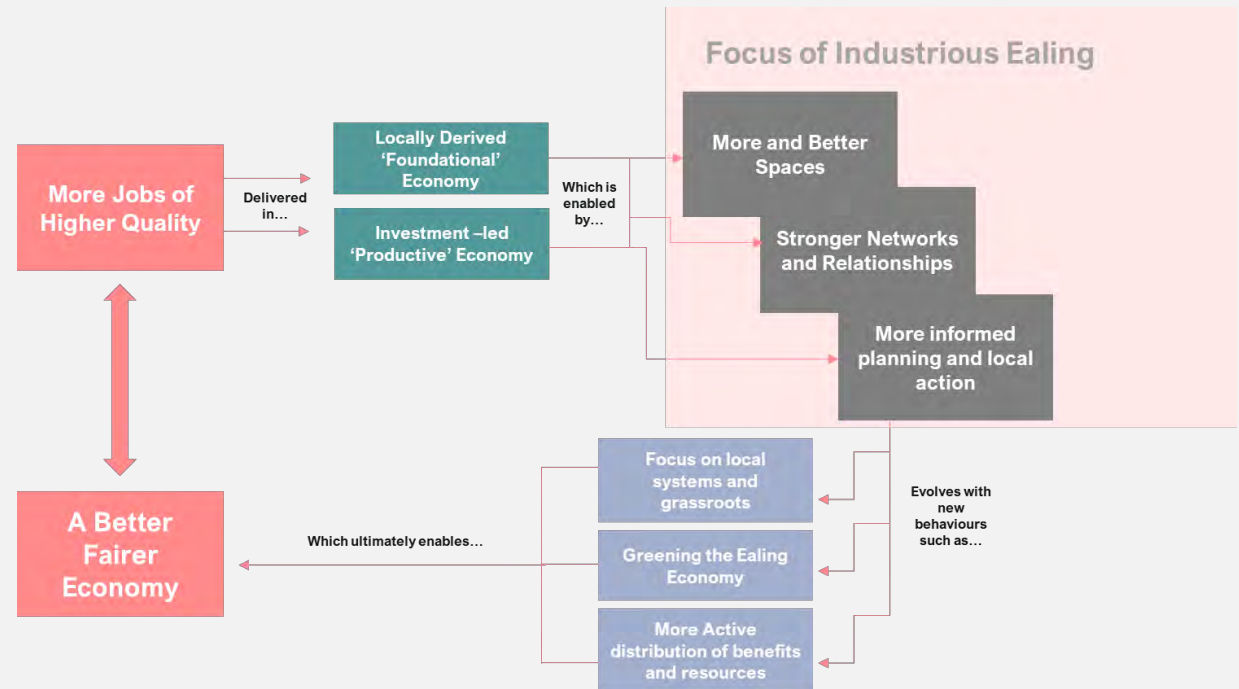
At an uncertain time, with significant structural pressures and challenges on the UK, London and Ealing economies, it is important that Ealing considers the role it can play and the influence it has. Following the COVID-19 pandemic, with the pressures of cost of living and inflation overall, council objectives will need to be revisited with behaviours and approaches reassessed.

In part, this will require the council to refocus its outcomes and measures of success. In the case of Industrious Ealing, this will mean focussing on specific locations and places with targeted intervention, acknowledging the fact that (just like town centres) industrial areas are very nuanced in their performance and the types of interventions they need.

More generally, it will be important for the Council to recognise that a project like Industrious Ealing is part of a more significant transition in the way the borough considers its economic evolution. Based on the evidence in London and the borough specifically, this is likely to be driven by a transition from an aspiration to create more and better jobs, to a focus which includes jobs, but is more aware of the need to create a fairer and greener economy.

Key elements for LB Ealing to consider in making this transition could be:

- Being more local and engaged with the local economies which make up Ealing
- Developing systems approaches which enable circular economy practice
- Taking a more balanced approach to growth, recognising social and environmental impacts of this
- Making better use of assets to enable risk and new behaviours (accepting some short term sacrifice of revenues to enable this)



Headline trends for London's and Ealing's industrial land

In London:

23%

of London's industrial floorspace has been released between 2000 and 2020, displacing businesses, jobs and essential services.

4%

industrial vacancy across London. This has fallen to historic lows from 16% in 2001.

3x

more than the recommended amount industrial land was released between 2010 and 2015. Increasing demand and the rapid release of land has led to rising rents and land prices.

50%

over the next five years, London and the wider South East region, industrial rental value could rise by 50%.

52%

of businesses in industrial land believe that in 5 years they will be priced out due to affordability challenges

In Ealing:

8%

of Ealing's industrial land has been released since 2000. This is significantly less than the London and Outer London averages.

2.8%

industrial vacancy in Ealing. Due to high demand and a lack of new space construction, this is anticipated to remain low.

£17.54

per square foot average rent of industrial space in Ealing in 2021. This is higher than the London average and is likely to rise further due to constrained supply and strong demand which could displace small businesses.

45%

of Ealing's industrial land is used for warehouses, self and open storage. This is providing low employment densities for the borough.

40%

of Ealing's industrial floorspace is protected as designated industrial land either as SIL or LSIS.

Scope of influence: Ealing's ability to influence the industrial land market

PLANNING POLICY ON DESIGNATED INDUSTRIAL LAND:

Strategic Industrial Locations (SIL): 41% of Ealing's industrial land is SIL which is mainly located along the A40 corridor. SIL is described by the new London Plan as London's main reservoirs of industrial capacity which is critical for the efficient functioning of the city's economy. The London Plan is clear that SIL should provide space for industry, logistics, and services to support London's economy (see Policy E4). The Plan also states that developments which fall within these proposed uses should be supported by the local planning authority. The Plan suggests that the role of the planning authority is primarily to provide the supporting infrastructure to enhance the competitiveness and attractiveness of the borough's SIL.

Whilst Ealing should push for protection and intensification of employment in low density areas of SIL, the above shows Ealing has limited planning policy options to stimulate the market to accommodate intensification or set preferences for specific types of uses (other than ensuring SIL is protected and functions efficiently). Therefore, the council needs to consider the wider levers available to maximise socio-economic value of designated SIL.

Locally Significant Industrial Sites (LSIS): LSIS accounts for 13% of Ealing's industrial land. Whilst the planning powers related to SIL are limited by the London Plan, there is more flexibility for Ealing to prioritise the types of uses that best meet local need on LSIS. Within their Local Plans, boroughs are required to designate and define boundaries and policies, justified with evidence from an Employment Land Review. Boroughs also have the power to advise on the range of uses that are acceptable on LSIS, giving authorities a key role in curating the growth potential of these areas through planning policy.

Ealing's LSIS is concentrated in the south of the borough; primarily in Acton and Southall. Due to their economic diversity and typically strong viability, LSIS are best suited for employment intensification. Therefore, if planned effectively, LSIS will be critical to providing more higher paying jobs and could provide the spatial focus for the council's wider regeneration ambitions.

WIDER LEVERS:

In addition to planning, the council possesses a range of hard and soft powers to influence the industrial land market. These include:

- **Asset ownership:** The public sector has significant land ownership across the borough. This includes council-owned industrial sites such as Stirling Road in South Acton. The council could consider using existing assets to address market failures and test new ideas.
- **Active investment and market making:** due to planning powers on SIL being constrained by the London Plan, the council may want to consider active intervention in the industrial land market by buying or leasing property. This could be considered in parts of the borough where viability is a challenge and there is a compelling case for public sector intervention.
- **Inward investment and sector targeting:** the council's established Inward Investment team could seek to target key industrial sectors that can drive employment growth and create more local jobs.
- **Partnerships and collaboration:** Ealing benefits from consolidated private land ownership along the A40 corridor. This can allow the council to prioritise strategic relationships with major landowners to develop shared priorities, including scaling skills and training provision, and addressing barriers to industrial intensification.
- **Place Curation** – The council can actively convene partners to occupy spaces (particularly where they own buildings). This can help create new markets and encourage new sectors to occupy spaces in the borough.
- **Rates Relief** – The council can choose to forgo business rates to encourage certain types of uses on sites in the borough.

Due to the breadth of focus of the Industrious Ealing commission, these wider levers have also been considered as part of this report in addition to recommendations to inform the Local Plan.

Structure of the Inclusive Economy Baseline

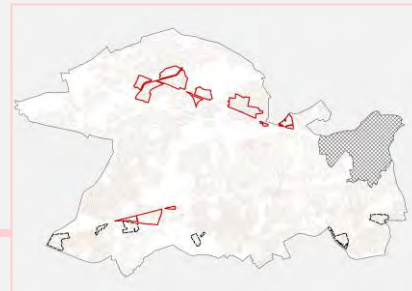
Analysis and evidence has been structured around the following two chapters, with each drilling down into additional levels of granularity:

Chapter 1: Borough-wide intelligence



- Borough-wide intelligence to create the evidence for action
- Overall economic trajectory
- Key issues and opportunities facing Ealing's labour market
- Demographic analysis

Chapter 2: Sub-area and industrial-area specific insight



- Understanding the economies of Ealing's seven towns (and OPDC)
- The role, function and contribution of each place and the place-specific challenges and opportunities
- Understanding the economic contribution and character of designated industrial land
- Defining relevant place-based recommendations

Executive summary (1): The evidence

To provide a holistic assessment of Ealing's socio-economic performance, this Inclusive Economy Baseline has analysed a wide range of social, economic and environmental factors which contribute to resident prosperity. Through seven Key Messages, the evidence presents a compelling case for change, where industrial areas will play a critical role in supporting an economy which is greener, fairer, and more resilient.

KEY MESSAGE

THE EVIDENCE SHOWS

BOROUGH-WIDE INTELLIGENCE

Housing affordability and demographic factors are economic issues and will affect Ealing's prosperity if left unaddressed

- Housing affordability and availability is intrinsically linked to the wider challenges facing Ealing's industrial areas
- Ealing's population has grown significantly since 2011 and Ealing has the 3rd largest population in London.
- However, population growth has been concentrated in residents aged 40+ which is resulting in an ageing population which could affect long-term economic vitality.
- Housing affordability is the primary cause of deprivation across all of Ealing's seven towns.

Ealing's economic growth has been slow and the borough has under-performed in terms of job creation

- Business and employment growth has been below the London average, however industrial areas are seeing overwhelming demand
- High value business growth is not generating employment dividends for the borough
- Much of the business growth in industrial areas is in typically low density activity such as logistics and warehousing
- New entrants to the industrial market, high demand for space, and low vacancies are driving high industrial rents across the borough and could adversely impact Ealing's strategic job targets.

The quality and resilience of Ealing's employment is low

- Many people live and work locally, making the quality of jobs hosted in the borough vital for resident prosperity
- Whilst economic activity is high, the quality of employment is poor. This is reflected by low earnings, and rising in-work poverty
- The COVID-19 pandemic brought many of these challenges to the fore and Ealing has been disproportionately impacted
- Ealing also has a high proportion of low paying local employment which is contributing to weak economic resilience
- Ealing's industrial character means that it has a high proportion of carbon-intensive industries which could affect resilience in the long-term.

Ealing's seven towns can be understood through three distinct geographies which can help to focus policy

- Sub-area intelligence shows that borough averages mask significant variances in economic performance, providing justification for the seven towns approach
- To better understand industrial policy, the seven towns can be grouped together into three economic areas which share specialisms, challenges, and opportunities
- This should take a broader view of the role and function of industrial land to understand the role that it can play in addressing deeply embedded socio-economic challenges.

Southall and Northolt are where borough-wide issues of poverty, deprivation, and low pay are most acute

- Northolt and Southall have experienced significant economic growth over the last five years. However this is increasingly in lower paid, insecure employment and figures are distorted by high-levels of self-employment. This is accentuated by high levels of low paying work and the lowest earnings in the borough.
- Highest overall need, coupled with the lowest levels of economic opportunity represent a clear market failure and a compelling case for public sector intervention in the industrial land market.

Ealing, Acton, and Hanwell contain almost all of the borough's high-value and high density economic activity

- These towns are Ealing's primary economic drivers and contain the majority of the borough's jobs and businesses
- This is also where the borough's higher value, knowledge intensive employment is almost exclusively concentrated and there is an opportunity to intensify this further on LSIS
- There has been high levels of population churn in these areas reflecting the scale of development. Residential values are also significantly higher than the borough average.

Greenford and Perivale contain important traditional activity which the council should seek to protect and grow

- Industrial areas are integral to the each town's economy and represent the predominant drivers of economic activity
- There are a range of higher value industrial jobs and businesses
- This includes regionally significant specialisms in higher value specialisms such as high tech manufacturing and key anchor employers
- However, these specialisms are most at risk from shifts in industrial demand which could affect economic prosperity.

SUB-AREA INTELLIGENCE

Executive Summary (2): Ealing's key economic challenges

The Key Messages show that industrial land is inextricably linked to the wider economy. The evidence can be distilled to show that there are three key challenges facing Ealing's economy: (1) genuinely affordable housing; (2) knowledge economy employment; and (3) industrial areas.

Whilst the scope of Industrious Ealing primarily focuses on industrial land (Key Challenge 3), it is suggested that Ealing also uses this evidence base as the impetus to drive forward Key Challenges 1 and 2 which need to be addressed through planning policy, as well as wider spatial, and economic strategy.

Key challenge 1:

Genuinely affordable housing

- The evidence shows that affordable housing is Ealing's fundamental economic challenge. It is the primary driver of deprivation and inequality across all of the borough's seven towns and could affect economic vitality is left unaddressed.
- However, the scope of this report is not to advise on Ealing's specific housing needs to address issues of unaffordability. Therefore, it is essential that this is considered elsewhere within Ealing's Local Plan evidence base – such as the Strategic Market Housing Assessment (SHMA). The evidence presented within this report suggests that overall housing delivery alone will not have a corrective effect on Ealing's affordability challenges. As a result, the council's focus should be on meeting the objectively defined affordable housing, as set out through the SHMA.
- **Whilst not directly relevant to Industrious Ealing, the report advises on the pressures residential investment is putting on designated industrial land – especially in Hanwell and Acton's LSIS. This report considers the potential for industrial co-location and ensuring that it does not permanently displace important industrial activity.**

Key challenge 2:

Knowledge economy and higher value employment

- Additionally, the evidence shows that Ealing has seen a decline in higher value, knowledge intensive industries. This is important as these sectors are typically providing well paying jobs and play an important role in supporting town centre vitality and driving high street diversification.
- Whilst concentrations of knowledge intensive businesses exist within Ealing, the role of Ealing Metropolitan Town Centre as the heart of the borough's knowledge economy cluster is not being maximised. The absence of an up-to-date planning and economic strategy has seen an overspill of professional service employment into industrial areas – such as Acton's LSIS – putting further pressure on the borough's constrained industrial land supply.
- The evidence presented here shows that the borough is not pulling its weight in terms of hosting higher value jobs in its town centres. The arrival of the Elizabeth Line in Southall, Hanwell, Ealing, and Acton should provide the impetus to change this. To maximise this opportunity, it is recommended that Ealing renews town centre strategies – starting with Ealing Metropolitan Centre.
- **Whilst not the core focus of this report, Industrious Ealing considers the relationship between industrial areas and town centres, noting how effective town centre strategies can alleviate pressure on valuable economic land.**

Key challenge 3:

Maximise value from industrial land capacity (main focus of Industrious Ealing)

- The primary spatial focus of Industrious Ealing is on the borough's designated industrial land. Industrial areas are integral to the borough's economy and economic identity. They comprise a significant chunk of Ealing's jobs and businesses, and also a significant proportion of the borough's overall land supply.
- Evidence from ELR shows that whilst demand for industrial space has now reached near unprecedented levels, a high proportion of investment into Ealing will be in low density activities, and the council's ability to prevent this is limited by the London Plan.
- Ealing needs to plan for this, identifying and prioritising focus in the remaining areas that can support densification and employment creation ambitions.
- **The factors governing the economics of industrial demand contain a range of complex nuances which are set out in this report. The recommendations provide an evidence-led response to these intricacies. The recommendations are intended to enable Ealing to maximise the socio-economic benefits associated with the unprecedented demand for industrial space. These are set out in more detail on Page 14.**

Executive Summary (3): Overarching industrial recommendation

The evidence presented within this document outlines the complex global, national, and local factors shaping Ealing's economy. Based on the evidence, and wider consultation undertaken as part of the Industrious Ealing workstream, there are three options available to the council to respond to these trends. These options, and the potential scenarios associated with each one are presented below. The evidence suggests that the public sector should play an important role to address key market failures which are currently resulting in Ealing's residents are being actively disadvantaged by the macro-economic forces driving demand for industrial space.

Whilst the primary focus of the Inclusive Economy Baseline is to provide the evidence to inform the Local Plan, several recommendations transcend planning policy and represent a wider policy intervention. This is to ensure Ealing maximises the social and economic benefits of the development which is enabled in the long-term through the Local Plan. **Due to the multi-faceted nature of the challenges facing the borough, it is recommended that a coordinated approach to industrial land is taken. To do this, Ealing should use both the Local Plan and the wider council powers to stimulate change in industrial areas, address supply-side market failures, and ensure social, economic, and environmental value is maximised.**

LB Ealing's options for industrial area intervention

Option 1: Do nothing

One option would be for Ealing to do nothing. Under this option, the projections and forecasting from the Local Plan Employment Land Review are likely to be realised and historic socio-economic trends observed within this report continue to deepen. All policy-compliant schemes on industrial land would be supported meaning that traditional occupiers continue to be priced out of Locally Significant Industrial Sites, resulting in these areas becoming less economically diverse. Market demand will predominantly be driven by lower density uses on SIL (such as logistics and data centres). In this scenario, the borough would face a situation where demand for industrial space would be high, but the potential socio-economic benefits would be low. Due to the dominant demand for space and the associated employment densities associated with these uses, it is possible that the absolute number of jobs hosted in the borough would decrease over the planning period. As a result, borough-wide challenges of low pay and a lack of economic opportunity are likely to remain unaddressed.

Option 2: Planning policy- only approach

The second option is to use planning policy to encourage the types of economic activity which support an Ealing economy which is greener, fairer, and more resilient. Under this option, recommendations of the Workspace Audit are implemented and Ealing can take a robust, evidence-led approach to protecting, creating, intensifying, and reimagining industrial land. However, due to the constraints outlined on Page 10, the council's influence is largely limited by the London Plan, especially in relation to SIL. This is likely to mean demand for space on SIL will continue to be driven by low density but policy compliant uses. Therefore, it is possible that overall employment densities will continue to fall unless private land owners invest in intensifying existing sites. To date, this has largely seen as unviable. By necessity, this option will involve the council focusing the types of activity permitted on LSIS, enabling the council to prioritise higher density, better paid uses – contributing to overarching strategic job creation targets, and wider regeneration ambitions.

Option 3: Coordinated strategic response (Recommended)

All of Option 2 plus wider policy interventions positioned to address key strategic socio-economic challenges. This recognises the limitations in terms of planning to address the challenges identified in this report – especially in relation to SIL. This approach also recognises that there are currently explicit market failures relating to Ealing's industrial land market which cannot be addressed through planning policy alone. Whilst demand for industrial space has reached near unprecedented levels, there is a risk that this will not deliver social, economic, or environmental benefits for Ealing – despite development proposals being compliant in planning policy terms. Therefore, this option includes the wider levers the council possesses in order to take a strategic approach to ensuring industrial land is delivering maximum benefit for Ealing's communities. Depending on the extent of the council's ambition, this option is scalable from direct intervention in the industrial market, to wider 'softer' policy levers which can support industrial area change. Example Option 3 interventions have been proposed as specific recommendations on the next page.

Executive summary (4): Specific recommendations

KEY MESSAGE

RECOMMENDATION(S)

BOROUGH-WIDE INTELLIGENCE

Housing affordability and demographic factors are economic issues and will affect Ealing's prosperity if left unaddressed

- Make meeting objectively defined housing targets (as defined by the SHMA) primary target for housing delivery
- Take a more proactive approach to the delivery of housing on small sites within the borough in both town centres
- Take a masterplan-led approach to development on LSIS and ensure co-location does not displace industrial occupiers. Co-location should be considered where housing uses have been carefully examined and shown to not fetter the primary commercial or industrial use of the site or area

The quality and resilience of Ealing's employment is low

- Consider active intervention (such as buying, leasing, and developing spaces) to address key market failures
- Where areas accommodate low density employment, seek to accommodate higher density employment in proximate town centres and residual sites and explore potential to redesignate SIL to LSIS
- Improve communications with the top 25 large industrial-based employers in the borough
- Significantly improve messaging relating to Ealing as business location

Ealing's economic growth has been slow and the borough has under-performed in terms of job creation

- Focus council resources on the locations where it has greater influence (ownership or strategic momentum)
- Explore opportunities to designate/re-designate LSIS to protect valuable industrial activity
- Work with major land owners and operators to ensure Ealing is a priority location for investment
- Consider subsidy in provision of space for targeted industries (Manufacturing, STEM and Creative)
- Focus on greening Ealing's industrial stock and take steps to support the creation of green jobs

Ealing's seven towns can be understood through three distinct economic areas which can help to focus policy

- Take locally focussed approaches to industrial policy based on the three economic areas
- Recognise the specific function of each of the seven towns giving equal emphasis on locally derived 'foundational' economies as externally focussed investment and 'growth' economies
- Develop focussed economic action plans for each of the towns focussing upon their specific needs and specialisms
- Support logistics to shift to sustainable last mile delivery

Southall and Northolt are where borough-wide issues of poverty, deprivation, and low pay are most acute

- As the areas with strongest case for public sector intervention, consider active intervention in industrial land market through purchasing or leasing of sites
- Develop focussed inclusive economy plans for Northolt and Southall responding to the specific conditions of poverty and deprivation in these places. Use these plans to redistribute future development contributions where this is possible
- Use empty spaces to provide low (or zero) cost space for local residents as apart of a grassroots approach to enterprise

Ealing, Acton, and Hanwell contain almost all of the borough's high-value and high density economic activity

- Prioritise LSIS masterplans in areas under greatest residential development pressure
- Prioritise town centre strategies here to capitalise on the Elizabeth Line and create more higher value jobs.
- Focus on improvement of the physical environment of industrial areas, blending these more effectively to their neighbouring centres to more coherent economic hubs

Greenford and Perivale contain important traditional activity which the council should seek to protect and grow

- Prioritise strategic relationships with key landowners to drive change on SIL
- Support diversification in Greenford and Perivale, developing exemplar green spaces for all industries
- Consider the designation of key industrial locations as Green Industrial Zones, working with land owners to develop a new generation of green industrial areas as prominent attractor of companies to the area
- Provide support for existing companies, supporting them to green their operations and embracing circular economy principles.

LOCAL INTELLIGENCE



CHAPTER 1: BOROUGH-WIDE INTELLIGENCE

- KEY MESSAGE 1.1: HOUSING AFFORDABILITY AND DEMOGRAPHIC FACTORS ARE ECONOMIC ISSUES AND WILL AFFECT EALING'S PROSPERITY IF LEFT UNADDRESSED
- KEY MESSAGE 1.2: EALING'S ECONOMIC GROWTH HAS BEEN SLOW, AND THE BOROUGH HAS UNDERPERFORMED IN TERMS OF JOB CREATION
- KEY MESSAGE 1.3: THE QUALITY AND RESILIENCE OF EALING'S EMPLOYMENT IS POOR

The background image shows a construction site. A tall, multi-story building with a grid-like facade is under construction. A crane is visible behind it. In the foreground, there is a body of water with a small boat and several yellow buoys. A construction barrier with red and white segments runs along the water's edge. The sky is overcast.

KEY MESSAGE 1.1
HOUSING AFFORDABILITY AND DEMOGRAPHIC
FACTORS ARE ECONOMIC ISSUES AND WILL
AFFECT EALING'S PROSPERITY IF LEFT
UNADDRESSED

Why is this important to industrious Ealing?

The first Key Message focuses on Ealing's population, demographics, and housing – all of which have implications for designated industrial land and planning policy.

Between 2010 and 2015, three times more industrial land was released in London than was recommended (Industrial Land Commission). This has historically been perpetuated by residential land values outstripping industrial values, coupled with the pressure to address London's housing crisis.

Housing affordability is the primary economic issue facing the borough. Despite significant housing delivery over the last five years, housing unaffordability has risen significantly. Whilst Ealing's population has grown, this is primarily concentrated amongst older age groups. If left unaddressed, this could affect economic productivity and place vitality.

Ealing therefore sits at the centre of city-wide tensions between meeting housing targets and protecting economically valuable industrial space. This means that it is incumbent on the planning authority to explore creative solutions such as industrial-led co-location on Locally Significant Industrial Sites. However, due to the complexity around land economics and wider macro-economic factors shaping housing affordability, this needs to be considered through council-led masterplans to ensure that valuable industrial activity is not permanently displaced in favour of additional unaffordable housing.

The evidence shows:

- **Ealing's population has grown significantly.** It is now the 3rd largest local authority in London and the borough has one of the highest population densities in outer London.
- **Growth has mainly been concentrated within older age groups.** The majority of Ealing's population growth has been within those aged 40+, whereas the proportion of young professionals has decreased.
- **Housing unaffordability is an economic issue.** Despite significant housing delivery in Ealing, development this has not kept pace with demand. This, coupled with wider macro-economic factors such as the financialisation of housing has contributed to worsening affordability. This is the borough's primary economic challenge which will have continued knock-on effects for the borough's industrial land.



Implications for industrial areas:

- The pressure to release industrial land to address Ealing's housing crisis will continue to intensify.
- Despite this, there is no clear evidence to suggest that new residential development will directly benefit Ealing's residents unless significant proportions of genuinely affordable housing can be guaranteed or it meets objectively assessed need as per the SHMA.
- **Therefore, support for co-location on LSIS, should be considered through council-led masterplans and be industrial-led.** This should consider wider job creation benefits or significant provision of genuinely affordable housing.

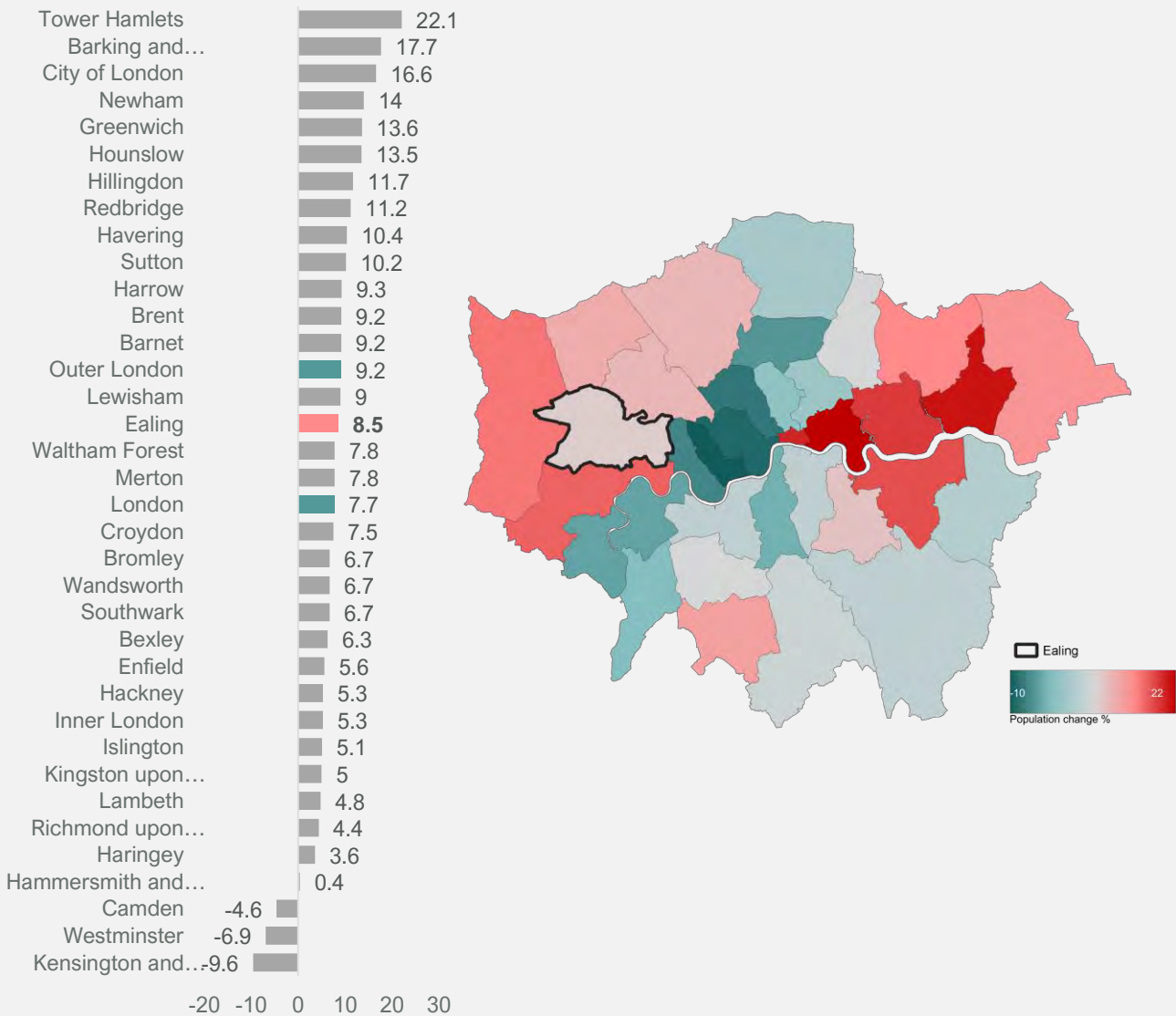
Ealing has experienced significant population growth

Over the last 3 years, over 5,000 new homes have been built across Ealing (Housing Delivery Test). The new 2021 Census has shown that Ealing’s population has grown by 8.5% since 2011.

In 2021, Ealing’s population stood at 367,100, making it the 3rd largest borough in London after Croydon and Barnet.

Since 2011, the borough’s population has grown by 28,651 people – the 9th highest in absolute terms. Proportionately, this growth is above the London average (+7.7%) but below the Outer London average (+9.2%).

% population change, 2021 vs 2011



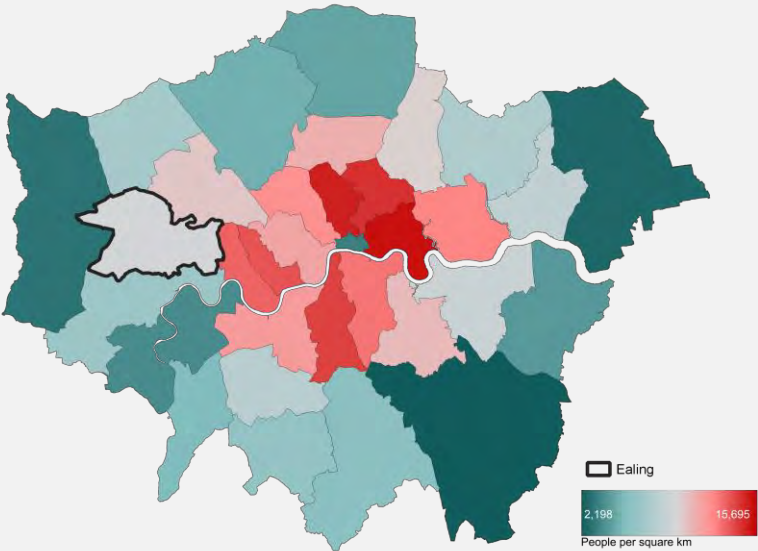
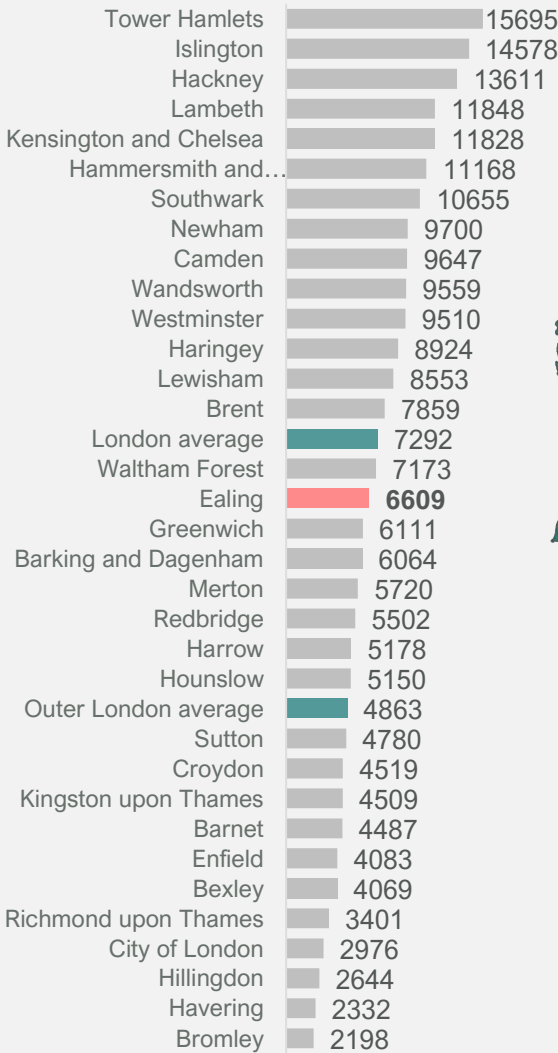
Ealing’s population is more highly concentrated than the London average

As a result of this significant population growth since the last Census, Ealing’s population density is increasing. The chart (right) shows the number of people living in the borough per square kilometre.

This shows that Ealing’s population density (6.6k people per km2) is significantly higher than the Outer London average (4.8k). This is likely to be driven by higher density housing development – especially in parts of the borough such as Acton.

Although Census population change data at a town-level is due to be released in Autumn 2022, cross-referencing this with population churn data (see Page 73) provides further insight into areas of highest change and development.

Number of people per km2, 2021



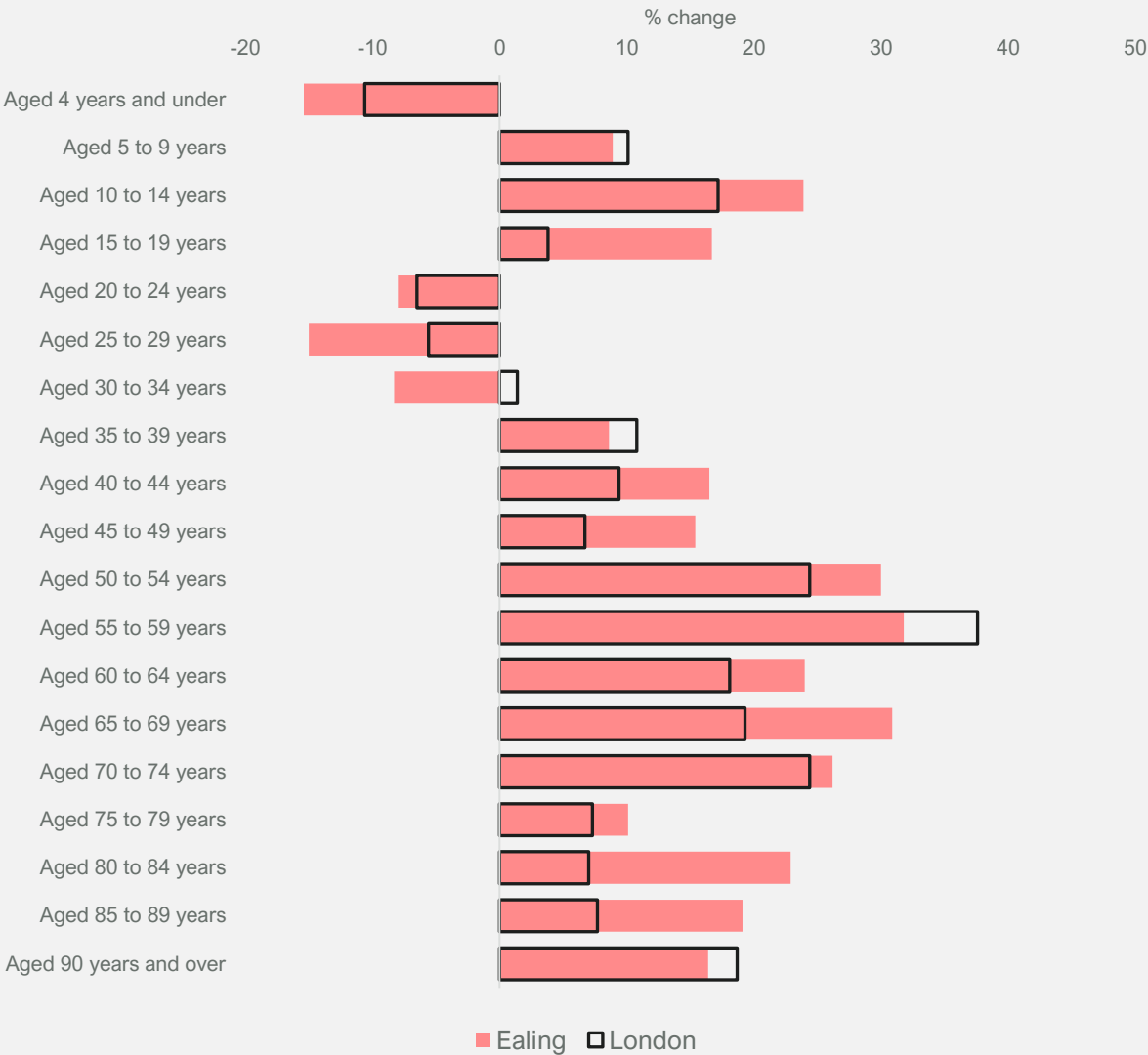
Ealing has an ageing population

Ealing’s population growth has largely been driven by residents aged 40+; showing that the borough has an ageing population. This could have implications for Ealing’s economy and future public service delivery unless addressed.

In Ealing, the proportion of residents aged 80-84 grew by 23%, whereas in London as a whole, this age group only grew by 7%. Conversely, the number of young professionals (aged 20-34) has shrunk since 2019.

This could have significant implications for Ealing’s economy and future service delivery. Evidence from other London Boroughs with more acute ageing population challenges than Ealing shows that addressing this is a long-term process and requires both planning and wider policy levers to encourage younger populations to live and work locally.

% population change by age group, 2021 vs 2011

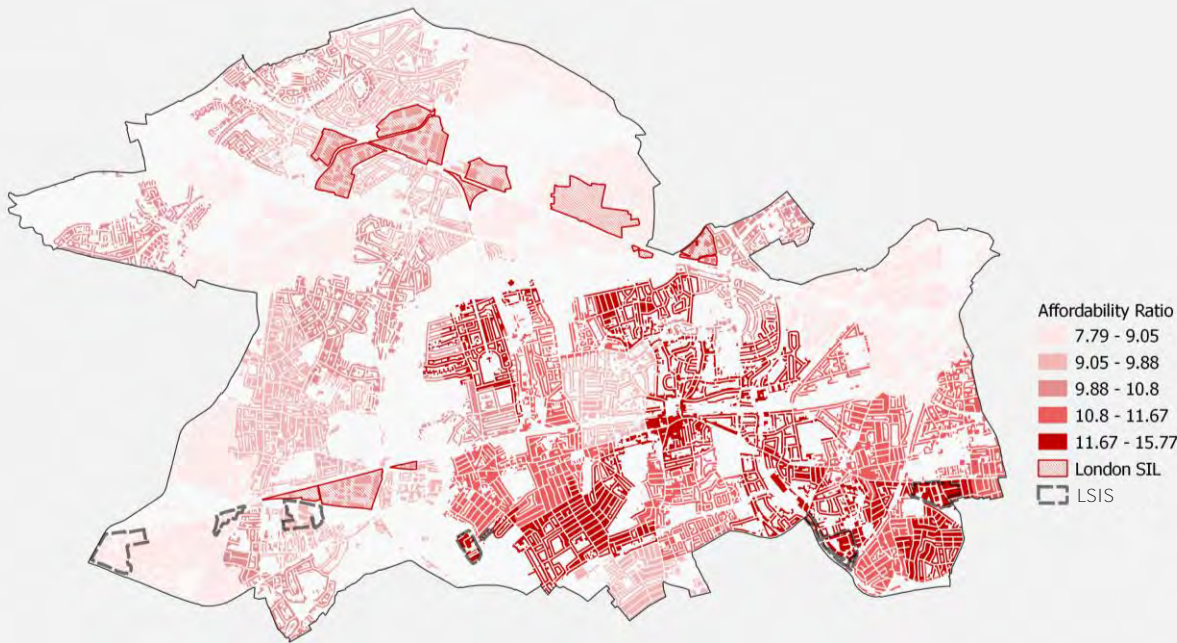


Housing delivery has not alleviated affordability challenges

Despite significant housing delivery over the past five years, Ealing has become increasingly unaffordable. Housing affordability is calculated by measuring median earnings against average house prices. This shows that housing in Ealing has been consistently more unaffordable than the London average over the past two decades. As indicated by the map (right), challenges of unaffordability are most acute in the borough's metropolitan core (Ealing, Acton, and Hanwell) where average residential prices are highest. The data also shows a sharp uptick in unaffordability since the start of the pandemic. In 2021, the average house price in the borough had reached almost 16 times median earnings.

The evidence presented within this Inclusive Economy Baseline provides evidence to support the hypothesis that this is (in part) due to the financialisation of housing. Houses are built to be traded/as an investment; not necessarily to live in which is contribution to the affordability challenges. Tackling the borough's affordable housing challenges will also be contingent on meeting the objectively defined housing needs through a Strategic Housing Market Assessment (SHMA) which is beyond the scope of this study.

Housing Affordability Ratio, 2018



Housing Affordability Ratio vs the London average, 2002-2021



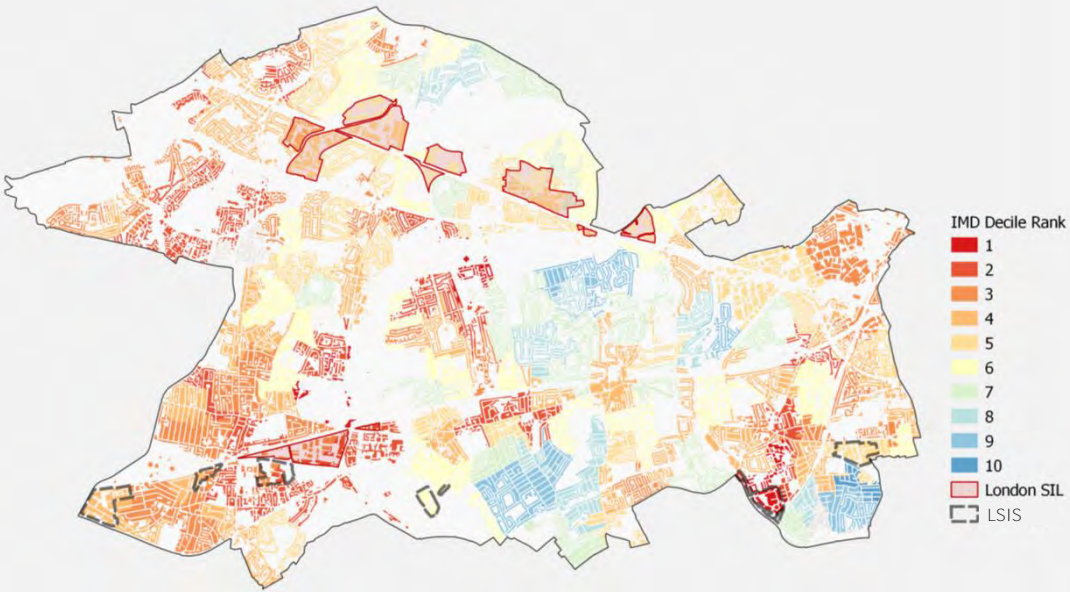
Access to housing is the primary driver of deprivation

The 2019 English Indices of Multiple Deprivation provide a set of relative measures of deprivation for small areas across England, based on seven different domains of deprivation (including income, employment, education, health, crime, housing, and living environment).

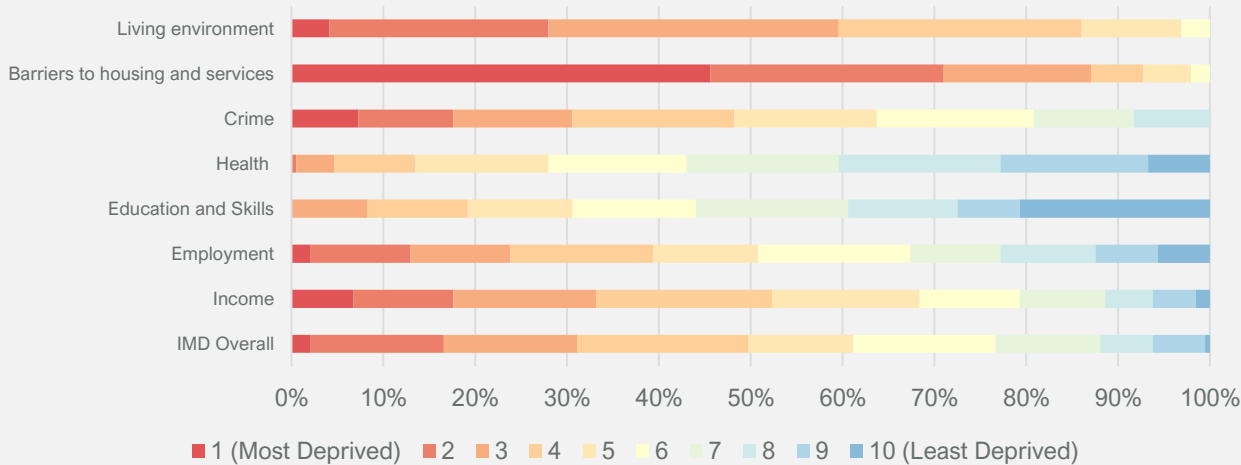
Whilst deprivation is most extreme in the west of the borough, the barriers to housing and services sub-domain is the primary determinant of deprivation across Ealing. This domain brings together indicators such as housing affordability, household overcrowding, and homelessness. This shows that 71% of neighbourhoods in Ealing fall within the 20% most deprived areas nationally for barriers to housing and services.

There is a wealth of evidence which details the negative economic impacts of housing unaffordability. In the long-term, this could affect businesses’ ability to hire workers, especially for elementary sectors which dominate Ealing’s industrial economy.

Indices of Multiple Deprivation for Ealing, 2019



% of Ealing’s LSOAs by domain rank, 2019*



*Note: The Barriers to Housing and Services Domain measures the physical and financial accessibility of housing and local services

Pressure to deliver co-location will intensify

Whilst planning policy has historically viewed housing and employment as conflicting in terms of space provision, the evidence presented within this section shows that the two factors are intrinsically linked. Affordable housing is Ealing's fundamental challenge and will have economic (as well as social) implications if left unaddressed.


As a result, it is incumbent on Ealing to understand how the interface between residential and employment provision can become more fluid by exploring typologies such as co-location. Co-location involves increasing the plot ratio within industrial areas. Intensified sites can deliver residential area floor space up to the equivalent of five times the area of existing industrial floor space, with no net loss of industrial net floor space capacity. Emerging case studies shows that this works well for smaller units less than 5,000 square metres, and typically with lighter industrial uses. Residential on SIL is not supported by the London Plan meaning that these projects will only come forward (where appropriate) on LSIS and non-designated sites.

Responding to the wider socio-economic evidence presented within this evidence base, Ealing should insist that co-location developments are industrial-led and masterplanned. Plans should also be underpinned by a detailed understanding of the types of uses and premises in local demand.

Case Study: Industrial co-location, Caxton Works

- Over the last decade, many of the small industries that are essential to London's economy have been displaced because the land they occupy is required for housing.
- There is now a shortage of affordable space for small businesses, workshops and artists' studios.
- Caxton Works in Canning Town seeks to reverse this trend by co-locating residential and light industrial uses. Caxton Works combines 336 homes above light industrial spaces which are designed to attract businesses in need of affordable work space.
- The project embraces densification whilst taking a progressive view around combining uses that would have previously been in conflict in planning terms.
- Now fully operational, Caxton Works is at the heart of a successful and innovative employment-led mixed-use neighbourhood.





KEY MESSAGE 1.2

EALING'S ECONOMIC GROWTH HAS BEEN SLOW
AND THE BOROUGH HAS UNDER-PERFORMED IN
TERMS OF JOB CREATION

Why is this important to Industrious Ealing?

The second Key Message focuses on Ealing's economy and sector profile. Analysing the needs, opportunities and weaknesses of the economy as a whole provides insight into the role industrial land can play in supporting an economy which is greener, fairer, and more resilient.

The evidence shows that industrial land is integral to Ealing's economic identity. All of the borough's economic specialisms are located in designated industrial areas – making their ongoing protection and intensification key for Ealing's long-term prosperity. There is evidence to suggest SIL and LSIS are becoming more important – with the majority of recent business and employment growth concentrated in these areas. Similarly, evidence from the ELR shows strong demand for new space over the planning period – reflected through low vacancies and rising rents.

However, despite higher value business growth across the borough in recent years, this is yet to generate substantial employment dividends for Ealing's residents. This is because demand for industrial space has primarily been driven by lower intensity uses, and there is a risk that higher density 'traditional' industrial activity will be permanently priced out by higher paying (but potentially less socially, economically, and environmentally beneficial) occupiers. Therefore, to deliver on strategic ambitions to create 10,000 new jobs across the borough, there is a need to retain and intensify activity on existing employment sites.

The evidence shows:

- **Business growth and employment growth have both been below the London average.** Overall employment numbers have not grown over the last five years. However, industrial areas have become more important for the borough – and have seen the greatest amounts of economic growth.
- **Ealing's business specialisms do not match employment specialisms.** Despite strong recent growth in higher value knowledge intensive businesses in Ealing, the majority of the borough's employment growth has been in industrial and foundational sectors such as retail.



This is being impacted by:

- **Employment densities:** much of the business growth in industrial areas is in typically low density activity such as logistics and data centres. Typically, these uses are space-intensive and require a significant floorspace per Full Time Equivalent job.
- **Unprecedented demand for space:** new entrants to the industrial market, high demand for space and low vacancies are driving high industrial rents across the borough. This risks displacing traditional industrial occupiers and could further impact on employment densities.



Implications for industrial areas:

- Despite unprecedented demand for space, there is a risk that demand for space in Ealing is primarily in lower intensity uses such as warehousing and logistics. In a worst case scenario, this could result in the borough experiencing a net loss of jobs over the planning period.
- Due to the restrictions within SIL dictated by the London Plan, Ealing have limited power to address this through planning unless SIL sites are re-designated to LSIS.
- **As a result, the Local Plan should focus on intensifying LSIS to meet its strategic job creation targets. It should also seek to strengthen the London Plan policy to prioritise the intensification of uses on SIL.**

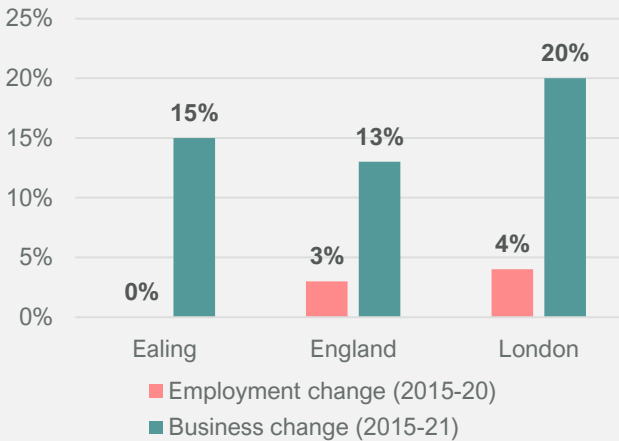
Weak economic growth, but this has been concentrated in industrial areas

Ealing is home to 18,200 businesses. Ealing's economy has grown at a slower rate than the London average over the last five years. Business growth has been relatively strong, growing by 15% since 2015. This is higher than the England average (13%) but lower than the London average (20%).

However, this has not translated into employment dividends for the borough. Since 2015, the number of jobs has stagnated. Latest figures show that Ealing hosts 128,000 jobs; representing no change on 2015 levels.

Despite weak overall employment growth, industrial areas are becoming more important to Ealing's economy. As shown in the maps (right), designated industrial areas have accommodated most of Ealing's recent growth with the largest absolute business growth in Southall and North Acton/Park Royal. Similarly, Southall has had the largest employment growth, with other significant drivers being designated industrial land along the A40 corridor.

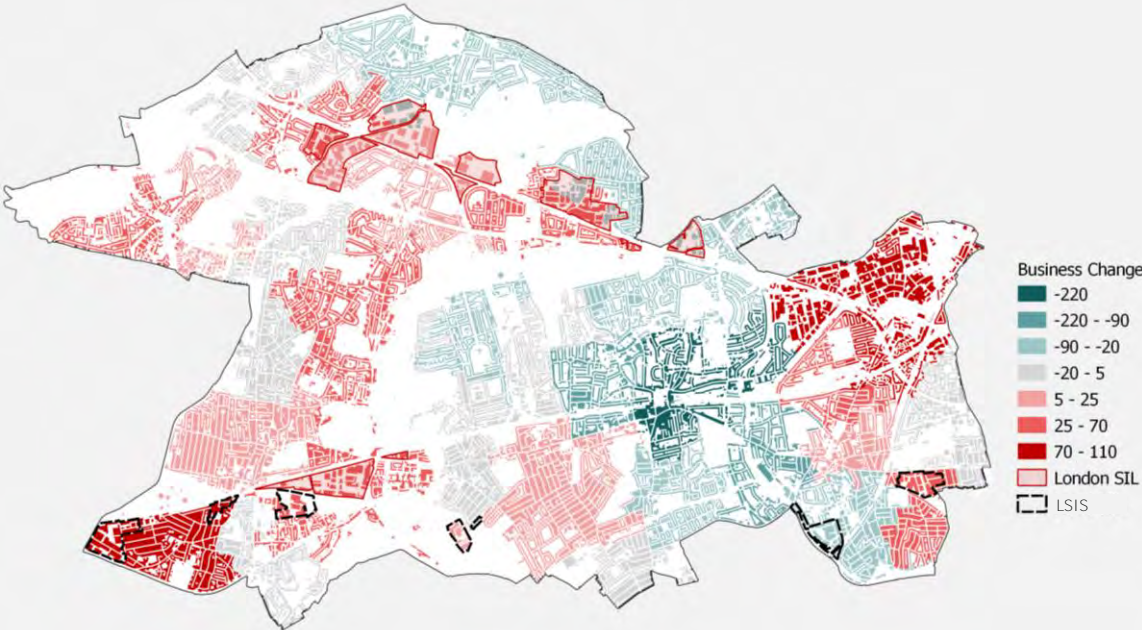
5-year business and employment change



Employment change, 2015-2020



Business change by MSA, 2017-2021



High value business specialisms

Data from Companies House shows that the highest business densities in the borough are located in Ealing and Acton. These towns also contain the highest concentrations of knowledge intensive employment.

A sector specialism is defined by the presence of a certain industry versus comparator areas. To do this we have looked at Location Quotient (LQ) of each sector. Location quotient (LQ) is a way of quantifying how concentrated a particular industry is in a local area compared to the London average. For a sector in Ealing to be considered ‘specialised’, the LQ needs to be over 1.2. This means that there will be at least 20% higher concentration in the borough compared to the London average.

Ealing has business specialisms in ICT, Media and Creative Services, Retail, and Wholesale. Specialisms in ICT, Media and Creative Services businesses are primarily being driven by *computer consultancy activities, business and domestic software development, specialised design activities and motion picture and television programme production activities*.

Source: Companies House, ONS Business Counts

Knowledge Businesses Heatmap, 2021



Ealing Business Sector Profile, 2021

Broad Sectors	Absolute Business Count Ealing	% Business in Each Sector Ealing	LQ
Agriculture and Mining	5	0%	0.01
Business Support Services	1,445	8%	1.01
Construction	2,620	14%	1.10
Financial and Professional Services	3,410	19%	0.92
Hospitality, Leisure and Recreation	1,055	6%	0.74
ICT, Media and Creative Services	3,120	17%	1.39
Manufacturing	610	3%	0.67
Motor Trades	455	3%	0.89
Other Services	650	4%	1.03
Public Admin, Education, Health	945	5%	0.90
Retail	1,835	10%	1.26
Transport	580	3%	0.92
Utilities and waste	60	0%	0.69
Warehousing and Logistics	315	2%	1.06
Wholesale	1,075	6%	1.50

Denotes specialism

Employment specialisms are located in designated industrial areas, reflecting their importance to London

Ealing has a diverse employment base spread across a wide range of sectors. Public Admin is the borough’s largest sector, contributing over 29,000 (23%) jobs. Many of these are in large public sector institutions such as schools (e.g. Cardinal Wiseman Catholic School in Greenford) and hospitals (e.g. Ealing Hospital).

Ealing also hosts a wide range of regionally significant employment specialisms. This includes Transport, Warehousing and Logistics, and Wholesale, reinforcing the role of SIL in supporting the efficient functioning of London’s economy. It also includes ‘Other Services’ which is primarily driven by jobs in activities such as *renting and leasing of goods (personal, household, recreational and sports)* such as Measham’s Self Drive van hire in Greenford.

All of Ealing’s employment specialisms are most highly concentrated in industrial land. This is shown through the maps (right). This reflects the importance of industrial areas in accommodating more niche economic activity and jobs which are integral for the efficient functioning of London’s economy.

Ealing employment profile, 2020

Broad Sectors	Number of jobs per sector	% Employment in sector Ealing	LQ
Agriculture and Mining	50	0%	0.05
Business Support Services	11,555	9%	1.07
Construction	5,930	5%	0.97
Financial and Professional Services	11,055	9%	0.63
Hospitality, Leisure and Recreation	9,910	8%	0.79
ICT, Media and Creative Services	8,010	6%	1.01
Manufacturing	11,870	9%	1.19
Motor Trades	1,895	1%	0.84
Other Services	5,150	4%	2.67
Public Admin, Education, Health	29,160	23%	0.86
Retail	14,385	11%	1.20
Transport	7,805	6%	1.94
Utilities and waste	575	0%	0.41
Warehousing and Logistics	3,620	3%	1.36
Wholesale	8,015	6%	1.59

Wholesale employment, 2020



Manufacturing employment, 2020



Denotes sector specialism

Business growth is not generating employment dividends for the borough

Ealing’s economy has been significantly reprofiled over the last five years.

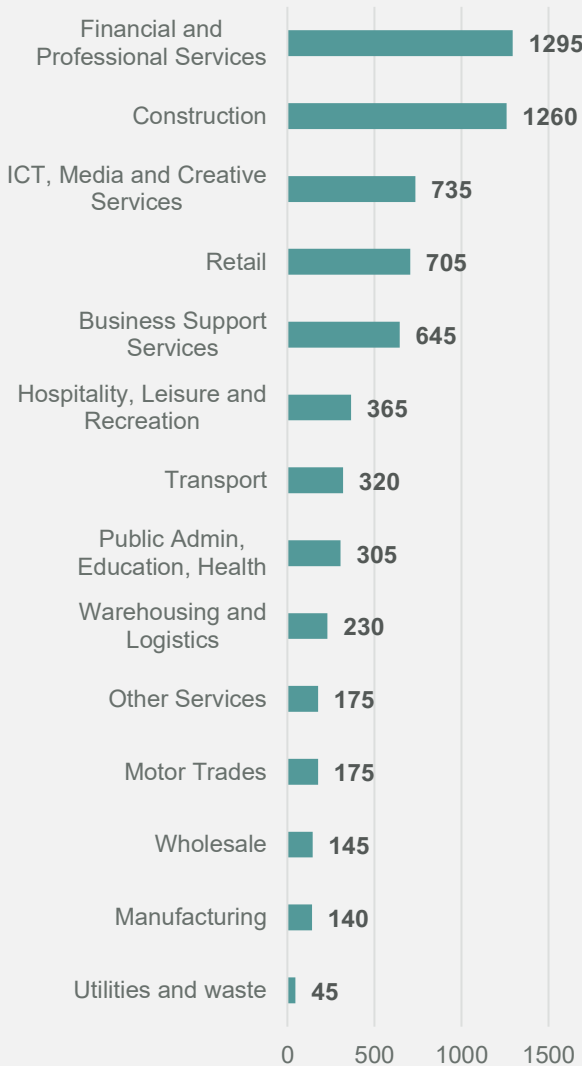
The borough has seen considerable growth in higher value, office-based business activities such as Financial and Professional Services (+1,295) and ICT, Media, and Creative Services (735). However, both of these sectors have shrunk in employment terms over the same period – losing over 5,000 jobs combined.

This suggests that business growth in these sectors could be driven by people who are self-employed or setting up as sole traders. As a result, business growth is frequently an unreliable measure of overall resident prosperity.

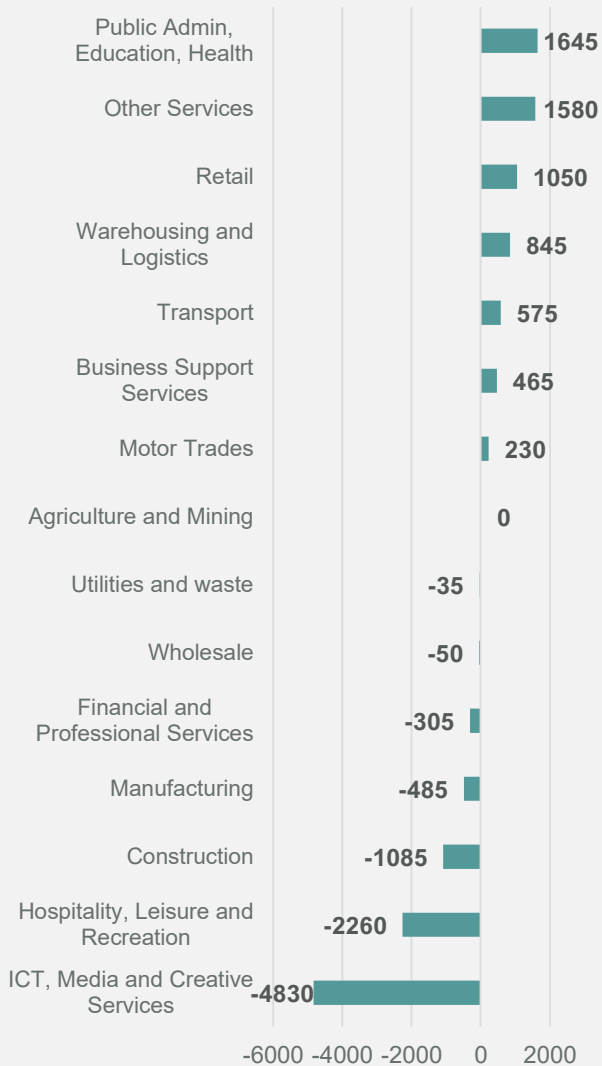
The largest increase in jobs has been in Public Admin, Education, and Health; Other Services; and Retail. This has primarily been driven by:

- Hospital and medical related activities (+1,000)
- Renting and leasing of goods (+1,950)
- Retail sale in non-specialised stores (+1,500)

LB Ealing – business change: 2010-2021



LB Ealing – employment change: 2016-2020



Employment densities

The Homes and Communities Agency (HCA) Employment Density Guide provides useful benchmarks for the average floorspace per Full Time Equivalent (FTE) member of staff by different use classes (based on the old use class system).

Despite strong economic growth and demand in industrial areas, much of the activity and demand for space is being driven by sectors with typically low employment densities. This is reinforced by the maps (right) which show that SIL has some of the lowest business and employment densities in the borough. Conversely, LSIS has some of the most intensive uses in Ealing due to the sector demography and commercial property diversity (which is explored in more detail on Page 33).

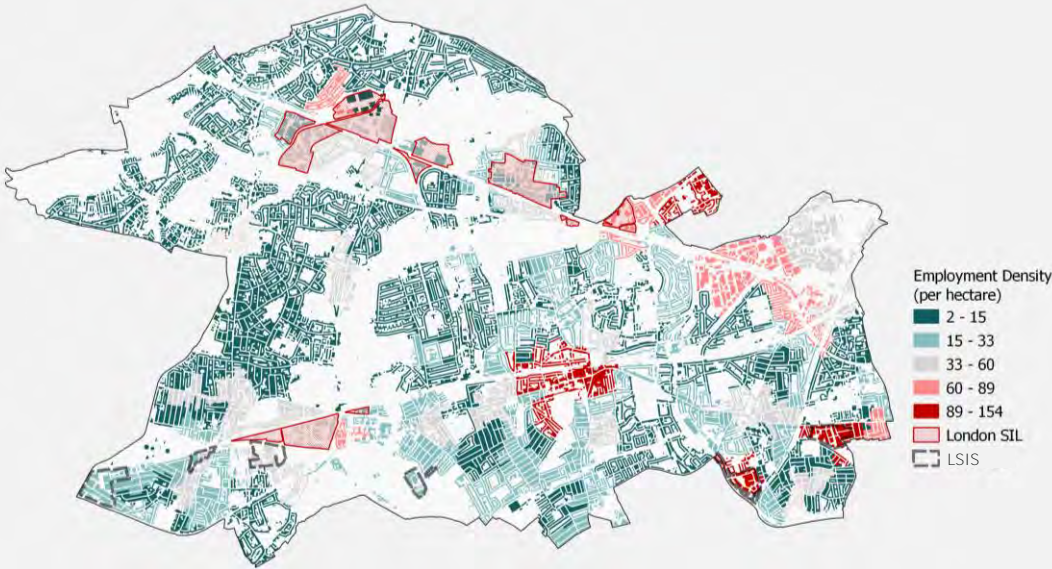
HCA Employment density (3rd Edition)

Old Use classes	Density (Sqm per FTE)
B1a – General Office (Professional Services)	12
B2 – Industrial/Manufacturing	36
B1c – Light Industrial	47
B8 – National Distribution Centre	95
B8/Sui Generis – Data centres	200-950

Number of businesses per hectare, 2021



Number of jobs per hectare, 2020



Unit sizes and the need to intensify

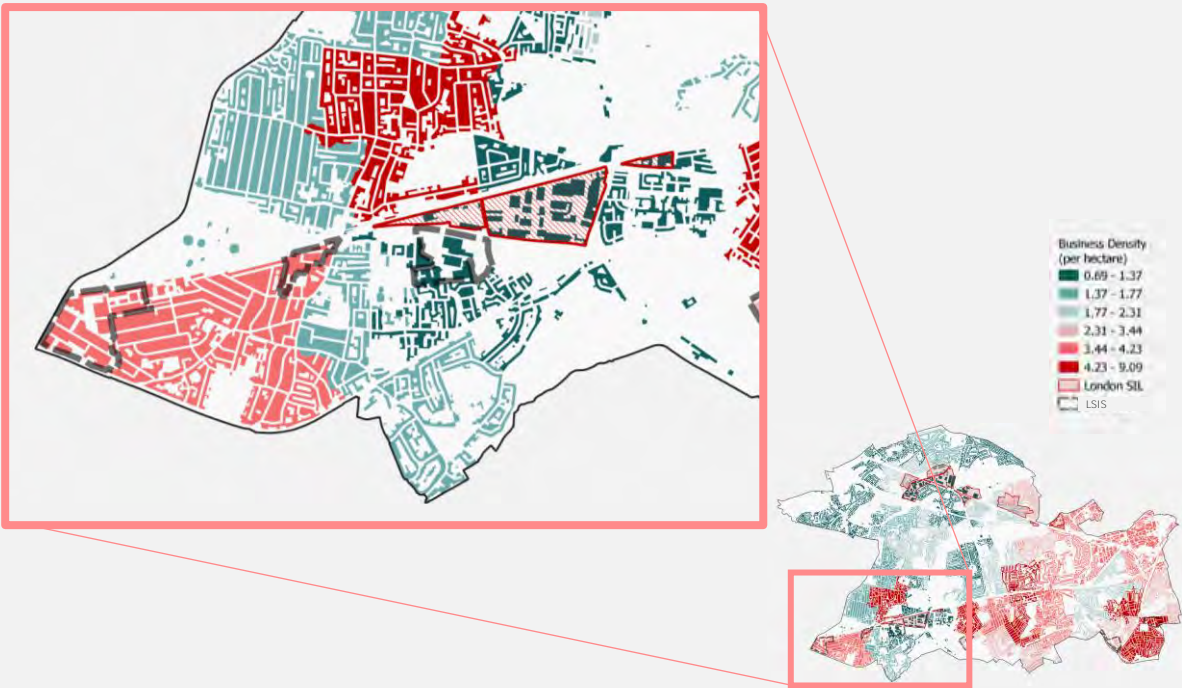
Economic densities are also dictated by the size of units. Using evidence from the Valuation Office Agency, it is possible to link business densities to the size of units. This shows that (with the exception of International Trading Estate) average unit sizes in the borough's SIL are significantly larger than LSIS.

As noted within the ELR: “demand remains high for general industrial and warehousing stock driven by 3PLs, food delivery, general industrial occupiers such as building trades, B2B distribution and general manufacture which typically require larger premises.”

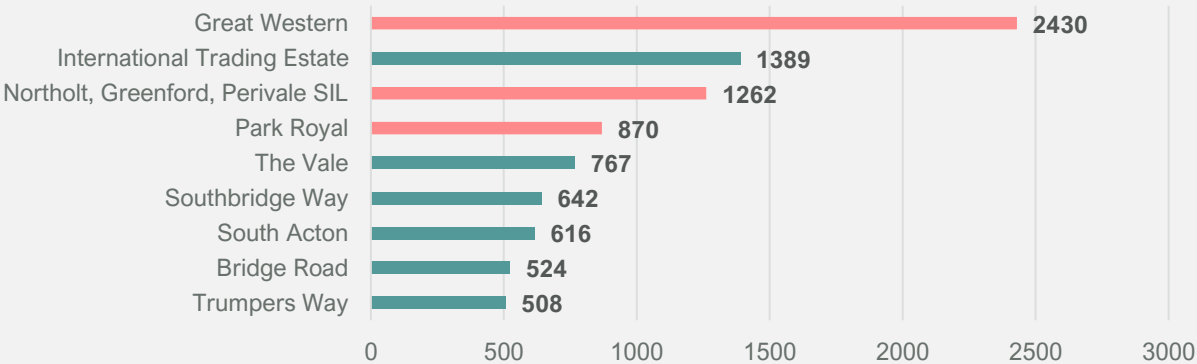
This has a direct link to economic densities, with LSIS hosting significantly more businesses and employment than SIL – indicating a need to intensify SIL to provide more jobs on sites (including through encouraging more smaller sites).

Provision of smaller units is a key focus of the London Plan. The Plan notes the importance of intensification and proposes interventions such as using basements, multistorey, smaller units and tighter plot ratios.

Business density per hectare in Southall's designated industrial areas



Average m² per unit on LSIS and SIL



KM 1.2 THIS IS BEING IMPACTED BY

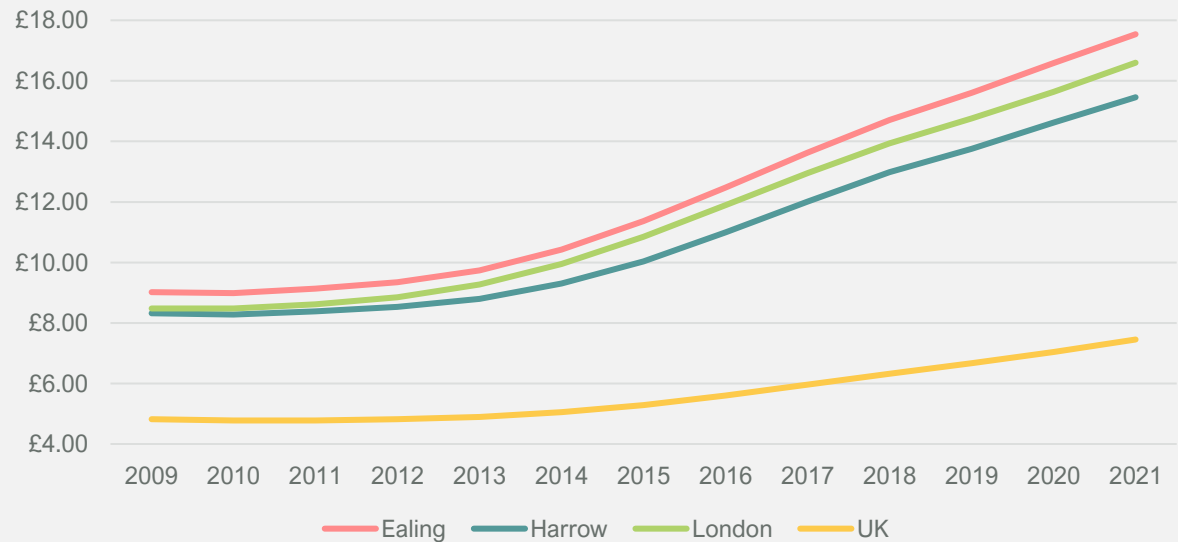
Unprecedented demand for industrial space but this is mainly from lower intensity sectors

The ELR update undertaken by Iceni to inform the Local Plan shows that Ealing’s industrial market is one of London’s strongest performing, with demand accelerating in recent years despite the COVID-19 pandemic.

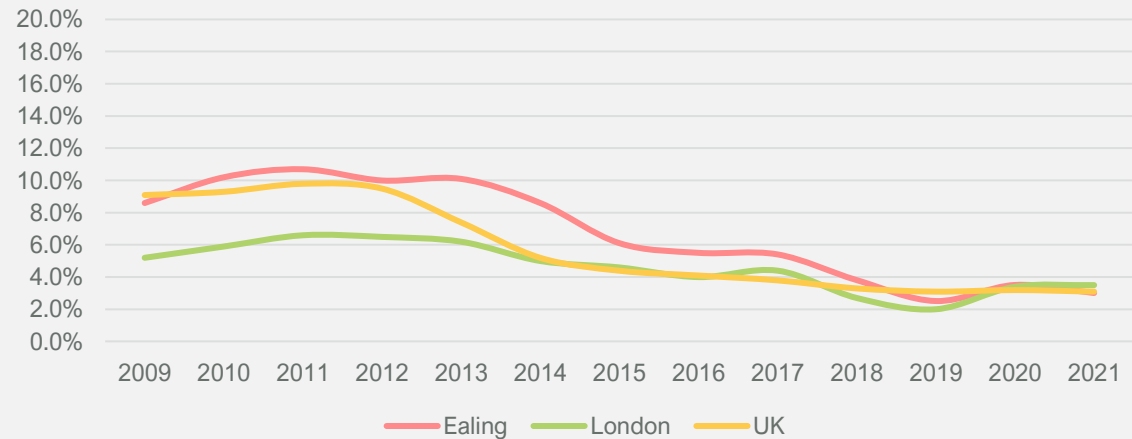
It shows that Ealing’s industrial market is undersupplied due to both strong demand and declining levels of supply. This, along with strong demand from higher paying non-traditional industrial occupiers (film production, data centres, dark kitchens, delivery businesses), is driving up rents and forcing out traditional industrial occupiers (such as manufacturing).

This is likely to have significant implications for Ealing’s total job numbers, with new entrants to the industrial market potentially displacing higher job density sectors. The ELR notes that long-term low vacancy rates represent an explicit market failure as they are constraining preferred business activity and investment in the borough.

Average rental price for industrial space, price per sqft



Industrial vacancy rates, 2009-2021



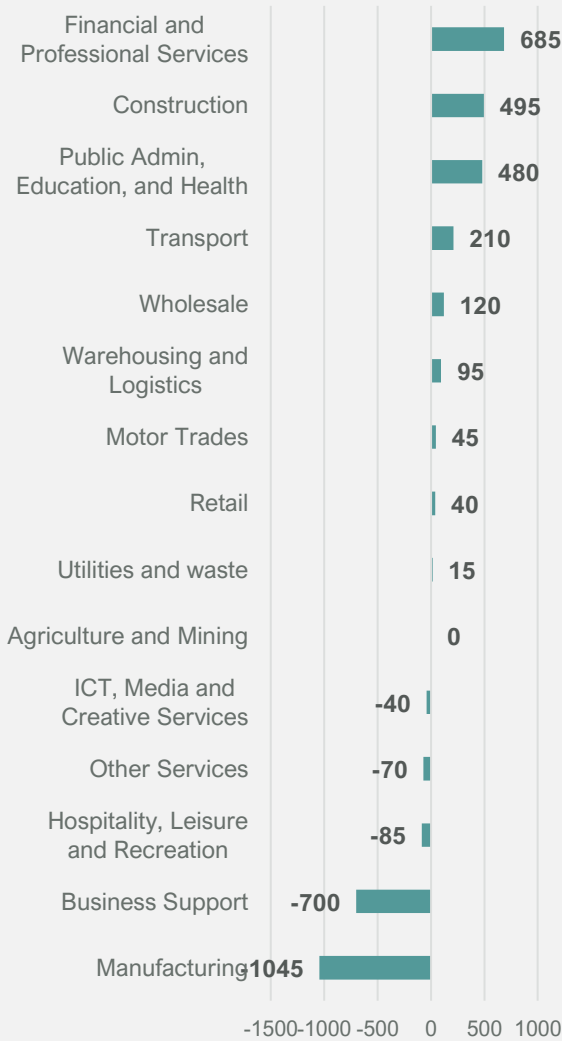
SIL growth being driven by lower density sectors

The evidence presented within the ELR is reinforced by on-site employment figures in designated industrial areas. Using best fit Lower Super Output Areas (LSOAs), the study has sought to understand aggregated employment change in SIL and LSIS.

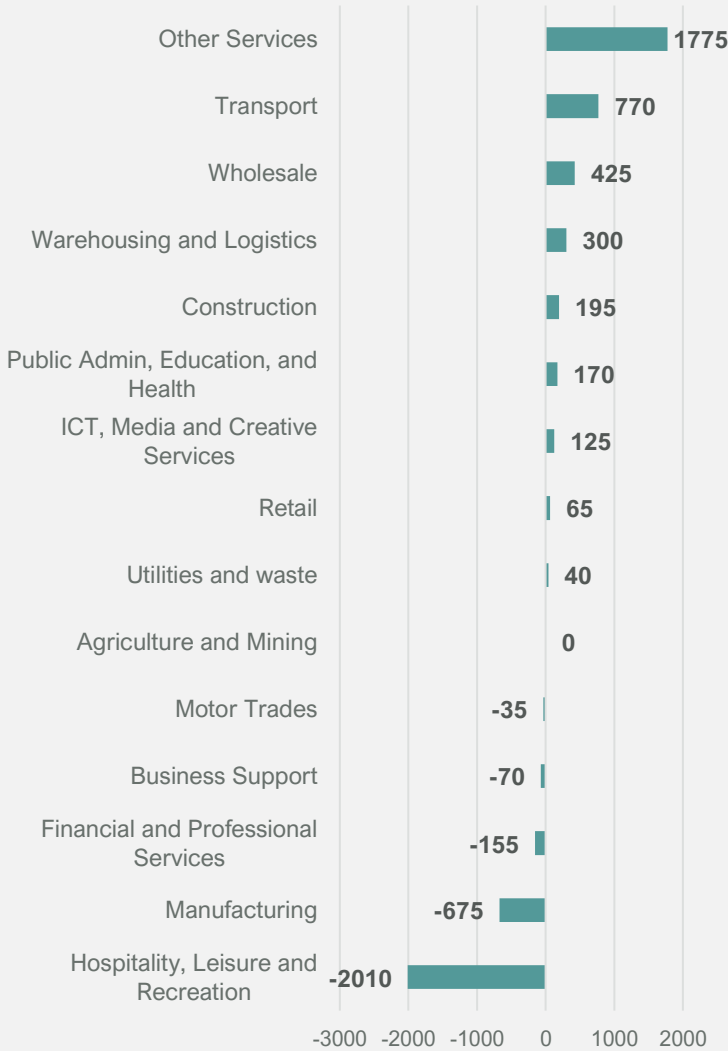
This shows that LSIS are becoming increasingly economically diverse with the biggest employment growth being in Financial and Professional Services (+685 jobs). Conversely, almost 1,500 of the jobs growth in SIL was in either Transport, Wholesale, Warehousing and Logistics sectors.

In both SIL and LSIS, manufacturing employment has fallen significantly. Since 2016, the number of manufacturing jobs across SIL and LSIS has fallen by over 3,000 – reinforcing evidence from the ELR that these sectors are being priced out by new entrants to the market.

LSIS employment change, 2016-2020



SIL employment change, 2016-2020



Intensification on LSIS is integral to delivering job targets

The evidence presented within the ELR and the socio-economic evidence presented here are consistent: whilst demand for space is very high, this is predominantly being driven by land-hungry, lower employment density uses such as logistics. There is a risk that this demand continues to displace traditional higher density occupiers such as manufacturing.

Due to limited planning powers to prioritise industrial uses on SIL (see Page 8), this could lead to the borough experiencing a net loss of jobs without intervention. Whilst landowners may choose to take forward intensification projects on SIL independently, engagement undertaken as part of Industrious Ealing has suggested that this is largely unviable without some form of public subsidy. This is because industrial ‘value’ for the developer, is found on the ground floor – ideally with direct access to a yard. This space attracts a rental premium that diminishes as space moves vertically upward due to access issues.

However, intensification projects are likely to be more appropriate for lighter industrial uses (as already seen in Ealing’s LSIS). Due to the planning and viability factors limiting intensification on SIL, it will be important to prioritise the intensification of LSIS sites through planning.

Case Study: Industrial Intensification, Paris

- Built in the late 1980s, the Hotel Industriel Pantin on the outskirts of Paris provides a useful case study for what could be possible on Ealing’s LSIS – especially in Acton’s SIL.
- It is geographically similar to Ealing, located in an industrial area close to the Paris ring road.
- The building brings together small industrial units, offices and multi-storey parking across three storeys.
- Designed to provide flexibility to tenants across a broad range of floorplates.
- The building contains around 1,000 workplaces over 75,000m².
- Smaller units on the upper floors have direct vehicle access via ramps.



KEY MESSAGE 1.3
THE QUALITY AND RESILIENCE OF **EALING'S**
EMPLOYMENT IS POOR



Why is this important to Industrious Ealing?

The third Key Message focuses on the quality of work in Ealing and how this is contributing to resident prosperity. As designated industrial land accommodates over a third of Ealing's jobs, it plays an important role in delivering good quality employment for Ealing's residents.

The evidence shows that Ealing's economic activity has grown in recent years and there are a higher proportion of residents in work compared to the London average. However, there is compelling evidence to suggest the borough is challenged by poorly paid and insecure forms of employment - issues which have been brought into sharp focus by the COVID-19 pandemic and the cost of living crisis. Many residents are seeing significant real-term reductions in pay which is contributing to growing in-work poverty.

Due to the borough's reliance on industrial activity, carbon intensive employment is also high. In the medium term, Ealing's economy will need to transition more quickly to meet local and national net zero obligations.

To address this, the Local Plan and wider council policy should focus on improving Ealing's economic resilience to ensure that the borough can support the net zero transition, whilst also addressing issues of low pay and insecure work.

The evidence shows:

- Many people live and work locally meaning that the jobs that are created within the borough will have a direct impact on resident prosperity.
- Economic activity has grown in recent years and there is a higher proportion of residents in work than the London average.
- Despite this, work is not paying and in-work poverty is a major challenge for the borough.



This is being impacted by:

- The quality of jobs currently hosted is poor. Over 40% of jobs are in typically low paying sectors compared to 33% in London as a whole.
- The COVID-19 pandemic has brought many of these challenges to the fore. The economic impact on Ealing has been disproportionately large which has been driven by the importance of Heathrow to the borough's economy.
- The transition to net zero will also test the resilience of Ealing's economy. Currently, Ealing has a higher proportion of carbon intensive employment and industries than the London average which could affect long-term resilience.



Implications for industrial areas:

- The types of economic activity currently located in Ealing's industrial areas contributes to challenges of insecure employment across the borough.
- Whilst the majority of employment is in better paying sectors such as Transport and Storage and Manufacturing, industrial areas are most exposed in terms of net zero transition.

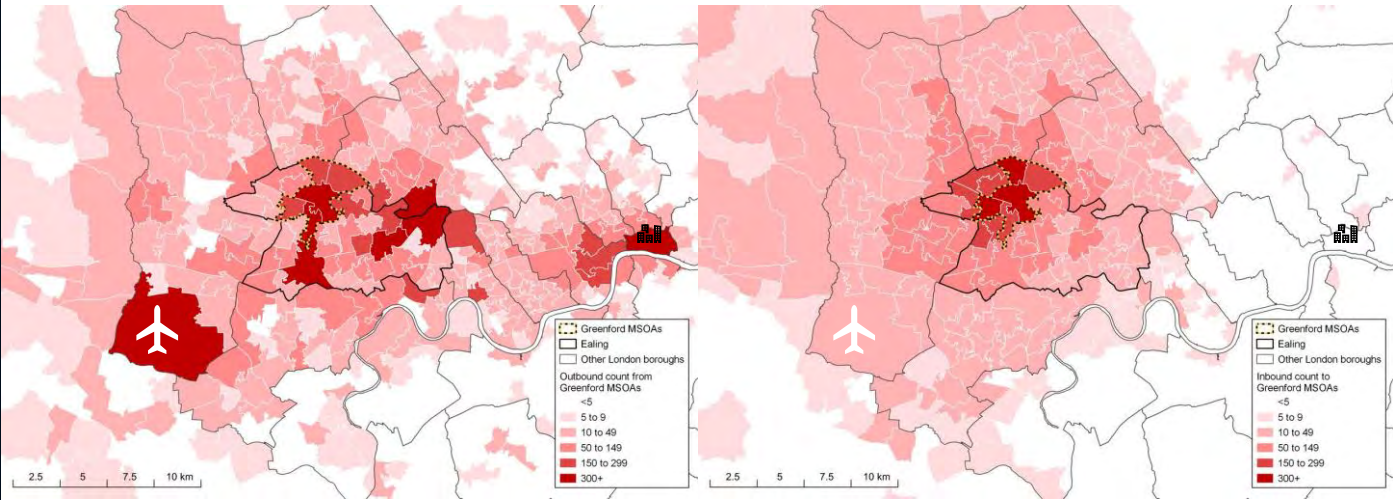
Creating good local jobs will benefit Ealing’s residents

Greenford and Perivale host some of the borough’s largest reserves of Strategic Industrial Land (SIL). The two sub areas therefore represents a useful microcosm for understanding the number of Ealing’s jobs are filled by the borough’s residents. Despite its age, the 2011 Census provides the most robust picture of commuting patterns.

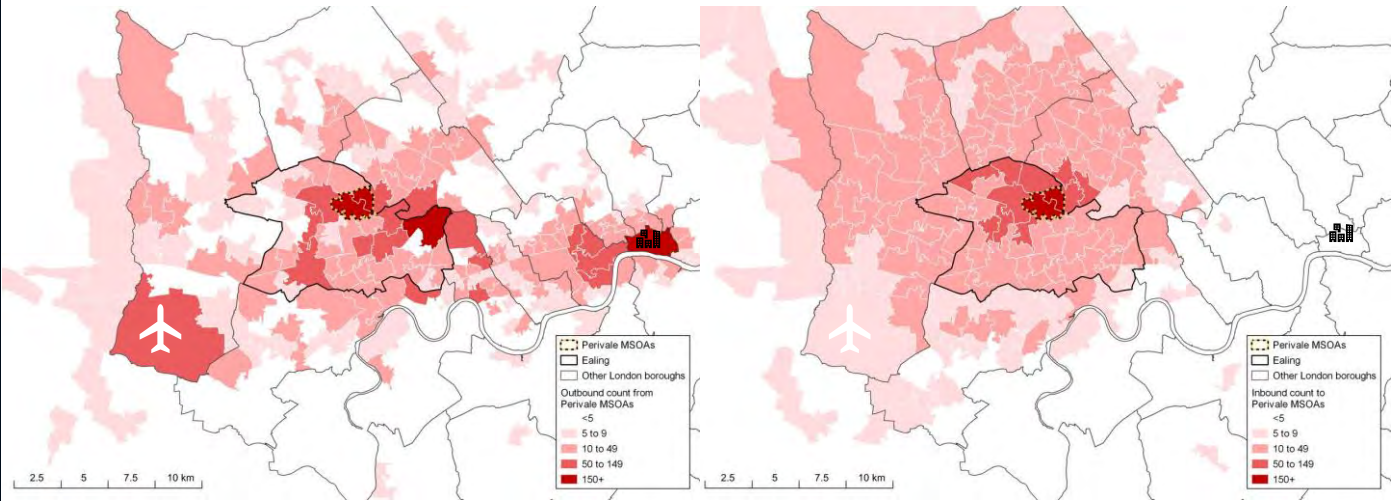
Reflecting’s Ealing’s position in a global city, many residents commute to key economic nodes for work. Around 500 people in Greenford and Perivale rely on Heathrow for work, and a further 500 work in the City of London.

Despite this, the evidence shows that a significant proportion of people live and work locally. Over a third of inward commuting into both Perivale and Greenford. As a result, there is solid evidence to suggest that improving the quality of employment opportunities locally will have direct benefits for Ealing’s residents.

Greenford commuting, outbound (left) and inbound (right)



Perivale commuting, outbound (left) and inbound (right)



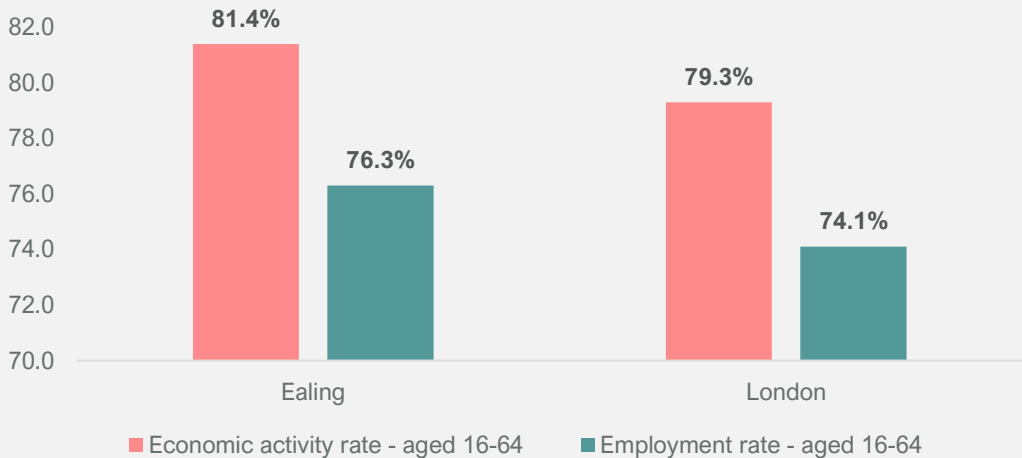
Economic activity is high and has increased over the last decade

Since 2005, the number of economically active residents has increased significantly. This is distinct from locally employed residents and economically does not necessarily mean in full-time employment. The number of economically active residents has grown by 6.4% since 2005.

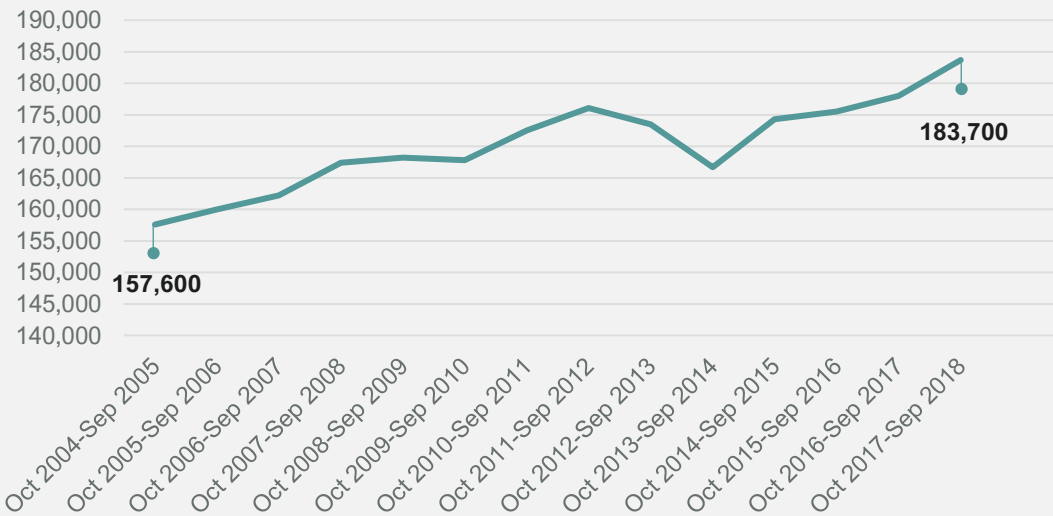
Both the economic activity rate for working age residents, and the employment rate is higher than the London average.

In 2021, over three quarters (76.3%) of Ealing’s population were in work which was higher than the London average (74.1%).

Economic activity and employment rate, 2021



Total Ealing population who are economically active and aged between 16-64*



*Note: Up to 2018, as the current projections are 2018-based they are based on demographic trends that pre-date the COVID-19 pandemic.

Resident and workplace earnings are low

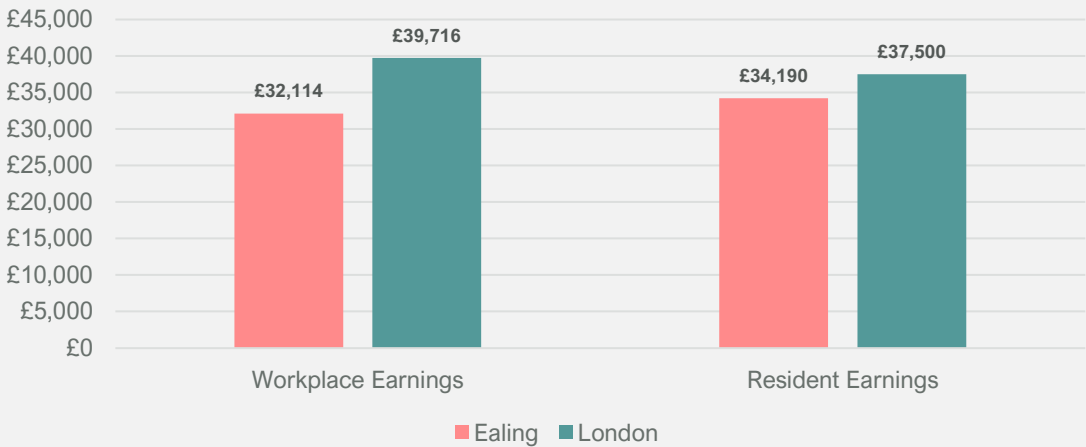
Despite high employment rates and increasing economic activity, earnings are low. Ealing's residents earn 9% less than the London average.

Typically, if resident earnings are significantly higher than workplace earnings it indicates that there are high levels of out-commuting with residents leaving the borough to access higher value jobs in other areas (typically central London).

Despite this, resident earnings are only 6% higher than workplace earnings – showing that low pay is an issue for both residents living and working in Ealing.

Resident earnings after housing costs are a useful proxy for prosperity as it provides better insight into levels of disposable income. This shows that earnings are highest in Ealing, Hanwell, and on the Acton/Chiswick borders. Earnings after housing costs are lowest in Southall and Northolt and this is discussed further on Page 62.

Resident vs workplace earnings, 2021



Resident earnings after housing costs, 2018



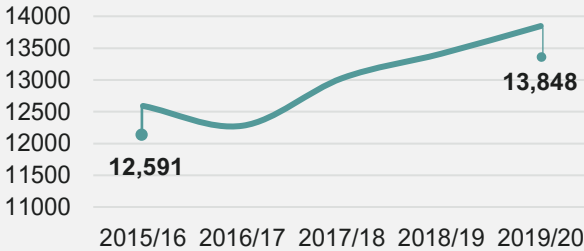
In-work poverty is rising

There is also evidence to suggest that work is failing to provide a reliable route out of poverty. An individual is in absolute low income (or absolute poverty) if they are living in households with income below 60% of the 2010/11 median, uprated for inflation. By using an income threshold that is fixed in time, this measure looks at how living standards of low-income households are changing over time (House of Commons Library).

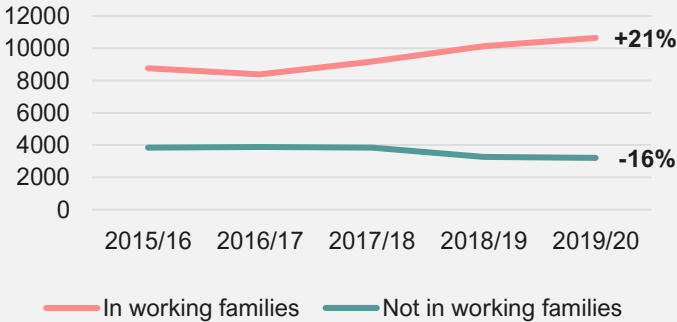
Since 2015, the number of children in Ealing living in absolute low income households has increased by 10%. In 2020, of those living in low income households, over three quarters (77%) were living in working families – further evidencing the increasing scale of Ealing’s working poor.

Whilst there are some significant concentrations of absolute low income families to the west of Acton town centre, the highest quantities of absolute low income families are located in the west of the borough – primarily in Southall and Northolt.

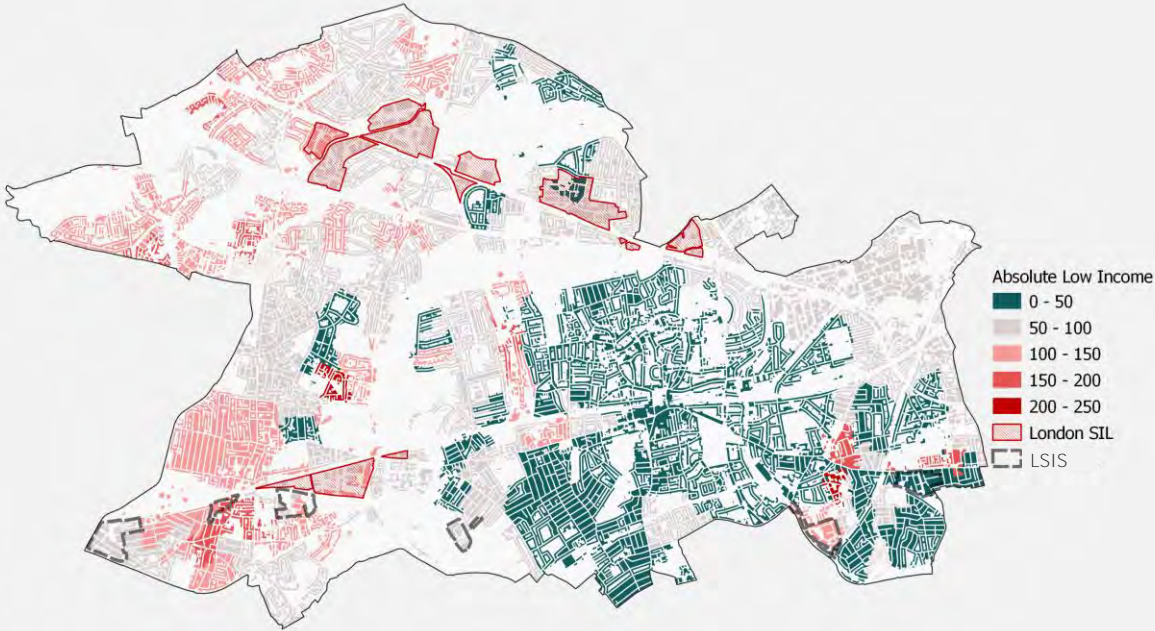
Number of children in absolute low income households, 2015-2020



Change in children in absolute low income households by parental work status in Ealing



Number of children living in absolute low income households, 2019/20



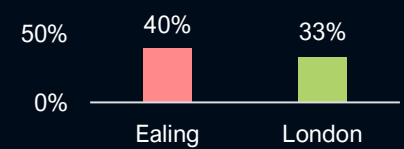
Poor quality local jobs

A significant proportion of Ealing's jobs are in typically low paying industries. Since 2005, the number of jobs paying less than the London Living Wage has grown by 16,000.

The 2021 Low Pay Commission Report helps to understand the spatial distribution of low pay. The Commission defines low paying sectors as: *“industries which contain a high number or large proportion of low-paid workers based on the Standard Occupation Classification (SOC) and Standard Industrial Classification (SIC) codes published by ONS.”* Lowest paying industries in London include Accommodation and Food (£16,303) and Wholesale and Retail (£22,974).

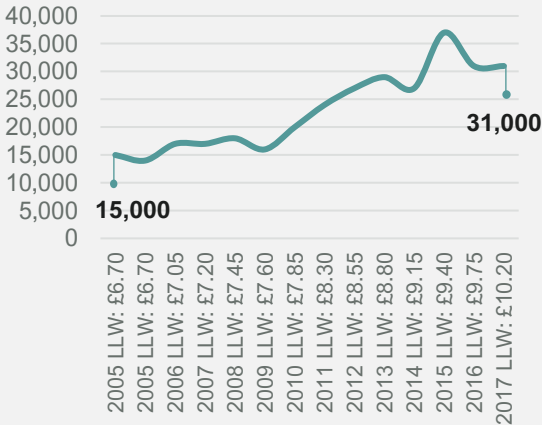
This shows that 40% of Ealing's jobs are in typically low paying industries compared to the London average (33%). Whilst the majority of low paying jobs are concentrated on high streets and town centres, designated industrial areas also contain significant quantities of low paying work – especially in Southall.

% of jobs in 'low paying industries'*

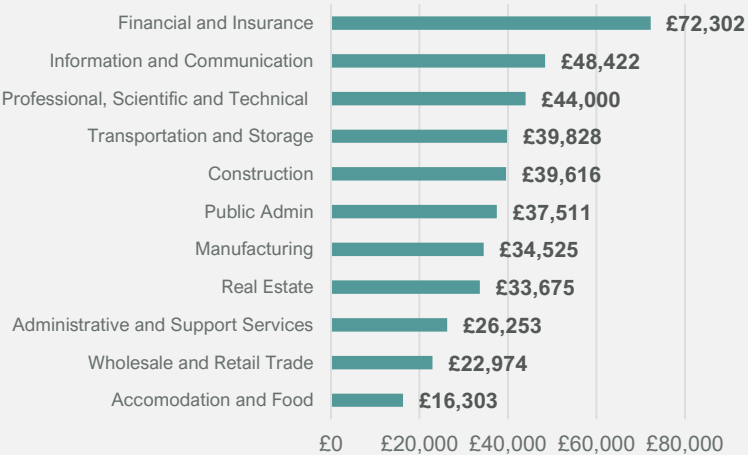


*As defined by the Low Pay Commission report into low paying sectors

Number of jobs in Ealing paying less than the London Living Wage, 2006-2018



Estimated gross median annual pay by industry in London, 2021



% of jobs in 'low paying industries' by LSOA, 2021

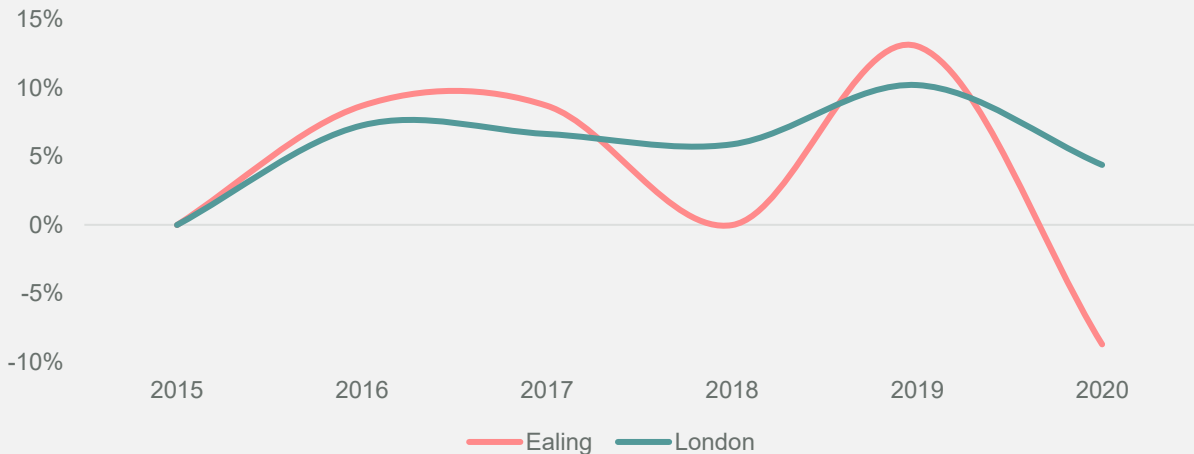


A loss of higher value jobs

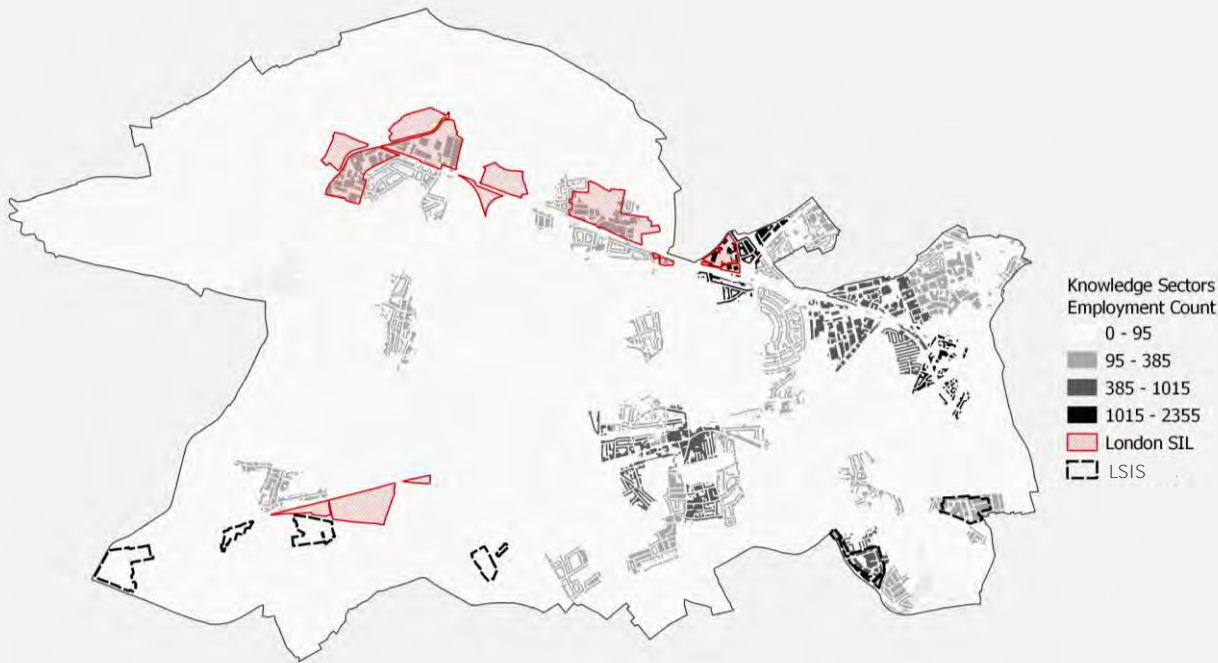
In addition to a high prevalence of low paying work, Ealing has also lost a significant amount of higher value employment over the last five years. The ‘knowledge economy’ is a useful proxy for higher value employment. This is a cross-cutting sector definition which spans a range of activities from professional services, to financial services, to scientific Research and Development.

Ealing’s knowledge economy employment fell significantly in 2020. The number of jobs fell by 8% compared to a London-wide growth of 4%. Almost all of Ealing’s ‘higher value’, knowledge intensive businesses are located in Ealing/Acton, however there are also significant quantities in Ealing’s SIL, OPDC, and Acton LSIS.

Knowledge Economy employment change, 2016 - 2020



Knowledge sectors employment, 2020



COVID-19

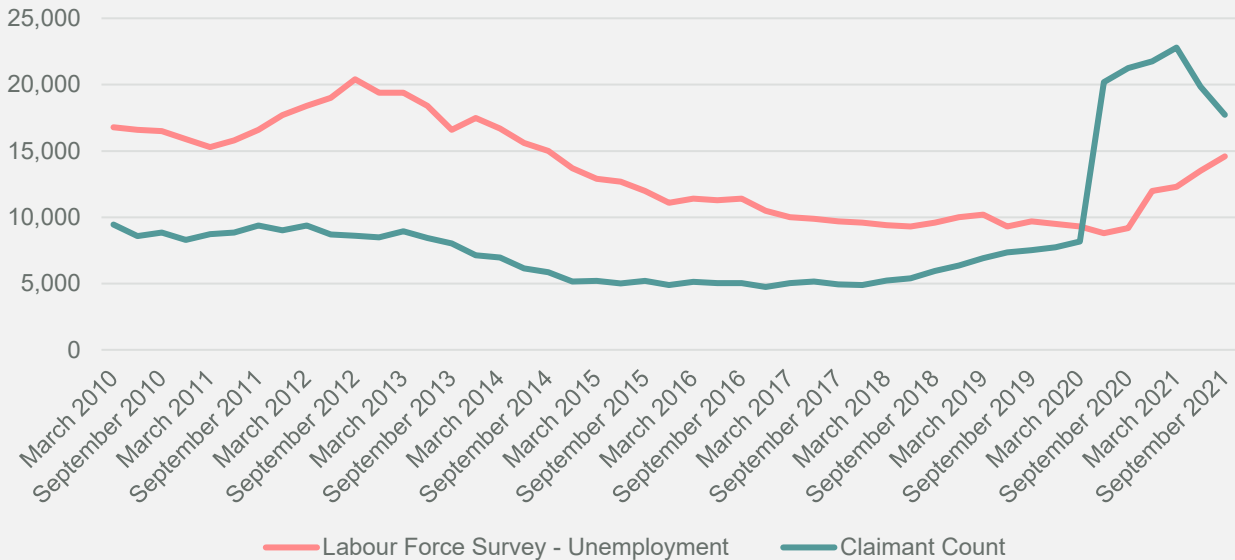
Challenges of work security have been brought to the fore by the COVID-19 pandemic.

Since March 2020, there has been a significant increase in the claimant count, this trend is followed by an increase in unemployment. Young people (16-24) were initially worst affected however this has recovered quickly as restrictions have eased.

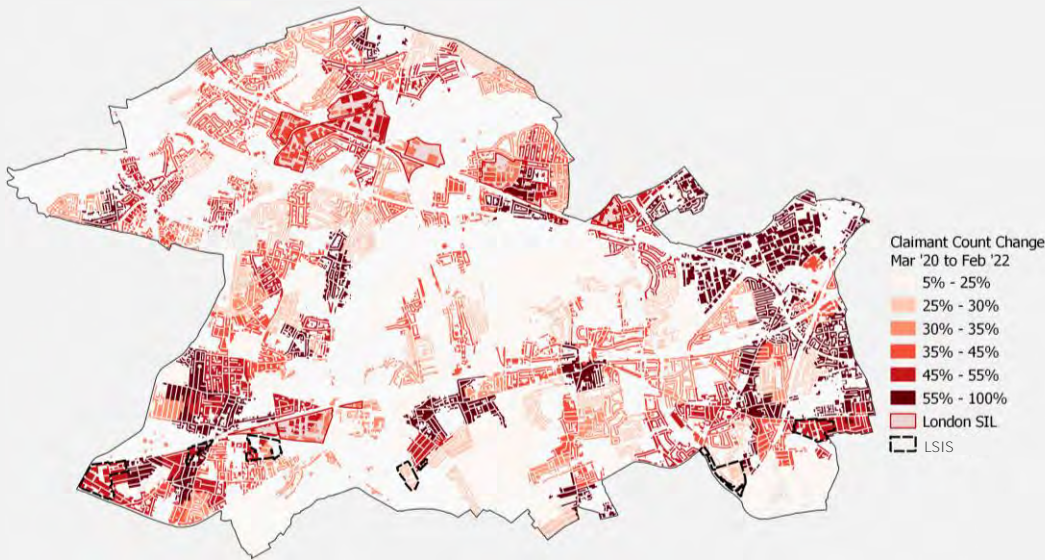
Insecure and low quality work has meant that Ealing’s economic exposure was high going into the pandemic. At the end of the furlough scheme, Ealing had the second highest number of residents on furlough of anywhere in London (75,000).

Since the start of the pandemic, an additional 5,500 residents have become unemployed – the fourth highest in London.

Claimant count vs. Labour Force Survey in Ealing, March 2010-September 2021



Claimant count change March 2020 – February 2022



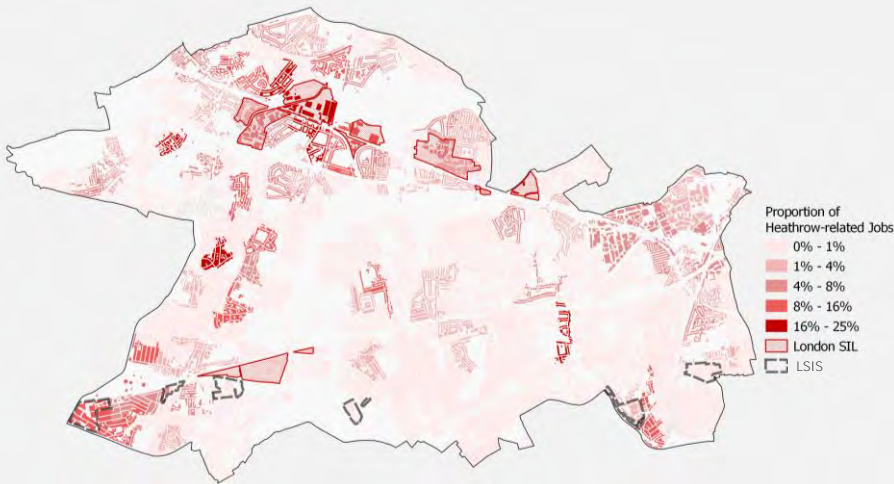
Supply chain links to Heathrow

Heathrow is an important economic anchor for Ealing and provides a significant amount jobs for residents. Using the 2011 Census, over 4,000 Ealing residents commuted to Heathrow for work. As a result, the impact of reduced activity at Heathrow during the pandemic will have contributed towards Ealing’s high claimant count during the pandemic.

There is also a significant direct off-airport economic activity fulfilled by Ealing businesses. Using a sector definition from an economic impact report by Oxford Economics, Ealing hosts 3,300 airport related jobs, and 350 businesses in activities such as hotels, freight transport and warehousing and storage. This suggests the economic impact of Heathrow’s reduced activity has also had significant supply chain impacts on the borough.

As of April 2020, there was strong evidence to suggest that Heathrow was bouncing back. Engagement undertaken as part of Industrious Ealing suggested that there were an estimated 12,000 vacancies across the airport.

Proportion of Airport-related jobs



Sub-area	Number of airport-related jobs	% of subarea jobs
Northolt	800	11%
Greenford	1,000	7%
Perivale	250	4%
Southall	500	2%
Acton	250	2%
Ealing	450	1%
Hanwell	50	1%

Proportion of Airport-related businesses



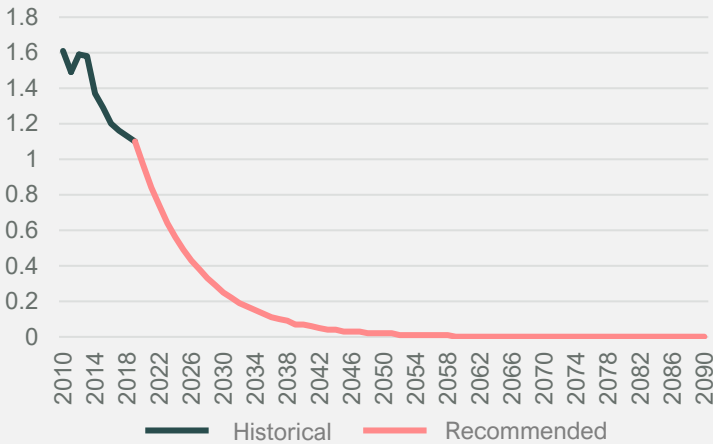
Sub-area	Number of airport-related businesses	% of subarea businesses
Ealing	60	1%
Acton	30	1%
Southall	100	4%
Greenford	65	3%
Hanwell	25	1%
Northolt	40	4%
Perivale	30	3%

Net zero and the green economy

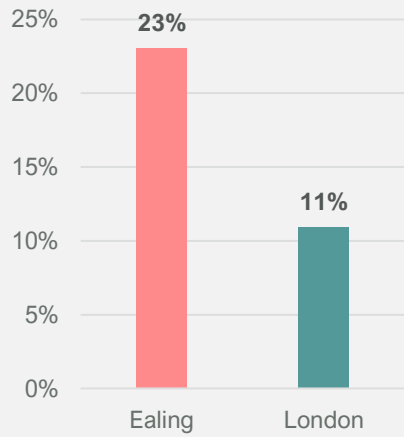
The resilience of Ealing’s economy will also be tested by the transition to net zero. Research from the University of Manchester shows the scale of the emissions reductions required for Ealing to meet the commitments enshrined in the Paris Agreement. To do this, the report provides every Local Authority area with a carbon budget for CO₂ emissions. The research shows that for Ealing to make a ‘fair’ contribution to the Paris Agreement, it should stay within a maximum cumulative Co2 emissions budget of 7.7 million tonnes (MtCo2) between 2020 to 2100. At 2017 emission levels, this entire budget would be used within 7 years from 2020. To deliver a Paris-aligned carbon budget, Ealing would need to deliver annual average emission reductions of 12.6% a year.

Ealing’s industrial employment base is currently more exposed to a net zero transition than the London average. Carbon intensive industries as ones that either have emissions over 100 CO₂ emissions per job or which contribute more than 2% of annual total UK emissions (West London Alliance Green Skills Report). This shows that just under a quarter (23%) of jobs in Ealing are in carbon intensive sectors compared to 11% in London as a whole. As shown in the map (right) the majority of carbon intensive employment is located in designated industrial areas.

Ealing’s pathway emissions to meeting objectives of Paris Climate Accord (Mt Co2)



% of jobs in carbon intensive industries



Employment in Carbon Intensive Industries, 2021



Greening industrial areas to protect long-term resilience

Climate action is one of the key themes of the Local Plan. The council has declared a climate emergency and supporting the decarbonisation of the economy will be essential to achieving net zero commitments. As demonstrated through this section, decarbonising industrial areas will have a significant role to play in order to protect the long-term resilience of employment within the borough.

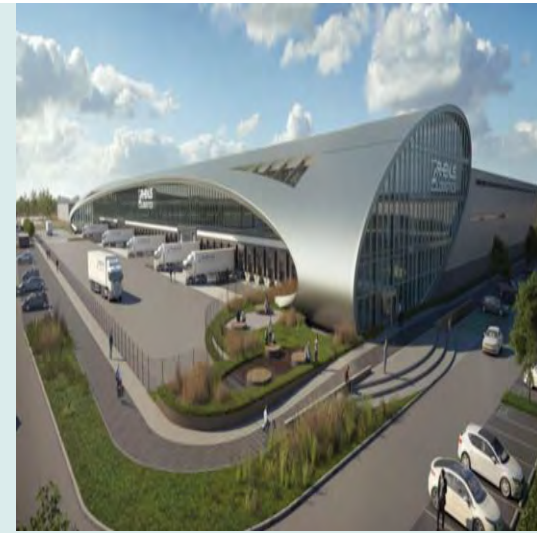
The Ealing Climate and Ecological Emergency Strategy notes a commitment to Increasing the sustainability of the logistics network in light of the introduction of the Ultra Low Emission Zone. This could also focus on Influencing development through planning policy and spatial strategy to create opportunities for the greenest industrial stock in the UK.

To do this, Ealing could seek to work with planning applicants to enhance the environmental credentials of the borough's industrial stock by focusing on:

- Enabling net gain in biodiversity
- Reducing lifetime carbon
- More efficient operation
- Carbon positive structures

Case Study: Green Logistics, Tilburg

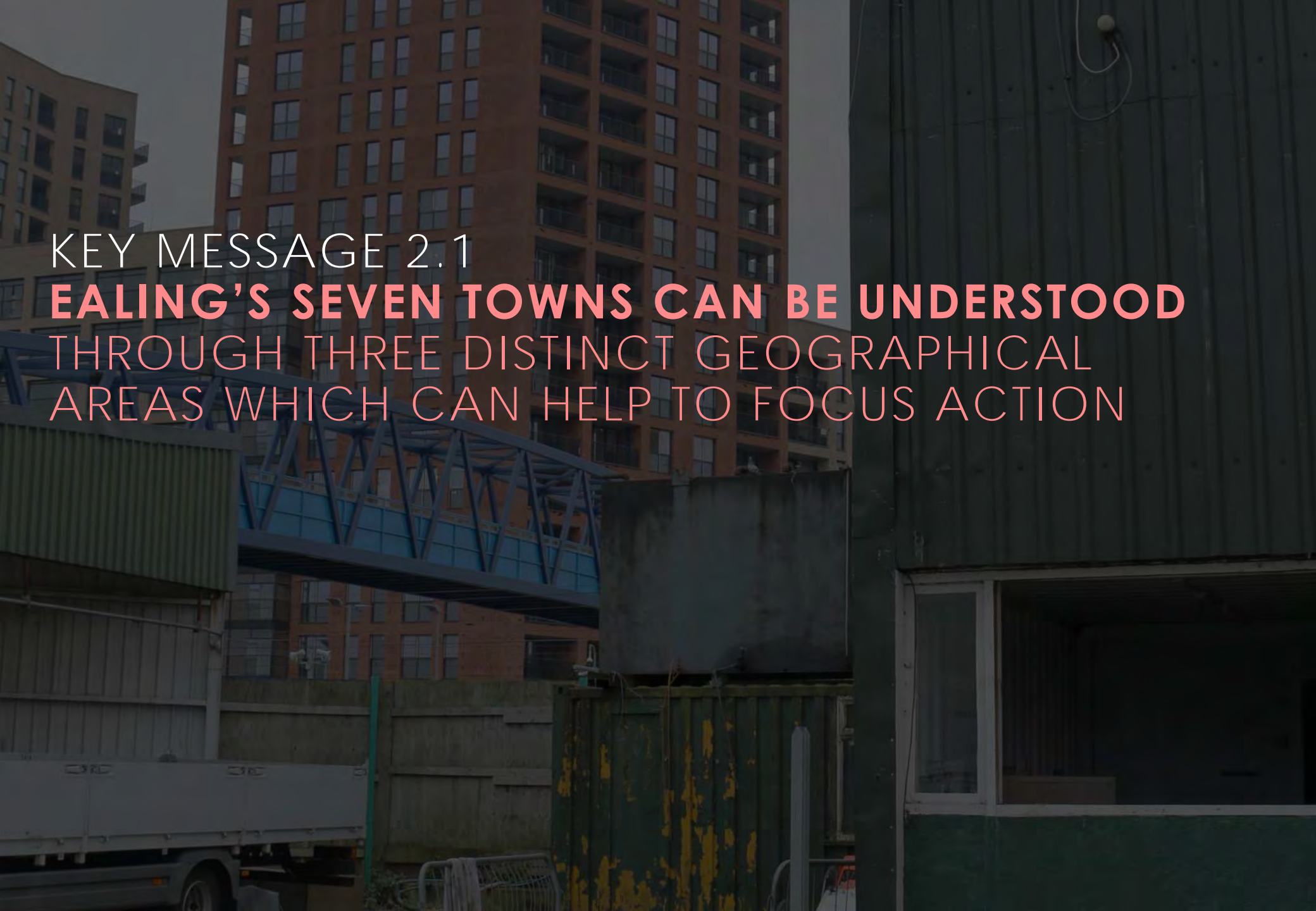
- Green logistics is the process of reducing the environmental impact of delivery and logistics processes.
- Logistics premises play an important role in decarbonising the sector and greening industrial stock will be key to the borough's overall emission reduction targets.
- Opened in 2019, Rhenus Logistics Warehouse in Tilburg is one of the most sustainable buildings in the world. It is BREEAM rated outstanding.
- The building is installed with 13,000 solar panels which powers the building and produces enough electricity to power 750 households per year.
- Triple glazing and air-tight windows at either side of the building to minimise energy-loss.
- In addition, Rhenus has committed to neutralising the CO₂ emissions of its LCL transports by 2030 in order to move closer to the goal of climate-neutral logistics.





CHAPTER 2: SUB AREA INTELLIGENCE

- KEY MESSAGE 2.1: EALING'S SEVEN TOWNS CAN BE UNDERSTOOD THROUGH THREE DISTINCT ECONOMIC AREAS WHICH CAN HELP TO FOCUS ACTION
- KEY MESSAGE 2.2: SOUTHALL AND NORTHOLT ARE WHERE BOROUGH-WIDE ISSUES OF POVERTY, DEPRIVATION, AND LOW PAY ARE MOST ACUTE
- KEY MESSAGE 2.3: ACTON, EALING AND HANWELL ARE WHERE THE BOROUGH'S HIGH VALUE AND HIGH DENSITY EMPLOYMENT IS LOCATED
- KEY MESSAGE 2.4: GREENFORD AND PERIVALE CONTAIN IMPORTANT TRADITIONAL INDUSTRIAL ACTIVITY WHICH SHOULD BE RETAINED AND GROWN



KEY MESSAGE 2.1

EALING'S SEVEN TOWNS CAN BE UNDERSTOOD
THROUGH THREE DISTINCT GEOGRAPHICAL
AREAS WHICH CAN HELP TO FOCUS ACTION

Why is this important to Industrious Ealing?

Whilst Chapter 1 focused on key challenges identified at a borough-level, Ealing's Local Plan will take a town-level approach to planning and spatial policy. This reflects that each town has its own specific character, needs, and opportunities.

Industrial space plays a different role in each of the seven towns, from primary economic drivers in Greenford and Perivale, to smaller non-designated spaces in Ealing. Therefore, it is important to understand how industrial areas are contributing the economic vitality of the seven towns, and how the strategic challenges observed in Chapter 1 are manifesting locally.

The evidence shows that for the purposes of industrial policy, the borough's seven towns can be divided into three geographic areas which industrial policy and priorities should respond to.

The evidence shows:

- Borough-wide challenges mask significant variances in town-level performance. For many key socio-economic indicators, towns are consistently underperforming relative to the London average.
- Economic specialisms provide insight into the borough's economic geographies and identity. This shows the importance of industrial space for each area. Only Acton, Ealing, and Hanwell contain significant concentrations of non-industrial specialisms. This, coupled with the typology and quantity and quality of industrial space can provide the impetus for a more local response to industrial policy
- The borough's wider socio-economic challenges are also most concentrated in the west of the borough. This makes the case for targeted public sector intervention more compelling.



Implications for industrial areas:

- These variances affect the role that industrial areas play and the potential policy response in addressing them.
- It is suggested that Ealing takes a more focused local response to industrial land intervention and policy.

Borough-wide averages mask significant intra-borough variances

The borough-wide intelligence showed that Ealing as a whole suffers from challenges of housing affordability, slow economic growth, and poor quality work. However, town-level analysis shows that there is significant variation between the borough's places – reinforcing the need for a more local approach.

The analysis presented within the following chapters has considered a wide range of socio-economic evidence and has demonstrated significant variances between the borough's metropolitan core and the west – mandating a geographically focused response. As a result, the role that industrial areas are playing, and will need to play in future varies from place-to-place.

	Business Change (2016-21)	Employment change (2016-2020)	% of businesses in knowledge economy	% Claimant count change (March 2020 vs September 2021)	Net annual income (2018)	Net annual income after housing costs (2018)	Median age (2020)	% of jobs in low paying industries	% of jobs in knowledge economy	% of LSOAs in the top 20% most deprived nationally
1.	Southall (+23%)	Northolt (+25%)	Ealing (40%)	Greenford (+162%)	Ealing (£52,200)	Ealing (£37,578)	Hanwell (39)	Southall (52%)	London (31%)	Northolt (40%)
2.	Northolt (+19%)	Southall (+13%)	London (40%)	Perivale (+131%)	Acton (£47,843)	Acton (£33,143)	Southall (38)	Northolt (47%)	Ealing (23%)	Southall (24%)
3.	Greenford (+15%)	Perivale (+7%)	Acton (39%)	Southall (+127%)	Perivale (£47,700)	Hanwell (£33,250)	Perivale (38)	Acton (39%)	Acton (20%)	Hanwell (17%)
4.	Hanwell (+15%)	London (+2%)	Hanwell (36%)	Acton (+119%)	Hanwell (£47,075)	London (£31,610)	Ealing (38)	Ealing (37%)	Perivale (20%)	Greenford (13%)
5.	London (+11%)	Ealing (-6%)	Northolt (25%)	Northolt (+115%)	Greenford (£44,680)	Perivale (£29,350)	Greenford (37)	London (33%)	Hanwell (13%)	Ealing (9%)
6.	Ealing (+3%)	Hanwell (-7%)	Greenford (25%)	Ealing (+114%)	London (£43,114)	Greenford (£28,080)	Acton (36)	Greenford (32%)	Greenford (9%)	Acton (6%)
7.	Acton (+3%)	Acton (-12%)	Perivale (22%)	London (+112%)	Southall (£41,271)	Southall (£25,886)	London (35)	Hanwell (28%)	Southall (6%)	Perivale (0%)
8.	Perivale (+3%)	Greenford (-13%)	Southall (21%)	Hanwell (+98%)	Northolt (£39,200)	Northolt (£25,200)	Northolt (35)	Perivale (26%)	Northolt (5%)	

Sources: ONS BRES, ONS Business Counts, ONS Claimant Counts, IMD

Dominance of industrial land

Industrial land plays a different role in each of the seven towns. For all towns except for Ealing, industrial is the dominant commercial floorspace typology.

In Southall, Acton, Perivale, and Greenford, it represents over 70% of total commercial floorspace – reflecting its importance to each town’s economy. Only Ealing currently retains a significant proportion of office stock (28% of total commercial floorspace).

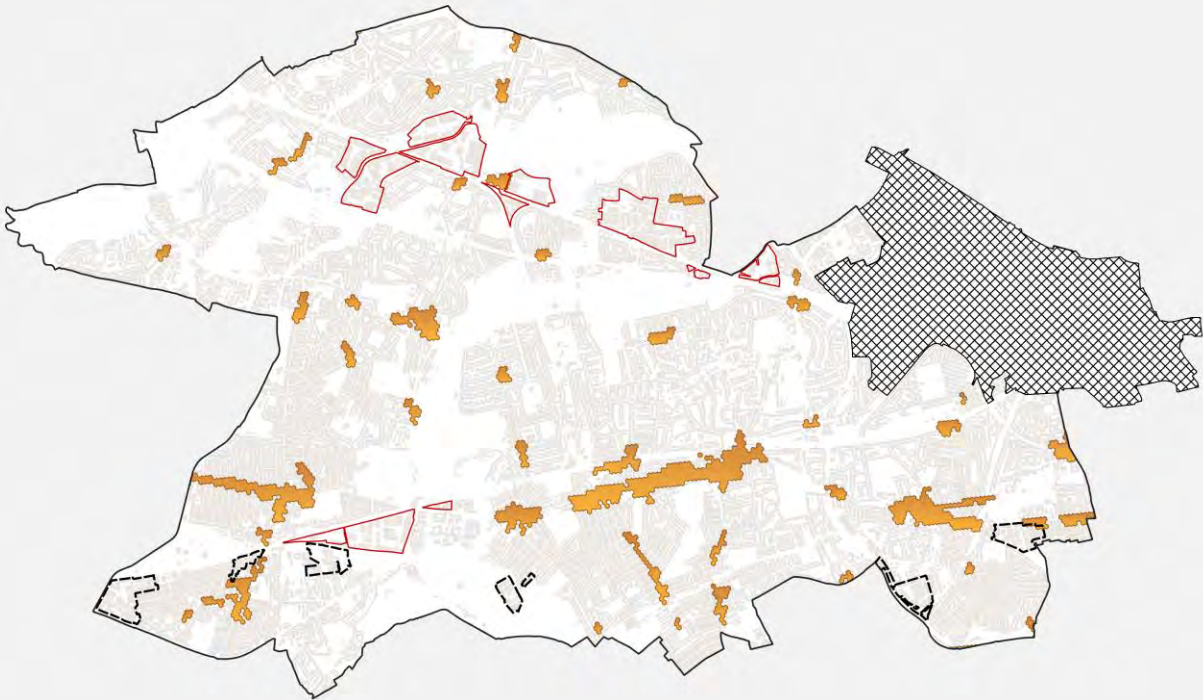
The majority of the borough’s SIL is concentrated along the A40 Northolt-Greenford corridor (*in the north of the borough*). Whilst this contains a significant proportion of the borough’s jobs, much of this is in lower density employment typologies such as Warehousing and Logistics. These areas typically also have smaller retail parades (*shown in orange*) which increases the economic importance of industrial land.

Locally Significant Industrial Sites (LSIS) are exclusively located in the South of the borough (*shown through the dashed black outline*). Typically, areas in the south of the borough have larger retail centres such as Ealing Broadway and Southall town centre.

Proportion of commercial floorspace by type, 2021

	Northolt	Southall	Hanwell	Greenford	Ealing	Acton	Perivale
Industrial	47%	70%	42%	70%	23%	72%	85%
Leisure	10%	1%	3%	2%	4%	3%	1%
Office	16%	5%	4%	8%	28%	11%	4%
Retail	14%	18%	37%	12%	35%	11%	8%
Other	13%	6%	14%	7%	11%	3%	2%

Ealing’s SIL, LSIS and retail centres



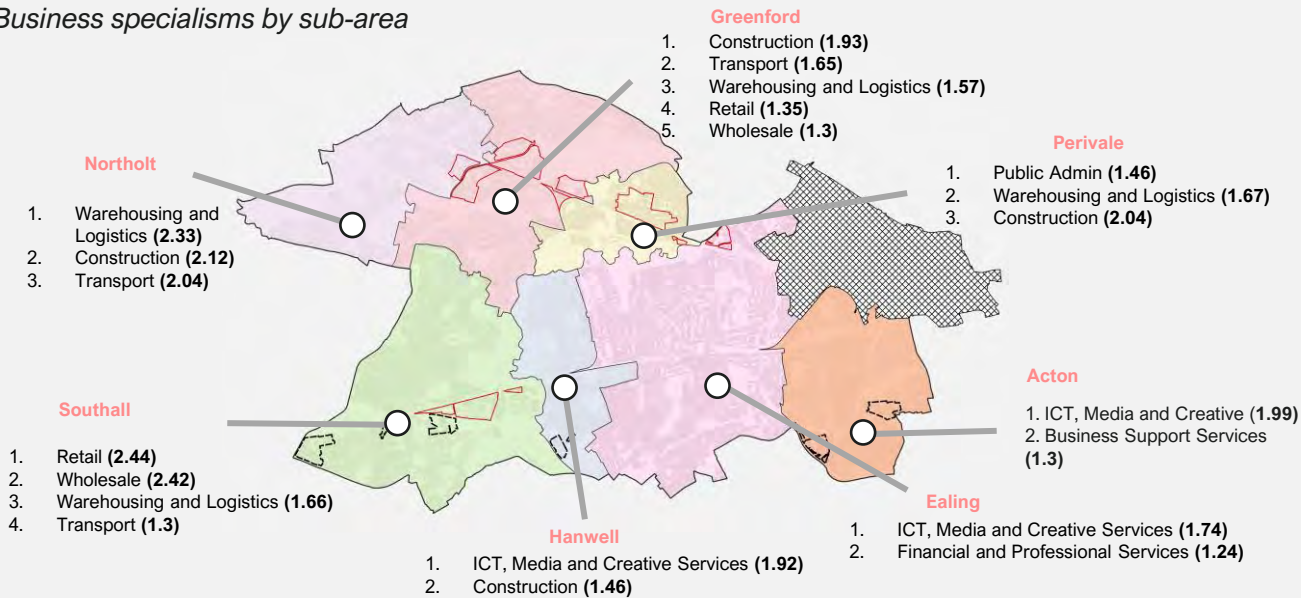
Employment specialisms of Ealing's seven towns provides insight into economic identity

The maps (right) show the key business and employment specialisms for each of the borough's seven towns. This reinforces the importance of industrial space across the borough with all towns except for Ealing containing at least one specialism that relies on industrial space (e.g. construction, transport, and wholesale).

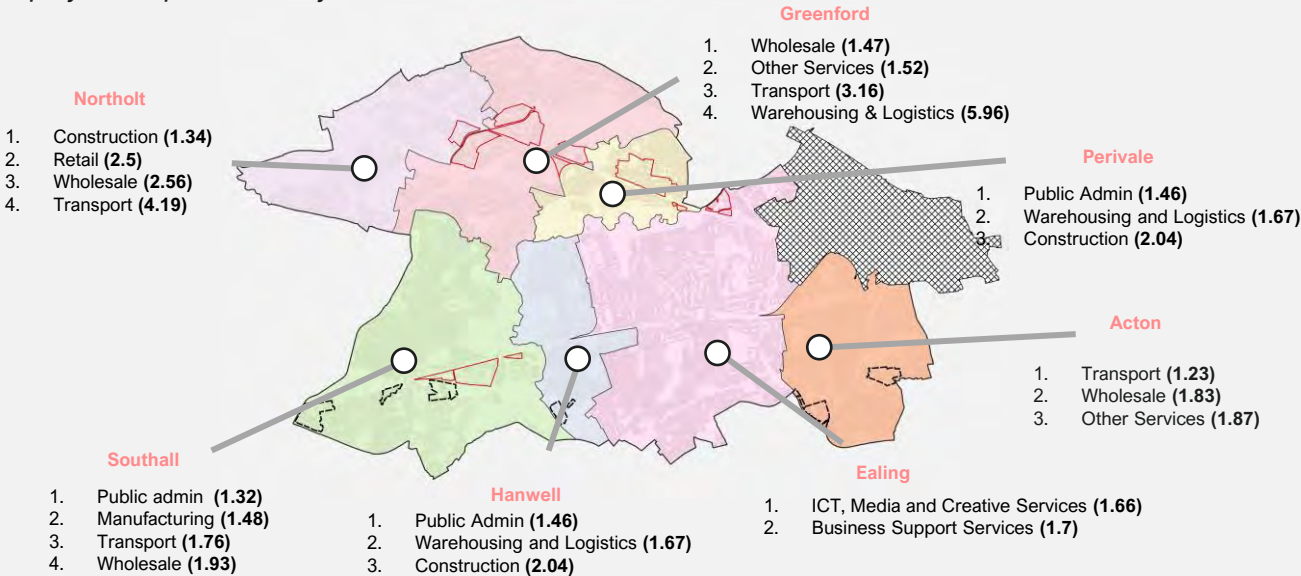
These specialisms also reflect the key drivers of demand for industrial space and the challenges associated with employment densities (see Page 30). Warehousing and logistics are business specialisms for Southall, Northolt, Greenford, and Perivale, reflecting the large presence of SIL in these areas. However, the sector only represents an employment specialisms for Greenford and Perivale – suggesting that it is failing to provide enhanced employment opportunities for local people.

In terms of business specialisms, only Ealing, Acton, and Hanwell host the borough's higher value office based specialisms. These areas represent the borough's primary economic drivers in terms of jobs and businesses, but suffer from affordability challenges (see Pages 63-66).

Business specialisms by sub-area



Employment specialisms by sub-area



Note: numbers above refer to Location Quotients (LQ). Any sector with an LQ > 1.2 is considered to be specialised

Socio-economic challenges are most acute in the west of the borough

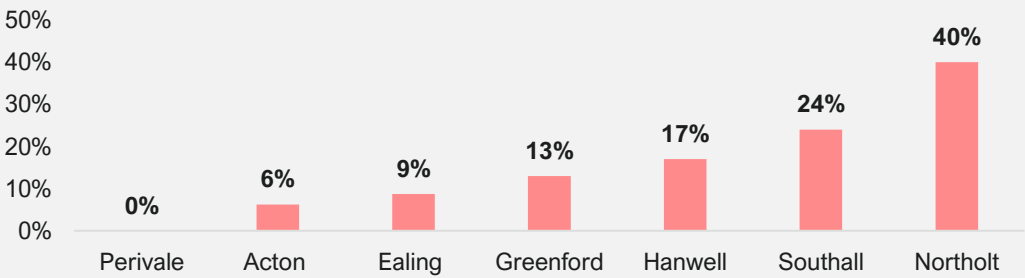
Whilst economic indicators are important, the wider factors shaping prosperity should also be considered to shape Ealing’s approach to industrial land, planning, and the quality of work.

The evidence shows a significant east-west divide in terms of deprivation. The Indices of Multiple Deprivation (IMD) are a measure of relative deprivation at a small local area level across England.

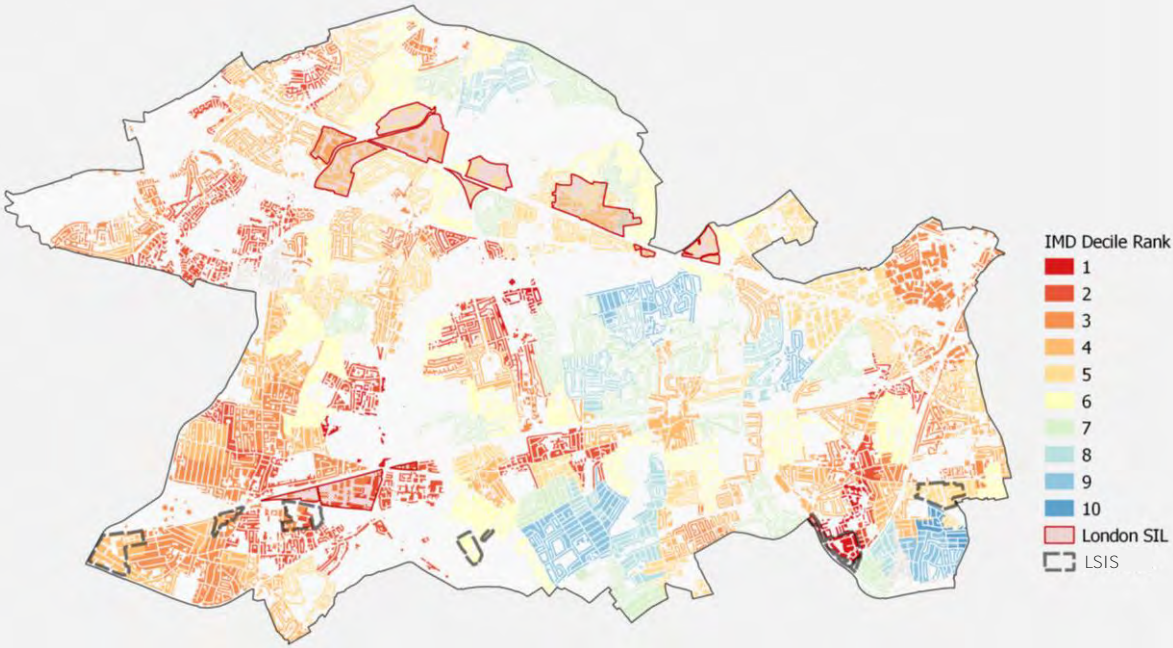
The Indices provide a set of relative measures of deprivation, based on seven different domains, including: income; employment; education, skills and training; health; crime; housing and services; and living environment.

As a result, the quality of employment provision locally plays a significant role in shaping local prosperity and addressing deprivation. The data shows that Northolt and Southall contain the borough’s most extreme deprivation challenges. 2 in 5 neighbourhoods in Northolt fall within the top 20% most deprived nationally.

% of LSOAs in the top 20% most deprived by sub area, 2019



Indices of Multiple Deprivation for Ealing, 2019



Three distinct geographies which require a tailored response

In addition to identifying and addressing borough-wide challenges, the borough should take a sub-area specific approach to industrial-area priorities. As outlined through the map below, the seven towns can be grouped into three geographies. These areas represent a synthesis of the available socio-economic evidence and wider qualitative information analysed as part of the Industrious Ealing commission to focus the policy response.

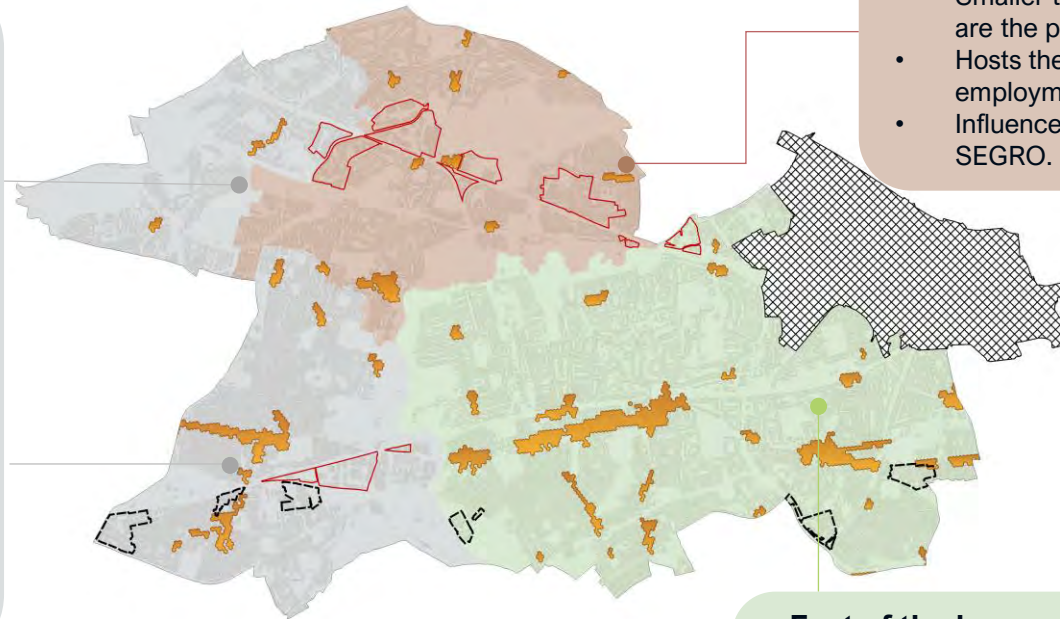
Considering industrial policy in this way can allow interventions to respond to local need whilst also reflecting the borough's economic geographies and relationships between sub-areas.

West of the borough

- Southall and Northolt
- Where challenges of deprivation, low pay, and poverty are most acute
- Strong foundational economies which provides significant amounts of local employment
- Acutely affected by the pandemic and are more reliant on supply chain linkages to Heathrow
- Significant public sector assets can provide increased influence and strongest case for direct public sector intervention.

North of the borough

- Greenford and Perivale
- Smaller town centres where industrial areas are the primary economic driver
- Hosts the borough's largest employers in employment terms
- Influenced by major land owners such as SEGRO.



East of the borough

- Ealing, Acton, and Hanwell
- Hosting the borough's 'high value' employment
- Higher density LSIS under most significant pressure from housing and other development
- Where affordability challenges for residents and businesses are most acute.

KEY MESSAGE 2.2

SOUTHALL AND NORTHOLT ARE WHERE
BOROUGH-WIDE ISSUES OF POVERTY,
DEPRIVATION, AND LOW PAY ARE MOST ACUTE

Why is this important to industrious Ealing?

This section focuses on the economies of the west of the borough.

Northolt is not a major employment hub for the borough but there is an important cluster of industrial activity in the Northolt Trading Estate which forms part of the Northolt/Greenford/Perivale SIL. This benefits from excellent links along the A40 to Park Royal.

Southall is home to a diverse cluster of designated industrial land and pockets of industrial activities, running contiguous with the rail line and Grand Union Canal. The area comprises both SIL (Great Western Industrial Estate) and LSIS (International Trading Estate, Featherstone Estate, and Bridge Road Industrial Estate).

The evidence shows that Northolt and Southall are where borough-wide poverty and deprivation challenges are playing out most visibly, which is being exacerbated by the quality of local employment. Engagement suggests that by borough standards, both areas have low land values which is restricting development potential. As a result, Northolt and Southall is where the case for public sector intervention is strongest and Ealing should make these areas the initial spatial focus to test wider policy interventions outlined in the recommendations.

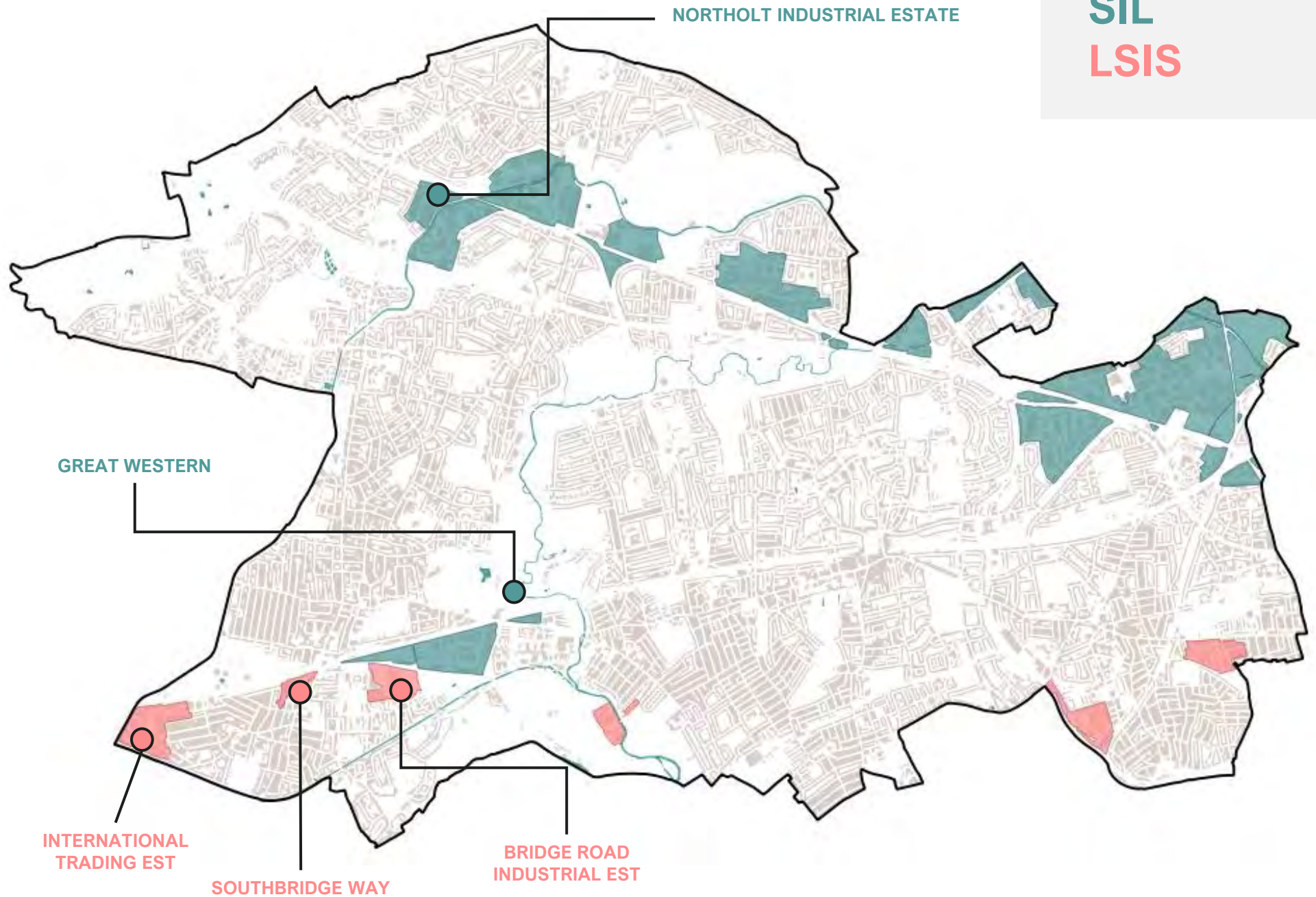
The evidence shows:

- Northolt and Southall have experienced significant employment and business growth over the past five years. However, there is evidence to suggest a significant proportion of this is either self-employment, or insecure work.
- This is reinforced by large concentrations of low paying jobs, low resident earnings, and high concentrations of extreme deprivation.



Implications for industrial areas:

- As the primary economic drivers in both Northolt and Southall, it is important that industrial areas contribute more to address deeply embedded socio-economic challenges.
- Therefore, Northolt and Southall are the areas where there is greatest need for public sector intervention. This could represent an initial spatial focus to implement the wider policy recommendations outlined in this report.

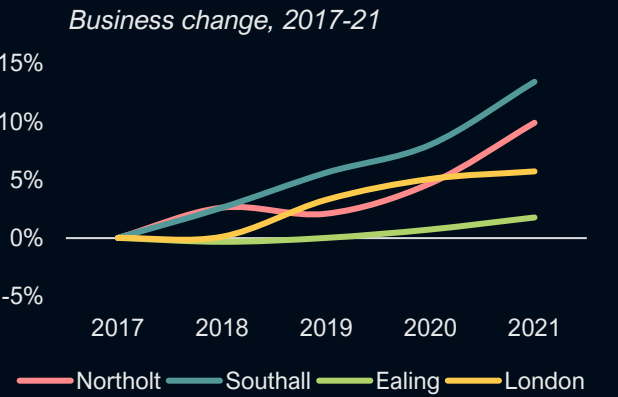


Strong business growth

Both Southall and Northolt have experienced significant and sustained economic growth over the past five years.

Business growth in Southall stands at 13% and 10% in Northolt - significantly higher than the borough and London averages over the same period.

Key shared specialisms include: warehousing and logistics, and wholesale; reflecting the importance of industrial space to each town’s economies.



Source: ONS Business Counts

Southall business profile, 2021

Sector	Businesses Count	% of sector	LQ
Retail	540	20%	2.44
Financial and Professional Services	425	15%	0.75
Construction	385	14%	1.07
Wholesale	265	10%	2.42
ICT, Media and Creative Services	235	8%	0.69
Business Support Services	190	7%	0.87
Hospitality, Leisure and Recreation	170	6%	0.78
Transport	125	5%	1.30
Public Admin, Education, Health	110	4%	0.69
Other Services	85	3%	0.88
Manufacturing	80	3%	0.58
Motor Trades	75	3%	0.96
Warehousing and Logistics	75	3%	1.66
Utilities and waste	5	0%	0.38
	2765		

Northolt business profile, 2021

Sector	Businesses Count	% of sector	LQ
Construction	255	28%	2.12
Financial and Professional Services	130	14%	0.69
ICT, Media and Creative Services	95	10%	0.84
Retail	85	9%	1.15
Business Support Services	70	8%	0.96
Transport	65	7%	2.04
Public Admin, Education, Health	40	4%	0.75
Hospitality, Leisure and Recreation	35	4%	0.49
Warehousing and Logistics	35	4%	2.33
Other Services	30	3%	0.94
Wholesale	30	3%	0.83
Manufacturing	25	3%	0.54
Motor Trades	25	3%	0.97
	920		

Denotes specialism

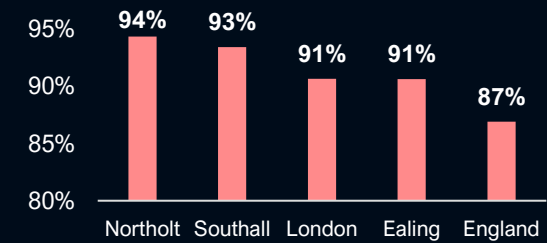
This is likely to be driven by increased self-employment

Across both Southall and Northolt, construction and retail businesses are the primary drivers of business growth. In Southall, construction accounted for 31% of the total growth over the last five years, and it was even higher in Northolt (40%).

Based on wider research into the construction and retail sectors, it is likely that this is primarily being driven by self employment.

In 2019, self-employment made up 49% of the construction industry, increasing by 18% since 2014. This is further reinforced by business size data which shows a higher proportion of construction businesses in Northolt and Southall with less than 4 employees – with the vast majority of these businesses likely to be sole traders.

% of construction businesses with 0-4 employees, 2021

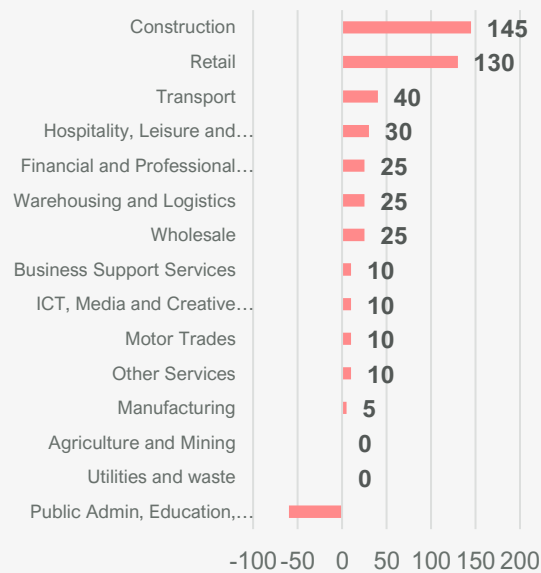


Source: ONS Business Counts, In Sync Group

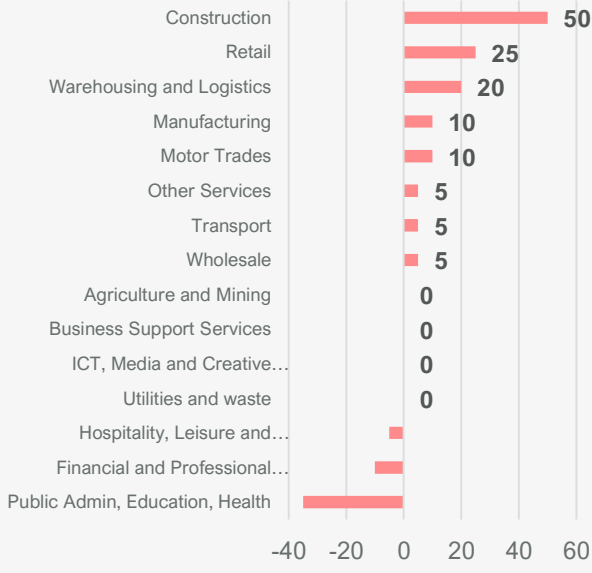
Southall/Northolt Business change: 2017-2021



Southall– business change: 2017-2021



Northolt– business change: 2017-2021

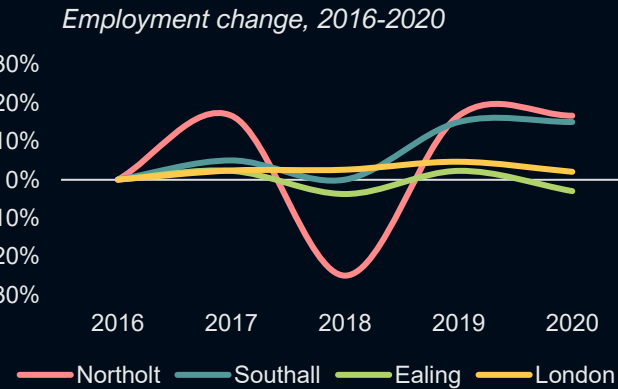


Employment has also grown

Business growth has also been matched by strong employment growth since 2015. Again, both Northolt and Southall grew at a faster rate than the borough and regional averages.

Key employment sectors for both areas include retail, public admin and wholesale.

This reflects the foundational nature of both town’s economies and the importance of industrial areas for providing local employment.



Source: ONS BRES

Southall employment profile, 2020

Sector	Absolute Employment Count	% of sector	LQ
Public Admin, Education, Health	8090	35%	1.32
Manufacturing	2655	11%	1.48
Retail	2465	11%	1.14
Other Services	2270	10%	6.52
Wholesale	1760	8%	1.93
Hospitality, Leisure and Recreation	1400	6%	0.62
Transport	1280	6%	1.76
Financial and Professional Services	1125	5%	0.36
Construction	790	3%	0.72
Business Support Services	475	2%	0.24
Warehousing and Logistics	335	1%	0.70
ICT, Media and Creative Services	330	1%	0.23
Motor Trades	210	1%	0.51
Utilities and waste	70	0%	0.28
	23255		

Northolt employment profile, 2020

Sector	Absolute Employment Count	% of sector	LQ
Retail	1750	23%	2.50
Public Admin, Education, Health	1580	21%	0.80
Transport	985	13%	4.19
Wholesale	755	10%	2.56
Hospitality, Leisure and Recreation	575	8%	0.79
Construction	475	6%	1.34
Manufacturing	310	4%	0.53
Financial and Professional Services	285	4%	0.28
Business Support Services	270	4%	0.43
Warehousing and Logistics	200	3%	1.29
ICT, Media and Creative Services	170	2%	0.37
Motor Trades	120	2%	0.91
Other Services	50	1%	0.44
	7525		

Denotes specialism

The majority of job growth is being driven by lower paying, insecure work

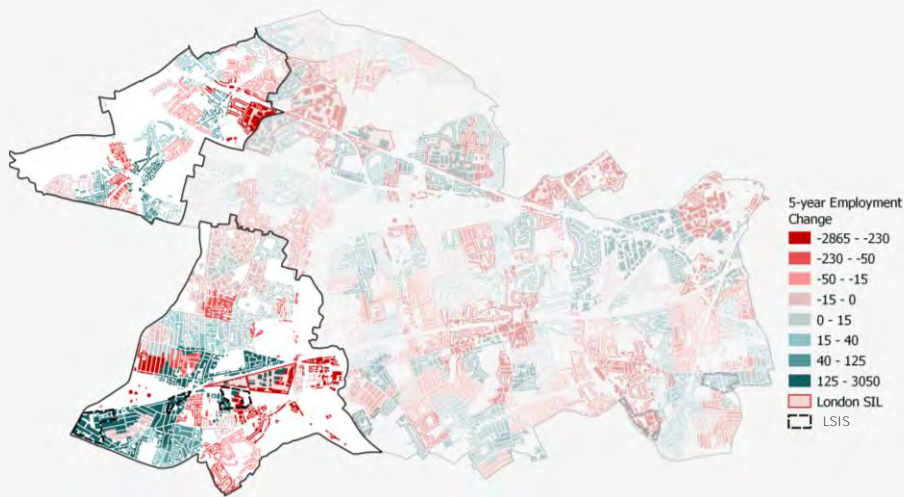
Much of Southall's recent employment growth has been in industrial areas. Great Western SIL and International Trading Estate have both seen significant growth in employment since 2016.

Conversely, in Northolt, industrial areas have underperformed and over the last five years with the SIL has seen a net loss of employment. Since 2015, employment in Northolt's SIL has fallen by 1,750 jobs, and is mainly driven by a loss of Hospitality, Leisure and Accommodation employment.

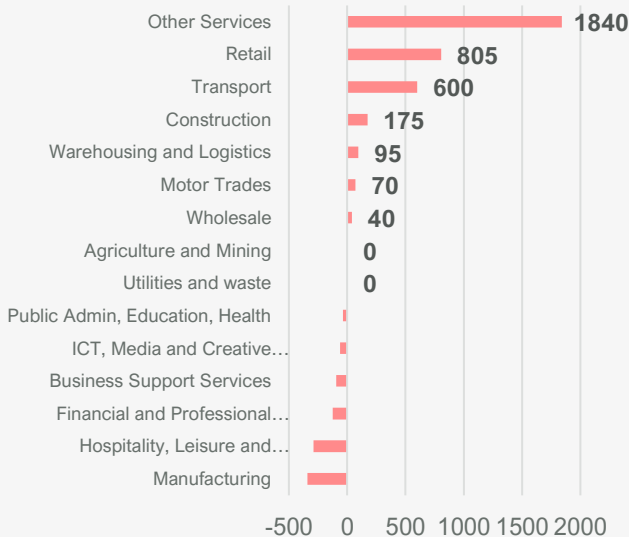
Employment growth on SIL in Great Western has largely been driven by Transport roles. Of the 600 additional jobs in the sector across the sector since 2016, two thirds (400) have been within Southall's SIL.

Despite this, a significant amount of growth has been in lower value and more insecure sectors such as retail. Whilst much of this activity is concentrated within each town's high streets and retail parades, this heightens the importance of ensuring that industrial areas work harder to create more well paid local employment opportunities.

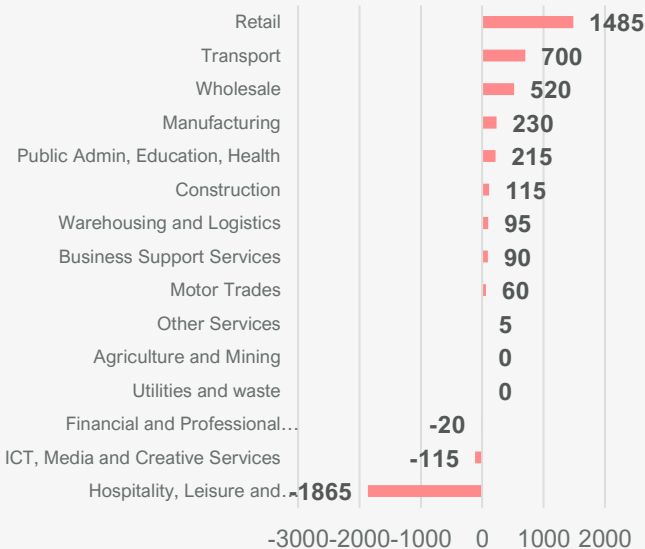
Southall/Northolt Employment change: 2016-2020



Southall employment change by sector: 2016-2020



Northolt employment change by sector: 2016-2020



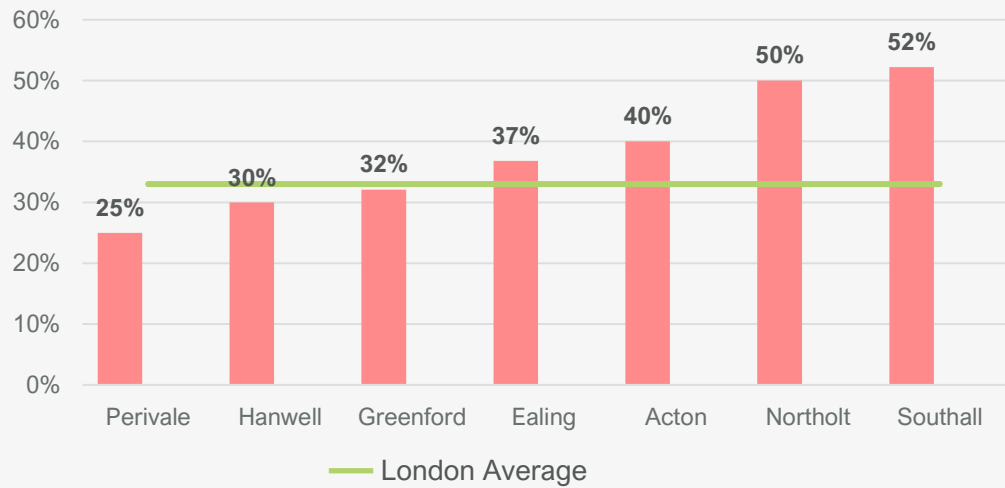
This is borne out by low paying jobs and low earnings

Poor quality work is contributing to local deprivation challenges (see Page 51). Northolt and Southall have the highest proportion of low paying jobs of anywhere in the borough. Over half the jobs in Northolt and Southall are in typically low paying sectors which is substantially higher than the London average (33%). However, this is lower in the town's industrial areas. For example on Northolt's SIL, only 36% of jobs are in typically low paying industries.

Poor quality employment is contributing to low average earnings. Resident income after housing costs is considerably lower than the borough and London average. In Southall, resident earnings after housing is £25,886, and in Northolt it is £25,200. This is 18% and 20% lower than the London average respectively; indicating low levels of disposable income. As shown on Page 38, Northolt and Southall also have the highest numbers of children living in poverty across the borough.

As a result, industrial areas can provide the spatial focus for economic renewal in these towns. This can provide more high value employment opportunities to address challenges of poverty, deprivation and low pay.

Proportion of Low-Paying Jobs Compared to London Average, 2020



Resident income after housing costs



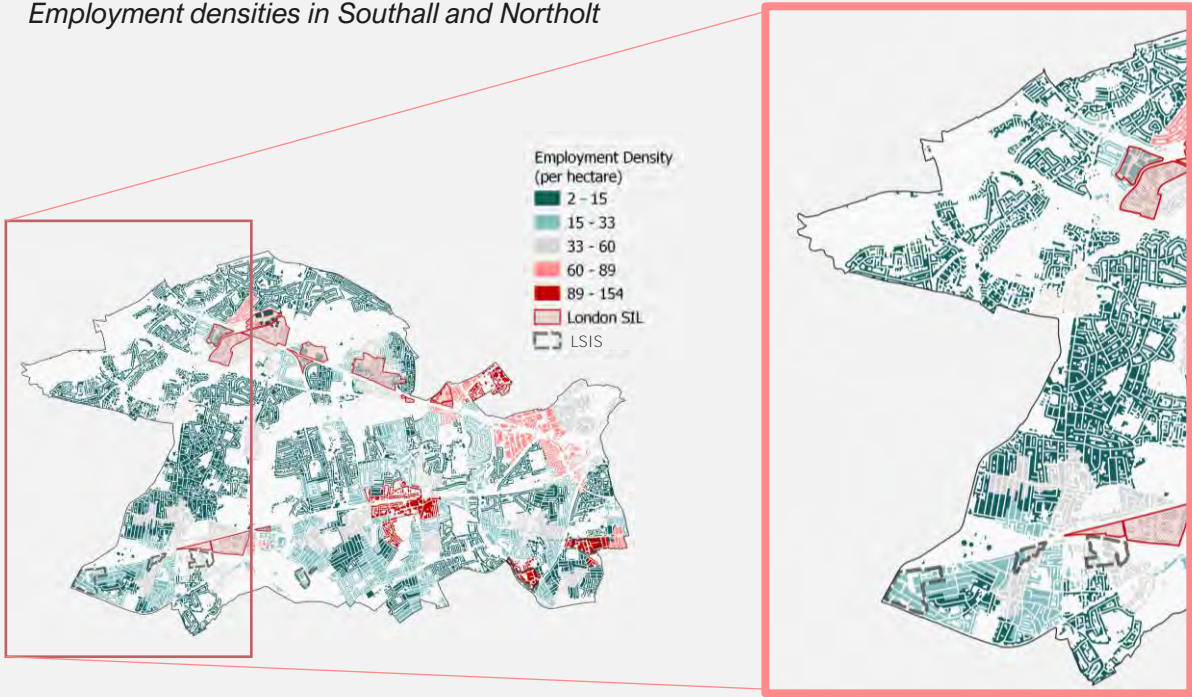
Low economic densities on both LSIS and SIL

Designated industrial areas in Northolt and Southall are also under-delivering in terms of quantities of employment. Northolt’s SIL has some of the lowest employment densities in the borough, whereas Southall’s LSIS has very low densities compared to LSIS in Acton.

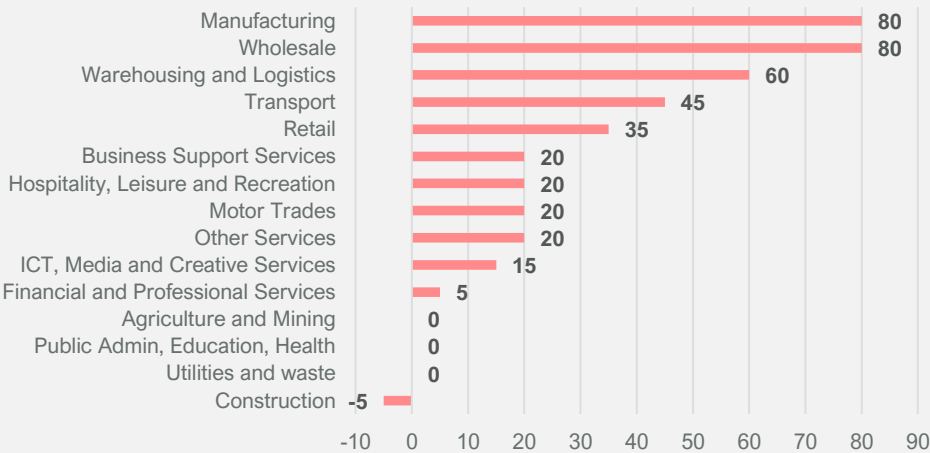
International Trading Estate has been the primary driver of employment gains across the area since 2016. However, there is evidence to suggest that this has been in lower density activity which could constrain capacity to accommodate future employment growth.

Whilst there has been a strong growth in manufacturing employment, the majority of employment growth has been in lower density uses such as Wholesale, Warehousing and Logistics, and Transport.

Employment densities in Southall and Northolt



International Trading Estate– Employment change: 2016-2020



Strongest case for direct public sector intervention

Research undertaken as part of the Southall Audit (We Made That) and the Northolt 20-minute neighbourhood study highlighted that both towns have low land values by borough and London standards. In the case of Northolt, this is affecting development viability and is restricting the ability of the council to secure developer contributions for wider infrastructure through Section 106 contributions.


Northolt and Southall are also where key socio-economic challenges are playing out most visibly. As a result, low viability and high levels of economic need represent an explicit market failure to be addressed through wider council intervention in the industrial land market; including levers such as asset ownership and proactive market shaping.

This could also include exploring options for engaging with the GLA to understand where opportunities to re-designate SIL to LSIS could address issues of economic underperformance and make most efficient use of the borough's industrial stock.

Case Study: Public sector intervention, Barking & Dagenham

- Be First is Barking and Dagenham Council's urban regeneration company. It represents a model for active intervention in the industrial land market to address market failures – exemplified by the Industria project.
- Located on a brownfield site zoned for industrial use in Barking and Dagenham, Industria represents an innovative and ambitious approach to modern industrial design.
- Be First will deliver a building that densifies and diversifies the space in a move away from the traditional typology of single-storey, low density 'sheds'.
- The building will deliver around 10,000sqm of industrial space across 45 SME and Flatted Factory units of varying scales, achieved through stacking vertically and, importantly, providing vehicular access to upper floors by a helical van ramp that will allow tenants to service their businesses directly.





KEY MESSAGE 2.3

EALING, ACTON, AND HANWELL CONTAIN
ALMOST ALL OF THE BOROUGH'S HIGH-VALUE
AND HIGH DENSITY ECONOMIC ACTIVITY

Why is this important to Industrious Ealing?

This section focuses on the east of the borough. This covers the borough's metropolitan core and the economies of Ealing, Acton, and Hanwell.

Ealing Broadway is home to the borough's higher value economic activity, with a significant cluster along the Uxbridge Road. This is a key economic role for the borough and there is unprecedented opportunity to embed and accentuate this role with the arrival of the Elizabeth Line. The area is also home to the borough's smaller (but highest density) LSIS including Trumpers Way in Hanwell, and South Acton and The Vale in Acton. These sites contain the most diverse economic activity in the borough – ranging from film and television production businesses to breweries.

The evidence shows that these areas are the primary economic driver for the borough. Together, the three towns host over half of the borough's businesses and jobs. These areas are also where the borough's higher value office specialisms are hosted – with the Uxbridge Road containing the highest concentrations of office stock in the borough, with some overspill of knowledge intensive uses into LSIS. This is coupled with the most acute affordability challenges of anywhere in the borough with house prices and rents far exceeding the Ealing average.

This culminates in the pressure on designated industrial land being most acute. Supporting the knowledge economy to grow in this part of the borough should form part of a town centre strategy – initially focused on Ealing to ensure the borough is maximising the benefits of the Elizabeth Line. On LSIS, there will be increased pressure to make co-location work in Hanwell and Acton; with consented schemes already coming forward on Trumpers Way. It is essential that changes to the Use Class system do not compromise the industrial character of these sites and schemes demonstrate a clear understanding of local need and demand.

The evidence shows:

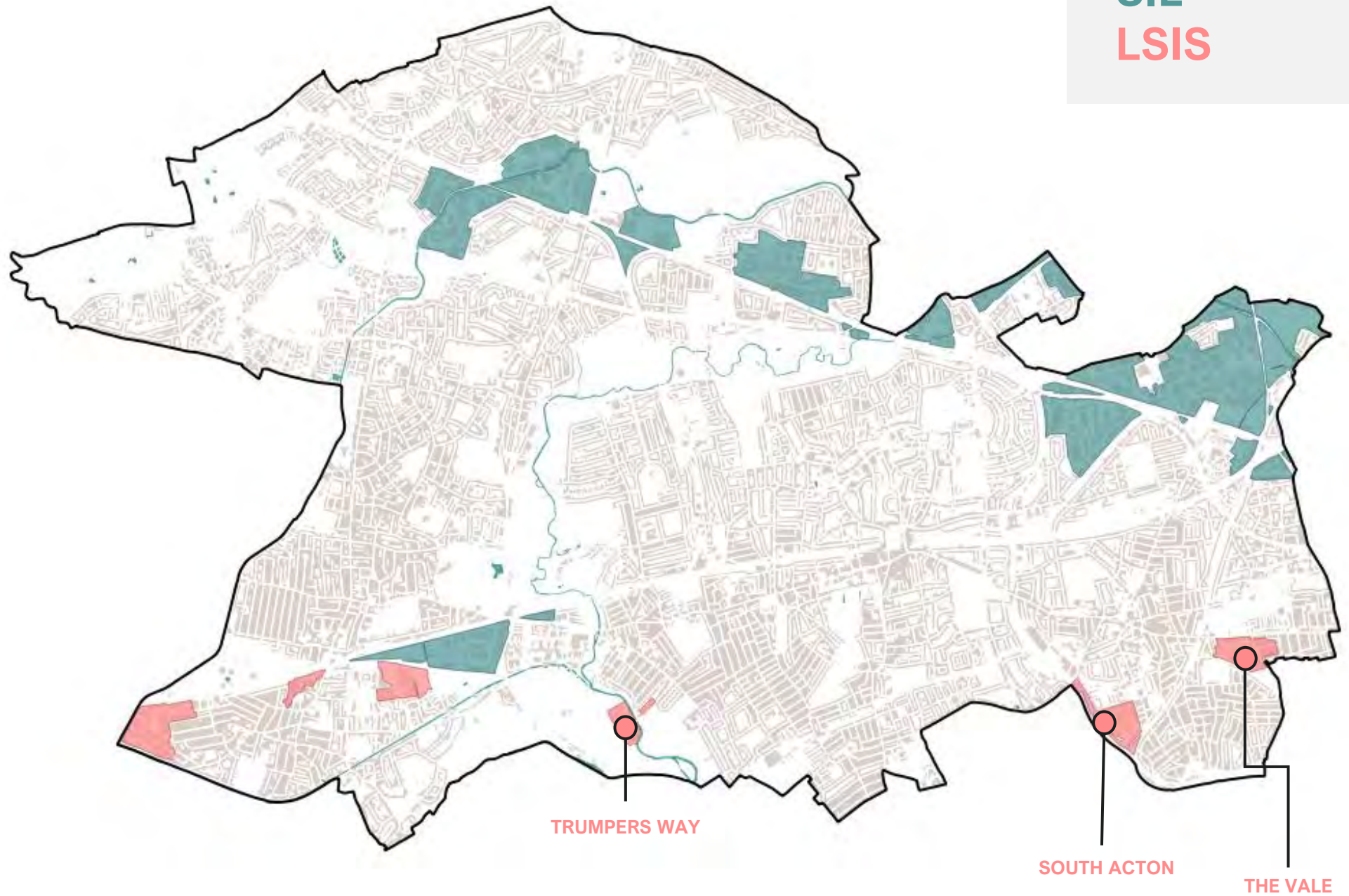
- Ealing, Acton, and Hanwell are the borough's primary economic drivers.
- Comprising the borough's metropolitan core, these areas contain nearly all of Ealing's office-based employment. This has spilled over to Acton's LSIS which has seen significant growth in professional services employment over the last five years.
- This is also where residential and commercial values are highest. Sales values have become increasingly de-coupled from the borough average – increasing development pressure on industrial areas.



Implications for industrial areas:

- Due to high values, Acton and Hanwell's LSIS will come under increased pressure from residential developments. The case studies presented within this section show that this is already happening in Trumpers Way.
- The council should prioritise masterplans on LSIS, starting with Acton Vale and South Acton where development pressure is greatest and enable proactive (rather than reactive) conversations with developers.

SIL
LSIS



Ealing, Acton, and Hanwell are the borough’s primary economic drivers

Together, Ealing, Acton, and Hanwell are the borough’s primary economic drivers. They comprise more than half (63%) of the borough’s businesses and jobs (55%).

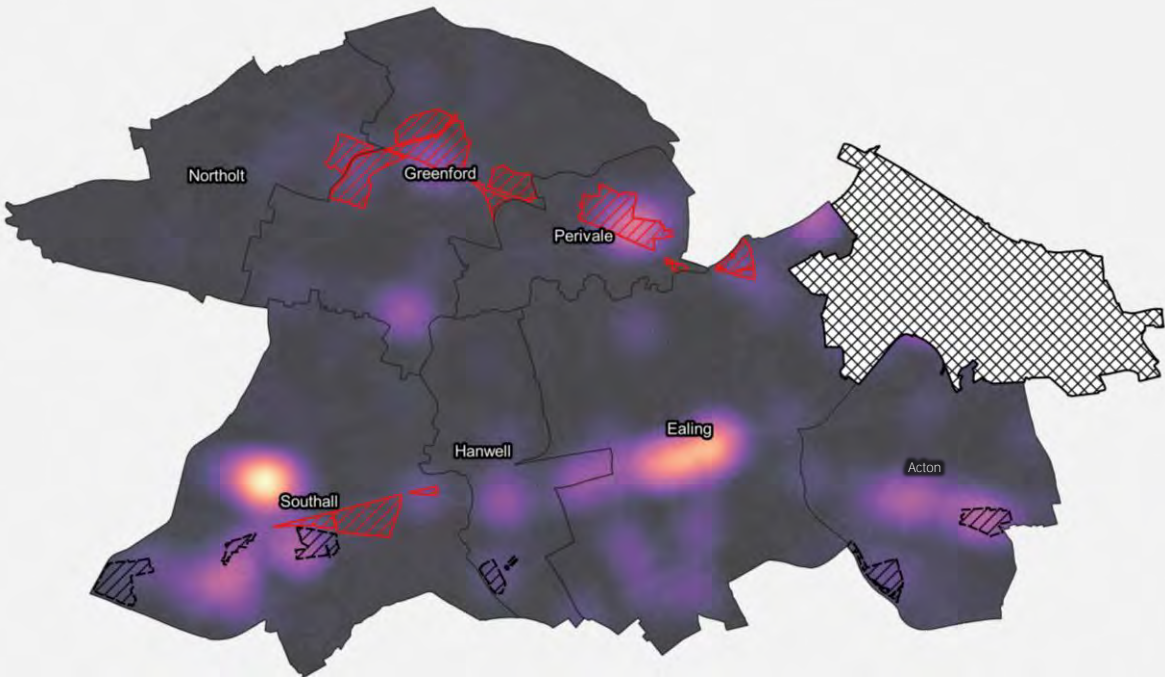
The business heatmap (right) shows the importance of the links between the three towns, with significant concentrations of businesses along the Uxbridge Road. With Elizabeth Line stations opening in all three towns, there is the potential for the economic role of Acton, Ealing, and Hanwell to be further enhanced.

Therefore, maximising the roles of town centres plays will play an important role in the borough’s growth trajectory and should be considered as part of a holistic town centre strategy. This should start with Ealing focusing on maximising the role of the Uxbridge Road commercial district and British Land’s proposals for the Broadway Centre.

Economic densities of Ealing’s seven towns

Sub-area	Number of businesses	% of Ealing’s businesses	Number of jobs	% of Ealing’s jobs
Ealing	5,465	35%	38,720	34%
Acton	3,190	20%	18,345	16%
Southall	2,575	16%	22,435	20%
Greenford	1,650	10%	14,315	13%
Hanwell	1,220	8%	6,180	5%
Northolt	825	5%	7,330	6%
Perivale	795	5%	6,600	6%

Ealing business heatmap, 2021



Only Ealing, Hanwell and Perivale host office-based employment specialism

Almost all of the borough’s higher value, knowledge intensive employment is concentrated within the borough’s metropolitan core around Ealing Broadway, as well as smaller concentrations in Acton. This is reflective of the commercial property market across Ealing which shows that Ealing and Acton account for 73% of the borough’s total office floorspace.

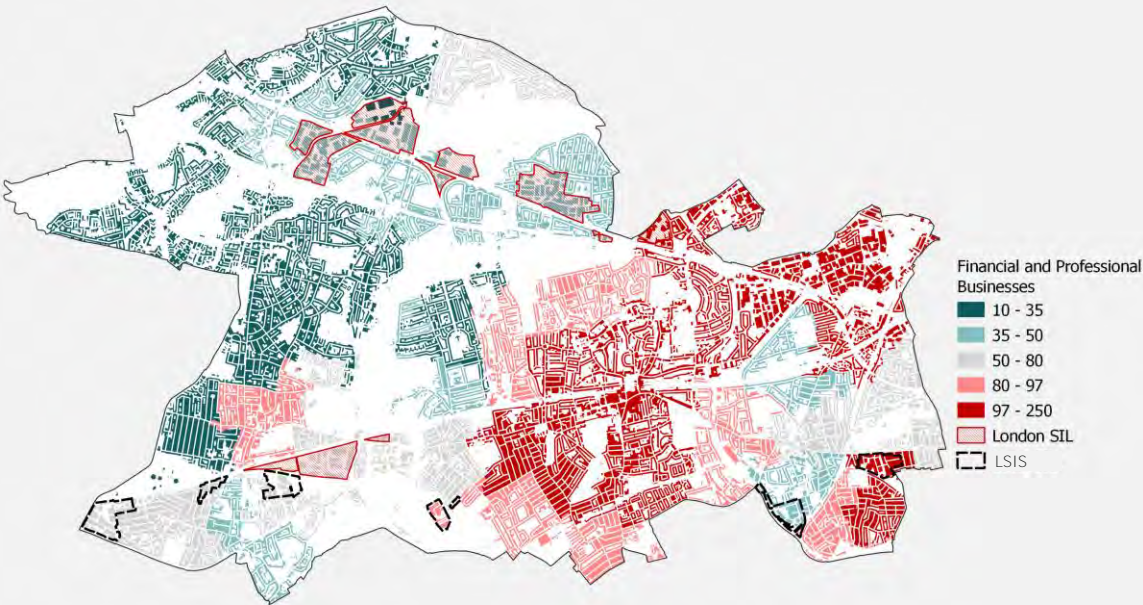
Engagement with local commercial property market experts suggested that Ealing has all the fundamentals to attract additional higher value growth to the town, however there have been several key barriers to growth. This includes a number of budget hotels located along the Uxbridge Road which break up the town’s commercial district and a lack of new stock coming forward.

Opportunities were highlighted around the land owned by British Land being developed which could unlock a key gateway to the town and help to maximise the economic benefits associated with the Elizabeth Line. Similarly, the future redevelopment of Perceval House (Council Offices) offers the opportunity to attract new businesses to the area.

Commercial floorspace by typology

Sqm of office space	Sqm industrial space	Sqm retail
Ealing (150k)	Acton (868k)	Ealing (187k)
Acton (131k)	Southall (440k)	Acton (132k)
Greenford (42k)	Greenford (350k)	Southall (110k)
Southall (30k)	Perivale (222k)	Greenford (61k)
Northolt (18k)	Ealing (123k)	Hanwell (47k)
Perivale (9k)	Northolt (53k)	Perivale (21k)
Hanwell (4k)	Hanwell (53k)	Northolt(15k)

Financial and Professional Services Businesses, 2021



Overspill of knowledge intensive activity to industrial areas

Although Ealing town centre comprises the majority of office-based, knowledge intensive uses, there is evidence to suggest that this increasingly spilling over into designated industrial areas.

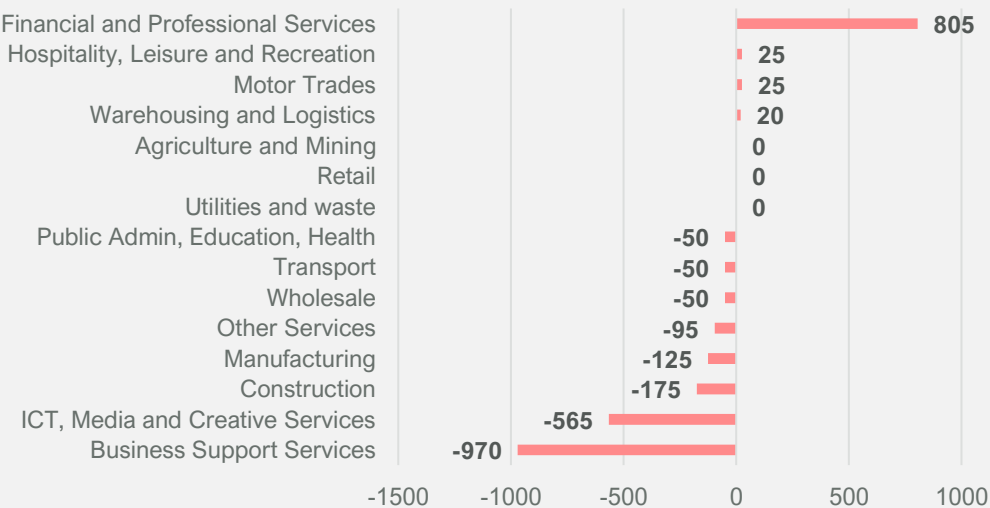
In addition to a concentration of knowledge intensive employment around Ealing Broadway, there are now growing concentrations in South Acton and the Vale LSIS, which is changing the economic role and character of these areas.

Analysis of employment change for The Vale shows that Financial and Professional Services has been the dominant driver of employment growth across the area. Conversely, traditional industrial employers such as manufacturing and construction have contracted in employment terms since 2016.

Knowledge intensive employment in Hanwell, Ealing, and Acton, 2020



The Vale employment change, 2016-2020

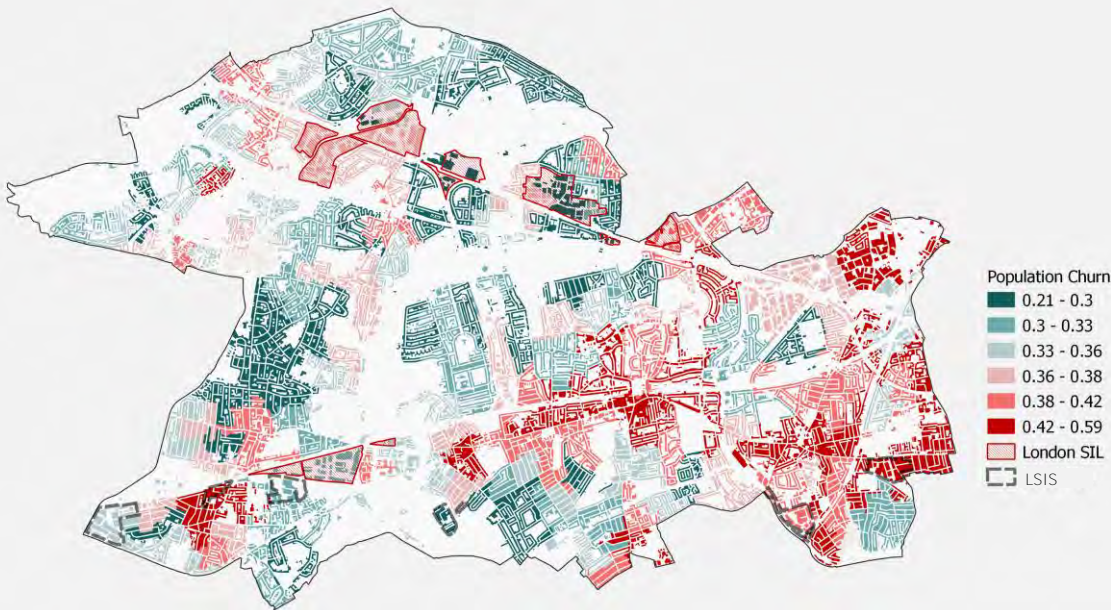


Under greatest pressure from residential development

As shown on Page 20, housing affordability challenges are most acute in Acton, Ealing, and Hanwell. The ONS data release which measures house prices at small areas shows that average residential values in Acton, Ealing, and Hanwell have significantly outstripped - and have become increasingly decoupled - from the borough average. In 1995, house prices across Ealing, Acton, and Hanwell were 17% higher than the borough average, whereas in 2020, this had risen to 20%. High values are likely to put increased pressure on industrial land for housing (see Page 72).

Evidence on population churn suggests that Acton's LSIS is already seeing significant residential development. Population churn measures the proportion of households that have changed ownership between census years. To do this, the Consumer Data Research Centre (CDRC) link administrative and consumer data such as the electoral register and Land Registry data to understand the proportion of new households in the borough. This shows that areas around The Vale and South Acton LSIS have seen some of the highest levels of population churn in the borough – reflecting the scale of residential development in these areas.

Population Churn since 2010



Average residential sale prices, 1995-2020



Need to make co-location work for Hanwell and Acton

This section has shown that the towns of Acton, Ealing, and Hanwell are vital to the borough's prosperity. Whilst not within the scope of Industrious Ealing, town centre strategies should be prioritised in Ealing to understand how the economic role can be maximised.

Whilst industrial areas play a smaller role than Ealing town centre in terms of businesses and jobs, Acton and Hanwell's LSIS contain the borough's highest density, most diverse industrial activity. However, due to residential values relative to the borough (and London) average, Acton and Hanwell's LSIS are under greatest pressure from residential development. This is also where residential/light industrial co-location is likely to be most viable, and if done well can have an enabling function/increase the viability of certain uses.

However, it is important that revisions to the Use Class Order does not compromise the industrial character of LSIS. B1 classes now fall under Class E Commercial, Business and Service. This change draws some effect on industrial designations as former B1(c) light industrial is now not readily differentiated from other E(g) activities meaning that industrial activity previously located on LSIS could be displaced by co-location. This can be addressed in future applications.

Case Study: Trumpers Way, Hanwell

- Planning permission for Elthorne Works in Ealing was granted within the Trumpers Way LSIS in July 2020.
- The project will deliver 213 dwellings comprised of 75 one-bedroom, 115 two-bedroom and 15 three-bedroom apartments, along with an additional eight three-bedroom townhouses which will have access to both private and communal amenity space.
- The accompanying commercial space has been marketed for the incoming purchaser to benefit from the new Class E 'Commercial Business and Service' use class which covers a wide range of uses including: retail, financial and professional services, cafés and restaurants, offices, health centres, nurseries and recreation. Therefore, despite being proposed as a co-location scheme, the flexibility afforded by the new Class E is unlikely to benefit traditional industrial occupiers.



KEY MESSAGE 2.4

GREENFORD AND PERIVALE CONTAIN IMPORTANT
TRADITIONAL INDUSTRIAL ACTIVITY WHICH
SHOULD BE PROTECTED AND GROWN



Why is this important to industrious Ealing?

This section focuses on the north of the borough and the economies of Greenford and Perivale.

Greenford and Perivale contain the majority of Ealing's Strategic Industrial Land which are linked by the A40 and represents some of the most valuable industrial land in the country. Land ownership across Greenford and Perivale is unusually consolidated, with SEGRO now owning significant proportions of the area's industrial land. SEGRO recently purchased Perivale Park which sold for over £200m in one of the UK's largest ever industrial sales.

The socio-economic evidence shows that designated industrial land is integral to both area's economy and hosts the majority of businesses and jobs. This includes regionally-significant industrial occupiers and high value specialisms such as high-tech manufacturing.

As a result, there is a risk that Greenford and Perivale are where the trends identified through the ELR and Key Message 1.2 play out most visibly. There is a risk that without intervention, high density, high value manufacturing uses continue to be priced out to lower density uses such as logistics. This could result in Ealing losing jobs in these areas over the planning period. Despite this, there is an opportunity to establish a strategic relationship with SEGRO to define shared priorities.

The evidence shows:

- Industrial areas are integral to both Greenford and Perivale's economy. They represent the primary economic hubs for both towns and have accommodated the majority of recent growth.
- Greenford and Perivale's industrial areas host a significant proportion of the borough's traditional industrial occupiers.
- This includes a range of higher value economic activity such as regionally significant specialisms in high-tech manufacturing. This includes internationally renowned businesses such as Brompton.



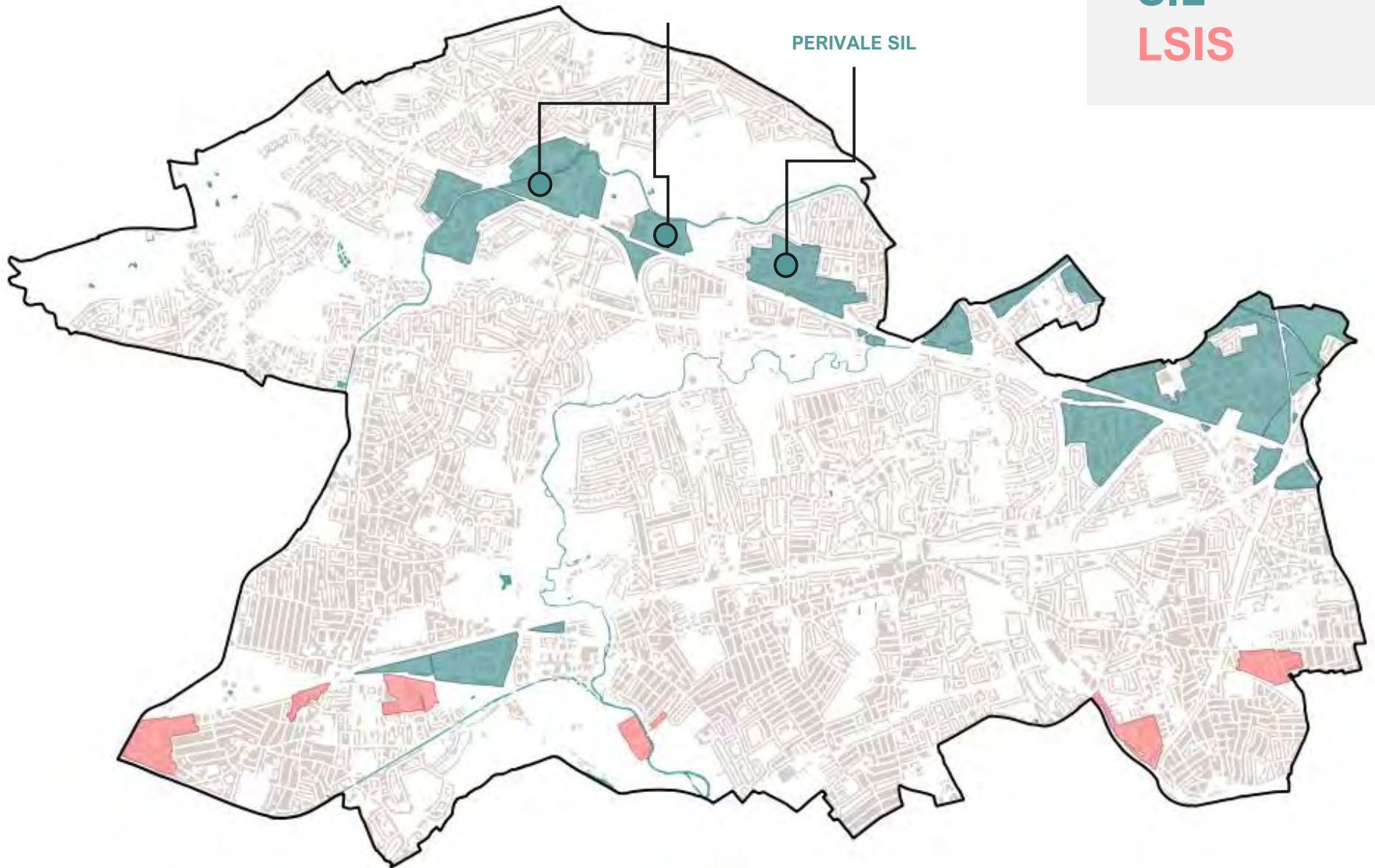
Implications for industrial areas:

- Greenford and Perivale are likely to be where the trends identified within the ELR play out most visibly.
- In a worst case scenario, this could result in good quality industrial employers leaving the borough and being replaced by less intense, but higher paying industrial occupiers.
- Despite this, SEGRO's consolidated land ownership in this part of the borough offers significant scope to develop shared priorities and a more focused strategic relationship.

SIL LSIS

GREENFORD SIL

PERIVALE SIL



Industrial areas are the primary drivers of economic activity

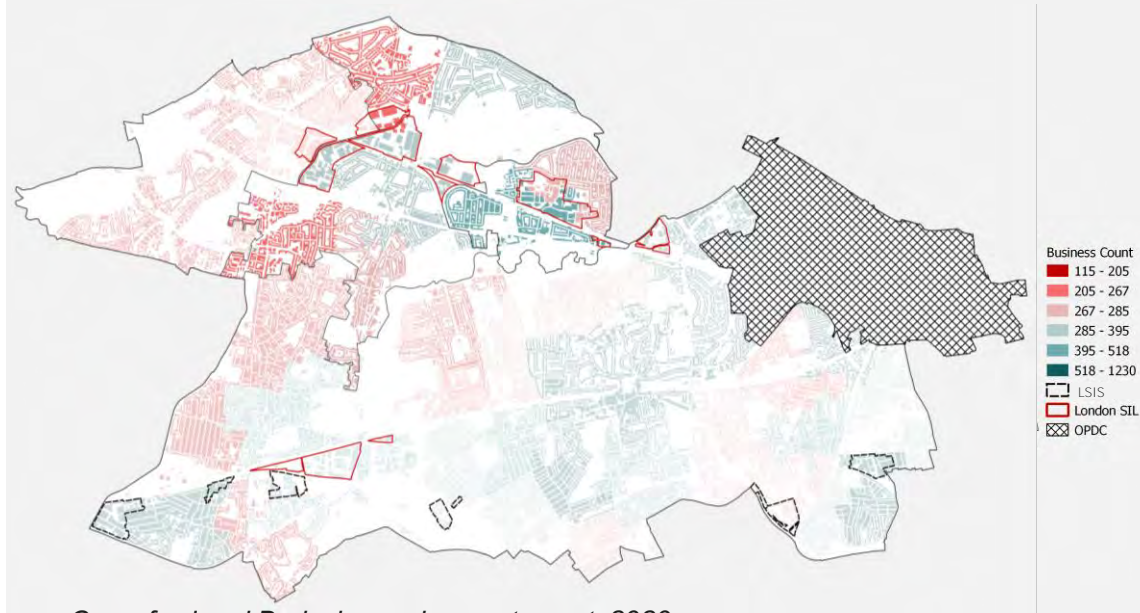
Across Greenford and Perivale, the highest concentration of businesses are located in designated industrial land along the A40. This is unusual (as demonstrated elsewhere in the report) as industrial areas tend to have lower business densities compared to town centres. This reflects their importance to the Greenford and Perivale economies.

Greenford town centre is the only other employment centre of note across both sub-areas.

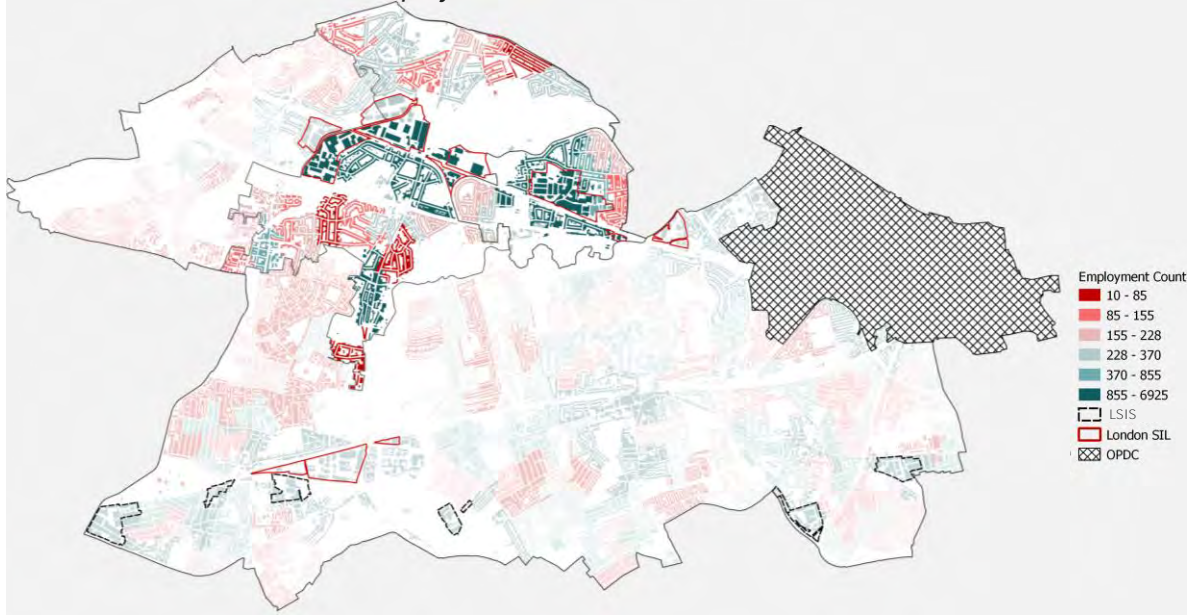
Density analysis shows that designated industrial land in both Greenford and Perivale host some of the lowest employment densities in the borough. This means that there is potentially significant capacity for further employment growth in Greenford and Perivale's industrial areas.

However, as outlined on Page 8, whilst Ealing can set the preferences for intensification through the Local Plan, delivery is contingent on private landowners in Greenford and Perivale such as SEGRO.

Greenford and Perivale business count, 2021



Greenford and Perivale employment count, 2020



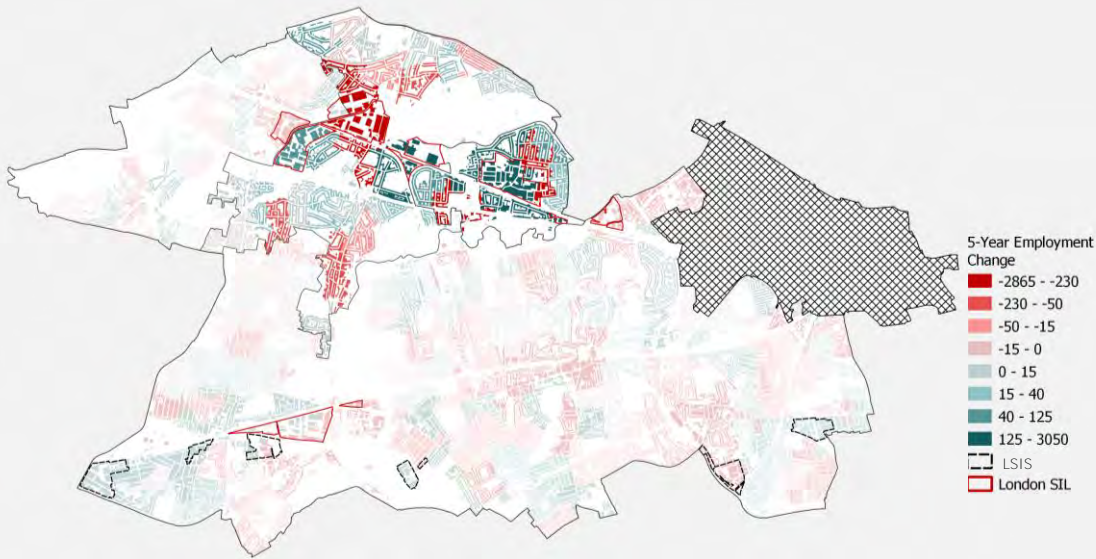
Most of Greenford and Perivale’s employment growth is concentrated in industrial areas

The business growth sector over the last five years has been construction which has increased by 90 businesses.

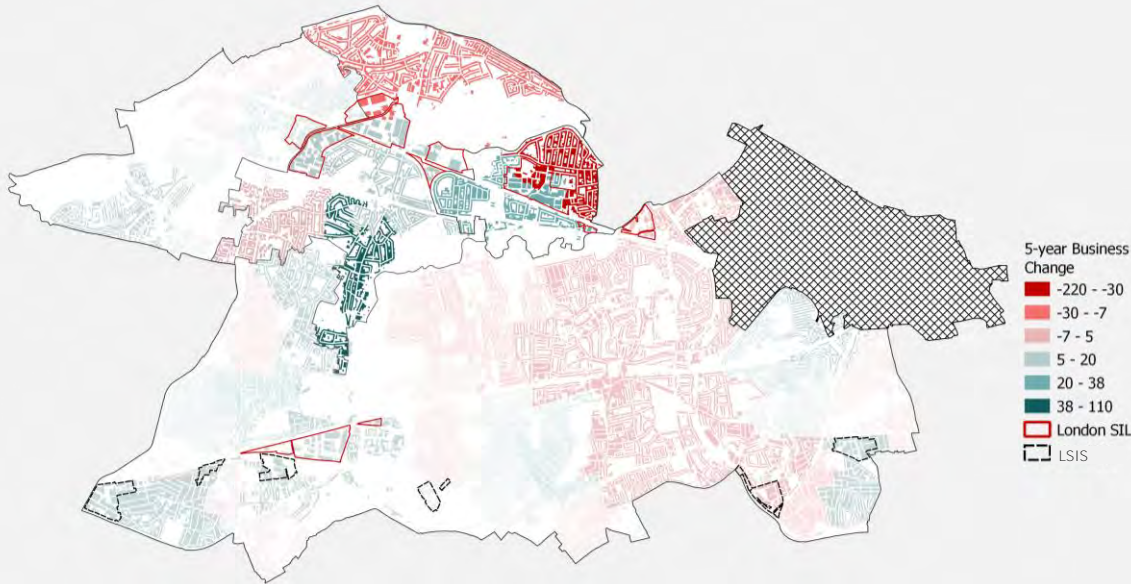
However, this is unlikely to be a future employment generator as many of these are likely to be contractors setting up as businesses. Construction has the highest levels of self employment of any sector (36% of all jobs).

Whilst there has been modest increase in the number of businesses locating in Greenford town centre, this has not resulted in employment dividends; with the number of jobs falling in the last five years.

Greenford and Perivale 5-year employment change



Greenford and Perivale 5-year business change



High quantities of ‘traditional’ industrial occupiers which could be lost without protection

Greenford and Perivale are dominated by ‘traditional’ industrial occupiers such as manufacturing and transport functions.

This reinforces the importance of SIL to the London economy, with Warehousing and Logistics-based employment being over 8 times more concentrated than the London average.

Many of these are highly qualified, well paid jobs. However, as shown through the ELR update, these sectors are potentially at most risk of being priced out due to new drivers of demand in London’s industrial market.

Greenford and Perivale Business Sector Profile, 2021

Industry Sector	Total Subarea	% of all businesses	LQ
Construction	640	26%	2.32
Financial and Professional Services	330	13%	0.52
ICT, Media and Creative Services	305	12%	0.61
Retail	245	10%	1.18
Business Support Services	180	7%	0.82
Wholesale	145	6%	1.50
Transport	130	5%	2.48
Hospitality, Leisure and Recreation	115	5%	0.72
Motor Trades	100	4%	3.03
Public Admin, Education, Health	90	4%	0.68
Other Services	80	3%	1.07
Manufacturing	60	2%	0.88
Warehousing and Logistics	60	2%	1.87
Utilities and waste	15	1%	1.22
Agriculture and Mining	0	0%	0.00
Total	2,495	100%	

Greenford and Perivale Employment Sector Profile, 2020

Industry/Sector	Total Subarea	% of all jobs	LQ
Public Admin, Education, Health	3205	16%	0.66
Transport	2295	11%	2.86
Manufacturing	2175	11%	4.84
Warehousing and Logistics	1885	9%	8.58
Retail	1875	9%	1.09
Wholesale	1585	8%	2.43
Hospitality, Leisure and Recreation	1415	7%	0.68
Construction	1365	7%	1.99
ICT, Media and Creative Services	1315	6%	0.59
Business Support Services	1290	6%	0.67
Financial and Professional Services	1250	6%	0.29
Other Services	475	2%	1.78
Motor Trades	290	1%	2.21
Utilities and waste	55	0%	0.43
Total	20475	100%	

Denotes specialism

This includes significant high value specialisms

Although the study area has some of the lowest concentrations of knowledge intensive employment in Ealing, Greenford and Perivale has lower levels of low paying jobs than the London average.

Despite not being ‘knowledge intensive’, a high proportion of jobs in Greenford and Perivale are well-paid and highly skilled. This includes specialisms which are important a local and London level such as Higher-Tech manufacturing.

This includes several internationally significant anchor tenants in Greenford such as:

- Brompton Bikes – see case study on Page 80
- Vantage Power – Auto parts manufacturer based in Greenford which hybrid electric drive systems in seven London double-deckers
- Voith – Global manufacturer of machines for the pulp and paper industry, technical equipment for hydropower plants and drive and braking systems
- Prestolite - a leading global manufacturer of alternators, starters and new-energy solutions.

Higher-Tech manufacturing employment, 2020

	Absolute count	% of jobs	LQ
Greenford	920	7%	11.86
Perivale	50	1%	1.33
Greenford and Perivale	970	5%	8.42
Ealing	2,230	2%	3.11

Higher-Tech Manufacturing as a % of all jobs, 2020



Greenford and Perivale are where London-wide demand trends are playing out most visibly

Greenford and Perivale comprise the borough's high-value, traditional industrial activity. This includes a range of high-tech manufacturing which are providing well-paying jobs for Ealing's residents.

As a result, there is a risk that Greenford and Perivale is where the trends observed through the ELR play out most visibly. In a worst case scenario, higher density, well-paid manufacturing-based employment is priced out by lower density uses such as logistics. In this scenario, there is a risk that these areas have a net decline in overall job numbers despite near unprecedented demand for space.

However, Greenford and Perivale is unique in an Ealing context due to concentrated land ownership. SEGRO are now the majority land owner across both areas having recently purchased Perivale Park. This presents a unique opportunity to progress shared objectives which could include supporting intensification of sites, and employment brokerage to ensure Ealing's residents can benefit from high-value job opportunities.

Case Study: Brompton Bikes

- Brompton are one of the most well-known employers in the borough. Brompton produced nearly 70,000 bikes last year, 69 per cent of which were exported. In addition to its London factory employing 650 people it has a small plant in Sheffield.
- Since the start of the pandemic, demand for bikes has soared. Engagement with SEGRO suggested that Brompton are intensifying the floorplan of existing premises. This is providing significant new highly-skilled local jobs – many of which are filled by Ealing residents.
- However, earlier this year the company announced intentions to leave Ealing in favour of a new Headquarters in Ashford, Kent. It hopes to open the factory by 2027 with the aim of producing more than 200,000 bikes per year, doubling its current rate. At first, the company expects to employ more than 1,500 staff but once fully operational, this is expected to rise to 4,000.
- The council are working closely with Brompton to maintain a strong manufacturing presence in Greenford, post the expansion to Ashford.





CHAPTER 3: RECOMMENDATIONS

- OVERARCHING RECOMMENDATIONS: A STRATEGIC RESPONSE TO THE KEY CHALLENGES FACING EALING'S ECONOMY
- SPECIFIC RECOMMENDATIONS: RESPONDING TO THE EVIDENCE TO

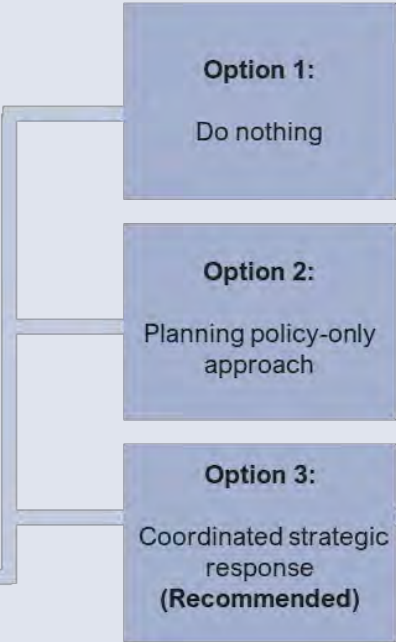
Structure of recommendations

The evidence presented within this report shows that Ealing’s economic picture can be distilled into three defining challenges - of which, maximising the performance of industrial areas is one. Responding to these defining challenges represents the first section of the recommendations. Whilst some of these are outside of the core scope of Industrious Ealing, addressing key challenge 1 and 2 will have indirect impacts for key challenge 3. To address Key Challenge 3, it is recommended that Ealing takes a coordinated strategic approach to industrial areas, recognising the limitations in planning policy. Finally, the third area of recommendations is a direct response to the evidence presented in Chapters 1 and 2 – outlining how Ealing should respond to the evidence to maximise the socio-economic benefits associated with growth and investment in industrial areas.

1. EALING’S KEY ECONOMIC CHALLENGES TO ADDRESS



2. OVERARCHING RECOMMENDATIONS



3. SPECIFIC RECOMMENDATIONS



RECOMMENDATIONS RESPONDING TO **EALING'S** KEY ECONOMIC CHALLENGES



Making sense of the evidence

The evidence presented within this Inclusive Economy Baseline show that industrial land is inextricably linked to the wider economy. There are three key challenges facing Ealing's economy. These are:

- 1) **Genuinely affordable housing:** Housing affordability has been shown to be linked to economic vitality. Ealing needs a strategy to address this whilst ensuring valuable industrial land is not permanently lost.
- 2) **Knowledge economy:** Higher value jobs have fallen and town centres are underdelivering as economic hubs. Town centre strategies can help to alleviate pressure on industrial land.
- 3) **Industrial area capacity:** industrial areas have a complex set of nuances which are the main focus of this report. Need to ensure unprecedented demand delivers maximum socio-economic benefits for residents.

	KEY CHALLENGE 1	KEY CHALLENGE 2	KEY CHALLENGE 3
The evidence	<ul style="list-style-type: none"> The evidence shows that affordable housing is the borough's fundamental economic challenge. It is the primary driver of deprivation and inequality across all of the borough's seven towns and could affect economic vitality if left unaddressed. Whilst not directly to Industrious Ealing, the report advises on the pressures residential investment is putting on designated industrial land – especially in Hanwell and Acton's LSIS. This report considers the potential for industrial co-location and ensuring that it does not permanently displace important industrial activity. 	<ul style="list-style-type: none"> Ealing's higher value, knowledge-intensive employment is almost exclusively hosted in Ealing town centre along the Uxbridge Road. Despite excellent underpinning infrastructure, there is a lack of critical mass of office-based employment meaning Ealing is currently under-delivering for residents. An absence of a refreshed spatial and economic strategy has seen an overspill of professional service employment into industrial areas – particularly Acton's LSIS – putting further pressure on the borough's constrained industrial land supply. The arrival of the Elizabeth Line, coupled with post-COVID town centre renewal, should provide the impetus for doing things differently. 	<ul style="list-style-type: none"> Evidence from ELR shows that whilst demand for industrial space has now reached near unprecedented levels, a high proportion of investment into Ealing will be in low density activities, and ability to prevent this is limited by the London Plan. Ealing needs to plan for this, identifying and prioritising focus in the remaining areas that can support densification and employment creation ambitions.
Practical actions	<ul style="list-style-type: none"> Develop strategy to deliver the genuinely affordable housing: Whilst not the primary focus of Industrious Ealing, the evidence is clear that the borough needs a strategy to address housing affordability and demographic challenges which will affect economic vitality if left unaddressed. Align Industrious Ealing recommendations and wider Local Plan evidence bases: Consider the recommendations and evidence presented within this report in-line with the Strategic Housing Market Assessment. Ealing should Implement Industrious Ealing recommendations to ensure housing delivery does not compromise borough's industrial character and economic performance 	<ul style="list-style-type: none"> Develop town centre strategies: Develop town centre strategies to provide more high value employment and support strategic job creation targets. This should begin with Ealing and consider how developments such as the Broadway Centre can be maximised to deliver more high value jobs for Ealing's residents. Understand relationships between town centres and industrial areas: Implement Industrious Ealing recommendations to enhance relationship between industrial areas and town centres. 	<ul style="list-style-type: none"> Implement overarching and specific recommendations to address evidence in the Inclusive Economy Baseline: Implement Industrious Ealing recommendations on Pages 87, 88, and 89.
Spatial Focus	Borough-wide	Initially Ealing, Acton, Hanwell	Borough-wide

Take a coordinated strategic approach to industrial land

This Inclusive Economy Baseline outlines the complex socio-economic factors shaping Ealing's industrial areas and their importance to the borough's economy. This, together with the analysis of industrial supply and demand presented within the ELR, show that there are clear market failures to be addressed by the local authority to ensure demand and growth is benefitting Ealing's communities.

The Local Plan is an important tool for shaping and guiding growth, but as shown through this report, the ability to address this through planning policy alone will fall short. As a result, it is suggested that a coordinated strategic response is taken to address the market failures in the industrial land market. Therefore, the recommendations presented on Pages 89 and 90 represent planning-specific and wider policy recommendations to maximise the socio-economic benefits associated with industrial area growth and demand.

LB Ealing's options for industrial area intervention

Option 1:

Do nothing

One option would be for Ealing to do nothing. Under this option, the projections and forecasting from the Local Plan Employment Land Review are likely to be realised and historic socio-economic trends observed within this report continue to deepen. All policy-compliant schemes on industrial land would be supported meaning that traditional occupiers continue to be priced out of Locally Significant Industrial Sites, resulting in these areas becoming less economically diverse. Market demand will predominantly be driven by lower density uses on SIL such as logistics and data centres. In this scenario, the borough would face a situation where demand for industrial space would be high, but the potential socio-economic benefits would be low. Due to the dominant demand for space and the associated employment densities associated with these uses, it is possible that the absolute number of jobs hosted in the borough would decrease over the planning period. As a result, borough-wide challenges of low pay and a lack of economic opportunity are likely to remain unaddressed.

Option 2:

Planning policy-only approach

The second option is to use planning policy to encourage the types of economic activity which support an Ealing economy which is greener, fairer, and more resilient. Under this option, recommendations of the Workspace Audit are implemented and Ealing can take a robust, evidence-led approach to protecting, creating, intensifying, and reimagining industrial land. However, due to the constraints outlined on Page 10, the council's influence is largely limited by the London Plan, especially in relation to SIL. This is likely to mean demand for space on SIL will continue to be driven by low density but policy compliant uses such as logistics and data centres. Therefore, it is possible that overall employment densities will continue to fall unless private land owners invest in intensifying existing sites. To date, this has largely seen as unviable. By necessity, this option will involve the council focusing the types of activity permitted on LSIS, enabling the council to prioritise higher density, better paid uses – contributing to overarching strategic job creation targets, and wider regeneration ambitions.

Option 3: **Coordinated** **strategic response** **(Recommended)**

All of Option 2 plus wider policy interventions positioned to address key strategic socio-economic challenges. This recognises the limitations in terms of planning to address the challenges identified in this report – especially in relation to SIL. This approach also recognises that there are currently explicit market failures relating to Ealing's industrial land market which cannot be addressed through planning policy alone. Whilst demand has reached almost unprecedented levels for industrial space, there is a risk that this will not deliver social, economic, or environmental benefits for Ealing – despite development proposals being compliant in planning policy terms. Therefore, this option includes the wider levers the council possesses in order to take a strategic approach to ensuring industrial land is delivering maximum benefit for Ealing's communities. Depending on the extent of the council's ambition, this option is scalable from direct intervention in the industrial market, to wider 'softer' policy levers which can support industrial area change. Example Option 3 interventions have been proposed as recommendations throughout this report.

RECOMMENDATIONS

SPECIFIC RECOMMENDATIONS



Borough-wide industrial priorities

The Inclusive Economy Baseline shows that there are several borough-wide challenges which affect the role, function, and demand for industrial land. As a result, these considerations require an expedited strategic response. Recommendations respond directly to the borough-wide intelligence presented in Chapter 1:

- **Key Message 1.1:** Housing affordability and demographic factors are economic issues and will affect Ealing's prosperity if left unaddressed
- **Key Message 1.2:** Ealing's economic growth has been slow and the borough has under-performed in terms of job creation
- **Key Message 1.3:** The quality and resilience of Ealing's employment is low

	KEY MESSAGE 1.1	KEY MESSAGE 1.2	KEY MESSAGE 1.3
The evidence	<ul style="list-style-type: none"> • Housing affordability and availability is intrinsically linked to the wider challenges facing Ealing's industrial areas. • Ealing's population has grown significantly and the borough has an ageing population. • Housing affordability is the primary cause of deprivation across all of Ealing's seven towns. • This is increasing the pressure on industrial land, especially on LSIS. To date, there is evidence to suggest that the flexibility afforded by the new E use class could result in co-location schemes displacing traditional industrial uses for more generic commercial uses. 	<ul style="list-style-type: none"> • Business and employment growth has been below the London average, however industrial areas are seeing overwhelming demand. • High value business growth is not generating employment dividends for the borough • Much of the business growth in industrial areas is in typically low density activity such as logistics and warehousing • New entrants to the industrial market, high demand for space, and low vacancies are driving high industrial rents across the borough and could adversely impact Ealing's strategic job targets. • This could result in a situation where Ealing has unprecedented demand for industrial space, but the wider socio-economic benefits are very low. 	<ul style="list-style-type: none"> • Many people live and work locally, making the quality of jobs hosted in the borough vital for resident prosperity • Whilst economic activity is high, the quality of employment is poor. This is reflected by low earnings, and rising in-work poverty • The COVID-19 pandemic brought many of these challenges to the fore and Ealing has been disproportionately impacted • Ealing also has a high proportion of low paying local employment which is contributing to weak economic resilience • Ealing's industrial character means that it has a high proportion of carbon-intensive industries which could affect resilience in the long-term.
Practical actions	<ul style="list-style-type: none"> • Develop a strategy to deliver the housing Ealing needs: Make meeting objectively defined housing targets (as defined by the SHMA) primary measure of success for housing delivery. Ealing should take a more proactive approach to the delivery of housing on small sites within the borough in both town centres and on appropriate industrial sites. • Take a masterplan-led approach to development on LSIS: On LSIS, Ealing should prioritise a masterplan-led approach. This will allow Ealing to proactively set priorities for development on LSIS rather than reactively responding to speculative applications. • Ensure co-location does not displace key industrial occupiers: Work with applicants to develop a better understanding of local industrial need and demand as an integral part of employment provision for co-location proposals. 	<ul style="list-style-type: none"> • Explore re-designating SIL to LSIS: Where areas accommodate low density employment, seek to accommodate higher density employment in proximate town centres and residual sites. Ealing should also work with the Greater London Authority to explore redesignation SIL to LSIS to have greater control over ability to intensify sites. Initial focus should be in areas where joint masterplanning has already been conducted and site intensity is abnormally low (e.g. in the SIL adjacent to Hanger Lane). • Explore opportunities to create and protect valuable industrial land: Implement findings of the Workspace Audit and explore opportunities to re-designate sites in Southall as LSIS. This should also include identifying opportunities to include employment and industrial employment space in site allocations. • Work more effectively with large employers: Improve communications and prioritise strategic relationship with the top 25 largest industrial-based employers in the borough and improve messaging relating to Ealing as business location. • Be a market maker to address market failures: Consider active intervention (starting with council-owned assets/sites) in industrial land market to address market failures and to demonstrate proof of concept in terms of industrial intensification. 	<ul style="list-style-type: none"> • Target interventions: Focus council resources on the locations where it has greater influence (ownership or strategic momentum) and most compelling case for public sector intervention (see Page 89) • Attract the right sort of investment: Work with major land owners and operators to ensure Ealing is a priority location for investment. • Understand the wider levers to deliver change: Consider subsidy in provision of space for targeted industries (Manufacturing, STEM and Creative). This could also include levers such as business rate relief. • Green Ealing's industrial stock: Deliver green industrial spaces as a fulcrum for Ealing's inward investment offer. This could be an initial focus of strategic partnerships with key landowners (see Page 89). • Support the creation of green jobs: Maximise location of the West London Green Skills Hub in Southall by identifying industry champions to lead future curriculum development and define short, medium, and long-term business needs.
Spatial focus	Borough-wide	Borough-wide	Borough-wide

Sub-area specific priorities

In addition to the borough-wide intelligence, it is clear that the polycentric nature of Ealing's economy requires a more targeted approach to industrial policy. In response to the evidence presented in Key Message 2.1, it is recommended that Ealing:

- Takes a locally focussed approach to industrial land policy based on the three economic areas identified within this report
- Recognises the specific function of each of the seven towns giving equal emphasis on locally derived 'foundational' economies as externally focussed investment and 'growth' economies
- Develops focussed economic action plans for each of the town focussing upon their specific needs and specialisms

	KEY MESSAGE 2.2	KEY MESSAGE 2.3	KEY MESSAGE 2.4
The evidence	<ul style="list-style-type: none"> • Northolt and Southall have experienced significant economic growth over the last five years. • However this is increasingly in lower paid, insecure employment and figures are distorted by high-levels of self-employment. • This is accentuated by high levels of low paying work and the lowest earnings in the borough. • Highest overall need, coupled with the lowest levels of economic opportunity represent a clear market failure and a compelling case for public sector intervention in the industrial land market. 	<ul style="list-style-type: none"> • These towns are Ealing's primary economic drivers and contain the majority of the borough's jobs and businesses • This is also where the borough's higher value, knowledge intensive employment is almost exclusively concentrated and there is an opportunity to intensify this further on LSIS • There has been high levels of population churn in these areas reflecting the scale of development. Residential values are also significantly higher than the borough average. 	<ul style="list-style-type: none"> • Industrial areas are integral to the each town's economy and represent the predominant drivers of economic activity • There are a range of higher value industrial jobs and businesses • This includes regionally significant specialisms in higher value specialisms such as high tech manufacturing and key anchor employers • However, these specialisms are most at risk from shifts in industrial demand which could affect economic prosperity. • Ealing does not have any significant land ownership to drive change and planning powers on SIL are limited by the London Plan.
Practical actions	<ul style="list-style-type: none"> • Strongest case for public sector intervention: Consider active intervention in industrial land market through purchasing or leasing of sites. The public sector already has significant land holdings in Northolt, making the SIL a potential starting point for focus. • Spatial focus for inclusive economy plans: Develop focussed inclusive economy action plans for Northolt and Southall responding to the specific conditions of poverty and deprivation in these places. Whilst it is the council's Ealing should consider using these plans to redistribute future development contributions where this is possible • Support grassroots activity: Use empty spaces in industrial and town centres to provide low (or zero) cost space for local residents as apart of an grassroots approach to enterprise. This could leverage the new powers afforded by the Levelling Up and Regeneration Bill to let empty units. 	<ul style="list-style-type: none"> • Prioritise masterplans in areas under greatest residential development pressure: Make Acton's LSIS the initial spatial focus to embed masterplan-led approach. • Prioritise town centre strategies here to capitalise on the Elizabeth Line and create more higher value jobs: Develop a collective identity for Ealing. Acton and Hanwell as a location of high value economic activity through town centre strategies. This should focus on improvement of the physical environment of industrial areas, blending these more effectively to their neighbouring centres to more coherent economic hubs • Make intensification work on LSIS: Increase the density and quality of commercial spaces in thriving areas of the borough. This should be coupled with a focus business communication and partnership here in the first instance; leveraging existing stakeholders such as Your Acton BID. 	<ul style="list-style-type: none"> • Strategic relationships to drive change on SIL: Prioritise strategic relationships with key landowners to drive change. Whilst Ealing does not have significant land ownership in Greenford and Perivale, SEGRO's significant land holdings across the two SIL areas is unusual and should provide the catalyst to develop shared priorities to expediate the evolution of Greenford and Perivale's economies. • Green Industrial Zones to encourage diversification and resilience: Consider the designation of key industrial locations as Green Industrial Zones, working with land owners to develop a new generation of green industrial areas as prominent attractor of companies to the area. port diversification in Greenford and Perivale, developing exemplar green spaces for all industries • Growing and greening existing businesses: Provide support for existing companies, supporting them to green their operations and embracing circular economy principles.
Spatial focus	Northolt and Southall	Acton, Hanwell Ealing	Greenford and Perivale

The background is a dark, textured surface with a mix of purple and orange hues. It features several black, irregular outlines that resemble a map or a series of abstract shapes. The overall effect is a moody, artistic composition.

prd

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