



2026

**Development Strategy
Initial Proposals
September 2009**

**Background Paper 2:
Ealing's Economy**

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CHAPTER 1: INTRODUCTION

- 1.1 This document forms part of the background evidence base, which has informed the preparation of the borough's Development Strategy 2026. The Strategy sets out a vision of how Ealing should develop between 2011 and 2026, considering how the borough fits into the 'bigger picture' of London. It considers different places within Ealing, and how they should change over the years ahead, where development should be focused and what we should protect. Initial Proposals for the Development Strategy are to be consulted on in September and October 2009.
- 1.2 Ealing has a strong, dynamic and varied economy, benefiting from its position at the heart of the West London economy, placed between the West End and Heathrow airport. Over 11,000 businesses are based in the borough and 150,000 people work in Ealing¹. The Development Strategy sets the framework for substantial economic and employment growth over its lifetime. 1.1m sq. metres of new employment floorspace is proposed in the borough, with the aim of accommodating a substantial proportion of the extra 109,000 jobs needed in the West London sub-region.
- 1.3 This background paper provides a summary of relevant strategies and assessments which have informed the preparation of the Development Strategy to-date, as well as identifying additional areas of work required to support the publication version of the Strategy, anticipated in summer 2010.

¹ See the 'State of Ealing 2008: Economy & Enterprise' report (LB Ealing, 2008), which can be downloaded from http://www.ealing.gov.uk/services/council/facts_and_figures/profiles_of_ealing_borough/

CHAPTER 2: OVERVIEW OF RELEVANT STRATEGIES

Introduction

- 2.1 The economic downturn has resulted in significant changes in levels of economic activity, financial lending, business development and employment. At this stage it is difficult to forecast how these changes will affect economic development in the borough over the next few years, but it is important to bear in mind that the Development Strategy has a long-term focus, establishing the vision for the borough from 2011 to 2026. This background paper summarises and signposts existing data, plans and strategies, but recognises that more work will be required to support the aspirations and objectives of the Development Strategy as it moves towards publication.

Regional and sub-regional economy

- 2.2 Economic development in the borough cannot be considered in isolation of the wider regional and sub-regional context. The Mayor's Economic Development Strategy is being revised to reflect wider economic changes. A consultation draft was prepared in May 2009² and the revised strategy is intended to set out the Mayor's ambitions for economic development, establish the strategic vision and policy directions for achieving those ambitions as well as clarifying roles and responsibilities for parties involved in developing London's economy.
- 2.3 The Economic Development Strategy has a strong relationship with the London Plan. The latest publication version of the London Plan was prepared in 2008³, incorporating changes made since the previous publication in 2004. This consolidated version of the Plan is currently under review, with a fully updated version to be published in late 2011. The London Plan's role as the Regional Spatial Strategy means it establishes strategic policy on the economy, including opportunities to generate new employment, support existing and new business sectors and promote and safeguard employment land.

² The consultation draft of the Mayor's Economic Development Strategy is available at <http://www.london.gov.uk/mayor/publications/2009/05/rising-challenge.jsp>

³ Progress with the London Plan can be reviewed at <http://www.london.gov.uk/mayor/priorities/planning.jsp>

2.4 At the sub-regional level, the West London Partnership alongside West London Business has prepared an Economic Development Strategy for the West London sub-region⁴. Although the Strategy was published two years ago, it provides a strategic overview of sectors, activities and opportunities in the sub-region.

Local economy

2.5 In 2006 Ealing Council prepared an Economic Regeneration Strategy⁵. The Strategy identified opportunities to generate sustainable economic growth and focus attention on key growth corridors, including the Paddington-Heathrow (Crossrail) Corridor and A40/Park Royal Corridor; this focus has been taken forward in the Development Strategy: Initial Proposals consultation document.

2.6 More recently, the Council's State of Ealing 2008: Economy & Enterprise report⁶ summarises the borough's economic position in 2008. As the economy enters a period of contraction, the business and employment indicators identified in the report suggest that Ealing has certain characteristics which may mean it is better placed to cope with the downturn than elsewhere, including:

- In recent years the borough has recorded greater levels of business registration than all the other West London boroughs, with 11,000 VAT registered businesses in 2006;
- The borough has a higher proportion of self-employed workers (16% in 2006) compared to the West London, London and England benchmarks;
- The borough is home to a range of industrial sectors, including businesses in distribution, hotel and catering, financial industries, public services and manufacturing;
- The borough is home to a number of leading multinational companies, each of which is a major employer;
- The Park Royal industrial estate is the largest industrial estate in Europe and is predominantly home to small and medium sized businesses as well as a series of major multinationals; 40% of businesses are owned by people from minority ethnic backgrounds, reflecting the diversity of the local population.

⁴ The West London Economic Development Strategy (2007) is available at <http://www.westlondon.com>

⁵ The Economic Regeneration Strategy (LB Ealing, 2006) and supporting information is available at http://www.ealing.gov.uk/services/business/economic_development_strategy/index.html

⁶ The 'State of Ealing 2008: Economy & Enterprise' report (LB Ealing, 2008), can be downloaded from http://www.ealing.gov.uk/services/council/facts_and_figures/profiles_of_Ealing_borough/

- 2.7 However, the report also indicates a need to focus on concentrations of worklessness, which were particularly high in Southall, Northolt and Acton in 2007. Issues include skills shortages, with 11% of residents having no qualifications, with particular concerns identified in Southall, Northolt and Greenford. Lack of recognition in the UK of qualifications gained overseas contributes to these figures and is reflected in the high proportion of migrant workers employed in unskilled positions.
- 2.8 These factors contribute to the borough's overall pattern of deprivation. Taking the indices of multiple deprivation, areas of Southall, Northolt, Greenford and South Acton fall within the 10% most deprived nationally, although, in contrast, areas to the north and south of Ealing town centre record low levels of deprivation.

Employment land

- 2.9 The Development Strategy outlines spatial proposals for protecting and enhancing existing employment areas, appropriate release of employment land and focus for new areas of employment to meet long-term demand and need. The strategy builds on the employment land review prepared in 2006⁷ which identified the amount of designated employment land in the borough, rates of redevelopment for alternative uses and the performance of the borough's Major Employment Locations (MELs) and Employment Sites, as defined by the adopted UDP.
- 2.10 The borough has 11 MELs and 21 Employment Sites. In total these locations provided 491ha of employment land in the borough when they were designated (444ha in MELs and 47ha in Employment Sites). This amounted to 2.75m sq m of employment floorspace. The most recent borough Annual Monitoring Report (AMR 2007-08)⁸ indicated that 9ha of employment land has been developed for alternative uses since the employment land review was undertaken; this has generally occurred on smaller Employment Sites.
- 2.11 Reviewing each of the MELs and Employment Sites in turn, it is possible to identify further employment land releases likely to come forward during the lifetime of the Development Strategy.
- 2.12 Since 2007 the Council has prepared a series of opportunity area and regeneration frameworks focused around key areas of change. In discussion with key stakeholders, including landowners and the GLA, appropriate release of employment land is being considered within the Development Strategy's Initial Proposals. Release is focused on the Southern Gateway area of Park Royal and part of the Great Western Strategic Industrial Location in Southall.

⁷ 'Industrial land and office development' (LB Ealing, 2006)

⁸ The latest borough Annual Monitoring Report can be found at http://www.ealing.gov.uk/services/environment/planning/planning_policy/research_information/

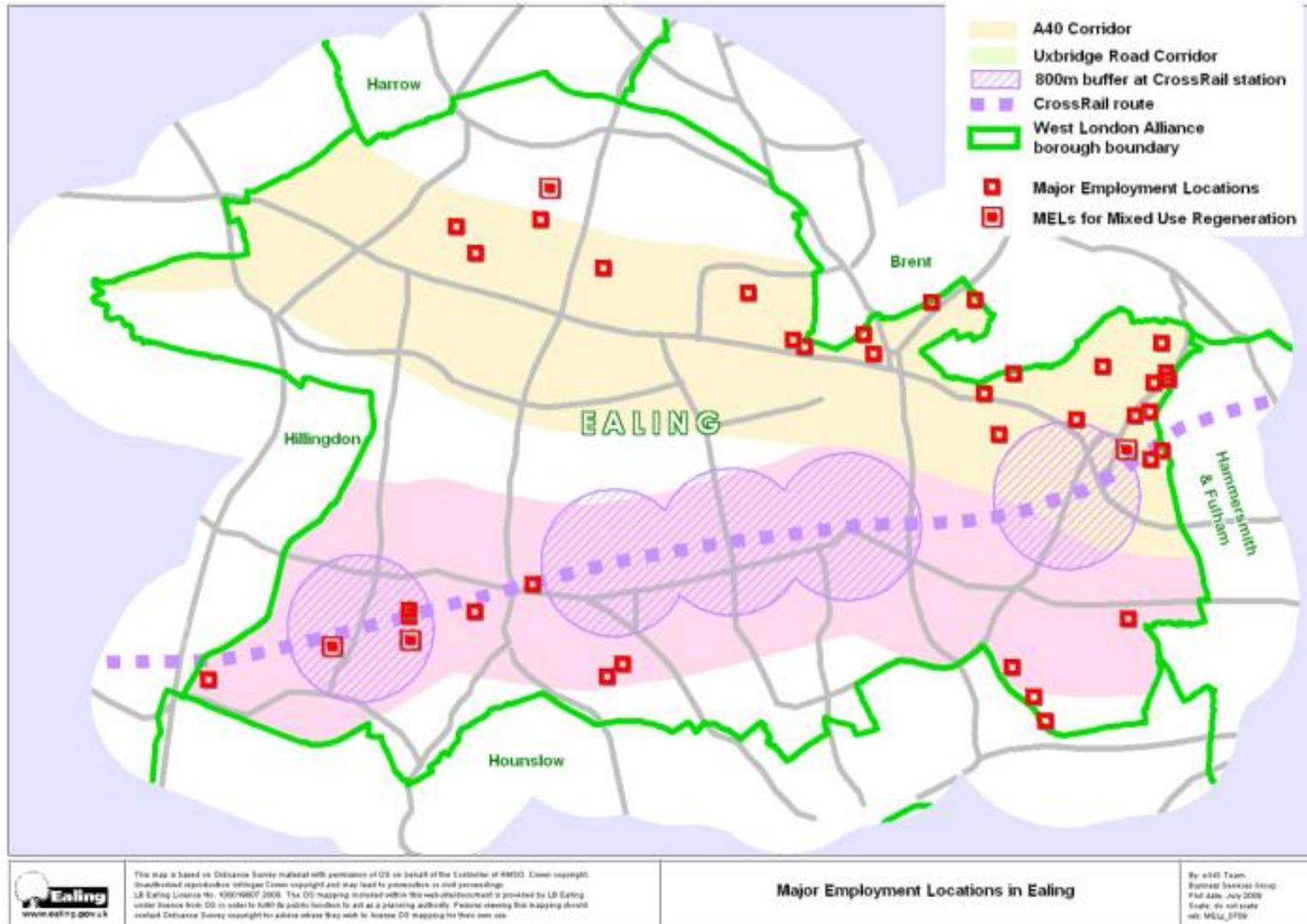
- 2.13 Additional release is expected in Southall town centre in the longer-term, particularly related to the delivery of Crossrail. In Hanwell, there is a current planning application for housing on part of the Trumpers Way MEL which is sited within a residential area. Other MELs which may experience pressure for change or are currently underperforming and could potentially benefit from diversification, include the North Circular/Brent Crescent and Northolt-Greenford MELs. Changes in these locations could see between 20 and 40 hectares of employment land being redeveloped (see Map 1 for MEL locations and potential changes). At the same time, undesignated areas, such as the Uxbridge Road office quarter in Ealing/West Ealing offer alternative employment locations.
- 2.14 Of the 21 UDP designated Employment Sites, three have been released in part/whole for residential-led development with applications approved or pending on four more. This equates to a loss of 16ha and there is consideration of part/total release of six further sites (up to a further 12ha) as part of regeneration proposals for Southall, Greenford and Acton Mainline area.

Town centre and area regeneration initiatives

- 2.15 The borough's town centres play an important role in its economic success and as such have been the focus of a series of regeneration frameworks⁹, including for Ealing, Acton and Southall. However, as elsewhere in West London, the dual effects of the economic downturn and opening of the Westfield Shopping Centre have conspired to undermine the success of the borough's town centres and new opportunities for diversification and growth need to be identified and brought forward.
- 2.16 In 2007, the Council prepared a retail needs assessment in conjunction with the boroughs of Hammersmith & Fulham and Hounslow. With the current set of circumstances, an updated assessment of floorspace need is to be commissioned in the autumn with revised figures to be reported early in 2010. The retail needs assessment will sit alongside town centre health check work prepared for the GLA to inform the revised London Plan, which will contain a review of London's network of town centres.

⁹ The town centre and area regeneration frameworks are available at http://www.ealing.gov.uk/services/regeneration/town_centre_and_area/

Map 1: Major Employment Locations indicating areas of proposed change



CHAPTER 3: NEXT STEPS: DEVELOPING THE EVIDENCE BASE

- 3.1 The Council recognises that the current economic circumstances and changing policy framework require additional evidence to be prepared in support of the publication version of the Development Strategy (anticipated in summer 2010). The Council is proposing to work with local businesses through existing networks and partnerships to identify issues and opportunities to enhance local economic development.
- 3.2 Furthermore, the recent publication of draft Planning Policy Statement 4: Planning for Prosperous Economies¹⁰ establishes the need for local planning authorities to prepare a local economic assessment (LEA). To assist with this process, the Planning Advisory Service (PAS) and Improvement and Development Agency (IdeA), has prepared draft guidance¹¹ on the preparation of LEA. The draft guidance identifies the following roles for the LEA:
- Provide local authorities and stakeholders with an understanding of how economic conditions and forces shape places at a range of spatial levels;
 - Reflect the economic character of an area, recognising that a local authority is a collection of different places;
 - Describe the economic forces and factors affecting the area to inform policy and action;
 - Enable challenge, testing and development of policy, visions and aims, linking to strategies at the regional and local level;
 - Inform policy and priorities, linking directly to the achievement of outcomes;
 - Ensure the assessment can provide a strong understanding of an area and shape interventions.
- 3.3 The Council will bring together its existing evidence base and work in partnership with key stakeholders to develop an assessment that addresses these key points and can directly inform policy priorities established in the publication version of the Development Strategy.

¹⁰ Consultation draft published in May 2009 with publication expected in autumn 2009 – see <http://www.communities.gov.uk>

¹¹ Consultation draft published in August 2009 – see <http://www.pas.gov.uk>

For further copies of this document or any of Ealing's local development framework documents, please contact:

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