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Having reviewed the employment market across London, attention will now be given to policy approaches that local decision-makers might consider in order to help maximise local benefit from the changing trends. This section draws on the experience of five London boroughs which have faced particularly significant economic changes in recent years: Croydon, Enfield, Hammersmith and Fulham, Redbridge and Wandsworth.

This report has focussed on the service sectors, and it is important to bear in mind that these fall into different broad categories:

- Some have to be delivered 'face-to-face' (such as beauty treatments and restaurants). These must be located close to the markets they serve, and location will be determined by the compactness or spread of their customer base.
- Others have a strong tendency to 'cluster', either because easy transfer of information and ideas

is important to them, or because they need complex or scarce support services. Growth in these sectors will tend to be from an existing location that already has critical mass.

- A third group consists of services less tied to particular locations. Where these are of routine or low value, they will tend to be located in areas where expenses such as land and operating costs are lower.

Of course, some services may fall into more than one of these categories, while others may move from one to another as patterns of demand, working and delivery methods change. These factors need to be taken into account in considering how policies can best be oriented to encourage location of growth sectors in particular places.

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decision-makers responsible for policy on regeneration, education, training or promoting economic, environmental or social well-being, will need to understand what is happening in London and in their local areas if their objectives are to be attained. The need for a sound evidence base for strategy development and service delivery led the GLA Group to establish GLA Economics to provide data and analysis; boroughs and London's Learning and Skills Councils should also continue to review the information resources available to them and consider ways of addressing gaps. While not all boroughs have dedicated research resources (as in Hammersmith and Fulham), there may be scope for joint working – between boroughs and Learning and Skills Councils at sub-regional level, for example – to provide a capacity of this kind. GLA Economics is looking at how it can develop its work to provide data at sub-regional and local levels, to help support work of this kind.

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Decision-makers need to pay attention to the broader changes being experienced in the sub-regional and regional economy, and not just to what is happening locally. They need to have an awareness of the implications of their spatial location, and its relationship with what is happening in other parts of London – and outside.

Redbridge, for example, in making plans for Ilford town centre, has explicitly identified and built upon its location in relation to forthcoming developments in the Thames Gateway. This report has touched on reasons why service sector businesses locate in particular places. A good spatial awareness will help identify the relevant factors applying in a particular place.

As the draft London Plan makes clear, every part of London has potential for jobs growth. In addition to the very large-scale opportunity areas identified in the Plan, there are also many places with established

infrastructure where additional employment can be created and sustained, building on existing and emerging sectoral strengths. Much of this activity will be in town centres, like Croydon, where there are sites available for development now and others that could become available in the future.

The evidence highlights the importance of town centres as employment bases, particularly in outer boroughs. This underscores the emphasis on supporting and developing centres in the draft London Plan, which envisages a wide role for centres as locations for leisure and cultural activities, business, housing, public and community services, as well as retail services. All of the boroughs that were visited in preparing this report, were concerned with maximising the benefits of their town centres while recognising that not every town centre can provide a universal range of services and opportunities:

- Wandsworth has targeted policies for each of its principal town centres, seeking to identify a niche for all of them and helping them to fill this role. These policies include attention to environmental issues, traffic and parking, and are implemented by five town centre managers. The centres are at the heart of the Borough's economic development strategy, as locations for growth sectors such as IT consultancies, financial advisers, property specialists and other local business services alongside retail and leisure activities.

- Redbridge and Croydon, with metropolitan shopping centres in their main towns, are both engaged in ambitious schemes to place town centres at the heart of regeneration. 'Progressive Ilford' is the title of Redbridge Council's plans to expand and diversify Ilford through mixed-use development at a higher residential density than at present. These plans emphasise the importance of rebuilding

town centres as places to live, as well as to work and shop.

Accessibility is central to improving the potential for job creation – firms will locate only in places employees can get to and where the goods and services they provide can easily reach customers. The Mayor's Transport Strategy identifies a range of major transport and infrastructure projects to improve accessibility to key centres. Boroughs can also develop local schemes to improve transport, both to enhance accessibility of people to jobs, and firms to markets (Transport for London provides guidance on the most appropriate schemes to meet the Mayor's transport strategy objectives.)

Economic and spatial trends, and the importance of centres, need to be taken into account by boroughs in making decisions about land use in their strategic planning and landholding policies. The draft London Plan encourages boroughs to manage

the protection, release or enhancement of former employment sites. In drawing these policies up, there is a need for realism about the likelihood of sites formerly used for manufacturing being reused in their entirety for employment uses alone. As has been shown, given the link between population and employment, new housing is not necessarily the enemy of jobs. Redbridge, for example, having lost a once-substantial base in engineering and electronics, acknowledges its current status as a suburban economy. The enhancement of Ilford town centre and protection of other local centres demonstrates the importance the council attaches to developing and sustaining a service-dominated economy. If former industrial land is required for housing, it is often released. Wandsworth has attached a great deal of importance to promoting small business development and, through adjusting its strategic planning policies to meet what it

perceives as market needs, it promotes mixed-use developments combining housing and employment in ways intended to promote a more entrepreneurial climate in the borough.

Of course, there are key parts of London where manufacturing is still of key importance. In such places, it is worth taking steps to promote and encourage the types of high-value added manufacturing that are increasingly necessary for the sector's survival (see the GLA report on cultural industries). Even in these areas, however, the secular trend of declining employment in manufacturing is likely to continue, if at a slower rate, and policy approaches aimed at managing and slowing this decline will remain appropriate. This will mean nurturing new high value-added, design-linked production industries. Enfield Council, for example, has taken steps to enhance its industrial estates in partnership with the private

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sector. It has attracted and retained cutting edge sectors, building on its location in relation to the cluster of scientific and technical activity between London and Cambridge. The London Development Agency is coordinating a Production Industries Commission to help develop a more strategic London-wide approach to development of this sector.

New firms, particularly perhaps in the new growth sectors, find it hard to locate accommodation that is affordable and meets their needs. The importance of incubator and other low-cost, supported workspace for emerging and growing business of all kinds is recognised in several boroughs. The significance of this issue can be gauged by considering that less than one per cent of employers in London have 200 or more employees; 85 per cent of businesses employ ten or fewer. In some places successful business start-ups often leave

an area when they grow for this reason. Boroughs can make provision for accommodation of this kind in their approach to major development proposals (through use of planning obligations, for example) – Hammersmith and Fulham is promoting subsidised space for small media companies for inclusion in the BBC's current White City redevelopment. These needs can also be taken into account when local authorities and others draw up strategies for the management and use of their own landholdings.

Good environmental quality is also important. Businesses will look for good quality work space in surroundings which provide an attractive, safe and secure environment for staff and customers, and which help sustain a positive image for them. Enfield, for example, has sought to improve the environment on their industrial estates; environmental improvements are also

important elements of many boroughs' town centre strategies for these reasons. Experience also shows that a good environment and high quality housing and local services are important in recruiting and retaining staff. Enfield has made a particular feature of these issues in their work to attract inward investment.

The move towards more skilled jobs is another of the human pressures facing the London employment market. Skills shortages cause problems for employers, while lack of sometimes even basic skills can make it difficult for some Londoners to find work.

Lack of skilled employees is not confined to specialised high-tech occupations; the hotel and catering sector – one of those with a high level of projected growth – is already facing acute problems of staff and specific skill shortages that are hampering its expansion.

The London Skills Commission has published a Framework for Employment and Skills Action (FRESA) to shape support for skills and employment across the capital. Its priority theme is to develop a strong, healthy labour market, reflecting the critical issues of equality and diversity. The FRESA's strategic objectives include: ensuring access to employment and training for those needing them, enabling the excluded to access learning and sustainable employment, enabling London's employers to recruit and retain the skilled workers they need, and encouraging provision of training and services which are market sensitive and matching the needs of London's workforce. Flagship initiatives to help kick start the implementation of the framework include:

- London Higher Level Skills, aimed at embedding science, technology, engineering and maths skills demands.

- A programme to address information and communications technology skills shortages in small and medium-sized businesses.

- A media sector skills development programme.

Again, these themes are already being addressed by boroughs committed to ensuring that emerging job opportunities are widely available to local people. Hammersmith and Fulham, for example, emphasises the need for more coordinated employment support services with specialist provision for ethnic minority groups, and for more intensive support for individuals lacking the basic skills needed to successfully seek work. Croydon has adopted a 'person-centred, rather than property based' approach to supporting business start-ups, seeking to identify and support individuals with potential to become successful entrepreneurs. In disadvantaged communities, specific obstacles are addressed,

such as basic skills, language, initial finance and premises. A council-funded project helps the long-term unemployed, women and ethnic minorities, turn creative skills and hobbies into income generating businesses.

Finally, discussions with boroughs show how important it is to build good relationships between the public and private sectors. Effective policy-making and implementation is possible only where both sides of the partnership understand each other and the challenges and issues each faces.



Taken in isolation, none of the ideas presented here may appear particularly original or unexpected. Many of them have been adopted in different places, with varying degrees of success. But they do show what is possible against the background of the changes to London's economic structure. They are approaches the Mayor, the London Development Agency and the rest of the GLA Group will be supporting and underlay the policies in the draft London Plan and other strategies.

This report has shown how all parts of London can make – and already are making – a contribution to the balanced and sustainable development of the city, and to tackling problems of joblessness and social exclusion. If London is to thrive, there must be opportunities suitable for all across the city as a whole. As has been shown, there are a range of measures that sub-regional and local decision-makers can take to understand the forces shaping the economy of our city, making them work for the benefit of its people.

This document is only the start, marking the beginning of debate and discussion with boroughs and others involved in local economic development in the public, private and voluntary sectors, about what can be done to promote the creation of jobs – and the spreading of success.