



LONDON ECONOMIC DEVELOPMENT
SNAPSHOT

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Introduction

This is the first in a series of regular, six-monthly reports which gives a snapshot of the progress made in delivering the objectives set out in the **Mayor's Economic Development Strategy (EDS), Sustaining Success**.

The aim of the London Economic Development Snapshot is to:

- Identify and review London's progress against the strategic priorities of the EDS.
- Provide a basis on which to review the priorities for London's economic development.
- Act as a catalyst for directing economic development activities in London.

This report has been produced by the London Development Agency (LDA) in conjunction with GLA Economics drawing on data from a variety of sources. It looks at London's progress in the context of the UK and global economic environment. Whilst the report provides only a snapshot of London's current economic performance, to the extent that there are clear findings from the Snapshot these will be used to direct economic development activities within London. To this end the Snapshot complements other existing monitoring and reporting activities, recognising that the EDS is the Mayor's strategy for the whole of London, covering the activities of all stakeholders in London's economy.

The structure of this report follows the structure of the EDS Action Plan. As well as highlighting 13 key objectives, under four investment themes, the EDS set out measurements to use as indicators of performance against each objective. This Snapshot looks at the progress made against each of the objectives. The section below sets out the main findings of this first Snapshot report.

Main findings

Overall London's performance against EDS objectives is good. The majority of indicators show that London is performing favourably when compared to the UK as a whole and, in the case of marketing and promotion, against other European cities.

1. Data limitations

For some indicators there is a shortage of good quality, robust data with which to assess London's performance. This applies particularly to indicators around the environment and employment among key demographic groups and in disadvantaged areas, for instance. One outcome from the Snapshot, therefore, is the identification of areas where poor data makes it difficult for policymakers to take well informed decisions. Over time the additional focus provided by the Snapshot should help to build the case for better data sources in such areas.

2. Increasing the employment rate

Nevertheless, this Snapshot illustrates that the key area of concern relating to London's economic development surrounds the **employment rate**. London's employment rate (that is the proportion of the working age population living in London that are in employment) has been falling since 1999. In contrast, the employment rate for the UK as a whole has been, broadly speaking, increasing since 1993. The gap between the employment rate for London and the UK stood at five percentage points in the year to Autumn 2004. This represents a widening between the employment rates of 1.7 percentage points over the current economic cycle to date (1997 to 2004 – it should be noted that this takes account of the recent change in the timing of the economic cycle by HM Treasury).

In part, **rapid increases in London's working age population** explain the widening gap between the employment rate for London and that for the UK as a whole. Since 1999, the point at which employment rates began to diverge, the employment of people living in London and employment in the UK as a whole has grown by around 3%. However over the same period the working age population has increased by 6.4% in London compared to 2.5% for the UK as a whole. Therefore, London's employment rate has fallen relative to the UK's because the number of Londoners in employment has failed to keep pace with the growth in London's working age population.

3. Increasing the employment rate

Moreover, the Snapshot shows that within London there are **particular groups and geographic areas where the employment rate sits significantly below that for London as a whole**. Addressing the needs of these groups and areas is likely to contribute greatly to improvements in London's overall employment rate. However, data from the Snapshot together with past evaluation studies suggest that increasing the skills of London's currently unemployed or inactive population in isolation from other interventions is unlikely to be sufficient to reduce the gap between the employment rate for London and that for the UK as a whole.

4. Policy implications

Policies and programmes that help to bring about a more efficient and competitive labour market are necessary to enable Londoners to benefit from the employment growth forecast for London over the next few years. Such policies and programmes are likely to focus on enabling London's unemployed and economically inactive population. This will particularly enable London's disadvantaged groups for instance by helping them to participate more effectively in the labour market by providing improved placement and job search services. This might also include some skills training (for example basic literacy and numeracy).

Places and infrastructure

1. Support the delivery of the Mayor's London Plan.	4
2. Improve the infrastructure for London's future growth and development.	6
3. Deliver healthy, sustainable, high quality communities and urban environments.	7

Objective

Support the delivery of the Mayor's London Plan.

Indicator

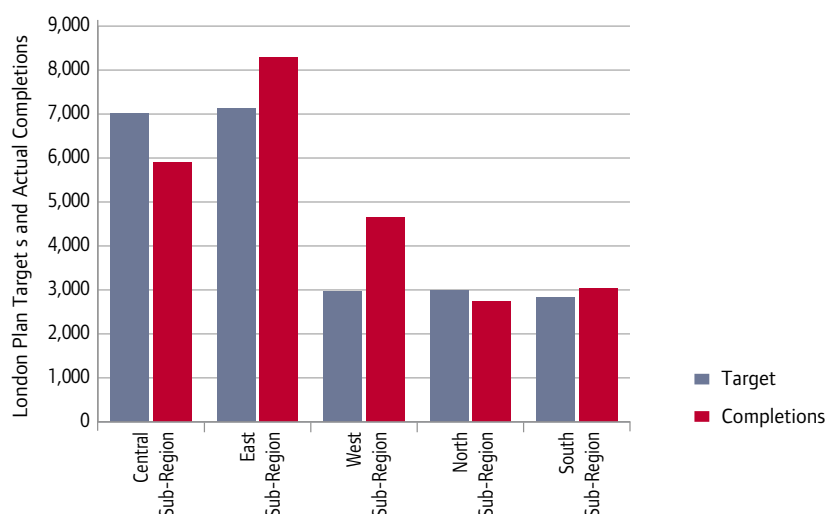
Achievement of London Plan housing targets and job projections in London's sub-regions.

Housing completions in London exceeded housing targets in 2003; employment down in 2002.

Housing targets

In 2003, 24,608 new homes were created in London, exceeding the targets set out in the London Plan by 7%. Housing completions in London's West, East and South sub-regions exceeded their target, however completions in the Central and North sub-regions were under target.

Fig. 1.1 Housing completions in 2003 by sub-region as a percentage of London Plan targets



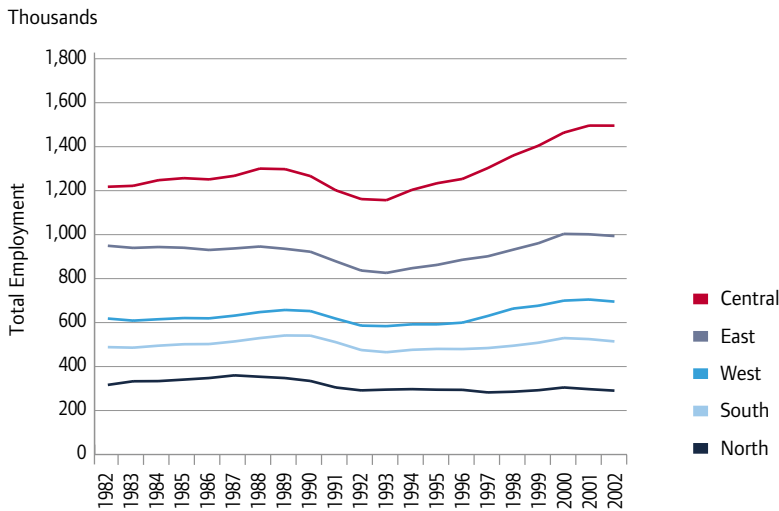
Source: London Plan, London Plan Annual Monitoring Report

Employment projections

Total employment in London fell by just under 40,000 in 2002, the latest year for which data is available (this looks at the total number of jobs, employees and the self-employed, at workplaces in London – see data appendix for more details).

London and each of its sub-regions did not match the employment projections for 2002 set out in the London Plan. However, the employment projections cover a number of years and do not map out short term fluctuations. Given London experienced a slowdown in economic activity in the early years of this decade it is unsurprising that the actual level of employment has fallen below the longer term employment projections. However, to take new data into account projections are being revised to inform the review of the London Plan.

Fig. 1.2 Employment by sub-region



Source: EBS

Objective

Improve the infrastructure for London's future growth and development.

Indicator

Delivery of identified key projects.

Significant work is being done to improve London's infrastructure.

The following commentary outlines the progress being made on the delivery of six projects. These projects contribute significantly to the development of an infrastructure that will facilitate London's future growth and development.

Thames Gateway Bridge

A planning application was made by Transport for London (TfL) to the London boroughs of Newham and Greenwich for the Bridge, which was approved in December 2004. In January 2005 the Secretary of State announced that a Public Inquiry would be held into the planning application for the Bridge. The Inquiry began in June 2005.

Crossrail

In February 2005 the Government introduced a Hybrid Bill for the Crossrail project. Due to the recent General Election it was announced in April that the Bill would be carried over to the new Parliament.

East London Line Extension

The East London Line Extension Phase One, from Dalston in the north and to West Croydon and Crystal Palace in the south was transferred to TfL in November 2004. Parsons Brinckerhoff were appointed as project managers in May 2005 for the scheme which is due to open in 2010.

Channel Tunnel Rail Link

Progress continues on construction of the Channel Tunnel Rail Link, the country's first major new railway for over a century which is due to open in 2007. Key recent developments include the completion of the major construction work required for the new Thameslink 'box' beneath St Pancras station in London.

Heathrow Terminal 5

When fully complete in 2011, Terminal 5 will have the capacity to handle 30 million passengers annually. A range of transport and infrastructure work is being undertaken to deliver this project, and the Piccadilly Line link to Terminal 4 was recently closed to enable the line to be extended to Terminal 5.

Olympics/Lower Lea Valley

London's successful bid to stage the Olympic and Paralympic Games in 2012 will act as a catalyst for regeneration in the Lower Lea Valley, the site of the proposed Olympic Park. Situated just three miles east of central London, the Lower Lea Valley remains a key priority area for the LDA. The bid has successfully focused attention on the area and showcased its potential to a global audience. It has also brought together the local boroughs, Government and our other key partners to work to develop a comprehensive Regeneration Strategy for the Lower Lea Valley. This work will continue.

Objective

Deliver healthy, sustainable, high quality communities and urban environments.

Indicator

Indicators developed for the Mayoral environment strategies including: reduction in carbon dioxide emissions; protecting and enhancing places rich in wildlife.

Latest available data shows falls in air pollution and waste levels in London.

For the purpose of reporting progress against this objective, this first Snapshot report has focused on four environmental indicators: carbon dioxide emissions, air quality, waste and wildlife sites (see glossary). These indicators were identified with reference to the Mayor's Environmental Strategies, but may be changed or supplemented in future Snapshots. For many environmental indicators there is not a robust time-series of data. As a result, in some instances this Snapshot simply reports the most recent available data; future Snapshots will provide a commentary on progress against this baseline.

Carbon dioxide (CO₂) emissions

According to the 2004 Quality of Life Indicators, London produced 40.3 million tonnes of CO₂ in 1999/2000. This represents the most recent data from the London Energy Database; future snapshots will look at progress against this baseline.

Air quality

The London Air Quality Network (LAQN) coordinates the measurement of air pollution across over 100 sites in London (for more detail regarding each of the different types of air pollutant please see glossary). Network annual mean concentrations of each pollutant have been analysed for the period November 1996 to December 2003. In addition, each of the pollutants monitored by the LAQN during 2002 has been compared to the National Air Quality Objectives, set out in the Government's Air Quality Strategy (AQS). The results reveal that:

- PM10 concentrations decreased by 19%. The AQS objective (for annual mean concentrations) for PM10 was exceeded at three sites.
- Nitrogen Oxides (NOX) and Carbon monoxide (CO) concentrations declined by 33% and 53% respectively. CO levels did not exceed the AQS objective at any pollution monitoring site.
- Ozone (O₃) concentrations, increased by 43%. The AQS objective for O₃ was exceeded at eight sites.
- Sulphur dioxide (SO₂) concentrations fell by 66% and all sites met the AQS objective for SO₂.
- Nitrogen Dioxide (NO₂) concentrations fell by 6%. However, NO₂ concentrations exceed the AQS objective in central London, along major roads and in the areas around Heathrow Airport.

Waste

Provisional figures show that the amount of waste produced by London's households fell by 1.6% (53,000 tonnes) in 2003/2004 to 3,326,000 tonnes. Over the same period there was a 1.5% reduction in household waste across the UK. In 2003/2004 London also produced 4.3 million tonnes of municipal waste, 6.4 million tonnes of commercial/industrial waste, 6.1 million tonnes of construction/demolition waste and 0.4 million tonnes of special waste.

Wildlife sites

Wildlife sites covered 17.1% (28,874 hectares) of total land in London in 2003. This exceeds the 10% target set out in the 1980 World Conservation Strategy.

People

4. Tackle barriers to employment.	9
5. Reduce disparities in labour market outcomes between groups.	10
6. Address the impacts of concentrations of disadvantage.	11

4

Objective

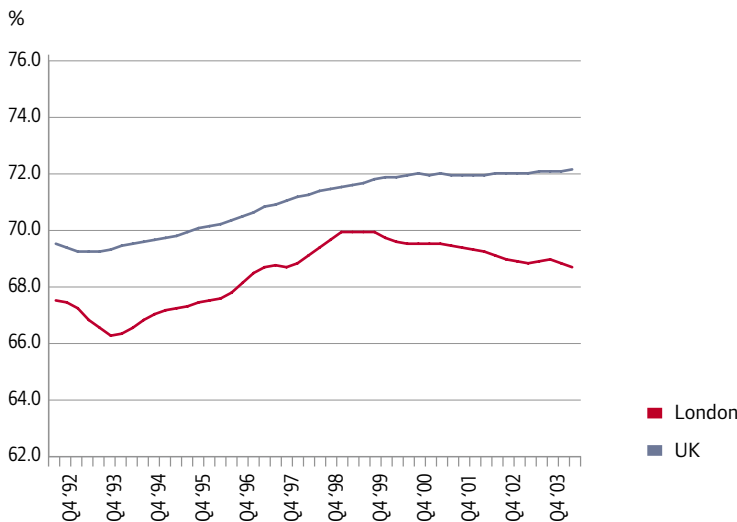
Tackle barriers to employment.

Indicator

Increase in the overall employment rate for London over the economic cycle.

London's employment rate falls to five percentage points below that for the UK as a whole.

Fig. 4.1 Working age employment rates in London and the UK



Source: LFS

London's employment rate (that is the proportion of the working age population living in London that are in employment – see data appendix for more details) stood at 69.7% when averaged over the year to Autumn 2004 compared to 74.7% for the UK as a whole. Over the current economic cycle to date (see glossary) the gap between the employment rate for London and that for the UK as a whole, which stood at 3.3 percentage points in 1997, has grown further to reach five percentage points now.

Between 1993 and 1999 the proportion of London's working age population in employment increased at a faster rate than for the UK as a whole, reducing the gap between the two rates from 4.1 percentage points in 1993 to 2.5 percentage points in 1999. Since 1999 however, London employment rate has declined and diverged from the overall UK rate which has continued to grow. One reason for the divergence in the employment rates for London and the UK is the change in working age population. Since 1999, the point at which employment rates began to diverge, the number of Londoner's in employment and employment for the UK as a whole has grown by around 3%. However over the same period the working age population has increased by 6.4% in London compared to 2.5% for the UK as a whole. Therefore, London's employment rate has fallen relative to the UK's because the number of people living in London and in employment has increased at a slower rate than the growth in London's working age population.

Moreover, over the past couple of decades at least, London has experienced greater fluctuations in economic activity than the country as a whole and recently London experienced a much sharper slowdown than the UK. This is likely to account for some of the difference in the performance of London and UK employment rates because of its impact on employment growth. However, whilst London's employment rate has increased very slightly over the current economic cycle, it has increased by less than the increase in the UK employment rate and the gap between the two is unlikely to close significantly unless there is a significant increase in employment (in excess of the growth in working age population) in London in the next couple of years.

Objective

Reduce disparities in labour market outcomes between groups.

Indicator

Increase the employment rates of key target groups in London by more than the overall increase in the employment rate in London, over the economic cycle.

The limited evidence available suggests that employment rates of some disadvantaged groups may have improved relative to London's overall employment rate over the economic cycle to date.

According to the Labour Force Survey (LFS), the average employment rate of women stood at 62.8% in the year to Autumn 2004, almost seven percentage points below the rate for all London. The average employment rate for women with dependent children stood at 52% in Spring 2004, around 17 percentage points below the employment rate for all London. There is no evidence from the LFS to suggest that the gap between the employment rate for women or women with dependent children and the employment rate for London as a whole has reduced significantly either over the last economic cycle or the economic cycle to date.

The employment rate for people aged between 50 and retirement age (older people) stood at 69.0% in the year to Autumn 2004, around the same level as for London as a whole. LFS data over the past few years (2001–2004) suggests that the employment rate for older people might have increased by more than the employment rate for London as a whole, although more data is required to be entirely certain of this change.

Other disadvantaged groups

Because of the limitations of the data, it is very difficult to be confident about the changes in employment rates for some disadvantaged groups over relatively short periods of time. The data appendix at the end of the Snapshot deals with this issue in more detail. Given this problem the table below shows the employment rates for different ethnic groups from the Census. The data shows that, with the exception of the white ethnic group, employment rates are in most cases significantly below the employment rate for London as a whole. Data from the LFS, which is more timely than Census data (but less robust), does not suggest that there has been any marked convergence between the employment rates of ethnic groups and the employment rate for London as a whole over the recent past (in part because of the reasons outlined in the data appendix).

Ethnic groups

Table 5.1 Employment rates (%) of different ethnic groups using Census data.

	London (all)	Mixed	Asian	Black	Other	White
Employment rate 2001 (%)	69.5	59.2	58.9	60.9	55.6	73.6
Difference in employment rate to London (all) (% pts) – 2001		-10.3	-10.6	-8.6	-13.9	+ 4.1

Source: Census

According to the LFS, the average employment rate for disabled people (people as defined by the Disability Discrimination Act) stood at 40.2% in the year to Autumn 2004. Data from the LFS is not robust enough to suggest that there has been any marked convergence between the employment rates of ethnic groups and the employment rate for London as a whole.

The measurement of this indicator highlights the lack of good quality robust data for these groupings. The general issue of using national survey data for detailed regional analysis was highlighted in GLA Economics' submission to the Allsopp review of statistics (see data appendix). In future Snapshots various other data sources will be investigated to see if they can provide any more detailed information on the employment position of these disadvantaged groups.

Objective

Address the impacts of concentrations of disadvantage.

Indicator

Increase the employment rates in London's most disadvantaged areas by more than the rest of London, over the economic cycle.

The limited evidence available suggests that employment rates in disadvantaged areas have not improved relative to the employment rate for London as a whole.

Concentrations of disadvantage in London can be very localised, such that within the same borough there may be particularly disadvantaged wards together with much more prosperous wards. Whilst disadvantage can be measured using a number of different variables, this EDS indicator focuses on employment. Unfortunately robust employment data is not available for small geographical areas and as a result, for this first Snapshot, we have focused on employment at the borough level, whilst acknowledging that the employment situation can vary, sometimes substantially, within boroughs. The seven boroughs displayed in the table below are those which rank as the bottom 20% of London boroughs according to the English Indices of Deprivation 2004 (average score across domains) and are therefore considered to represent London's *most* disadvantaged areas (see data appendix for further details).

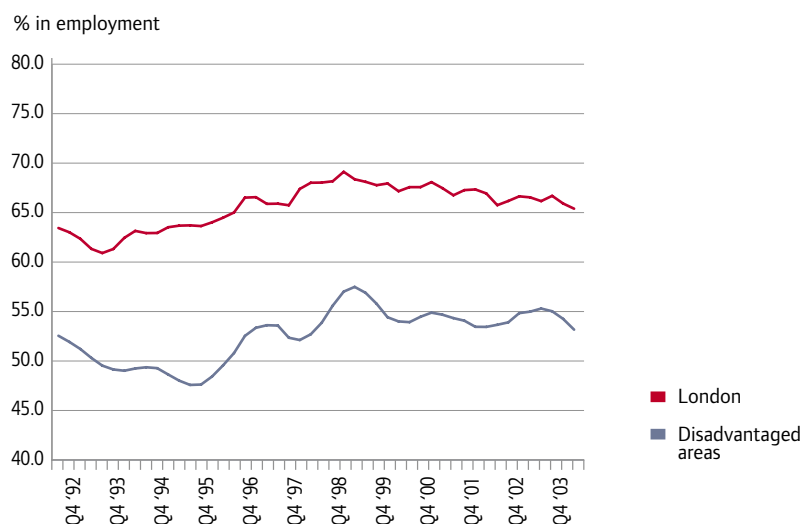
Table 6.1 Employment rates (%) for disadvantaged areas using Census data.

	London (all)	Camden	Hackney	Haringey	Islington	Newham	Southwark	Tower Hamlets
Employment rate 2001 (%)	69.5	63.9	59.4	64.6	64.4	56.4	64.8	57.0
Difference in employment rates between areas 2001 (% pts)		-5.6	-10.1	-4.9	-5.1	-13.1	-4.7	-12.5

Source: Census

As shown in the Table above, data from the 2001 Census shows that the employment rate in each of the disadvantaged areas is below that for London as a whole.

Fig. 6.1 Employment rate in disadvantaged areas compared to London



Source: LFS

The chart above shows the LFS employment rate for all seven boroughs identified above combined and plotted against the employment rate for London as a whole. The chart shows that over time there has been little change in the difference between the employment rate for these disadvantaged areas as compared to that for London as a whole.

Knowledge and enterprise

7. Address barriers to enterprise start-up, growth and competitiveness.	14
8. Maintain London's position as a key enterprise and trading location.	15
9. Improve the skills of the workforce.	16
10. Maximise the productivity and innovation potential of London's enterprises.	18

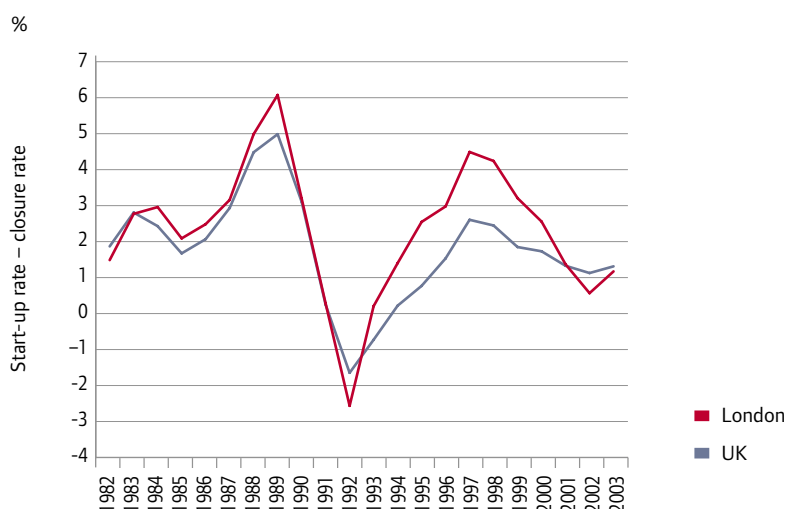
Objective

Address barriers to enterprise start-up, growth and competitiveness.

EDS Indicator

Maintain or improve London's net start-up rate over the economic cycle.

Fig. 7.1 Annual net change in the number of VAT registrations and deregistrations as a proportion of the stock of all VAT registered businesses



Source: IDBR

London's net business start up rate rises in 2003 after falling since 1997.

The net start-up rate of business shows the rate of business start-ups minus the rate of business closures (all shown as a proportion of the stock of all VAT registered businesses – see data appendix for more details).

London's net business start-up rate rose to 0.7% in 2003 from 0% in 2002. This compares to a rise from 0.7% to 0.9% for the UK as a whole over the same period.

London's stock of businesses has risen consistently since 1993. As a proportion of the UK, London comprises 15.9% of all VAT registered businesses. This is an increase of 1.9 percentage points since 1982.

London's net business start-up rate has typically been more volatile than that for the UK. However, the average net business start-up rate over the economic cycle to date (1997–2004) was 2.1% in London, compared to 1.4% for the UK as a whole. As the economic cycle continues it is likely that the net start-up rate for London will remain above the net start-up rate for the UK as a whole.

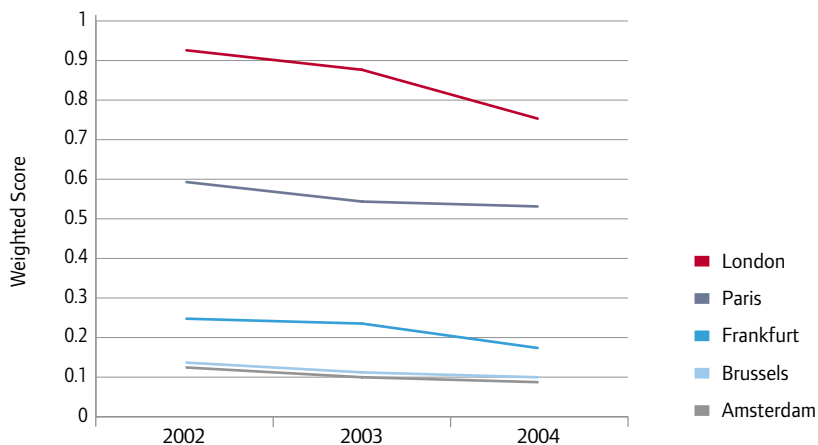
Objective

Maintain London's position as a key enterprise and trading location.

Indicator

Maintain London's position as a key enterprise location as evidenced by international surveys.

Fig. 8.1 Top five European cities to locate a business in



Source: European Cities Monitor – Cushman & Wakefield/Healey & Baker

London is perceived as the best European city to locate a business.

The Cushman & Wakefield, Healey & Baker European Cities Monitor 2004 found that London continues to be perceived as the best European city to locate a business.

Although London has maintained its leading position, its weighted score has fallen over the past two years. The remaining four cities in the top five have also seen their weighted scores fall over the same period, though to a lesser extent than that experienced by London.

Looking at individual aspects of London's offer, London has maintained its position as the best city in terms of availability of staff, ease of access to markets, customers and clients, transport links and the quality of telecommunications.

However, in 2004, London's position deteriorated as the best city in terms of cost of staff (seventeenth in 2002 to twenty-fourth in 2004), the best city in terms of the climate Governments create for business through tax policies and availability of financial incentives (second in 2002 to sixth in 2004), and as the best city in terms of value for money of office space (twentieth in 2003 to twenty-second in 2004).

Objective

Improve the skills of the workforce.

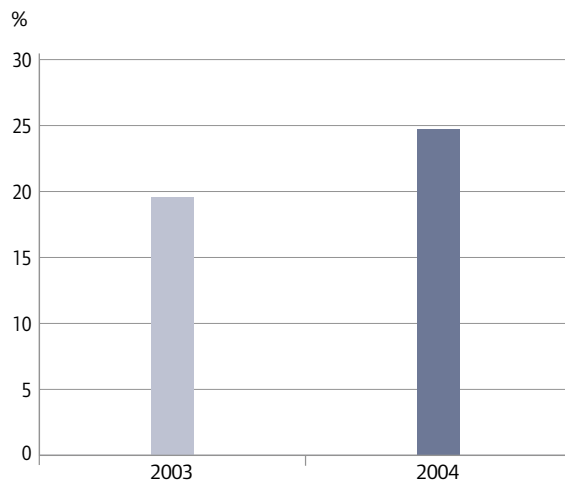
Indicator

Reduce the percentage of businesses reporting a lack of appropriately skilled employees as a significant problem over the economic cycle.

The lack of appropriately skilled employees continues to be a problem for London, but is less of a problem than for the UK as a whole.

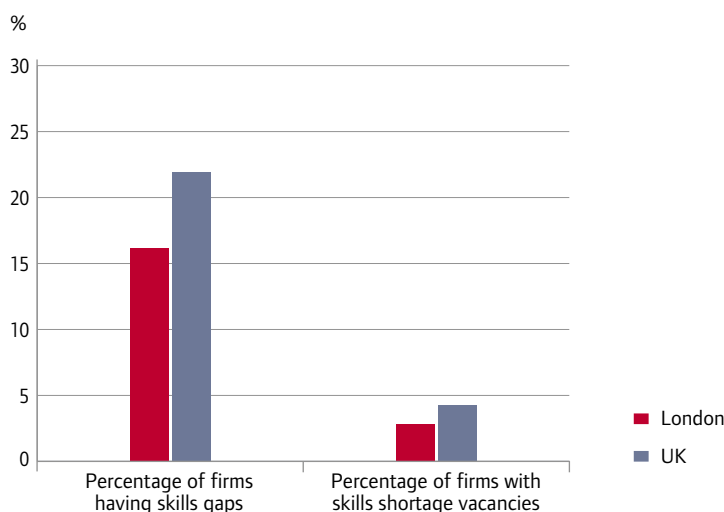
According to the London Annual Business Survey (LABS), the percentage of businesses reporting a lack of appropriately skilled employees as a significant problem rose by over five percentage points to 24.7% in 2004 (see Fig 9.1).

Fig. 9.1 Percentage of businesses reporting a lack of appropriately skilled employees as a significant problem



Source: LABS

Fig. 9.2 Proportion of businesses reporting skills gaps and skills shortage vacancies in 2003



Source: NESS

Since there is no data at the national level that is directly equivalent to that from LABS, we have used data from the National Employer Skills Survey (NESS) to draw a comparison between London and the UK.

Data from NESS 2003 (see Fig 9.2) shows that in terms of the availability of skilled employees, businesses in London are in a favourable position compared to firms across the UK. The survey found that 21.9% of firms across the UK reported a skills gap amongst its staff, compared to 16.2% of businesses in London. Additionally, 4.3% of firms surveyed were recorded as having vacancies as a result of a shortage of skills in the labour market, compared to just 2.8% of firms in London.

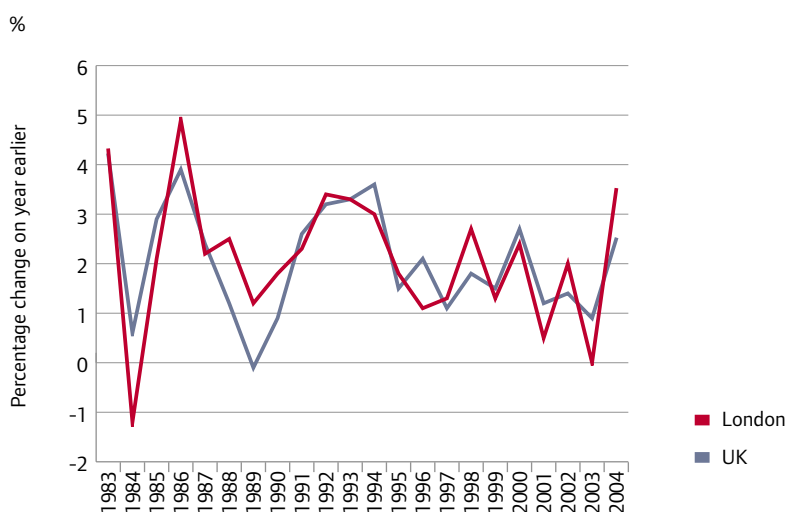
Objective

Maximise the productivity and innovation potential of London's enterprises.

Indicator

Improve London's Gross Value Added (GVA) per worker over the economic cycle.

Fig. 10.1 Growth rates in GVA per worker (FTE) over time



Source: EBS

Workforce productivity in London recovers in 2004 after falling in 2003.

Growth in GVA per worker (where 'worker' means a full-time equivalent position), as shown in Fig 10.1, is volatile. However, on the whole GVA per worker has grown over time.

Whilst there are some problems with measuring productivity by region over time (see data appendix), over the economic cycle that ran between 1986–1997 growth in GVA per worker in London averaged 2.2%, compared to 2.0% for the UK as a whole. Looking at the current economic cycle (1997–2004) growth in GVA per worker averaged 1.8% per annum in London compared to 1.7% per annum for the UK as a whole. This would suggest that, broadly speaking, London has seen productivity growth slightly above that achieved for the UK as a whole for most of the past two decades or so. Most recent data suggest there is no reason to believe that this will not continue over the current economic cycle.

Marketing and promotion

11. Ensure a coherent approach to marketing and promoting London.	20
12. Co-ordinate effective marketing and promotion activities across London.	21
13. Maintain and develop London as a visitor destination.	22

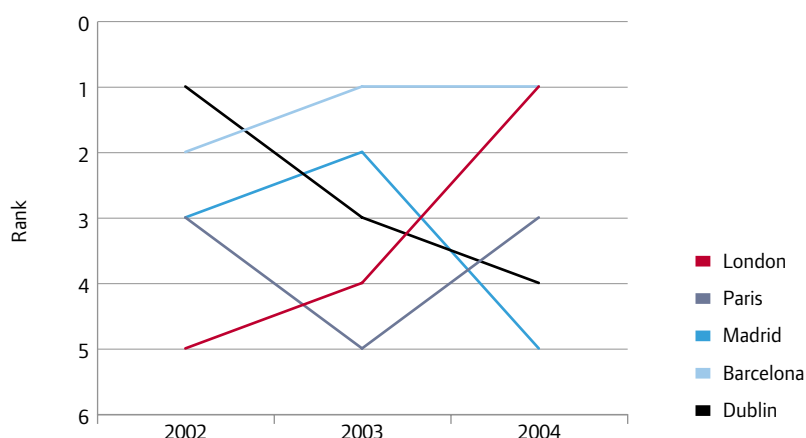
Objective

Ensure a coherent approach to marketing and promoting London.

Indicator

Deliver a coherent approach to marketing and promoting London assessed annually through a wide range of measures and indicators.

Fig. 11.1 London's effectiveness in attracting inward investment



Source: Cushman & Wakefield/Healey & Baker European Cities Monitor 2002 – 2004

London is perceived as the best city in terms of promoting itself to attract inward investment; it has grown as a visitor and student destination and captures the largest share of European FDI projects.

This report has focused on four indicators for this objective: a measure of business' perception of the promotion of London; tourism; foreign business activity; and overseas students. These indicators were chosen as they encompass the breath of the marketing and promotion activity in London and are of significance to London's economy as a whole.

Promotion

According to the European Cities Monitor 2004, businesses perceive London and Barcelona to be the best European cities at promoting themselves effectively in order to attract inward investment. For London, this represents an improvement from its fifth place position in 2002.

Tourism

In 2004 the number of nights spent in London by overseas tourists grew 13.6% year-on-year to 90,189 nights. Over the same period, the number of nights spent in the UK by overseas tourists grew by 11.6%. These improvements are consistent with a global recovery in tourism in 2004 following an easing of the adverse conditions of the previous three years. London's share of the total number of overseas tourist nights spent in the UK remained stable at 39.7% in 2004.

Overseas students

Over the 2003/2004 academic year London experienced strong growth in the number of students attending its Universities. In a continuation of the trend seen since the 1999/2000 academic year, the total number of international students in London rose 12% year-on-year in 2003/2004, compared to just 8% nationally. As a result, 20.5% (73,000) of London's students came from overseas in 2004.

Business

London's share of the total number of FDI projects in the UK rose 2.5 percentage points to 27.2% in 2004. Meanwhile, London's share of FDI projects amongst selected European Cities fell for a second consecutive year to 24.2%, from 26.1% in 2002, though London still attracts a greater share of FDI projects than any other European city considered by the data.

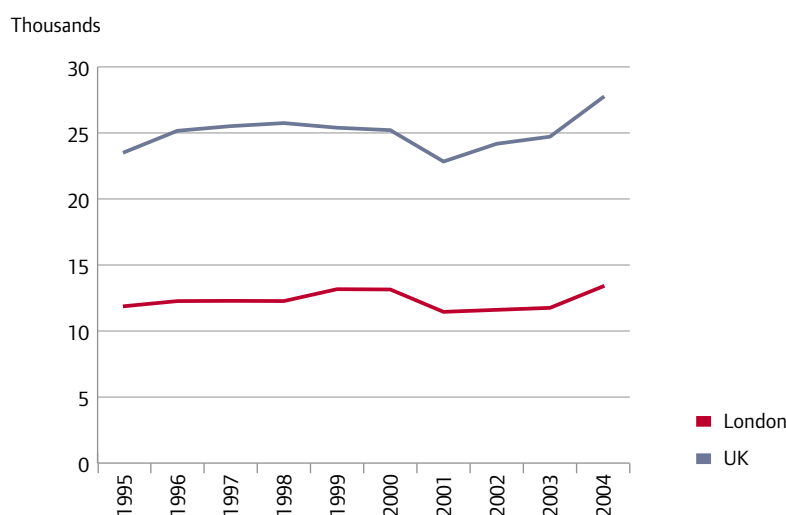
Objective

Co-ordinate effective marketing and promotion activities across London.

Indicator

Achieve growth in numbers of domestic and international visitors over the economic cycle.

Fig. 12.1 Number of trips made by international visitors to the UK



Source: IPS

London experiences growth in the number of overseas visitors.

In 2004, the number of trips made by international visitors to London grew by 13.9% year-on-year to 13,386. The number of trips made by international visitors to the UK grew by 11.6% over the same period.

These improvements are consistent with a global recovery in tourism in 2004 following an easing of the adverse conditions of the previous three years.

London's share of all international visitors travelling to the UK remained stable at 48% in 2004.

Due to issues with data reliability this report does not include figures for domestic tourism.

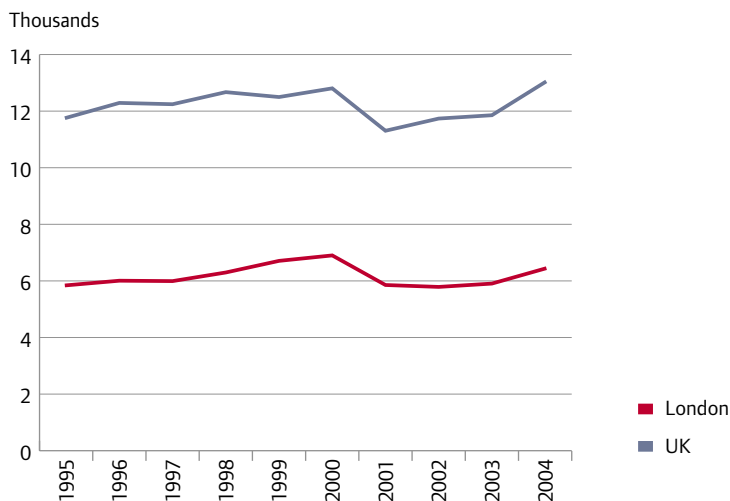
Objective

Maintain and develop London as a visitor destination.

Indicator

Achieve real growth in visitor spending over the economic cycle.

Fig. 13.1 International visitor spending



Source: IPS

London experiences growth in international visitor spending.

In 2004, international visitor spending in London grew by 9% year-on-year to £6,437 million. Growth in international visitor spending was slightly stronger for the UK as a whole at 9.9% over the same period.

These improvements are consistent with a global recovery in tourism in 2004 following an easing of the adverse conditions of the previous three years.

London's share of all international visitor spending in the UK remained stable at 49.4% in 2004.

Due to issues with data reliability this report does not include figures for domestic tourism.

GLOSSARY

100% Cotton

100% Polyester

100% Rayon

100% Silk

100% Wool

100% Linen

100% Cotton/Polyester

100% Cotton/Rayon

100% Cotton/Silk

100% Cotton/Wool

100% Cotton/Linen

100% Polyester/Rayon

100% Polyester/Silk

100% Polyester/Wool

100% Polyester/Linen

Air quality: The concentration of pollutants in either the indoor or outside (ambient) air. The term is particularly relevant to the concentration of pollutants emitted to air from human activity.

Biodiversity: This refers to the variety of plants, animals and other living things in a particular area or region. It encompasses habitat diversity, species diversity and genetic diversity. Biodiversity has value in its own right and has social and economic value for human society.

Carbon dioxide (CO₂): Carbon dioxide is a naturally occurring gas, comprising 0.04% of the atmosphere. The burning of fossil fuels releases carbon dioxide fixed by plants many millions of years ago and this has increased its concentration in the atmosphere by some 12 percentage points over the past century. It contributes about 60% of the potential global warming effect of all greenhouse gases released through human activity.

Carbon monoxide (CO): Produced by the incomplete burning of solid, liquid, and gaseous fuels. Carbon monoxide affects the transport of oxygen around the body by the blood. At very high levels, this can lead to a significant reduction in the supply of oxygen to the heart, particularly in people suffering from heart disease.

Disabled people: The social model of disability defines a disabled person as someone who has impairment, experiences externally imposed barriers and identify themselves as a disabled person. Some key external barriers are those preventing people taking up employment. The Disability Discrimination Act defines a disability as “a physical or mental impairment which has a long term and substantial adverse effect on an individual’s ability to carry out normal day to day activities”.

Economic cycle: Defined as the period between two dates when the economy is judged to be on-trend or at potential. A full economic cycle includes both a period in which output is above potential and a period in which it is below. HM Treasury (Evidence on the UK economic cycle, July 2005) states that the last output cycle ran from Q2 1986 to H1 1997 and estimates that the current output cycle started in H1 1997.

EDS: Economic Development Strategy.

Equality: This is the vision or aim of creating a society free from discrimination, where equality of opportunity is available to individuals and groups, enabling them to live their lives free from discrimination and oppression.

Equalities Groups: Where not explicitly stated, this includes black and minority ethnic groups, disabled people, women, those from faith communities, older people, those who are lesbian, gay, bisexual and transgender and other groups who may experience disparities in opportunity for realising their potential.

European Cities Monitor: An annual survey based on interviews with senior managers and board directors of 500 of Europe’s top companies. The survey covers issues regarded as important by companies when deciding where to locate, and then compares how Europe’s leading business cities perform on each issue.

FDI: Foreign Direct Investment.

Greater London Authority (GLA) Group: The GLA Group consists of the Mayor, the London Assembly and four organisations that look after transport, the police, the fire brigade and economic development for London. They are:

- Transport for London
- The Metropolitan Police Authority
- The London Fire & Emergency Planning Authority
- The London Development Agency

The Mayor sets the budget for the GLA group and appoints people to the boards of the four organisations. Several of the board members are chosen from the London Assembly.

GLA Economics: GLA Economics provides economic analysis and a firm statistical, factual and forecasting basis for policy decision making by the GLA Group. GLA Economics is part funded by the GLA, TfL and the LDA.

Gross Value Added (GVA): A measure of economic activity in the economy. (GVA is linked to Gross Domestic Product (GDP), with GDP equalling GVA plus taxes on products minus subsidies on products). GVA per worker or GVA per hour worked are commonly used as indicators of productivity.

Inward investment: Is the injection of money from an external source into a region, in order to purchase capital goods for a branch of a corporation to locate or develop its presence in the region.

London Development Agency (LDA): The LDA is one of nine regional development agencies (RDAs), established by the Government to promote economic development and regeneration. It reports to the Mayor of London; consulting and working with the GLA and a wide range of public and private sector partners.

London Plan: The Mayor's Spatial Development Strategy which replaces the strategic planning guidance for London (RPG3).

Nitrogen Dioxide (NO₂): Formed in the combustion of fossil fuels. Nitrogen dioxide is harmful to health and is also an important component in the formation of ozone.

Nitrogen Oxides (NO_x): Generic term for a group of highly reactive gases, all of which contain nitrogen and oxygen in varying amounts. Nitrogen oxides form when fuel is burned at high temperatures, such as in the combustion process of motor vehicles and electric utilities. The majority of nitrogen oxides are not considered harmful to health. However, nitrogen oxides can react with other gases present both in vehicle exhausts and the atmosphere to form nitrogen dioxide. Nitrogen dioxide is harmful to health and is also an important component in the formation of ozone.

Ozone (O₃): Generated when oxides of nitrogen and hydrocarbon compounds react in the presence of sunlight. High levels of ozone can irritate and inflame the lungs. It can also cause eye irritation, migraine and coughing. Ozone is also a strong oxidising agent. This means that it can attack materials such as rubber and pigments and damage vegetation. The international costs of ozone pollution through damage to health, crops and materials are thought to be considerable.

PM10: Particles likely to penetrate the lungs. Evidence shows a good correlation between PM10 concentrations and mortality rates. PM10 is the accepted measure for particulate matter in the atmosphere in the UK and Europe.

Sub-regions: Sub-regions are the primary geographical features for implementing strategic policy at the sub-regional level.

The sub-regions are composed of:

Central: Camden, Islington, Kensington & Chelsea, Lambeth, Southwark, Wandsworth, and Westminster.

East: Barking & Dagenham, Bexley, City, Greenwich, Hackney, Havering, Lewisham, Newham, Redbridge and Tower Hamlets.

South: Bromley, Croydon, Kingston, Merton, Richmond and Sutton.

West: Brent, Ealing, Hammersmith & Fulham, Hillingdon, Harrow and Hounslow.

North: Barnet, Enfield, Haringey and Waltham Forest.

Sulphur dioxide (SO₂): Produced when a material, or fuel, containing sulphur is burned. Short-term exposure to high levels of sulphur dioxide may cause coughing, tightening of the chest and irritation of the lungs.

Sustainable development: This covers development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Set out below are details of the sources for the various different data used in the Snapshot, with more detail around the issues relating to certain data sources and their use in the Snapshot.

Objective 1: Support the delivery of the Mayor's London Plan

Housing targets: Housing targets for London's sub-regions are stipulated in the GLA London Plan. The data on housing completions comes from the GLA London Plan Annual Monitoring Report.

Employment projections: There are two sources of regional employment data: the Annual Business Inquiry (ABI) and the Short-term Employment Survey (STES) surveys of employers on the one hand; and the Labour Force Survey (LFS) of residents on the other. The Census also collects information on people's employment situation, although the Census is only conducted every 10 years. There are also two distinct concepts of employment at the regional level. Residence-based employment measures the number of residents in the region who have a job. Workplace-based employment measures the number of jobs at workplaces within the region. These measures will differ from each other where there is commuting to work across regional boundaries. To this end, London is the most obvious case of large inter-regional commuting. Data from the Census shows that in 2001, 723,000 people commuted into London for work and 236,000 Londoners commuted out of London to work.

The employment projections in the London Plan look at projections for total employment at workplaces in London. This data is supplied to GLA Economics by Experian and covers both employees in employment and the self-employed.

Objective 2: Improve the infrastructure for London's future growth and development

Updates on the progress against various development schemes in London have been provided by the London Development Agency's Development team.

Objective 3: Deliver healthy, sustainable, high quality communities and urban environments

Carbon dioxide: Data taken from the London Energy database and is reproduced in the London Sustainable Development Commission's Quality of Life Indicators report.

Air quality: Data on concentrations and performance against London Air Quality Network (LAQN) objectives taken from LAQN reports (found at www.londonair.org.uk). National Air Quality Objectives are set out in the Government's Air Quality Strategy (found at www.defra.gov.uk/environment/airquality/).

The network annual mean concentration refers to the average concentration of a pollutant measured over a year across all monitoring sites that constitute the 'network' for the pollutant. The 100 plus sites across London that monitor air quality are organised into a number of networks which gather information on a particular pollutant using a particular method. The pollutants measured and method used by each network depend on the reason for setting up the network, and what the data is to be used for. There are two major types – automatic and non-automatic networks:

- **Automatic networks** produce hourly pollutant concentrations, with data being collected from individual sites by modem.
- **Non-automatic networks** measure less frequently – either daily, weekly or monthly – and samples are collected by some physical means (such as diffusion tube or filter). These samples are then subjected to chemical analysis, and final pollutant concentrations calculated from these results.

Waste: This data comes from the GLA, www.capitalwastefacts.com and the Environment Agency, and is reproduced in the Quality of Life Indicators report.

Wildlife sites: This data is taken from the GLA Biodiversity Database 2003, and is reproduced in The Mayor's State of the Environment Report for London, GLA, May 2003. The wildlife site target is set out in the World Conservation Strategy: Living Resources for Sustainable Development, Gland, Switzerland; and by the International Union for the Conservation of Nature and Natural Resources, IUCN/UNEP/WWF, 1980.

Objective 4: Tackle barriers to employment

Employment: See Objective 1 – employment projections for details on the sources for regional employment.

This data comes from the LFS. In contrast to the data used for the employment projections in Objective 1 above, this data is ‘residence based’. This means that it looks at the employment of people that live in London. Because of commuting (both in and out of London) the total number of jobs calculated using the ‘workplace based’ method is likely to be different to the total number of jobs using the ‘residence based’ method.

Objective 5: Reduce disparities in labour market outcomes between groups

Employment of disadvantaged groups: In this Snapshot Census and LFS data is used to look at the various different groups. The Census surveys the population as a whole every 10 years. As a result, we can be very certain of its results, even for very small groups of the population. However, in between times practitioners rely on other surveys, such as the Labour Force Survey, to estimate the employment rates, amongst other statistics, for different groups. However, national surveys like the Labour Force Survey, when analysed at the regional level, frequently have too few observations (in other words respondents) from certain groups for us to be confident about the estimates derived for those groups. In other words the estimates produced from national surveys for some disadvantaged groups in London are not very robust. This means that in some instances we can’t be sure that what might seem like a large change in a disadvantaged group’s employment rate is an actual change in its employment rate. Instead we have to be very careful in analysing the employment rates for relatively small groups within the population to ensure that we don’t claim changes that are, in fact, not significant. In its submission to the Allsopp Review (Working Paper 5; Review of the statistical requirement for monetary and wider economic policymaking. GLA Economics. October 2003), GLA Economics drew particular attention to the reliability of the Labour Force Survey at the sub-regional level. In that submission GLA Economics state, *‘Employment, unemployment and wages all vary at least as much within regions as between them. Thus, the appropriate level of geography for labour market analysis is often sub-regional. However, there are often sample size constraints with data from the Labour Force Survey and other surveys at this level of spatial disaggregation... Hence it would be worth investigating... the feasibility of boosting sample sizes in relevant surveys...’*

Objective 6: Address the impacts of the concentrations of disadvantage

According to the English Indices of Deprivation, a further six London boroughs fall within the bottom 20% of boroughs nationally and receive Neighbourhood Renewal Funds (Lambeth, Westminster, Greenwich, Barking and Dagenham, Lewisham, Hammersmith and Fulham). However, these boroughs fall within the bottom 40% of London boroughs and therefore are not to be considered to be London’s most deprived areas.

See also Objective 5

Objective 7: Address the barriers to enterprise start-up, growth and competitiveness

Business start-up rates: Data on business start-up rates is taken from the VAT data within the Inter-Departmental Business Register (IDBR). It should be noted that many small businesses do not reach the level of turnover required to register for VAT. As a result, these figures will miss the very smallest businesses (though this is the case for both London and the UK as a whole).

Objective 8: Maintain London’s position as a key enterprise and trading location

European Cities Monitor

Data for this indicator is taken from the Cushman and Wakefield, Healy and Baker European Cities Monitor 2004 (ECM). The ECM is based on a sample of 500 companies from nine European countries selected from Europe’s 15,000 largest companies. A representative sample of industrial, trading and services companies is taken. The results are based on telephone interviews with senior managers or board directors with responsibility for the company’s location. The survey poses a number of questions and cities are given a score for being nominated best, second best or third best. The weighted score provides a comparison with other cities scores and over time for the same city.

Objective 9: Improve the skills of the workforce

Businesses reporting a lack of appropriately skilled employees as a significant problem:

This data comes from the LDA/Business Link for London (BL4L) London Annual Business Survey (LABS). LABS is an annual telephone based survey of over 4000 private sector businesses in London. The survey consists of questions on the performance of businesses, the difficulties they are experiencing in running their business, how the physical/social infrastructure and business environment of London affects them, and questions on specific areas such as access to finance, information technology and innovation, management, and business support needs. There is no data at the national level that is directly equivalent to that from LABS, thus it is necessary to use data from the National Employer Skills Survey (NESS) to draw a comparison between London and the UK

Businesses reporting skills gaps and skill shortage vacancies: This data comes from NESS which provides detailed information about the extent, causes, and implications of England's recruitment problems and skill gaps. NESS forms part of a longer time series of surveys starting with Skill Needs in Britain (1990–1998) and followed by the Employers Skill Surveys (1999, 2001 and 2002).

NESS 2003 was the largest survey of its kind ever commissioned, involving 72,100 interviews with a representative sample of employers in England. As such, it allows analysis at a level of detail not possible in earlier surveys.

Objective 10: Maximise the productivity and innovation potential of London's enterprises

Gross Value Added: This data comes from Experian Business Strategies. It should be noted that statistics on regional output have a number of limitations. Of particular note for this Snapshot is that estimates of regional output or GVA are only available in current prices. This means that changes over time combine the effect of both regional inflation and real regional economic growth. This inhibits the analysis of developments over time in regional output and productivity.

Objective 11: Ensure a coherent approach to marketing and promoting London

Promotion: See Objective 8.

Tourism: Data for this indicator comes from the International Passenger Survey (Overseas travel and tourism (MQ6)) which is a sample survey carried out by the Office for National Statistics (ONS). Information is obtained from British Airports Authority, Eurotunnel, Eurostar, DTLR, Home Office, Civil Aviation Authority and Social Survey Division of ONS. The data collected from overseas residents includes, country of residence and region of the UK visited (for overseas residents), expenditure, length of stay, year and quarter of visit.

Overseas student numbers: This data comes from the Higher Education Statistics Agency (HESA), 2003/2004. HESA is the official agency for the collection, analysis and dissemination of quantitative information about higher education in the UK. Data is collected from students during student enrolments over the academic year at each publicly funded higher education institution in the United Kingdom.

Foreign Direct Investment: The Ernst & Young European Investment Monitor (EIM), 2004 provides comprehensive information on inward investment across Europe. EIM shows which companies are locating where in Europe. Project details include: parent company undertaking the investment and country of origin; city, region and country receiving the investment project; type of investment (new, expansion or co-location); industry sector and activity (e.g. contact centre, manufacturing plant) and jobs created/safeguarded.

Objective 12: Co-ordinate effective marketing and promotion activities across London

Number of visitors: See Objective 11 tourism indicator.

Objective 13: Maintain and develop London as a visitor destination

Expenditure of visitors: See Objective 11 tourism indicator.

This document is also available in large print, braille, on disk, audio cassette and in the languages listed below.

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Arabic

إذا أردت نسخة من هذه الوثيقة بلغة، الرجاء
الاتصال برقم الهاتف أو الكتابة الى العنوان
أدناه:

Bengali

আপনি যদি আপনার ভাষায় এই দলিলের প্রতিলিপি
(কপি) চান, তা হলে নীচের ফোন নম্বরে
বা ঠিকানায় অনুগ্রহ করে যোগাযোগ করুন।

Chinese

中文

如果需要此文档的您的母语拷贝，
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Greek

Αν θα θέλατε ένα αντίγραφο του
παρόντος εγγράφου στη γλώσσα
σας, παρακαλώ να τηλεφωνήσετε
στον αριθμό ή να επικοινωνήσετε
στην παρακάτω διεύθυνση.

Gujarati

જો તમને આ દસ્તાવેજની નકલ તમારી ભાષામાં
જોઈતી હોય તો, કૃપા કરી આપેલ નંબર ઉપર
ફોન કરો અથવા નીચેના સરનામે સંપર્ક સાધો.

Hindi

यदि आप इस दस्तावेज़ की प्रति अपनी भाषा में चाहते हैं,
तो कृपया निम्नलिखित नम्बर पर फोन करें अथवा दिये
गये पता पर सम्पर्क करें।

Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਕਾਪੀ ਤੁਹਾਡੀ ਆਪਣੀ ਭਾਸ਼ਾ
ਵਿਚ ਚਾਹੀਦੀ ਹੈ, ਤਾਂ ਹੇਠ ਲਿਖੇ ਨੰਬਰ 'ਤੇ ਫੋਨ ਕਰੋ ਜਾਂ ਹੇਠ
ਲਿਖੇ ਪਤੇ 'ਤੇ ਰਾਬਤਾ ਕਰੋ:

Turkish

Bu broşürü Türkçe olarak edinmek
için lütfen aşağıdaki numaraya
telefon edin ya da adrese başvurun.

Urdu

اگر آپ اس دستاویز کی نقل اپنی زبان میں چاہتے
ہیں، تو براہ کرم نیچے دیئے گئے نمبر پر فون کریں
یا دیئے گئے پتہ پر رابطہ قائم کریں۔

Vietnamese

Tiếng Việt
Nếu bạn muốn bản sao của tài liệu này bằng
ngôn ngữ của bạn, hãy gọi điện theo số hoặc
liên lạc với địa chỉ dưới đây.

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