Shared Intelligence

Camden

local economic assessment **May 2011**

ECONOMIC SUMMARY

Camden is strategically situated in Central London making it one of the most important business locations in the country…

- Camden has 24,400 businesses, the second highest figure in London, and 275,800 jobs. (p 15 and p 18)
- Camden generates over £20bn of GVA annually, equivalent to 1.6% of the UK's total GVA. (p 19)
- This success is related to the borough's strategic location in Central London in relation to the City, its excellent transport links and access to a highly skilled and competitive labour market drawn from across London and beyond.

…the economy is dominated by professional and business services…

- Business services firms (such as legal, accounting and book keeping, real estate, advertising and software and consultancy supply) account for half of all businesses in the borough. (p 17)
- Camden's single largest sector in employment terms business services accounting for 102,000 jobs in 2008 - 37% of all local jobs. (p 17)
- This is considerably higher than the London (27%) average for the sector. (p 20)

…which have driven the expansion of the economy.

- Growth has been concentrated in business services which have grown to support London's dominance as a financial centre.
- Between 2004 and 2008 the number of business services firms grew by 1,700 (+16.2%) accounting for the majority of growth in the borough. (p 18)

Businesses and jobs are concentrated in the south of the borough which is part of London's Central Activities Zone (CAZ).

- London's CAZ contains 30% of the capital's jobs and is projected to accommodate 36% of London's jobs growth. (p 12)
- The majority of Camden's firms are concentrated in the south of the borough in the CAZ. (p 22)
- With the exception of the West Hampstead interchange, all of the major regeneration work in Camden is being conducted in the south of the borough. (p 30)
- Town centres in the north of the borough tend to be more locally focused, with smaller retail footprints, and may be less resilient.

A number of other sectors are well represented…

- There are 3,700 cultural and creative industries firms in the borough employing around 40,600 people – 16% of all local jobs. (p 25)
- The largest creative industries sub-sector in employment terms is publishing, followed by software design, advertising and radio and television. (p 26)
- In 2008 there were approximately 14,250 jobs in the visitor economy. The borough generates an annual visitor spend of £1.2 billion. (p 27)

…and significant future jobs growth is expected.

- Whilst the borough, like the rest of London, has been affected by the recession, it is well placed to see recovery in the long term.
- Employment projections for the borough are positive. Oxford Economics forecast an additional 40,000 new jobs in the borough between 2010 and 2020 - the second highest of any London borough. (p 35)
- Camden's growth and existing concentrations seem to be well aligned with likely future growth sectors.
- This reflects the level of investment in key locations, particularly Kings Cross, which is expected to add around 25,000 new jobs. (p 30)

Camden has a growing and diverse population

- The GLA estimate that Camden's population stood at 211,500 in 2011. Between 2001 and 2011 the population grew by around 8,700 (4%) below the sub-regional (+7%) and regional (+8%) averages. (p 41)
- As with many Inner London boroughs there is a high degree of population churn with many residents arriving and leaving each year. (p 42)
- Around one-third of Camden's residents are from Black, Asian and Minority Ethnic (BAME) backgrounds and over half of school children in Camden have English as an additional language. (p 44)
- In 2011 almost a third (31%) of the borough's population was aged between 20 and 35 years of age compared to 26% across London. (p 42)

…and the population is forecast to continue to grow

- Projections show continued to growth over the next two decades of +15.9% (+33,600) between 2011-2031. (p 46)

Parts of the borough have high levels of deprivation

- In the 2007 Index of Deprivation Camden was ranked the 42nd most deprived local authority in the country. (p 47)
- 33% of Camden's residents live in the Lower Super Output Areas (LSOAs) that were in the top 30% most deprived in England. (p 47)
- In 2008 there were an estimated 14,640 children living in poverty in Camden, 40.6% of children. Above the London average (30.8%) and in the top 6 London boroughs with the highest levels. (p 68)

Over a third of housing is in the social rented sector

- In 2011 there were a total of 98,600 households in the borough – 48% are single person households. (p 50)
- Well over a third (36%) of households in Camden are in the social rented sector, compared to just a quarter across London as a whole. (p 50)

- Levels of economic activity are much lower amongst social housing tenants. (p 50)

Property and rental prices in the borough are high…

- The average property price in Camden in the third quarter of 2010 stood at £541,635, over 3 times the average for England and Wales, and also much higher than the London average. (p 52)
- Rental prices in the private rented sector are also high – entry level weekly rents vary from £270 (one bed), £400 (two beds), £550 (three beds) to £620 (four beds). (p 53)
- Both private rental and property prices have risen sharply in recent years. (p 53)

and are increasingly unaffordable…

- Camden is the second least affordable borough in terms of house price to income ratios. (p 53)
- In the private rental market only single rooms with shared facilities and studio or one bedroom flats in the North of the borough are affordable to a median income household. (p 53)
- Half of households renting accommodation in Camden receive housing benefit. (p 54)

contributing to social polarisation

- The increase in house prices in the borough has priced out low and middle income earners.
- The available affordable housing cannot meet demand, only households with relatively high incomes can afford to buy or live in private accommodation in the borough.
- Only those in the most acute housing need can gain access to social housing.

The employment rate for residents is low, particularly amongst certain groups…

- The employment rate in Camden is low at 64.5%, below the London and national average. (p 58)
- Part of the explanation for this is the high number of economically inactive students. In 2009/10 there were a total of 23,800 higher education students resident in the borough – the highest number of any London borough. (p 62)
- However, mirroring the pattern for many Inner London boroughs the employment rate is particularly low for certain groups - just 52% of those from ethnic minority backgrounds and a third of those with no qualifications are in employment. (p 59)

…the recession led to rising levels of claimant unemployed…

- The JSA claimant count increased rapidly over the course of the recession from 4,225 in November 2008 climbing to a peak of 6,015 by November 2009 – a rate of increase of 42% slightly below London as a whole (+47%). (p 64)
- The claimant count in Camden currently stands at 5,305 (November 2010) a rate of 3% of the working age population – below the London (3.9%) and English (3.4%) averages. (p 64)

…the proportion of out-of-work benefit claimants is slightly below average…

- In May 2010, 11.8% of Camden's working age population was out of work and benefits – 20,690 people. This figure is below the Central London (13.1%) and London averages (12.7%). (p 63)
- Reflecting the national picture the most commonly claimed out of work benefit in the borough is Incapacity Benefit/ESA. In May 2010 there were around 11,200 IB/ESA claimants in the borough 6.4% of the working age population slightly above the regional average (5.9%). (p 67)
- 56% of IB/ESA claimants claim for reasons of mental ill health the highest proportion of any London borough. (p 67)
- Camden has a slightly higher proportion than the London average of residents who have been claiming JSA for more than two years which suggest the prevalence of more intense barriers to employment in the borough. (p 66)

…and borough level data obscure high geographic concentrations of unemployment

- Borough level data masks high concentrations of unemployment within certain wards in the borough (p 64).
- There are high levels of out-of-work benefit claimants in the following wards: St Pancras and Somers Town (19% of working age residents), Kilburn (17%), Gospel Oak (17%) and Haverstock (16%). (p 65)

many residents are highly skilled but the number with no qualifications has increased

- Over half (53%) of the local working age population in Camden was educated to degree level in 2009 much higher than the London (40%) and national (30%) averages. (p 71)
- There are currently 16,100 Camden residents with no qualifications – 9% of the working age population. While this proportion is below the national and regional averages (12%) the number has actually is risen 2004 in contrast to declines across the region and UK as a whole. (p 71)

1 INTRODUCTION AND POLICY CONTEXT

Local authorities are required, under the Local Democracy, Economic Development and Construction Act 2009, to prepare a local economic assessment (LEA). The purpose of an LEA is to provide local partners with a clear picture of the economic conditions in an area and how they affect the wellbeing of residents and businesses. It should identify economic linkages between the area and the wider economy, comparative strengths and weaknesses and the resulting challenges and opportunities; and constraints to growth and employment.

1.1. The form and content of LEAs varies considerably depending on local priorities and the characteristics of the area under examination. The emphasis agreed for the Camden LEA is on describing the position of Camden in the London economy, and discussing the economic challenges and opportunities for Camden. This should provide the Council and its partners with a sound understanding of the borough's economic position.

1.2. The LEA will be used to inform local decisions on economic development and social policy in the context of significantly reduced public funding. Local policy will also need to take into account the wider regional and national policy context. The following paragraphs summarise some of the new coalition government policy to help set the framework for these decisions.

Changing Council role in local economic development

1.3. This assessment is being written at a time of major change in policy and massive reduction in public sector funding. This is impacting on local authority economic development services in a quite fundamental way, given the discretionary nature of the support provided. External funding streams including European, and London Development Agency funding and Working Neighbourhoods Fund are being discontinued or severely reduced. The Camden Recovery Fund, which had provided support for local people and businesses through the recession, came to an end in March 2011, and savings have been made in the Council's core budget for economic development work.

1.4. The reduction in public sector spending will also impact in a significant way on many of the Council's partner agencies. The borough's educational institutions will experience the impact on their services of the increase in tuition fees, and the corresponding cuts in government funding. Health services are undergoing a major restructuring, and the cuts in Police funding will also feed through to local services.

1.5. The Council carried out a cross-cutting review of its employment and business support services last year. Following these reviews the Council decided to shift its emphasis from delivering services to residents and businesses towards a more strategic and enabling role. This role will include providing intelligence, lobbying and identifying new sources of finance. It will also require a new collaborative relationship with businesses and with partner agencies, focusing on achieving joint priorities.

Local Growth White Paper

1.6. The focus of government support is on rebalancing the economy towards private sector employment, particularly in those places that have been heavily reliant on the public sector. Government policy, as set out in the Local Growth White Paper[1] emphasises driving and removing barriers to economic growth at the sub-national level. A shift of power to communities and businesses is a feature of a number of elements of new government policy, and a different type of relationship with businesses is envisaged in the future.

1.7. The aim is to rebalance the economy both sectorally and geographically. The White Paper sets out the approach to sub-national growth, and provides details about the operation of Local Enterprise Partnerships and the Regional Growth Fund. It has three themes:

- Shifting power to local communities and businesses;
- Increasing confidence to invest - creating the right conditions for growth through allowing market forces to determine where growth takes place and providing incentives to ensure that local communities benefit from development; and,
- Focused intervention – tackling barriers to growth, supporting investment that will have a long term impact on growth and supporting areas with long term growth challenges.

1.8. The government is also committed to investing in the low carbon economy by creating the Green Investment Bank developing carbon capture and storage demonstration projects, and grants for increasing the uptake of electric vehicles; providing new investment in superfast broadband; and investing in high speed rail, Crossrail and other transport improvements.

[1] Local growth: realising every place's potential, BIS, 28 October 2010.

1.9. The Enterprise Finance Guarantee will continue to provide finance for small companies; there will also be support directed to high growth companies including support for equity investments. Businesses will be supported to access government contracts, and social tenants will be able to run businesses from their homes. Growth hubs will provide access to specialist strategic advice, coaching and mentoring to firms with high growth potential. These hubs will bring together high growth firms with finance and equity networks and other professional and knowledge services.

1.10. The government has approved the establishment of a London-wide Local Enterprise Partnership and this is currently taking shape. The work programme for the LEP has not yet been agreed, but it will be important to review and influence its future operation.

Welfare Reform

1.11. Welfare reform is a key priority for the coalition government. Its aim is to introduce a new universal credit, replacing work related, housing and child benefits. The government also aims to provide a more personalised service for unemployed people through Jobcentre Plus and contractors in response to individual need.

1.12. The Universal Credit if implemented as envisaged, will bring about a major change in the welfare reform system. It will simplify the current complicated and overlapping systems of benefits and tax credits, and provide stronger incentives to work for some categories of claimants, as well as incentives to earn more, for low earners. In simplifying the system it will also have major impacts on the administration of benefits including for the role of local authorities.

1.13. Other measures to be provided under the "Get Britain Working" banner include volunteering opportunities, work placements and increased apprenticeship opportunities for people who have been out of work for shorter periods. The government has also announced plans to allow young people (aged 18 to 21) to do up to eight weeks of work experience without it affecting their benefits. Working with Jobcentre Plus to secure opportunities for work placements with local employers could be highly beneficial for young people in the borough.

1.14. The government is introducing increased flexibility into the way that Jobcentre Plus advisers support their clients and how District Managers work with their partners to support the localism agenda. In addition, the new Work Programme will be introduced this year offering targeted, personalised help for those unemployed people requiring additional support. This will be delivered in Camden by three Prime Contractors, Reed in Partnership, Ingeus and Maximus. Each of these contractors will work through a number of other agencies to provide job brokerage and support locally. There will be greater conditionality in relation to job search and acceptance, which will mean that those who cannot find work may face benefit cuts.

1.15. Those individuals who are currently in receipt of Incapacity Benefit are now starting to be reassessed by Jobcentre Plus through a work capacity reassessment process. They will be transferred to Employment Support Allowance if they are unable to work, or to Jobseekers Allowance if they are thought to be capable of some work. In this case they will be eligible for support under the Work Programme after three months. There will also be increased conditionality for lone parents to seek work. The youngest child threshold age for lone parents claiming Income Support will now reduce to 5 years of age. Once the youngest child has reached this age, lone parents will move to claiming JSA or Employment Support Allowance (ESA) which has higher levels of conditionality attached to it.

1.16. There are a number of risks inherent in this process. Firstly in relation to the landscape of local provision – there may be three new supply chains of provision operating in the area. It is not yet clear which agencies will be working locally with the prime contractors, or which locations they will use to work with Camden residents. This may be a particular concern for those in need of specialist services, such as those previously in receipt of Incapacity Benefit who have been assessed as fit for work. Some of the agencies involved in delivering may not have experience of working in Camden, or be aware of the range of initiatives or other provision available locally.

1.17. As the elements of the government's new approach to welfare provision are introduced, the council may need to find new ways of working with its partner agencies and the new prime contractors in order to ensure that the needs of Camden residents are met.

Skills and Education Policy

1.18. In relation to young people's education the role of local government in skills planning has been reduced. Schools will have more autonomy, money will no longer be ring fenced, and schools will be free to make their own decisions about how to spend their budgets. Schools will not be required to purchase services from Children's Trusts. Councils instead will act as "champions of social justice", with a strategic function, overseeing admissions, special educational needs and school improvement.

1.19. Government policy is to increase the number of academies by inviting schools to apply for academy status, and many new academies have been created this year. The impact of the changes set out in the Schools White Paper[2] will take some time to feed through into changes in the preparedness of young people for further and higher education and the world of work. But the performance of Camden's schools is fundamental to securing and improving the future of Camden's young people. Local authorities can continue to play a role in ensuring that the system is responding to the needs of the economy and community, and to use labour market intelligence to "nudge" provision in the right direction if they perceive market failure.

1.20. The government's policy towards further education (FE) is to remove central planning and increase the drive towards responding to learner demand. Funding support will prioritise low skilled and disadvantaged people and those seeking work. Learners and employers will be expected to co-invest alongside government in meeting intermediate and high level training costs. At the same time Educational Maintenance Allowance is being discontinued, making it harder for low income families to support their children to stay in school post 16. FE loans will be introduced from 2013/14 to support intermediate and higher level skills, on a similar model to those available for higher education. FE colleges will be able to offer more higher education courses.

1.21. Adult apprenticeships will be expanded to more than 200,000 people per year by 2014/15. They will also be reshaped so that technician level – Level 3 – becomes the target level, and there will be clear progression routes into Level 3 Apprenticeships and through into Level 4 or higher education.

1.22. With less direct levers over skills planning, the council will need to influence local providers in other ways. This could involve developing relationships with the business community to facilitate collection of information on employer demand, using this information to work with providers to generate a consensus around priorities for now and into the future, to help shape their areas and support employment growth.

[2] The Importance of Teaching: Schools White Paper, DfE, December 2010 www.education.gov.uk/schools/teachingandlearning/schoolswhitepaper/b0068570/the-importance-of-teaching

Health and wellbeing

1.3. The Public Health White Paper reviews the government's approach to improving health and addressing health inequalities. It focuses on health and wellbeing throughout life to support people to make healthier choices. It also emphasises the importance of addressing the wider determinants of health such as employment and educational achievement as well as housing and cultural factors. It highlights the need to improve wellbeing both mental and physical, and provides an increased role for local government in the process.

1.24 Public health responsibilities will be divided between Public Health England and local councils, with Directors of Public Health moving to local authorities. Councils will receive public health grant to improve health and reduce health inequalities. They will develop relationships with GP commissioning bodies through Health and Wellbeing Boards, take responsibility for the public health budget, and produce a joint needs assessment and strategy with GPs.

1.25. This should provide the opportunity for Councils to work across health, skills and employment, to provide a more co-ordinated approach. This may include incorporating some of the evidence from the LEA into Joint Strategic Needs Assessments, and incorporating employability support into health services.

Localism and housing policy

1.26. The Localism Bill, published in December 2010, contains a number of measures to strengthen local democracy. The Bill proposes to give councils a general power of competence. It will allow local people and communities to take over services and bid to buy local assets. It will also reform the planning system and encourage local communities to produce neighbourhood plans. It will also provide a new Community Right to Build, giving communities the freedom to build new homes and amenities, and give councils greater control over allocation and tenure of social housing.

1.27. In relation to economic development, the Bill will allow local councils to grant discretionary business rate discounts, and make small business tax breaks easier. The government is also introducing Community Budgeting to enable budgets to be pooled within an area. These are place-based community budgets, and are scheduled to be available everywhere by 2013.

1.28. The Localism Bill contains a legal requirement to ensure that a reasonable proportion of funds collected through a Community Infrastructure Levy (CIL) should be retained at a neighbourhood level. LB Camden will be considering the impact of development on local areas as a more formal approach to CIL is developed in the future, in order to ensure that local development benefits local neighbourhoods.

1.29. Councils will have more flexibility in managing and influencing access to social housing. Should they choose to do so, they will be able to discharge their duty to homeless households through an offer of private rented accommodation. They will be required to develop policy on granting and reissuing social tenancies. These new largely permissive measures relating to allocations, flexible tenancies, asset sales, empty homes and homelessness provide more scope for the council and its partners to make the best use of homes.

1.30. An area of serious concern is the capping of local housing allowance for private rented property. There is a large gap between current Housing Benefit rates and new rates for all except the smallest properties in the north of the borough. It is possible that market rents may reduce in response to this measure. However, it is quite likely to have a significant impact on the ability of households claiming benefits to live in more expensive parts of the borough. The council should consider how to link mechanisms for supporting social housing tenants into work into the new Work Programme and JCP services.

Support for families and Community Budgets

1.31. The government has launched a programme to help troubled families by addressing multiple problems including health, drug and alcohol misuse, children's behavioural issues and unemployment. In sixteen areas the local authority will be able to pool budgets to provide more integrated support for families with complex needs through Community Budgets. There are also proposals to boost the Early Intervention Grant in a number of authorities for trialling new approaches to family support, and providing personalised employment-related support for up to 500 families. The programme will also include additional government funding for relationship support.

Camden priorities

1.32. Camden Together, the borough's sustainable community strategy 2007-2012, sets out four priorities for the Council and its partners:

- A sustainable Camden that adapts to a growing population;
- A strong Camden economy that includes everyone;
- A connected Camden community where people lead active, healthy lives; and,
- A safe Camden that is a vibrant part of our world city.

1.33. The strategy recognises that the borough needs to adapt to employment and population growth in a way that reduces Camden's carbon footprint, preserves green spaces, meets the need for housing and strengthens community infrastructure. It seeks to make Camden an even better location for business, while increasing access to skills, education, training and employment.

1.34. Since Camden Together was published in 2007, the political and financial context has changed dramatically. The overriding priority for the new administration elected in May 2010 has been to put in place plans to make savings of £80 to £100m during the period 2011 to 15. Its guiding principles in deciding where to make savings have been:

- To make as many savings from efficiencies as possible;
- To maintain effective essential services that everybody needs but at a reduced level or delivered differently;
- To protect services for the most vulnerable of Camden's residents' and,
- To make the best use of all Camden's assets in the broadest sense; buildings, organisations and residents.

Place Plans and Community Investment

1.35. The Council is developing a new approach to co-ordinating strategy and investment across its neighbourhoods. It has a programme of developing place plans for nine places. The nine areas are King's Cross, Euston, Kentish Town, Camden Town, Gospel Oak, St Giles to Holborn, Swiss Cottage, West Hampstead and Kilburn. They have been selected as areas with opportunity for investment and development. The work will bring strategies and investment together to help shape the area in response to identified need and local priorities. Camden's place-shaping programme draws on the range of work the Council undertakes, including key strategies, to develop integrated plans focusing on particular areas of opportunity. The plan for Camden Town was completed in 2010 and a number of others are currently in development.

1.36. The Council is considering its approach to community investment with reference to these same areas. It will comprise a programme of rationalisation and development of the Council's property assets to achieve a number of functions. These include maximizing the potential of council assets and developing proposals for redevelopment to provide a range of benefits. Together they have the potential to improve, shape and transform key places and services within Camden. This will involve considering local services as well as physical changes to ensure that they meet the identified needs, resources and local concerns of an area.

Summary and Conclusions

1.37. The organisational and policy landscape for local economic development is undergoing massive change. Much of the funding previously available for local agencies to provide support for unemployed people in the borough is coming to an end. The landscape of local provision is likely to look quite different as the new Work Programme is introduced over the coming months. The skills arena is also changing significantly and colleges are being encouraged to respond increasingly to learner demand.

1.38. Major changes are taking place in health infrastructure, and local authorities have new responsibilities for public health. This may facilitate making links between health and employment, which will be particularly important in Camden in relation to mental health and incapacity benefit reassessment. New approaches to cross service and cross agency working will need to be developed in order to maximise the impact that public services can have on the lives of vulnerable residents. As part of the government's localism agenda, there will be additional powers to support neighbourhood development, through the new Community Infrastructure Levy, community budgeting and community planning.

1.39. As these major changes to economic development policy and institutions are introduced, the Council is working through the process of implementing budget reductions and reassessing its role in local economic development. This will take it away from direct delivery towards a more strategic role, and require the development of a collaborative programme of activity across its services and with its key partners including those in the private sector.

1.40. As the new government measures are introduced there will be opportunities to work across council departments and with other agencies to co-ordinate policy and align service provision for the benefit of local residents and businesses. Initial priorities will include:

- Keeping under review the development of the London LEP and seek to influence its priorities in accordance with those of the local area and local businesses;
- Aligning services in relation to employability support through Jobcentre Plus and the agencies delivering the Work Programme;
- Influencing local health providers to maximise the links between health services and employability support;
- Working closely with the Council's planning services to co-ordinate policy on place-plans and community benefit from development;
- Identifying opportunities under the Localism Bill for joint working with housing to co-ordinate policy in order to target social housing tenants and maximise support for unemployed tenants into work; and,
- Working with local businesses and the education community in order to maximise apprenticeship provision and take-up, and align education provision in response to employer need and opportunities.

2 THE CAMDEN ECONOMY

Camden is a borough of diversity and contrast, covering 22 square kilometres in the heart of London[3]. It spans intensively developed business districts from Holborn, Euston and Tottenham Court Road in the south to historic residential areas such as Highgate and Hampstead in the north. Within its boundaries are some of the wealthiest and most expensive areas of London as well as some of the most deprived neighbourhoods in the country.

2.1. The south of the borough plays an important part in providing its vibrancy, diversity and identity and is part of London's Central Activities Zone (CAZ) with a unique cluster of activities contributing to its world city status. This area contains four of the five main growth areas in Camden designated in the London Plan and is where most of the borough's future development will take place. Camden is a national transport node and is the most highly connected place in London. As well as the mainline rail stations of Euston and King's Cross, the Eurostar terminal at St Pancras provides a connection to Paris and Brussels in less than two and a half hours.

2.2. Camden is home to many of the country's leading cultural institutions including the British Museum and the British Library. It is also host to world class educational institutions such as University College London, Birkbeck College, the School of Oriental and African Studies, the Royal College of Law. There is an exceptional arts and entertainment offer including the Roundhouse, Dominion Theatre, Hampstead theatre, Foundling Museum and Proud Galleries. Camden has an established music scene with venues such as KOKO, HMV Forum and the Jazz Café as well as a host of smaller venues where many famous performers have started their careers. There are over 250 designated parks and open spaces in Camden including Primrose Hill and the east of Regent's Park as well as Hampstead Heath, the largest open space in the borough. The borough's rich historic and architectural heritage and wide range of cultural facilities explain the attractiveness of Camden as residential and business location.

2.3. In this Chapter we look at the size and industrial structure of Camden's business base, examine its employment structure by industrial sector and geography, look at regeneration, growth and development and finally review forecasts for future growth. Firstly, however, we set the context for this economic profile by considering the role of Camden in the London economy.

[3]LBC Core strategy, 2010-2025

Spatial structure of the London economy

2.4. Camden's location in relation to the City of London and the capital's Central Activity Zone has been a major factor in shaping its development. Recent economic policy and practice has emphasised the importance of examining the economies of "functional economic areas". These are areas that can be described as reasonably self-contained in relation to, for example, commuting or housing markets. In many parts of the country these functional economic areas reflect sub-regional administrative boundaries, but in London it is necessary to understand the role of a borough in relation to London as a whole – London is the functional economic area.

2.5. London is a key driver of the UK economy. It contributes an estimated 20% of total national output and generates one fifth of the UK's total tax revenues. Over the last decade, London has created more than 380,000 net new jobs, equivalent to a 5.3% increase, significantly outstripping the UK average of 2.7%. This growth was principally in business services, and driven by the dominance of London in financial services. The creative sector, hotels and restaurants also grew strongly.

2.6. London has a particularly strong specialisation in business and financial services, and this is reflected in the central activity zone in particular. Firms tend to locate near to other similar firms in order to benefit from a deeper labour pool, sharing intelligence, and proximity to markets. London has access to a highly skilled labour pool, is the centre of the national transport system, benefits from flexible regulatory policies, and the presence of some of the world's most highly rated education institutions.

2.7. The south of the borough, containing most of Camden's firms, is within the Central Activities Zone (CAZ) of Central London, as shown in Fig. 1. The CAZ is characterised by high job density, high concentration of business and financial services sectors and where Central Government, multinational headquarters and other institutions of national significance locate.

2.8. Though the CAZ is small in geographical and population terms, it contains nearly 30% of all London's jobs and is projected to accommodate 36% of London's employment growth to 2026 (Replacement London Plan, 2009). Camden's economic vibrancy now and in future will owe much to the benefits of businesses and other organisations that locate in the CAZ.

2.9. Camden's location within Central London brings the borough significant advantages in labour market terms. Over half of the workforce in Central London is qualified to NVQ Level 4 and above (degree level or higher) in comparison to 30% across the country, and these workers are attracted to London because of the quality of the cultural and entertainment offer and the excellent career opportunities offered in the capital.

Travel to work patterns

2.10. The relationship between the CAZ and outer London boroughs is illustrated by examining London's commuting patterns. Because of the relatively good transport links in the capital, London's workforce is highly fluid across borough boundaries, with people travelling greater distances from outer London boroughs into the centre.

FIG.1 MAP OF LONDON AND CAZ

NB: Draft CAZ and Subregional Boundaries

FIG.2 LOCAL AUTHORITY OF WORK FOR CAMDEN RESIDENTS - 10 BIGGEST FLOWS

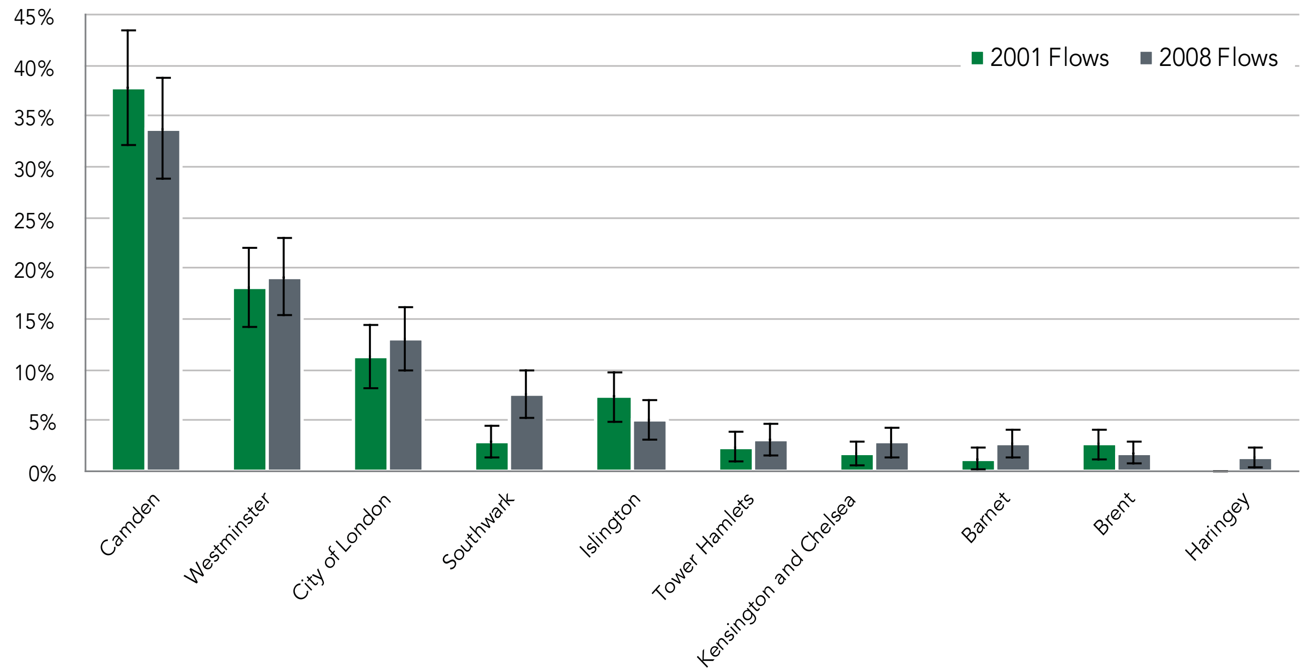
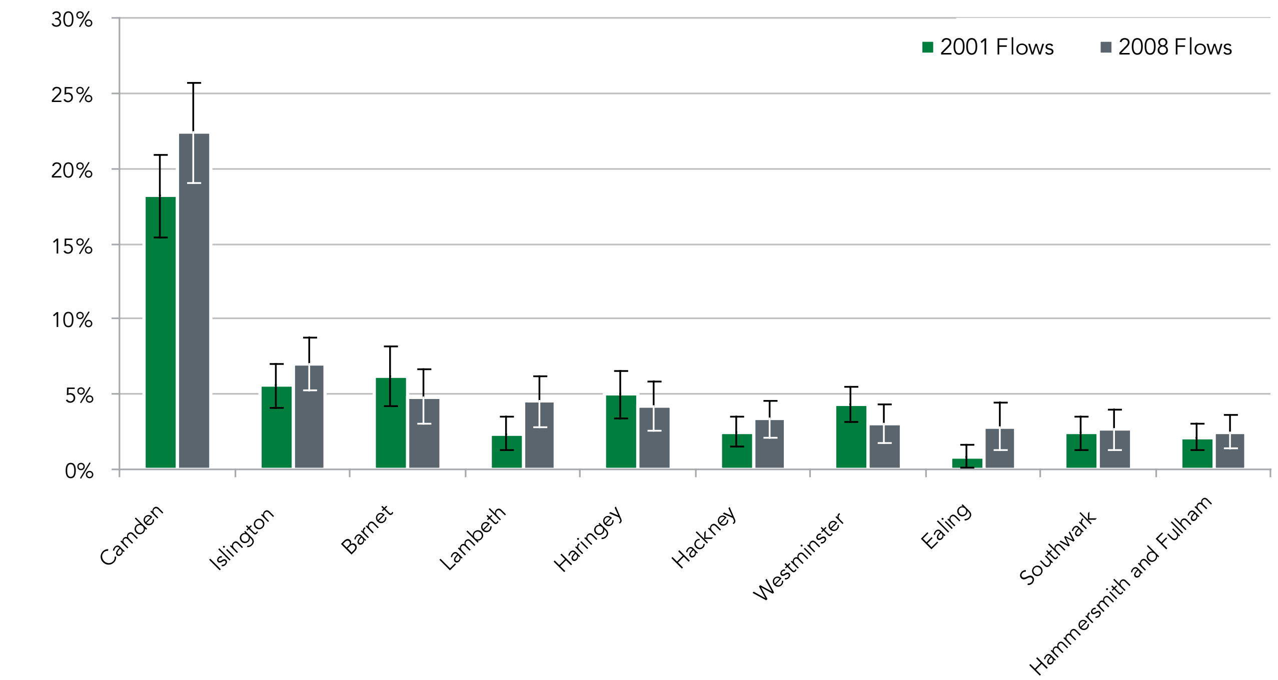


FIG.3 LOCAL AUTHORITY OF RESIDENCE FOR CAMDEN WORKERS - 10 BIGGEST FLOWS



I shows confidence interval

Source: Annual Population Survey, 2008, ONS

2.11. Camden is similar to other areas of Central London insofar as the borough has highly permeable boundaries for both in- and out-commuters. Commuting patterns show that there is significant commuting from Camden into the City, West End (particularly Westminster), and elsewhere in London. Due to the high number of jobs in the borough Camden is a net importer of labour, so commuting levels into the borough are particularly high. Figs. 2 and 3 illustrate the boroughs in which Camden residents work and the boroughs in which Camden workers live.

2.12. Figs. 2 and 3 illustrate that the majority of Camden residents work centrally. 81.5% of Camden residents work in boroughs in Central London. This appears to have increased slightly since the census, though the results are not robust enough for this to be a definite conclusion.

2.13. In comparison, workers in Camden tend to come from outside Central London.[4] Approximately 40% of Camden workers live in Central London, with the majority commuting in from other areas of London and areas outside London[5] . This demonstrates the impact that Camden's transport links have on the borough's labour market, allowing for a much larger effective labour market compared with some areas of London.

[4]Annual Population Survey, 2008, ONS

[5]Ibid

[6]Annual Population Survey, 2008, ONS

Business Stock

2.14. Camden is a prime Central London business location. According to data from Annual Business Inquiry there were 24,440 businesses in the borough in 2008[6]. This figure ranks as the second highest in London, after Westminster, and fourth nationally.

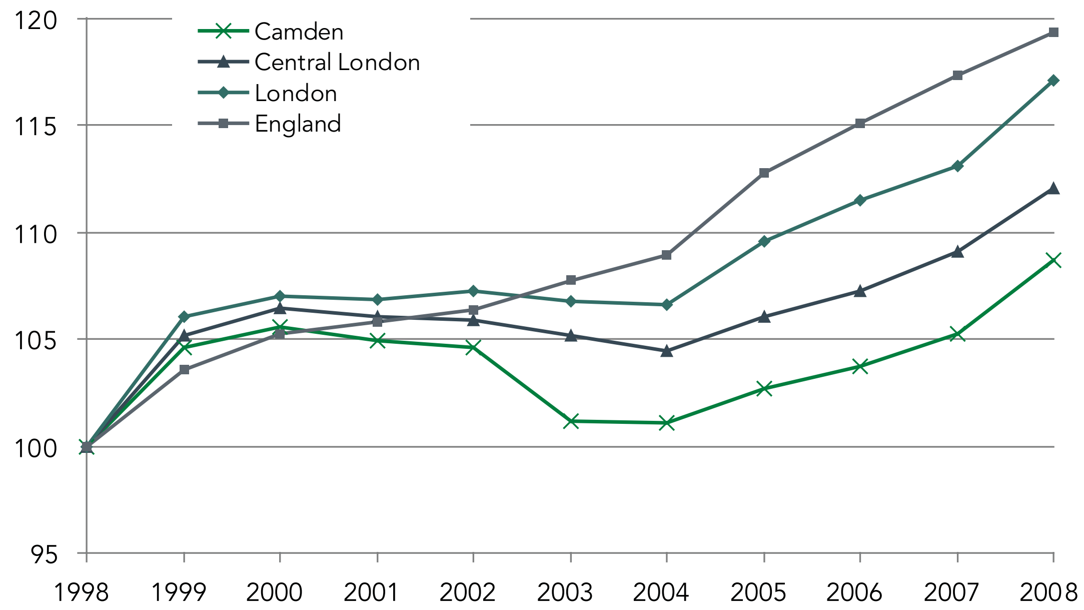
2.15. Fig.4 shows the change in the number of businesses in Camden between 1998 and 2008. In 1998 there were a total of 22,500 businesses in the borough. Over the next decade there was growth of around 1,950 businesses (+9%) - this was lower than the Central London figure of 12% and considerably behind the London (+17%) and English (+19%) rates of growth, but from a high base.

2.16. Following the general trend for London and Central London there was a period of relatively low growth in the business stock between 1999 and 2002 followed by a steady upward trend since 2004.

Business Start Up and Closures Rates

2.17. Underlying the changes in the overall business stock are the rates of business start-ups and closures. Data from ONS's Business Demography data set, which includes both VAT registered businesses as well as businesses which are registered for PAYE, provides information on start up and closures of firms.

FIG.4 INDEX OF CHANGE IN THE BUSINESS STOCK (1998=100)



Source: Annual Business Inquiry, 1998-2008, ONS

2.18. Over the period 2004-2008, rates of both start up and closures in Camden have been consistently lower than the equivalent rates for both London and Inner London[7]. In 2008 the start up rate in Camden stood at 12 for every 100 firms. This was below the London and Inner London averages (both at 15 start ups per 100 firms). In 2008 the closure rate stood at 9 per 100 firms close to the London and Inner London figures (10 per 100 businesses).

2.19. However, whilst both rates have been low, the gap between start-ups and closures has typically been much smaller in Camden than elsewhere. The net result has been that growth in the number of businesses in Camden between 2004 and 2008 at 6.4% has been slower than Inner London (+11%) and London (+9.5%)[8].

2.20. Low business start-up rates reflect the expense of locating in Central London. Anecdotal evidence suggests that Central London has become an increasingly difficult place to locate in for new businesses, as the cost of starting up a business in the area is high.

2.21. The data reviewed above together with the information about Camden's overall number of business suggests that the business base in the borough is mature and resilient, although unfavourable to the kind of large increases in the business base that have been observed across London as a whole. This is supported if we look at the age

[7]Business Demography, 2004-2008, ONS

[8]Business Demography, 2004-2008, ONS

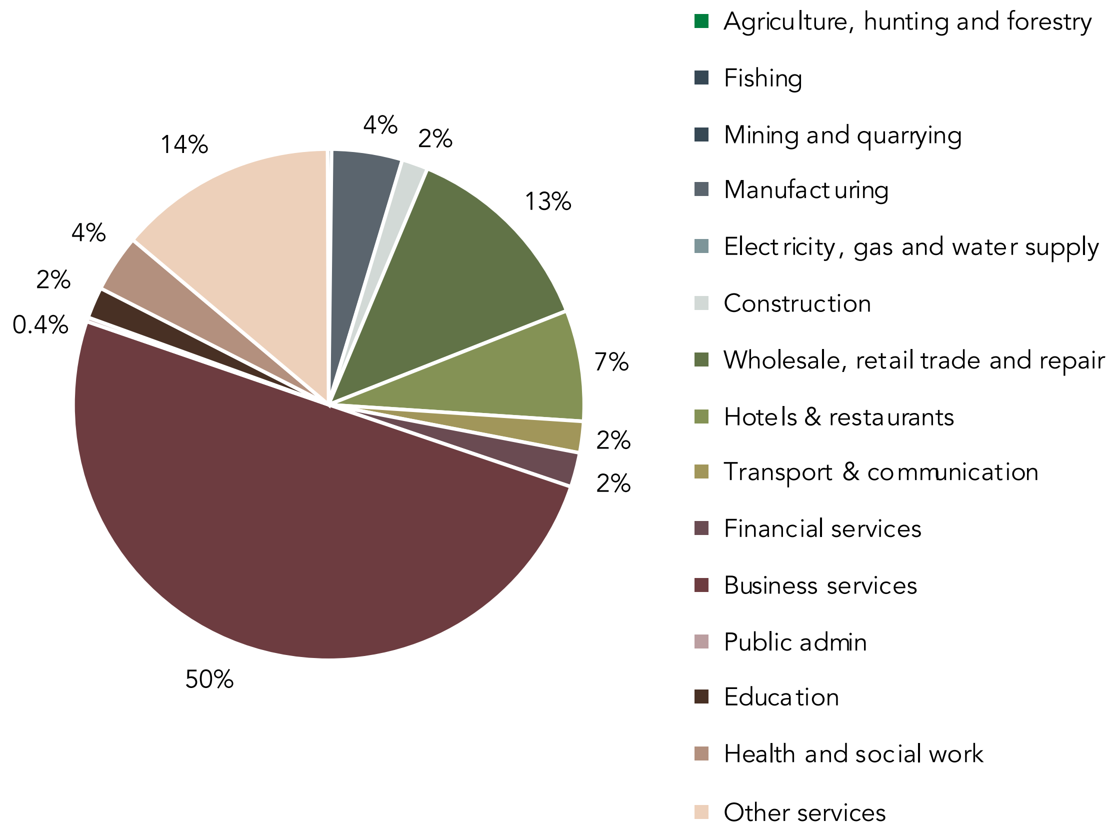
of businesses in the borough. Camden has a larger proportion of businesses that are older than 10 years old compared to the national and regional averages.

2.22. Given that older businesses are likely to be more resilient than younger businesses this is one explanation for the lower business closure rate observed in Camden. In turn, fewer closures means less business space for new businesses. This suggests that the price which Camden pays for its established and mature business base is a relatively low start-up rate.

Industrial Structure

2.23. Fig.5 illustrates that Camden's business base is dominated by business services firms, which make up half of all firms in the borough (12,200 firms). The business services sub-sectors with the largest number of firms in the borough: legal, accounting, book keeping and auditing (5,400 firms); real estate and letting (1,700 firms); software, consultancy and supply (900 firms); and advertising firms (420 businesses).

FIG.5 CAMDEN'S BUSINESS BASE BY SECTOR, 2008



Source: Annual Business Inquiry, 2008, ONS

2.24. After business services the largest sectors in Camden are wholesale and retail (3,090 businesses); hotels & restaurants (1,670 firms); and other services firms[9] (3,420 businesses) the majority of which are in the entertainment industry.

2.25. The most significant sectoral growth trend over the period has been the enormous growth of business services firms , as shown in Fig. 6. The number of business services firms grew by 16.2% over the period in question, significantly faster than the overall rate of growth. However, this rate of growth was lower than in Central London (18.2%) and London (19.5%), though higher than across England (15.6%).

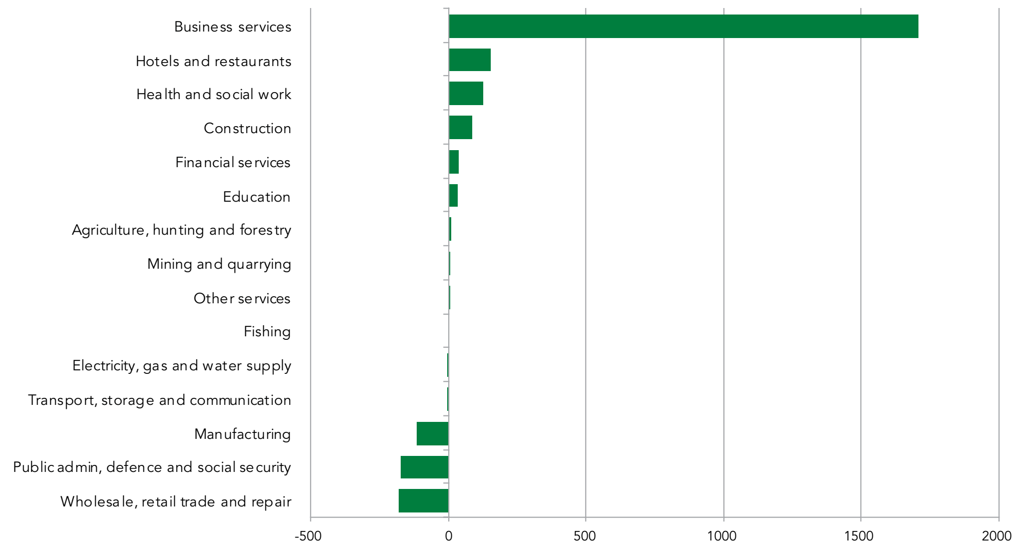
2.26. Aside from business services, the hotels and restaurants sector saw a 10% increase in the number of firms[10]. The number of manufacturing and wholesale firms declined over the period, reflecting the employment trends in these sectors.

Business Size

2.27. In employment terms, the majority of people who work in Camden (over 80%) are employed in either small-to-medium sized enterprises (SMEs) employing between 11 and 199 people or large enterprises employing more than 200 people. As Fig. 7 illustrates, this structure of firm size is replicated at sub-regional, regional, and national levels.

2.28. However, Camden is notable for having a greater proportion of people who work in the borough employed in larger businesses with relatively fewer employed in SMEs or micro businesses (the latter employing 10 or

FIG.6 CHANGE IN NUMBER OF BUSINESSES BY SECTOR 2004-08



Source: Annual Business Inquiry, 2004-2008, ONS

[9]Other services contains sub-sectors such as sewage and refuse disposal, radio and television, activities of professional and membership organisation, and cultural and entertainment activities

[10]Business services includes real estate, advertising, labour recruitment, database and computer activities, research, architecture, renting of certain goods, office and industrial cleaning and security.

FIG.7 BUSINESS BY EMPLOYMENT SIZE[11]

	% Employment in micro-businesses 2008)	% Employment in SMEs (2008)	% Employment in large businesses (2008)
Camden	18.4	41.4	40.2
Central London	19	41.6	39.5
London	20.2	42.1	37.7
England & Wales	21	47.4	31.5

Source: Annual Business Enquiry, 2008, ONS

fewer employees). This is a long term trend as between 1998 and 2008 there has been a shift towards employment within larger companies at the expense of employment within SMEs and micro businesses.

2.29. Moreover, this does not appear to have been due to an excessive growth in large businesses, which grew more slowly than the overall growth in the number of enterprises. Rather the shift towards more employment in large companies is due to large companies employing more people. This supports the previous observation that Camden businesses are relatively mature.

Camden's GVA

2.30. Alongside the number and type of business in the economy, it is important to understand the productivity of firms and sectors to assess their relative contribution to the economy as a whole. More productive firms and sectors typically utilise more technology in production and higher skilled labour, as well as typically paying higher wages to employees. GVA is a measurement of productivity which helps evaluate the level of value-added generated by sectors within the local economy. Camden's annual GVA is over £20bn, equivalent to 1.6% of the UK's total GVA[12].

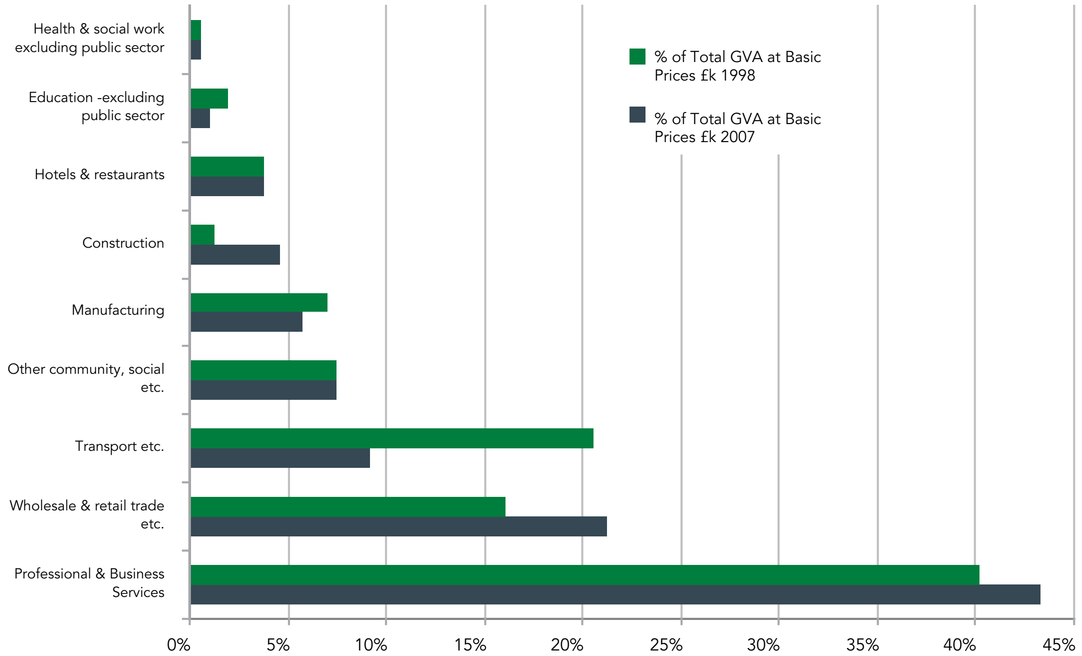
2.31. Fig 8. illustrates the sectoral distribution of GVA in Camden for the years 1998 and 2007. The largest increase was seen in the Wholesale and Retail Trade sector which grew from 16% to 21% over the period in question. This reflected the large expansion in retail activity observed over the previous decade. The largest single sector of Camden's economy was professional and business services, including real estate and insurance services.

2.32. Aside from retail and professional services, there were other significant movements in sectoral GVA. The transport sector experienced a large decline in GVA between 1998 and 2007, almost certainly as a result of some businesses in the borough closing or relocating, possibly as a result of the work at Kings Cross. Conversely, the construction-related GVA increased significantly, almost certainly

[11]The number of employees for each classification are: Micro – 1 to 10, SME – 11 to 199 and Large 200+.

[12]ONS, Local Futures. Note: the figure cited is for 2007

FIG.8 CAMDEN % OF TOTAL GVA BY INDUSTRY 1998 & 2007



driven in part by house price increases over the same period as well as extensive development at Kings Cross Central and elsewhere. Interestingly, manufacturing GVA increased over the period by almost 50%, suggesting a shift towards higher value production, although manufacturing continued to decline in importance across the borough economy as a whole.

Employment Structure

2.33. In 2008 there were a total of 275,800 people employed by businesses in Camden[13]. Fig. 9 shows employment across sectors. It is clear that the largest employing sector in Camden is business services. In 2008 the sector employed a total of 102,100 people making up 37% of jobs within the borough. The proportion employed in the sector is considerably above the London average (27%).

2.34. The proportion of local jobs in the public services (education, health and social work and public administration) at 19% (52,660 jobs) is slightly below the average for London (22%).

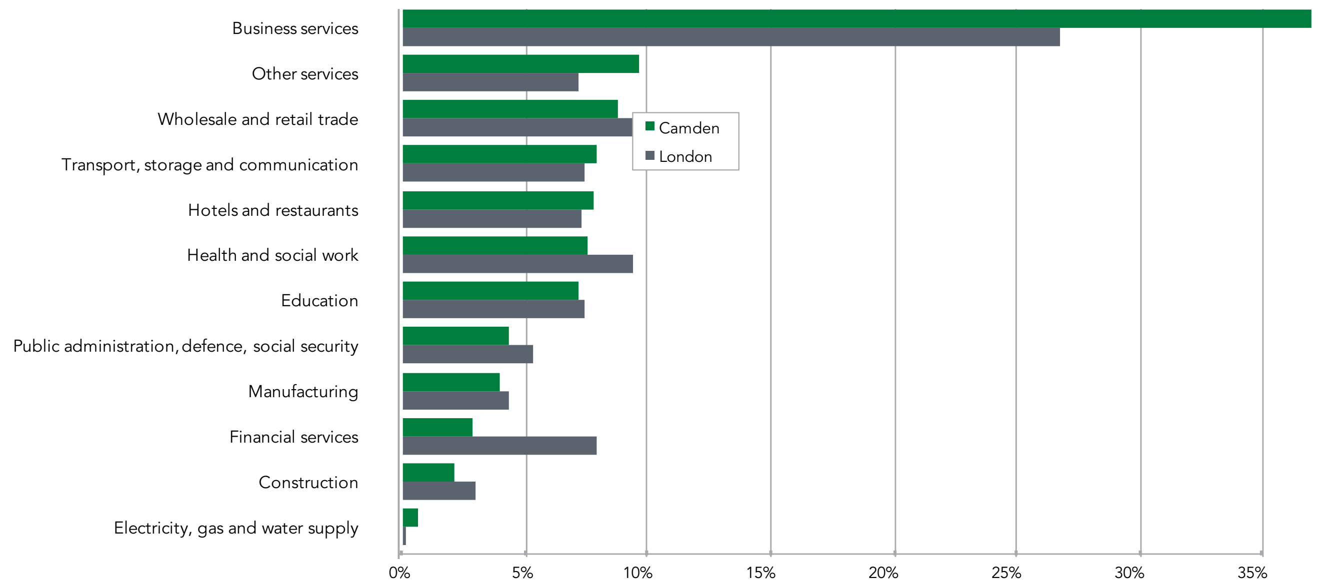
2.35. Other services (26,600 jobs), wholesale and retail (24,200 jobs), hotels and restaurants (21,600), transport and communications (21,900) are all significant employing sectors.

2.36. Fig. 11 shows employment growth between 1998 and 2008[14]. Over the period 1998 and 2008, employment in Camden increased by around

[13]Source: ABI, 2008, ONS

[14]Data from the new 2009 ONS BRES survey are not comparable so trend data is only presented for 1998-2008

FIG.9 JOBS IN CAMDEN BY SECTOR (%), 2008



Source: Annual Business Enquiry, 1998-2008, ONS

38,600, growth of 16%, higher than the equivalent growth in Central London (14%), London (11%) and England (9%)[15].

2.37. However, as Fig. 10 illustrates growth in the number of jobs in Camden, Central London and London has been highly erratic over the period. Between 2002 and 2004 employment declined in response to decreasing levels of financial business services employment which were observed to a lesser degree across Central London and London as well. In 2006, the decline in employment appears to have been driven by a decrease in employment in transport, retail and distribution.

2.38. In sectoral terms, the decade from 1998 to 2008 saw a large increase in the number of jobs in the business services sector (+31,500 jobs or +45%), other services (+6,700 jobs or +33%), hotels and restaurants (+5,700 jobs or +36%) and construction (+1,710 jobs or +48%). The growth in all of these sectors was considerably above the London average.

2.39. In contrast to these growth sectors, employment in the public sector (health, education and public admin) declined by 12.4% over the same period. Public administration saw the largest total reduction in jobs over the period losing around 5,070 jobs (-30%). The declines

[15]ONS (2010) ABI

FIG.10 INDEX OF JOBS GROWTH 1998 - 2008 (1998 = 100)

Source: ONS, Annual Business Inquiry, 1998-2008

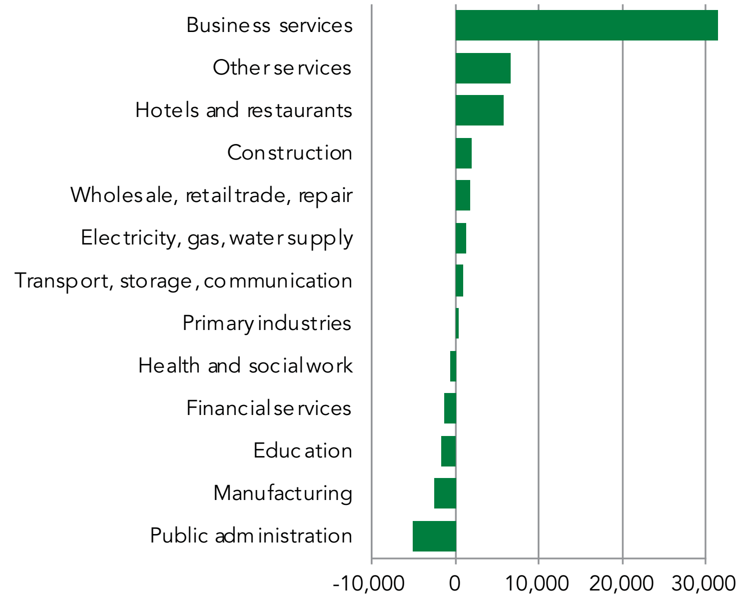
seen in the public sector are in contrast to growth across London as a whole over that period.

2.40. Manufacturing continued its long term decline losing around 2,500 jobs (-2%) over the period, however the rate of decline within the sector was much slower than the London average (-38%).

The geography of employment

2.41. Fig. 12 shows employee jobs by sector in Camden's main employment zones. The most striking pattern is that the southern half of the borough contains more than 80% of the employment within the borough. Holborn and Covent Garden alone contain just under 37% of total borough employment. The diagram also

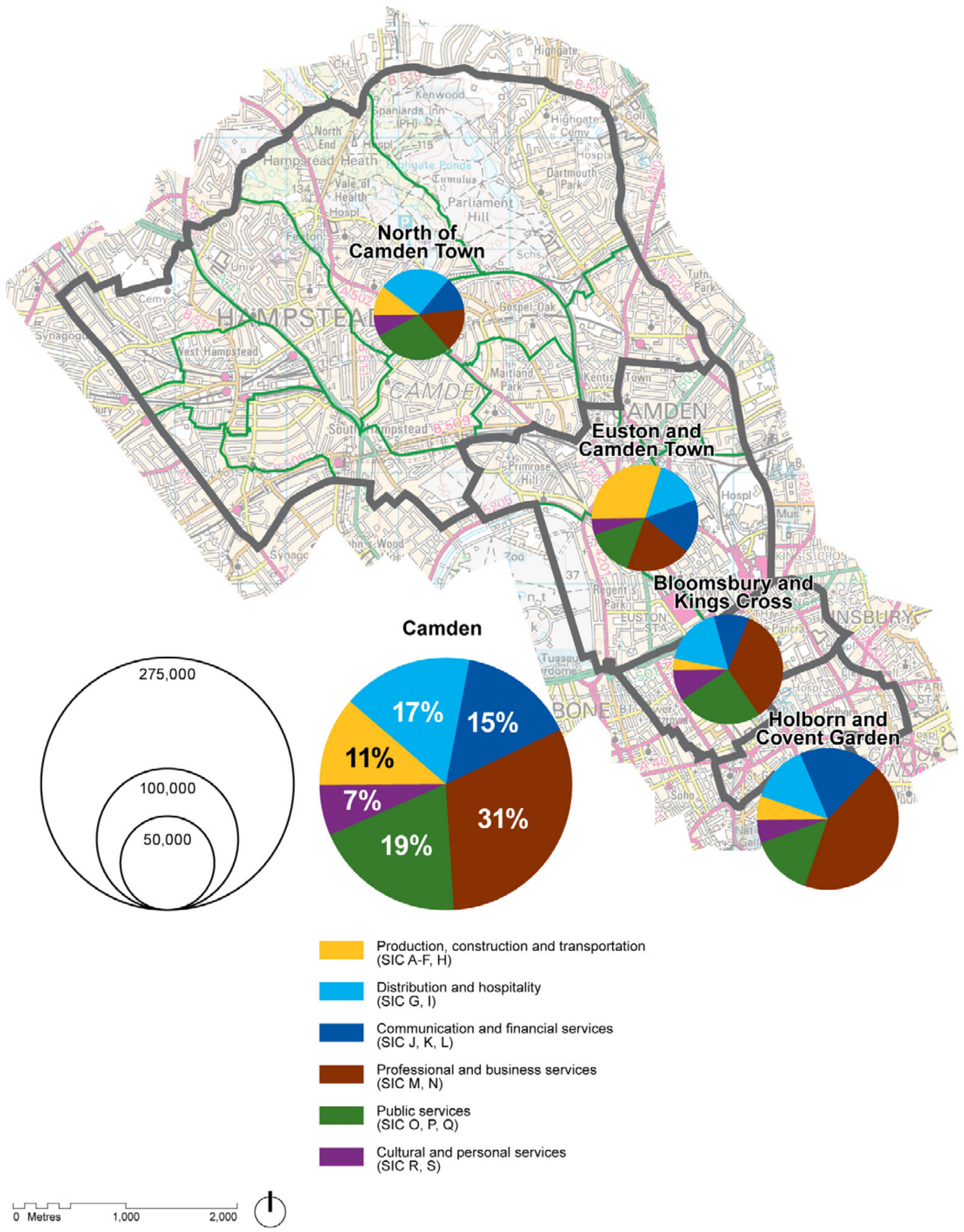
FIG.11 JOBS GROWTH BY SECTOR IN CAMDEN, 1998-2008



Source: Annual Business Inquiry, 1998-2008, ONS

FIG.12 GEOGRAPHICAL DISTRIBUTION OF SECTORS BY EMPLOYMENT

Employee Jobs by Employment Zones and Broad Industry Groups, LB Camden 2008



Source: ONS Annual Business Inquiry 2008
This map is based on Ordnance Survey Material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationery Office ©. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. Licence number LA100019726, year 2010.

clearly shows that most of the professional and business service jobs are located in the south of the borough[16].

Sector analysis

2.42. Whilst the above gives a broad overview of how employment in the borough is structured, it is important to look in more detail at specific sectors to understand what the key strengths of the local economy are. Location quotient (LQ)[17] analysis of 3-digit SIC sectors identifies those sectors which are relatively concentrated and which have experienced recent growth.

2.43. Fig. 13 breaks down Camden's industrial sectors in more detail and categorises sectors into 4 types:

- Concentrated and growing – those sectors which have above average levels of employment and have experienced growth since 2004;
- Concentrated and declining – above average levels of employment and job losses since 2004;
- Underrepresented and growing – those sectors which have seen growth but remain at below average concentration; and,
- Underrepresented and declining – those industries that have lost jobs and have low concentration.

2.44. Fig. 13 presents a generally positive picture of Camden's economy. Camden is specialised in a number of business services, creative industries and visitor economy sectors that have experienced growth and are likely to continue to be sources of employment growth over the next decade or so. The high concentration and growth of research and experimental development is particularly noteworthy.

2.45. Camden has also seen significant growth in sectors of relatively low employment concentration. A number of these services, catering and cleaning especially, are by-products of and associated with the growing and successful business services sector.

2.46. Camden has also experienced a decline in certain concentrated sectors. Most concerning is the decline of higher education employment, though hopefully the development of Kings Cross Central should arrest this decline. The jewellery manufacturing sector based around Hatton Garden has also seen decline over the period in question, despite the efforts of the Council, due to continued problems of high rents in the area.

2.47. All of this must be seen in context. There is necessarily a limited amount of commercial space in the borough at any given time. Given the extensive growth seen in some highly concentrated and high-value sectors, it is unsurprising that some lower

[16] The overall figure for Professional and business services here is 31%, and is higher than the 22% shown above. This is because the higher figure includes employment in education and health. These sectors are brought together here as it is easier to view on a map.

[17] Location quotient (LQ) analysis investigates the relative concentration of sectors within a given area compared to a wider geographical reference area. In this case, all LQs have been calculated relative to London. An LQ greater than 100 for any given sector indicates that the sector in question is relatively more concentrated in Camden compared to London. Conversely, an LQ less than 100 indicates that the sector in question is relatively less concentrated in Camden compared to London.

value or less specialised employment has been forced out of the area due to rising rents or competition. Ultimately, Camden has generally been successful in accommodating the growth of concentrations of high value employment in sectors with high growth potential, and this bodes well for the future of the borough.

2.48. This illustrates the significance to Camden of business and professional services, tourism and the visitor economy. In terms of creative and cultural industries some of the subsectors are in the specialized and growing quadrant, but others are specialised and declining. These sectors are examined in more detail below.

Cultural and Creative Industries[18]

2.49. According to the GLA[19], there were 4,405 creative industries firms in 2008 employing a total of 41,265 employees. This is corroborated by work carried out by DPA/URS in 2009 which estimated 3,700 cultural and creative industries employing 40,600 employees[20]. Therefore, Camden's creative industries sector employed 14% of the total workforce in 2008 by the GLA figures and 16% in 2009 according to the DPA/URS study. In 2008, Camden had the second highest level of employment in the cultural and creative sector of any borough in London after Westminster. Camden also had the second highest number of creative industries businesses after Westminster.

2.50. Creative industries employment in Camden has grown significantly since 2005, increasing by 21.8% over the period between 2005 and 2008, in comparison to growth of 7.2% in Central London and 6.8% across London as a whole. As a result, Camden's creative industries in 2008 were almost 13% of London's entire creative industries employment.

2.51. As Fig. 14 illustrates, the single most significant sub-sector of the creative industries was publishing, followed by software design (leisure software), advertising and radio & television. Advertising employment in Camden accounted for 18.2% of London's total advertising employment.

2.52. The vast majority of creative industries employment is located in the south of the borough. The area from Bloomsbury down to Holborn and Covent Garden accounts for 57.9% of creative industry employment in the borough. There is also a significant concentration around Camden Town. Camden's cultural and creative industries tend to be micro-businesses, with 81% of such firms employing between 1 – 4 people[21]. As a result, self-employment in the sector is likely to be high, though exact

[18] In should be noted that there is considerable overlap between the creative industries sector and parts of business services

[19] GLA (2010) Creative Sector Data by Borough. Note: all data for this section is rounded to the nearest 5.

[20] DPA / URS (2009) Creative and Cultural Industries in Camden

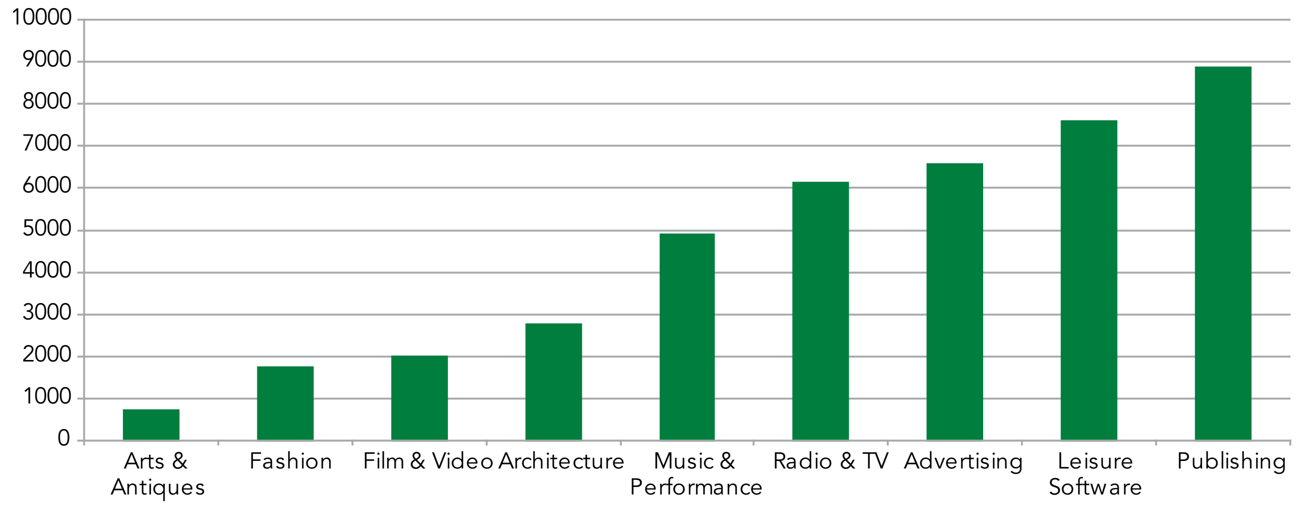
[21] DPA / URS (2009) Creative and Cultural Industries in Camden

FIG.13 GROWTH AND SPECIALISATION IN CAMDEN BY INDUSTRIAL SECTOR

	Number of Jobs 2008	LQ London =100	Camden % Change 04-08
Specialised and growing			
Letting of own property	2,300	106	14%
Real estate activities on a fee or contract basis	4,300	114	102%
Labour recruitment and provision of personnel	13,600	120	24%
Legal, accounting, book-keeping and auditing activiti	34,300	173	35%
Advertising	6,900	275	17%
Data base activities	400	117	35%
Software consultancy and supply	7,600	126	103%
Architectural and engineering activities	10,800	234	20%
Miscellaneous business activities nec	7,000	105	15%
Other computer related activities	2,300	167	19%
Bars	3,600	108	17%
Hotels	5,400	161	6%
Wholesale on a fee or contract basis	900	102	86%
Retail sale of not in stores	1,100	157	17%
Transport via railways	1,800	214	170%
Other supporting transport activities	13,000	452	22%
Publishing	7,400	207	0%
Radio and television activities	5,500	213	63%
Library, museums, other cultural activities	2,800	248	5%
Research and experimental development	6,000	542	324%
Adult and other education	2,900	142	64%
Activities of trade unions	1,800	656	37%
Production and distribution of electricity	1,800	529	235%
Activities of professional organisations	2,500	230	37%
Activities of other membership organisations	2,600	135	12%
Unspecialised and growing			
Wholesale of household goods	2,800	85	0%
Retail sale in non-specialised stores	4,600	47	1%
Canteens and Catering	2,800	75	94%
Restaurants	9,400	99	1%
Retail sale of pharmaceutical goods	600	58	50%
Retail sale of new goods in specialised stores	9,200	78	14%
Social work activities	8,700	93	30%
Human health activities	12,100	74	5%
Other land transport	1,700	40	34%
Investigation/security activities	1,700	51	40%
Sporting activities	1,200	56	89%
Industrial cleaning	2,700	37	54%
Building completion	500	32	44%
Other service activities	2,800	78	16%
Activities insurance/pension funding	1,100	36	37%

	Number of Jobs 2008	LQ London =100	Camden % Change 04-08
Specialised and declining			
Higher education	11,700	265	-29%
News agency activities	800	141	-45%
Building of complete construction	5,000	121	-6%
Other entertainment activities	3,300	148	-8%
Motion picture and video activities	2,400	174	-2%
Manufacture of wearing apparel/accessories	500	137	-8%
Manufacture of jewellery	800	730	-8%
Unspecialised and declining			
Printing and services related to printing	600	45	-46%
Activities auxiliary to financial intermediation	1,000	20	-4%
Monetary intermediation	4,700	50	-10%
Insurance and pension funding	600	41	-73%
Wholesale of machinery & equipment	500	34	-33%
Other wholesale	500	73	-47%
Retail sale of food/beverages/tobacco	800	60	-21%
Wholesale of food/beverages/tobacco	800	43	-27%
Wholesale of non-agricultural intermediate products	1,000	67	-42%
Activities of other transport agencies	700	64	-38%
Activities of travel agencies/tour operators	1,200	78	-33%
Other recreational activities	800	45	-6%
Real estate activities with own property	1,100	84	-8%
Post and courier activities	1,400	50	-1%
Telecommunications	1,800	64	-16%
Secondary Education	2,600	49	-16%
Primary education	2,500	29	-22%
Provision of services to the community	4,400	73	-20%
Administration of the State	7,400	89	-10%
Building installation	400	18	-34%

FIG.14 CREATIVE INDUSTRY EMPLOYMENT IN CAMDEN BY SUB-SECTOR (2008)



numbers are unknown.

2.53. Turnover for creative firms is generally lower than £100k per annum, however Camden has a higher proportion of companies generating large turnovers (£750K upwards) than Greater London at 15% compared to 10% across London as a whole[22]. Companies based in Bloomsbury and Hatton Garden tend to have the largest turnovers in the sector, with lower earning companies in West Hampstead, Gospel Oak and Swiss Cottage.

2.54. The cultural and creative industries are important for Camden because they have potential for growth and because they contribute to the vibrancy of the borough, encouraging highly skilled people to live in Camden and high value firms to invest and locate in Camden. The recession has created pressures for many creative businesses as so many of these companies are small and therefore more vulnerable in an uncertain financial climate. Nevertheless, there are long term opportunities for the creative business sector in Camden.

Visitor Economy[23]

2.55. In 2008, there were approximately 14,250 jobs in the visitor economy[24]. The visitor economy accounted for approximately 4.9% of total borough employment, a lower proportion than in Central London (5.8%) and London (5.3%), though in line with the average across England as a whole (4.8%). Visitor economy employment in Camden is supported by an annual visitor spend of £1.2 billion as of 2009[25]. Retail businesses in the borough estimate that visitors account for 40% of their business[26].

2.56. Over the period 1998 to 2008, employment in the visitor economy in Camden seems to have declined slightly due to a dramatic reduction in employment (more than 3,000 jobs) within the tour agency and operator sector. This trend was mirrored across the comparator areas, though in these areas growth in other visitor economy sub-sectors was sufficient to ensure positive growth overall.

2.57. In 2008, the two most significant visitor economy sub-sectors were restaurants & bars and hotels & accommodation as shown in Fig 15. They employed a total of 9,750 employees in the borough. Both sub-sectors saw significant increases in employment over the decade in question, growing faster than equivalent sectors in the comparator areas.

The Impact of the Recession

2.58. The impact of the recession on Camden's economy, as elsewhere, has been significant. Between 2008 and 2009 the number of jobs in Camden declined by around 9,000 from approximately 301,000 to 292,000 jobs. This was equivalent

[27]Note: 'Other' employment captures the impact of tourism on indirect employment within other sectors in the economy outside of the main visitor economy sub-sectors.

[22]DPA / URS (2009) Creative and Cultural Industries in Camden

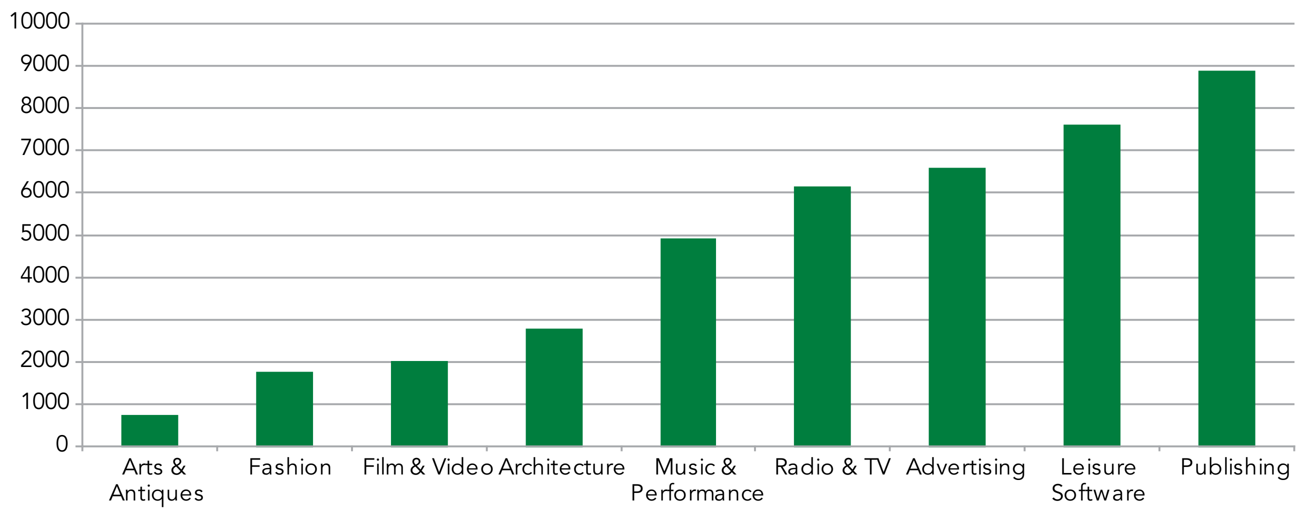
[23]The visitor economy definition used in this section is the DCMS definition. Quoted in LDA (2007) Local Area Tourism Impact Model - Methodology

[24]Note: A study in 2009 puts this figure slightly higher at 16,500. Acorn Consulting (2009) Study of the Visitor Economy – Borough of Camden

[25]Acorn Consulting (2009) Study of the Visitor Economy – Borough of Camden

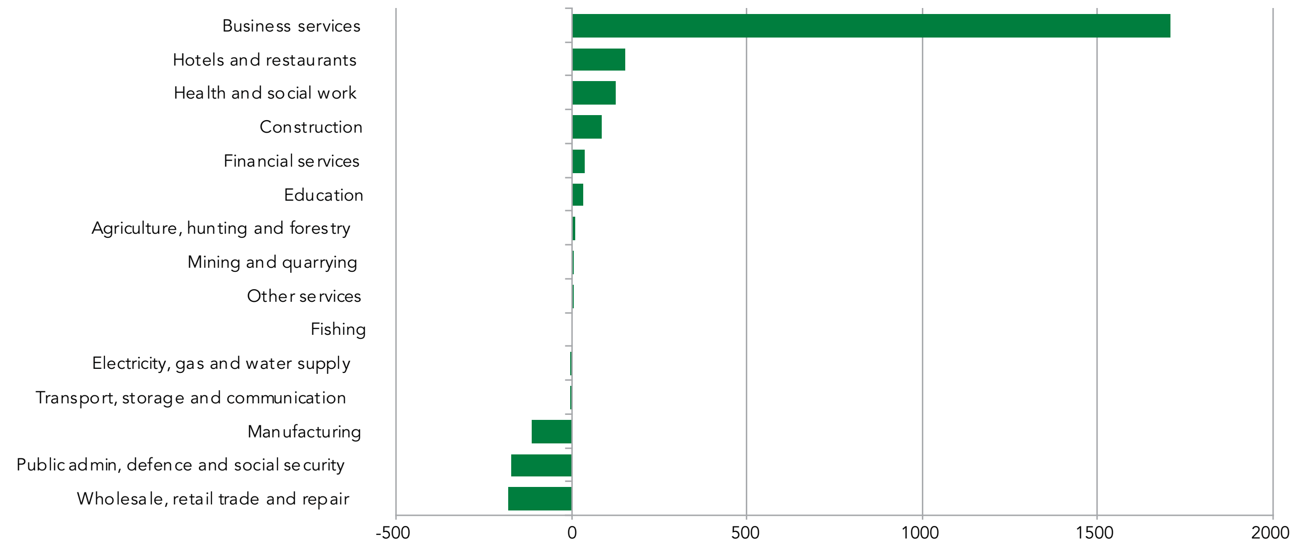
[26]Ibid.

FIG.15 VISITOR ECONOMY EMPLOYMENT IN CAMDEN BY SUB-SECTOR (2008)



Source: ONS (2010) ABI[27]

FIG.16 CHANGE IN NUMBER OF JOBS IN CAMDEN, 2008-09



Source: ONS, Business Register and Employment Survey (2010) to a 3% decrease in jobs which, while lower than the Central London (3.5%) and London (4.2%) average decreases, was higher than the average across England as a whole (2.2%). Fig. 16 illustrates the relative change in individual sectors in the borough's economy.

2.59. Between 2008 and 2009, the majority of sectors saw declines in employment. The greatest absolute declines were seen in the administrative & support services (-4,300 jobs or -16%), professional, scientific & technical services (-3,490 jobs or -5%) and information & communications sectors (3,800 jobs or -12%) and transport and communications (-2,800 or -15%).

2.60. The declining employment profile of these sectors in Camden was largely mirrored by wider trends across London and the country as a whole. However, it is notable that declines in public administration employment, from 12,000 jobs in 2008 to 10,150 jobs in 2009 (or a decline of 15.4%), were especially severe in contrast to the comparator areas where employment stayed largely stable or even, in the case of England as a whole, increased.

2.61. Counterbalancing these declines were large increases in employment in education and property services. Education saw an increase of 6,300 jobs between 2008 and 2009. This was equivalent to a 30% increase in employment in the sector, significantly higher than in Central London (8.4%) or London (6.3%), whilst England as a whole saw a slight decrease in employment over the same period (-0.2%). The main source of this growth was tertiary education, which saw employment growth of almost 3,900. Primary education saw job increases of 450 and secondary education saw job increases of 1,100.

2.62. Property services employment increased by 29% or approximately 1,600 jobs. Again, this was significantly higher than equivalent jobs growth in Central London (24.5%), London (22%) and England (10.7%).

[27]Note: 'Other' employment captures the impact of tourism on indirect employment within other sectors in the economy outside of the main visitor economy sub-sectors.

[28]LB Camden (2010) Camden Core Strategy 2010 – 2015: Pre-adoption version 2010

Regeneration, growth and development

2.63. Camden's Core Strategy[28] sets out a growth vision for the borough over the next five years. The overall approach set out in the Core Strategy is to manage Camden's growth in such a way as to ensure that the opportunities and benefits of growth are delivered in a sustainable way, while continuing to conserve and enhance the features that make Camden such an attractive place to live, work and visit. The Core Strategy recognises that development space in the borough is limited and proposes to densely concentrate regeneration in areas of the borough where such development is best suited and to promote mixed-use development.

2.64. Associated with this geographical approach, the highest density development will be located in the most accessible areas of the borough. In line with the London Plan, the Core strategy identifies five areas as suitable for large-scale redevelopment or significant increases in jobs and homes, which are based around transport interchanges where increased capacity is planned. King's Cross will be the focus of most growth in Camden up to 2025, with large scale redevelopment transforming the area and creating a completely new quarter for London. King's Cross, along with Euston and Tottenham Court Road are included in the Mayor's London Plan as Opportunity Areas that will accommodate substantial new jobs and homes. Holborn, West Hampstead Interchange and Farringdon/Smithfield (shared with Islington and City of London) are designated as Areas for Intensification with significant potential for redevelopment for housing, employment and other uses, although at a scale less than Opportunity Areas. All are associated with public transport improvements. Fig. 17 identifies the numbers of homes and jobs proposed.

FIG.17 LONDON PLAN TARGETS FOR CAMDEN'S GROWTH AREAS

	Minimum homes 2001-2026	Indicative jobs 2001-2026
King's Cross	2,250	25,000
Euston	1,000	5,000
Tottenham Court Road	1,000	5,000
Holborn	200	2,000
West Hampstead Interchange	2,000	500
Farringdon/Smithfields (shared with Islington & City of London)	100	2,000

Source: London Plan 2008

2.65. Camden Site Allocations set the frameworks for development in each of the growth areas. While each of these is a mixed development, Council policy is that the priority for land use in the borough will be housing[29].

King's Cross Central

2.66. This is one of the most significant developments in London, with an estimated 25,000 jobs over the next 10 to 15 years in this area alone. Outline planning permission for King's Cross Central was given in 2006 for a high density mixed use development providing more than 400,000 sq meters of commercial employment space, including offices, retail and hotels. Of the 1,700 new homes, 750 will be affordable and there will be up to 650 units of student housing. Depending on market conditions it is envisaged that the development of the site will take over the next 10 and 15 years.

2.67. The scheme also incorporates provision to support the large number of residents, workers and visitors that will be using the area in the future. These include a new primary school, leisure facilities such as sports hall and swimming pool, a primary health care centre and a Construction Training

[29]Camden Core Strategy 2010-2025

Centre (which has already been built). In addition, new transport measures and the provision of new public spaces such as parks and squares, will support the redevelopment of the area.

2.68. The King's Cross growth area is surrounded by the residential communities of Somers Town and Elm village to the west, Maiden Lane to the north, King's Cross to the south and Thornhill (within Islington) to the east. Some of these communities are among the most deprived in the country and the Council's objective is to ensure that the area is redeveloped in a way that brings sustainable benefit to these communities.

Euston

2.69. Euston is a major rail, underground and bus transport hub as well as containing the headquarters of a number of major companies and public bodies. It also contains established residential communities in Somers Town to the east, and Drummond Street and Regents Park Estate to the west, and a significant Bangladeshi community.

2.70. Network Rail intend to remodel Euston Station to tackle overcrowding and to meet future growth in passenger numbers but the scale and timing for this development is yet to be decided. The London Plan expects a minimum of 1,000 new homes and 5,000 new jobs are planned for the area between 2006 and 2031, although the Council envisages up to 1,500 new homes could be developed. It is likely that major development in Euston will happen in the second half of the Core Strategy period (2010-2025).

2.71. A key consideration for Euston is the future of High Speed 2 (HS2). Whilst currently HS2 has not been formally agreed it is currently being consulted on. Were HS2 to go ahead then Euston would be the focus of another major redevelopment over the next 2 decades, with significant increases in the level of commercial and office space.

Tottenham Court Road

2.72. The area for development is centred on Tottenham Court Road underground station and includes parts of Westminster. It has a mix of office, retail and housing, with a significant residential population. The London Plan suggests a minimum of 1,000 new homes and 5,000 new jobs by 2026 and the Council expects around 60% of homes and more than half the jobs to be provided by private-sector led schemes in Camden's part of the area. Transport improvements include a new Crossrail station linked to the underground station, which will provide a major new east-west link.

Holborn

2.73. The growth area in Holborn is primarily a commercial area with a small residential community, located around Holborn underground station. The London Plan expects a minimum of 2,000 new jobs and 200 homes to be provided between 2006 and 2026. The area's intensification will be derived largely from the redevelopment of existing properties, particularly offices, at higher densities.

West Hampstead interchange

2.74. The area is situated in the west of the borough and is a significant public transport interchange centred on and around London Underground, Thameslink and London Overground stations. While the London Plan envisages a minimum of 2,000 new homes the Council's Core Strategy suggests around 800 new homes is a more likely outcome given that the transport proposals have been scaled back from those previously envisaged.

Town Centres and other development

2.75. In addition to these growth areas there are a number of other parts of the borough which are considered suitable locations for development due to their good transport links. The Core Strategy has identified the town centres of Camden Town, Finchley Road/Swiss Cottage, Kilburn High Road, Kentish Town and West Hampstead as suitable locations[30] for growth. Outside of these and the growth areas the Council envisages smaller scale development and estate regeneration programmes. One of these will be at Gospel Oak. This area is one of the most deprived in the borough and could see significant development, particularly development of new, high quality housing. Supporting local retail centres at Queen's Crescent have potential for development and housing developments could potentially feature a greater mixture of uses.

2.76. Camden has a thriving and diverse range of retail centres. In addition to its six main town centres, central London frontages at Charing Cross Road, Tottenham Court Road, New Oxford Street and High Holborn/ Kingsway serve a similar function to town centres or have a London-wide or even national role, for example Tottenham Court road for furniture and electronics. Small and independent shops add to the character and diversity of Camden's centres as do the street markets which range from local markets such as Queen's Crescent to the world famous Camden Town Markets. In addition a number of areas provide specialist shopping which draws visitors in, such as Hatton Garden for jewellery, Museum Street for antiquarian books and Denmark Street for music.

[30] LB Camden (2010) Camden Core Strategy 2010 – 2015: Pre-adoption version 2010

2.77. There are six main town centres in Camden, all of which have some potential for growth and development and which will need to provide services for a growing population over the coming years. Most are outside the CAZ and are subject to a different set of economic drivers. They will be far more vulnerable to competition from other centres. There are a number of Business Improvement Districts and other business networks and forums established across some parts of the borough co-ordinating and driving improvements. Some other areas, particularly those further from the CAZ and with a smaller business base do not. The town centres are listed below:

- Camden Town: This is the borough's largest town centre and an internationally renowned tourist destination for shopping and entertainment. Camden Town has 627 units totalling 184,520 sq metres and has more than 800 market stalls as well as independent fashion outlets and music venues[31]. It attracts over 15 million visitors a year and is a destination for other Londoners as well as visitors from the rest of the UK and aboard. Despite this, more than 70% of its total commercial space is used for offices and it is an important centre for cultural and creative industries. These include national and international software consultancy, media, fashion, advertising and publishing as well as design oriented SMEs. The centre also has potential for further development at sites including St. Pancras Community Centre, Carol Street and Crowndale Road.
- Kilburn High Road: This is Camden's second largest town centre. A mile-long high road, the southern end is characterised by larger retail units and high street names and the Marriott hotel. The middle stretch is dominated by smaller, independent retailers while the northern end has become a vibrant evening economy with the Tricycle Theatre and Cinema and bars. The centre mostly serves the day to day needs of the local population and there are limited opportunities to expand retail provision in the centre of Kilburn, though there is potential for some consolidation of units to attract a wider range of retailers.
- Finchley Road / Swiss Cottage: This town centre runs from Swiss Cottage north to the O2 Centre up the Finchley Road and is the third largest centre in the borough with 253 units and 67,330 sq metres of floorspace. The area itself has a relatively affluent catchment with significant office and professional employment, and overall the retail centre is performing reasonably well.
- Kentish Town: Kentish town centre provides a range of shops and services with a high proportion of independent stores directed at serving the day to day needs of the local area. There are 259 units totalling 44,446 sq metres of floorspace. In recent years a number of popular pubs have opened which along with the HMV Forum just outside the town centre to the north, and various comedy venues provide some leisure facilities for locals and visitors.
- Hampstead: Hampstead town centre is a designated conservation area that contains large numbers of listed buildings and is the second smallest of Camden's six town centres. Hampstead has an attractive, village atmosphere and the shopping area has a strong reputation for high quality fashion offer with a mix of up-market chains and independent outlets. There is also a good representation of cafes and restaurants, as well as speciality food stores. The majority of visitors come from Camden (40%) and of the rest only 6% come from outside London[32]. There are high rental values and high demand for the existing outlets but despite this there is no obvious opportunity to expand the centre, which is heavily constrained by its conservation status and listed buildings.
- West Hampstead: West Hampstead is the smallest of Camden's town centres with 21,815 sq metres of floorspace. There is a mix of convenience and other stores that serve the local catchment area. The West Hampstead transport interchange has been designated a growth area in the London Plan (see below) and although this area differs from the town centre the two intersect along West End Lane and it is envisaged that this future development should provide additional retail for the area.

2.78. There are also thirty six neighbourhood centres that provide for the day to day needs of people working, living or staying nearby.

Olympic and Paralympic Games

2.79. Although the Olympic Park is based in East London, Camden's visitor economy has extensive opportunities to benefit from the Olympics. Camden will be connected to the Olympic park by the Javelin train service from St Pancras, which will transport people to the Games in seven minutes. Camden will also be a key point of entry for many domestic and international visitors as a result of its transport links. Camden's nightlife and restaurants will make it a major

[31] Town Centre Snapshots (Roger Tym 2008)

[32] Town Centre Snapshots (Roger Tym 2008)

attraction for Olympic visitors, whilst Camden's hotels can benefit from their location within easy travelling distance of both the Olympic stadium and other major London tourist attractions. Given the number of visitors and members of the international press likely to be staying in Camden, there are significant opportunities for Camden to market itself towards a global audience.

Future employment growth projections

2.80. There are two main economic models for London's growth over the next decade:

- The first is the GLA's employment projections published in November 2009[33]. These projections are calculated by sector and by borough. Projections are based on trend growth, employment capacity and transport accessibility.
- The second is Oxford Economics' Destinations 2020 report[34], commissioned by the LDA and published in August 2010, which is based on Oxford Economics' (OE) own economic model. The OE work incorporates a baseline projection and a pessimistic projection.

2.81. Fig. 18 compares the three projections' sectoral growth forecasts.

2.82. The three projections vary markedly in terms of net employment created. The difference between the OE baseline projection and the OE pessimistic projection is 349,000 jobs. This is indicative of the range of baseline assumptions for the models, relating to London's growth prospects.

[33]GLA Economics (2009) Working Paper 39: Employment Projections to 2031

[34]Oxford Economics & LDA (2010) Destinations 2020: Employment projections across sectors and occupations in London

FIG.18 LONDON GROWTH PROJECTIONS BY SECTOR – EMPLOYMENT GROWTH TO 2020

	Employment Change (000s, 2010 – 2020)		
	OE Pessimistic Projection	GLA Projection	OE Baseline Projection
Agriculture & Mining	-1	-2	-1
Manufacturing	-47	-64	-47
Utilities	-1	-2	-1
Construction	-13	-26	3
Retail & Distribution	10	5	32
Hotel & Restaurant	18	86	35
Transport & Communications	17	-18	30
Financial Services	6	2	18
Business Services	192	205	404
Public Administration & Defence	-37	-25	-12
Education	-11	10	0
Health & Social Work	-12	14	4
Other Personal Services	65	126	70
Total Employment Change (000s)	**187**	**314**	**536**
Annual Average GVA Growth	**2.6%**	**2.8%**	**3.2%**

2.83. Nonetheless the two models and their respective projections agree on a number of important trends:

- The fundamental importance of services as a source of employment growth in London. Services account for over 90% of net growth in the OE model and over 100% of net growth in the GLA model (i.e. the projected growth in services employment is greater than the overall projected increase in employment across all sectors);
- Business services will be considerably more important in terms of net job creation compared to financial services. This doesn't mean that the financial services sector will be unimportant, but it does mean that it will create relatively few additional jobs directly;
- Retail will be less important as a source of employment growth;
- Manufacturing will continue its historic decline regardless of growth in the capital; and,
- Public administration will decline over the next decade in response to reduction in public sector expenditure and relocation of some jobs to other parts of the country.

2.84. The most important difference between the models is in the weight given to business services. In the OE model, business services employment is the most important source of employment growth by far. Whilst the same is true in the GLA model, business services does not dominate to the same extent and there is far more growth predicted in other service sectors and leisure. This is due to different assumptions about consumer spending and the extent to which this will constrain future growth. The OE model assumes that in the wake of the recession, growth in these consumer sectors will be lower, with a consequent constraining effect on employment growth.

2.85. The OE model is also much less optimistic than the GLA model in terms of the prospects for healthcare and education employment, probably because the GLA model is more trend-based. In this case, the OE model would appear to be more accurate, given that it includes the impact of the government's spending cuts. Conversely, the GLA model is far more pessimistic than the OE model in terms of the prospects for construction employment. Again, this reflects the GLA projection's basis in long term trends, whereas the OE model considers that construction will be dependent upon the outlook across the rest of the economy rather than long term trends.

2.86. There is plenty to suggest that growth performance in London will tend towards the more optimistic projections. The London Business Survey published in December found that over half of businesses were optimistic about their prospects over the next 6 months, and 45% were planning to hire as normal. Many businesses are concerned about reductions in public sector investment, but 79% thought that London's status as a world city will stay the same or improve over the next 5 years. London's continued strength as a financial centre has been underlined by JP Morgan's decision to invest £495m in the former Lehman Brothers building in Canary Wharf, effectively securing the continued presence of their 11,000 staff in the capital.

2.87. London will also continue to see extensive development at Stratford City, the Royal Docks, Battersea and, of course, King's Cross Central. Large-scale plans for digital and green technology districts in East London supports an optimistic outlook for key growth sectors. Intensive broadband investment will similarly support the growth of business across large swathes of the economy. All of this investment suggests that London will continue to see growth and the more optimistic projections of London's growth are valid.

2.88. In the case of Camden, the models largely agree with each other as to the number of jobs in the borough by 2020, with the OE model forecasting 341,000 jobs in total and the GLA model forecasting 338,000 jobs in total. In turn, this implies that Camden will see 40,000 new jobs in the decade between 2010 and 2020 under the OE model and 33,000 under the GLA model.

2.89. Both models show that Camden will be one of the highest growing boroughs in London. In the OE model, Camden is expected to achieve the third highest increase in jobs of any London borough after Westminster and the City. In the GLA model, Camden achieves the fourth highest increase in jobs of any London borough after Westminster, the City and Tower Hamlets.

Demand for Employment Space

2.90. The Employment Land Review (ELR)[35] carried out in 2008 examined the demand for office and industrial/warehousing space in the borough.

2.91. The ELR found that for office space, demand for space differed across businesses in terms of the importance placed on quality space and location. The ELR found that Camden had enough office space to satisfy demand in quantitative terms but that quality of that space was often inadequate. While the King's Cross development will improve this situation when complete, in the meantime there will be a shortfall of quality office space, limiting the appeal of some parts of the borough to corporate occupiers.

2.92. In general, demand for high quality office space was found in the southern, more accessible areas of the borough, particularly south of Bloomsbury where demand tends to outstrip supply. Camden Town was considered a valuable site for those businesses unable to meet the cost of a more central location. Local sites were also found to provide lower-cost office space which appealed to locally based companies who could not afford Central London prices.

2.93. The ELR recommended that in light of the demand for business space that offices be protected against transfer to other uses, and that office development be promoted in the southern parts of the borough. This was considered especially important given that, excluding Kings Cross, outstanding permissions showed a net loss of office space.

2.94. The ELR found that for industrial and warehousing space in Camden, demand tended to outstrip supply. Demand tended to be in the form of business demand for small and medium sized units within reasonable distances of Central London. Even more so than with office space, there was a threat to industrial / warehousing space through demand for conversion to residential use. The ELR therefore recommended that such space be protected by the council and wherever possible new development be considered if appropriate in the surrounding context.

Sustainability

2.95. Sustainability is a concept that encompasses a variety of potential interventions - from transport, to building design to promoting better and more efficient ways of working amongst local businesses. The Council aims to manage Camden's growth and development in a way that is consistent with sustainable growth principles, and ensure that its opportunities and benefits are delivered sustainably.

2.96. It is committed to improving sustainable transport choices in order to reduce the environmental impact of travel. All of Camden's growth areas will be subject to significant improvements in transport infrastructure, and in the future improvements will be made to Camden Town and Holborn underground stations. There are also plans to promote walking and cycling across the borough through improving public spaces and facilities for cycling. As part of its approach to minimising congestion and making private transport more sustainable the Council will encourage car clubs, restrict parking and promote the use of low emission vehicles.

2.97. There is also a significant policy commitment to reduce Camden's CO_2 emissions by 40% by 2020[36]. New developments will need to incorporate low emissions into their design but 98% of emissions come from

[35] Roger Tym & Partners (2008) Camden Employment Land Review

[36] Green Action for Change – Camden's environmental sustainability plan (2011-2020) draft

buildings that are already there. Therefore, where appropriate the Council will encourage building upgrades to make housing and commercial premises more sustainable. This cannot be achieved by the Council on its own and in addition to taking action on transport the Council is working with residents and businesses to support and encourage them to reduce their emissions.

2.98. The Climate Change Alliance has 125 businesses as members which represent 21% of the commercial omissions in the borough and they have been supported with staff training to identify savings. Over the past year omissions have been cut by 11,800 k tones, down from 231,000 tons in 2009. It will be harder to promote low carbon solutions to existing domestic properties because retrofitting comprehensive insulation is expensive and so many of the properties are in conservation areas. It is hoped that the government's Green Deal can be used to get loans to fast track this work.

2.99. The Council is also promoting combined heat and power schemes and it is envisaged that this will contribute 20% of the proposed cuts in CO_2 emissions by 2020. One is planned for the Kings Cross development and there is a significant scheme on the Euston Road. There is a target to generate the equivalent of 120 megawatts and to date 9 megawatts have been achieved.

Summary and Conclusions

2.100. Camden is one of the most important business locations in the country, with a strong and resilient business base supporting a diverse range of firms. Businesses in Camden produce a significant proportion of national value added and the number of businesses in the borough is amongst the highest of any local authority in the country. This success is supported by a strategic location in Central London, excellent transport links and access to a highly skilled and competitive labour market drawn from across London and beyond.

2.101. As a result of these strengths, Camden is an extremely successful employment location, with a high number of jobs. Camden features employment in professional and technical sectors as well as having an important creative industries and leisure offer. The visitor economy is significant and has potential to grow, leveraging the Olympics to increase visitor numbers and spend.

2.102. Camden is also an established business location. Businesses in Camden are, on average, older and larger than regional and national comparators. This reflects not just the good health of longstanding businesses in the borough but also the attractiveness of Camden to established businesses from outside the borough.

2.103. The corollary of this success is that Camden is an expensive location for new businesses and start-ups, and has experienced a declining share of its employment in micro businesses. A smaller number of start-ups is not necessarily problematic given the success of more established businesses. However, it may mean that Camden finds it harder to maintain some sectors that are important to the continuing attractiveness of the borough including for example, some creative industries such as jewellery manufacture.

2.104. The location of businesses in Camden is highly skewed toward the south of the borough. This is largely influenced by the south of the borough's proximity to Central London, excellent transport connections and better quality of employment space. Town centres in the north of the borough tend to be more locally focused, with smaller retail footprints, and are subject to different economic drivers.

2.105. Whilst the borough, like the rest of London, has been affected by the recession, it is well placed to see recovery in the long term. Employment projections for the borough are very strong and reflect the level of investment that is being made in key locations, particularly Kings Cross. Perhaps more importantly, Camden's growth and existing concentrations correspond to forecast future growth sectors, particularly in the case of business services where there is already a high level of sectoral concentration and where employment growth has been strong in the past.

3 DEMOGRAPHY AND HOUSING

Camden contains highly attractive residential areas such as Hampstead, a number of town centres as previously discussed, and inner city social housing estates. It is very popular with students and young professionals because of the quality of the cultural and leisure offer, the quality of the environment and its high accessibility.

3.1. The borough has experienced population growth over the last decade, albeit at a slower rate than the regional and sub-regional averages. The population is skewed with a high proportion of young adults and increasingly diverse. Like many Inner London boroughs Camden contains a high proportion of social housing. Private rental and house prices are very high and increasingly unaffordable.

3.2. In this chapter we look at the population structure of the borough and directions of change, deprivation and health, and identify vulnerable groups. We profile household composition, tenure, and look at housing supply and demand and affordability. We also look at the associated drivers and suggest that interaction between the housing and labour market is contributing to increasing social polarisation.

Population

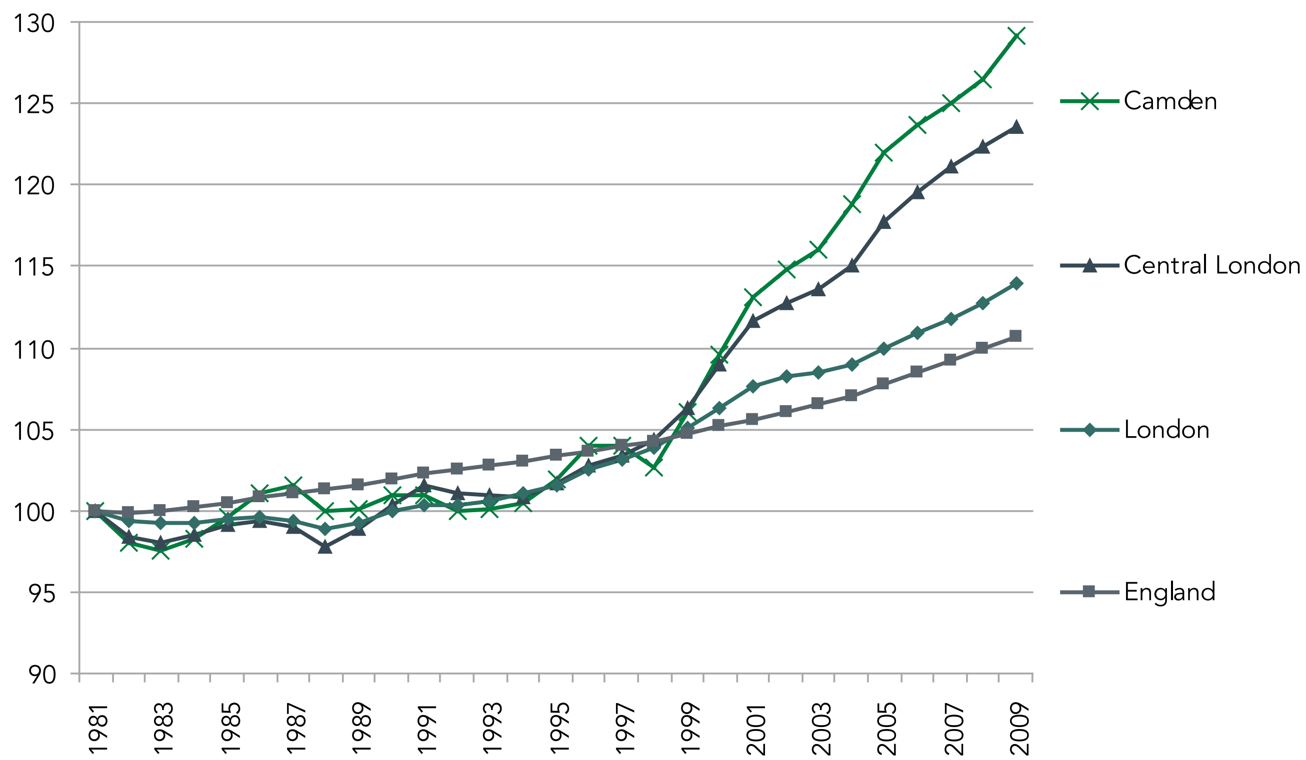
3.3. In 2009, Camden's population stood at approximately 231,000[37] according to the ONS official mid-year estimates. As Fig. 19 illustrates, Camden's population has experienced a significant increase over the past fifteen years, having remained relatively stable up until the mid-1990s. Since 1995, the population of Camden has seen a 26.7% increase, equivalent to almost 50,000 more residents. The increase over this period was notably higher than both the Central London and London averages, each approximately 21.5% over the period, and much higher than the average growth across England (7.1%).

3.4. However, according to the GLA population estimates the size and growth of Camden's population has been both smaller and slower. Unlike the ONS estimates the GLA forecasts take into account the availability of land for housing growth as well as development plans. Council officers consider the GLA estimates to be more accurate for Camden. The following sections mainly draw from the GLA (2008 Round – High) forecast unless otherwise stated.

3.5. The GLA estimate that Camden's population stood at 211,500 in 2011 considerably below the latest ONS population estimate. Between 2001 and 2011 it is estimated that the population grew by around 8,700, equating to growth of just 4%, below the Central London (+7%) and national average (+8%). This compares to growth estimates, between 2001-09, from ONS of +28,600 or +14%.

[37]ONS, Mid-Year Population Estimates (2009)

FIG.19 INDEXED POPULATION COMPARISON (1981 - 2009) (1981 = 100)



Age structure of the population

3.6. Camden today has a notably younger population than the London average, highlighting the attractiveness of the borough to young people and students. Fig. 20 highlights the concentration of young adults in the borough. In 2011 almost a third (31%) of the borough's population was aged between 20 and 35 compared to just 26% across London as a whole. Compared to London there are proportionately fewer people aged under 20 and also fewer people over the age of retirement[38].

3.7. As a result of its age structure, Camden's working age[39] population is larger than the regional average with 72.9% (154,200 people) being aged 16 to 64 in 2011 compared to 68.8% in London as a whole[40].

Migration

3.8. Like many Inner London boroughs Camden experiences a high degree of population churn.

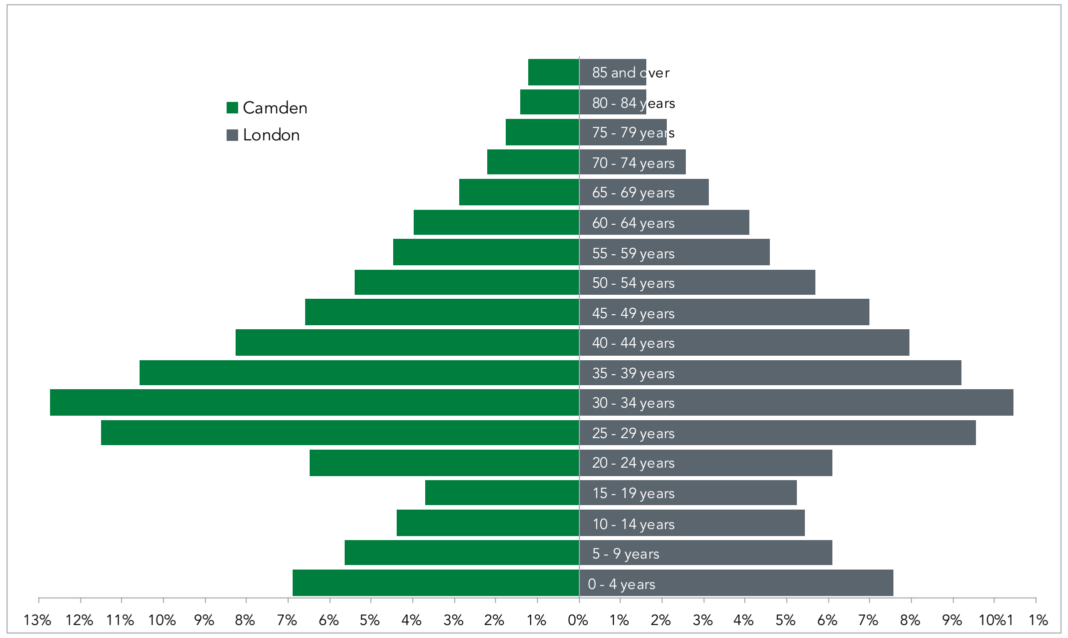
3.9. According to GLA population projections natural change (the

[38]GLA population forecasts (2008 Round – High)

[39]Working age population defined as population aged between 16-64 years

[40]GLA population forecast (2008 Round – High), 2011

FIG.20 POPULATION AGE STRUCTURE, 2011



Source: GLA Population Forecasts (2008 round - high)

difference between births and deaths) has driven the growth in Camden's population since 2001[41]. Fig. 21 shows that annual net migration (the net difference between inflow and outflow) has been negative for most of the last 10 years. However, this disguises considerable population churn which can be seen by looking at GP registration data and data on the National Insurance registrations of overseas migrants.

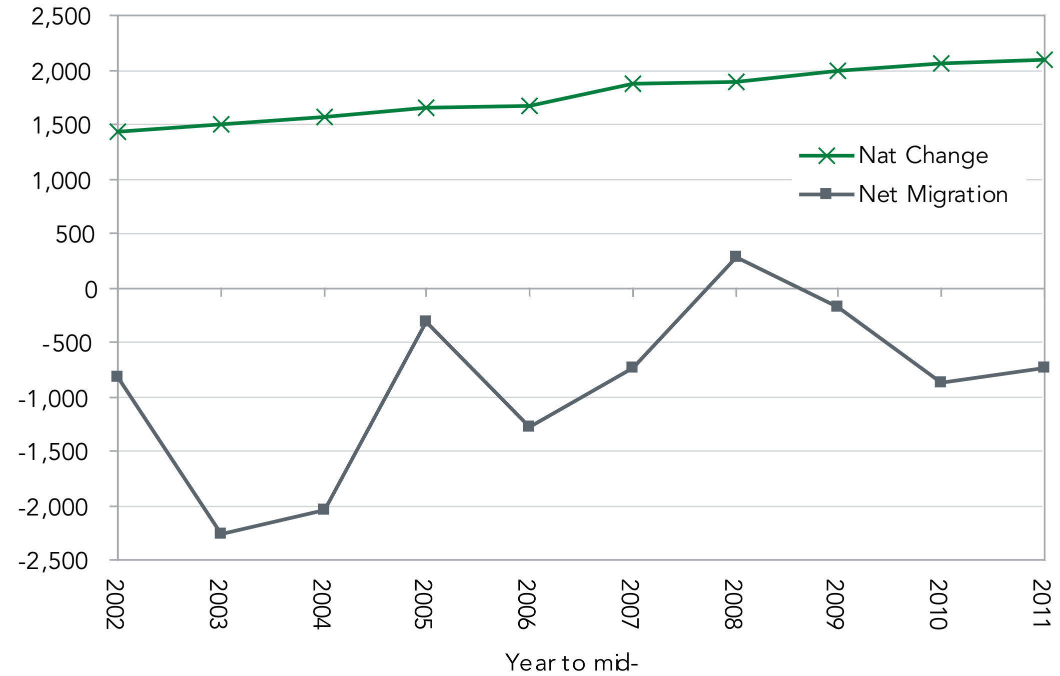
3.10. In 2008/09 there were 7,660 new GP registrations in Camden. This figure places Camden in the top third of London boroughs in terms of absolute numbers. However, the number of new registrations per year has remained relatively constant since 2000 (approximately 7,030 new registrations). This is in contrast to other Central London boroughs which have experienced large increases such as Islington (+30%) and Westminster (+20%).

3.11. It should be noted that GP registrations may provide an underestimate of new entrants to the borough, for example young men in particular are less likely to register with a GP.

3.12. Data on the volume of inward migration from outside the UK are patchy and limited but information from national insurance registrations (NINo) can provide part of the picture. This data is also limited as it collected once on initial registration, and migrants may move elsewhere or leave the UK.

[41]ONS, Mid-Year Population Estimates (2009)

FIG.21 LB CAMDEN: NATURAL CHANGE AND NET MIGRATION, 2001-2011



Source: GLA Population Forecasts (2008 round - high)

3.13. In 2009/10 there were approximately 6,700 NiNo registrations in Camden, a rate of 39 per 1,000 working age residents. This rate was below the London average (48 per 1,000 residents), and represented a significant drop on the previous years figure of 55 per 1,000 residents (or 9,130 registrations). The number of economic migrants registering for national insurance in London and the UK also fell over the same period, this is partly explained by the economic climate reducing the attractiveness of the UK as a destination for economic migrants.

3.14. The NiNo figure is very close to the number of GP registrations, which could suggest that a significant proportion of migration into Camden is from overseas nationals.

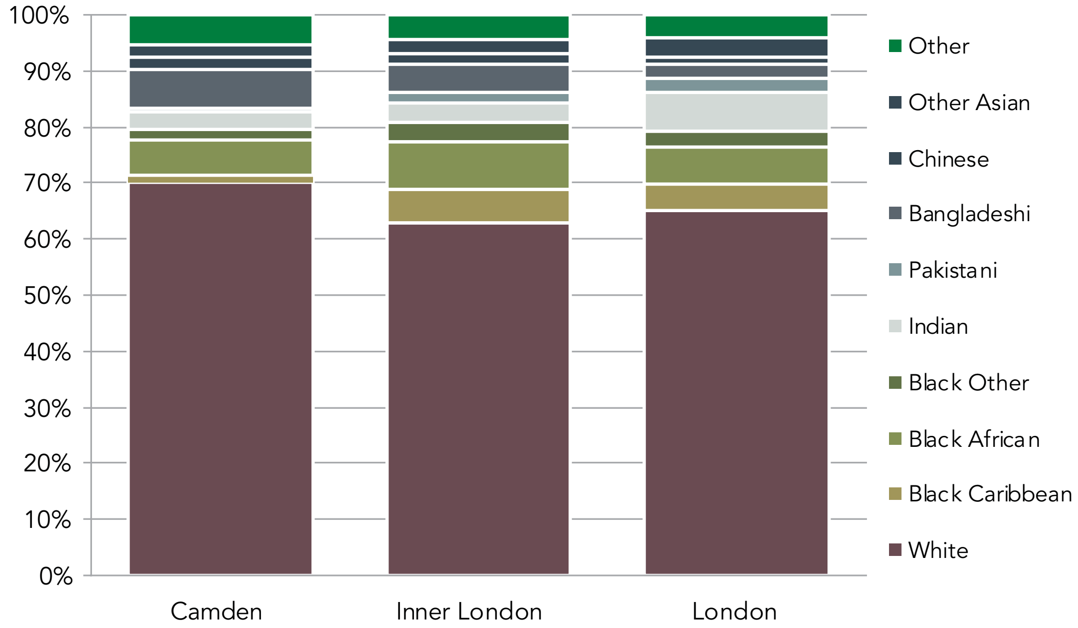
Ethnicity

3.15. Camden has a slightly larger white population and smaller proportion of BAME (Black, Asian and Minority Ethnic) residents than the Inner London and London averages. In 2011 it was estimated that 30% of Camden's population was from BAME groups, below the Inner London (37%) and London average (35%)[42].

3.16. Fig. 22 shows the ethnic breakdown of the population

[42]GLA (2008 Round High) Population Projections by ethnic group

FIG.22 POPULATION BY ETHNIC GROUP, 2011



Source: GLA (2008 Round High) Population Projections

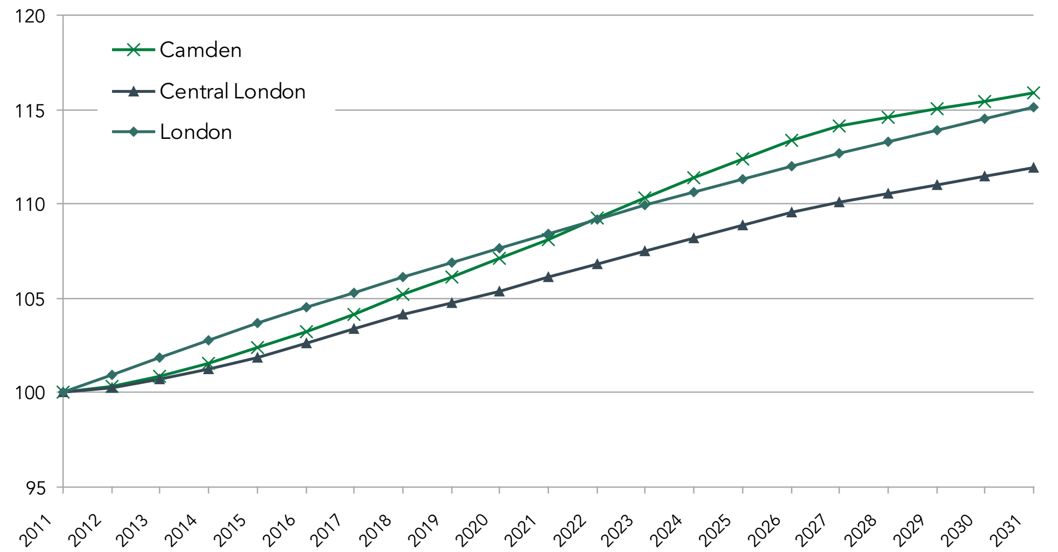
in Camden, Inner London and London. Camden has a relatively large proportion of Bangladeshi residents (15,000 residents or 7% of the population) compared to the Inner London (5%) and London (3%) averages. By contrast there are comparatively fewer Black residents (Black Caribbean, African, and Other Black), just one in ten residents compared to 18% in Inner London and 14% London wide.

3.17. Some minority ethnic communities tend to live in particular parts of the borough, although detailed and accurate data on ethnicity is scarce at a ward level. At the time of the 2001 Census, more than half of Bangladeshis in Camden (55%) lived in four Camden wards, forming 15.5% of the population in King's Cross, 15.2% in St Pancras and Somers Town, 15% in Regent's Park and 13.6% in Holborn and Covent Garden wards[43]. The Black population made up more than 10% of the population in St Pancras and Somers Town, Kilburn and Haverstock.

3.18. A more detailed picture of minority ethnic communities in the borough can be found in the annual schools census. This records the first languages of Camden school children who have English as an additional language (EAL). Children with EAL made up 54% of the school roll in 2007/8. While not as accurate or comprehensive as official statistics, this data

[43]Bangladeshis in Camden, 2001 Census Factsheet No.9, September 2007

FIG.23 CAMDEN FORECAST POPOULATION GROWTH, 2011-2031



Source: GLA (2008 Round High) Population Projections

supports what we know from other sources. Namely that there are significant Somali, Albanian and Arabic speaking communities in the borough, and smaller communities from Africa (especially Congo, Nigeria and Lusophone countries), South America and Iran. Given the histories of these countries, many of these families will be refugees and/or asylum seekers. Consequently they are likely to have high levels of educational need even though they may be numerically small compared with the total population of the borough.

Population Projections

3.19. The GLA population projections show that Camden is expected to see continued population growth. Over the next two decades, from 2011-2031 the population is expected to increase by 15.9%, equivalent to an increase of 33,600 people, with the total population expected to reach around 245,000 by 2031[44]. Fig. 23 shows that Camden's projected population growth over the period is slightly higher than across the sub-regional and London.

[44]GLA (2008 Round High) Population Projections

Deprivation and health

3.20. Camden, like many Inner London boroughs, contains geographical concentrations of deprivation, worklessness and child poverty. The Indices of Deprivation are the government's official measure of multiple deprivation at small area level. According to the 2007 Index Camden is the 42nd most deprived area in the country. This represents an improvement on the 2004 Index when Camden was the 15th most deprived in England. In 2007 33% of Camden's residents lived within the Lower Super Output Areas (LSOAs) that were in the top 30% most deprived in England – this compared to 48% in 2004. Eight of Camden's LSOAs are in the 10% most deprived in England in 2007 (two each form the Gospel Oak and Camden Town and Primrose Hill wards, one each from Haverstock, Regent's Park, Kings Cross and St Pancras & Somers Town wards). This compares with 31 LSOAs in 2004.

3.21. However, Camden's position has worsened on the employment domain of the Index from 43rd most deprived in 2004 to 42nd in 2007, and on the income domain (from 47th to 43rd).

Health and well-being

3.22. Overall life expectancy in Camden is very similar to the national picture. In 2006/08 male life expectancy stood at 77.8 years for men and 82.6 years for women, against national figures of 77.8 and 82 respectively. Despite improvements in life expectancy in the borough health inequalities by location, gender, deprivation and ethnicity remain. Men and women from the most deprived areas have a life expectancy of 8.4 and 6.9 years less respectively than those from the least deprived areas[45]. St Pancras and Somers Town, Kilburn, Gospel Oak and Kentish Town are the four wards with the lowest life expectancy for men.

3.23. The leading causes of mortality for Camden residents for all ages are circulatory disease (400 deaths a year), cancer (340 deaths a year) and respiratory disease (60 deaths a year)[46]. Mortality for all three conditions is higher in men. For women mortality rates from these conditions are not significantly different from England and London.

3.24. The conclusions from JSNA 2010 are that reducing health inequality amongst men in terms of life expectancy requires focussed work on reducing deaths from coronary heart disease (CHD), lung cancer and liver disease in the most deprived areas of Camden. For women, CHD, chronic obstructive pulmonary disease (COPD) and lung cancer need to be the focus.

3.25. As part of the Quality Outcomes Framework all General Practices keep a register of people with severe mental health problems, depression and dementia. This data shows that Camden has a high prevalence of mental health compared to England and London. Camden also has a high prevalence of depression compared to London and England (2008/09)[47]. Suicide rates are above the national average especially amongst women with the Camden rate nearly three times that of England and the highest of any London borough (2005-07). In addition the London Health Observatory scorecard shows that Camden has higher inpatient admission rates for schizophrenia and delusional disorders and common mental health problems compared to London.

3.26. Camden has an estimated population of 4,328 problem drug users (PDUs), i.e. users of opiates and/or crack cocaine. This translates to a rate of 26 PDUs per 1,000 Camden residents aged between 15 and 64. According to these estimates, Camden's prevalence of crack and/or opiate use is the fifth highest in London. 1,872 (43%) of Camden's PDUs are thought to be injecting. Camden has the highest number of injecting drug users in London, and has the highest prevalence per 1000 residents. The estimate accounts for Camden residents only and does not include the large transient population known to frequent Camden's open drug markets, and which is also behind a considerable proportion of the drug related harm in Camden.

Residents views and community cohesion

3.27. The 2008/09 Place Survey of Camden residents surveyed levels of satisfaction with a range of local issues. Fig. 24 shows that over 82% of Camden residents are satisfied with their local area which is significantly higher than the average for inner London at 79% or London overall at 75%.

3.28. Over four in five residents also agree that people from different backgrounds get on well together which again is higher than the average for both inner London at 77% and London at 76%. Residents feel a similar sense of community cohesion to residents across

FIG.24 NATIONAL INDICATORS - SATISFACTION RATINGS

National indicator/Other	Camden	Indicative jobs 2001-2026	OE Baseline Projection
N1 1 % of people that believe people from different backgrounds get on well together in their local area	81.7	77.5	76.3
NI 2 % of people who feel they belong to their neighbourhood	51.9	50.6	52.0
NI 3 Civic participation in local area	24.1	20.0	17.0
NI 5 Overall general satisfaction with local area	81.7	78.6	74.9
Satisfaction with home as a place to live	80.0	N/A	82.0
NI 16 Participation in regular volunteering	24.7	20.3	20.8
NI 17 Perceptions of anti-social behaviour	26.9	26.0	26.5

Source: Camden Place Survey 2008/09

[45] LHO, Life expectancy at birth by ward 2003-07

[46] Source: Office for National Statistics (ONS), Public Health Mortality File, 2006-08

[47] Source: NHS Information Centre

London with 52% feeling they belong to their neighbourhood, which is marginally higher than the average for inner London at 50.6%. There is also significantly greater civic participation and volunteering than the averages for both inner London and London suggesting greater engagement of local people in their community.

3.29. On a more negative note, residents are generally less satisfied with their home as a place to live than London as a whole with 80% being satisfied against 82% for London. Another exception is around the issue of anti-social behaviour where Camden has a marginally higher score. On other related indicators on drunk and rowdy behaviour and drug abuse Camden comes 5th and 7th respectively across the London authorities.

Camden's vulnerable groups

3.30. Camden self assessment against the Equality Framework for Local Government (September 2010) identified the following groups as the most vulnerable in Camden:

3.31. Single parent families and large families on low incomes - Lone parent families make up 40% of all Camden families, 90% are headed by women and 65% live in poverty; 15,000 children (43.5%) in Camden live in poverty; Black African and Bangladeshi groups have a higher proportion of children than the population overall; White Irish, Bangladeshi and Black households are more likely to live in social rented accommodation (81.5% in the case of Bangladeshi households).

3.32. Older women on low incomes – Women make up a higher proportion of the population aged over 65; older women are more likely to live in poverty;

3.33. Women from BME communities – 32% of economically active Bangladeshi women are unemployed, compared with just 6% of all economically active women in Camden as a whole; 60% of our council tenants are women and a disproportionate number of these come from BME groups; women in social housing are far more likely to be long term unemployed or to have never worked.

3.34. People with disabilities not eligible for Adult Social Care – there were 6,662 people receiving adult social care services in the borough in 2009/10. 18.1% (31,500) of the working age population in Camden define themselves as disabled and 10,100 people of working age are entitled to the Disability Living Allowance; there are 15,500 unpaid carers in Camden, 7.8% of the population.

3.35. Children with SEND – there are 7,400 Camden children with special educational needs and/or disabilities.

3.36. Young people at risk of low attainment as well as anti-social behaviour – Bangladeshi, Somali, Congolese, Black British, Mixed White Black/Caribbean children and White British children eligible for free school meals all attain at GCSE (5+ A* to C) at a significantly lower level than other groups; Young people aged 16-24 have a much higher unemployment rate than the working age population as a whole, as do people from ethnic minorities; Young Black people are also overrepresented in the youth justice system.

Housing

Households and Tenure

3.37. As can be seen from the discussion above on resident's views, the borough is a popular place to live, but there is a slightly higher level of dissatisfaction with accommodation. This feeds through into demand for housing in the borough and its condition.

3.38. GLA estimate that in 2011 there were 98,600 households in the borough, an increase of 6,900 since 2001[48]. According to the 2001 census 46.1% of households in the borough were single person households, compared to 34.7% of households across Greater London. Single person households are projected to increase from 48% in 2011 to 50% by 2026[49]. The higher than average proportion of single person households is reflective of the youth of the borough's population as well as the tendency of families to move out in order to find affordable family accommodation.

3.39. Fig. 25 shows an estimate of the current tenure split in Camden. Around 37% of households are owner occupied, 36% are in the social rented sector and 27% in the private rented sector[50].

3.40. Like many Inner London boroughs Camden's social rented and private rented sectors are considerably larger than the London average – conversely its owner occupied sector is much smaller.

3.41. The link between housing tenure and worklessness is well established. 2001 Census data showed that levels of economic activity are lower among those living in social housing. Economically active groups – primarily those in or looking for work - made up about three quarters of those in owner occupation and the private rented

FIG.25 NUMBER OF HOUSEHOLDS IN EACH TENURE GROUP

Tenure	Number of households in Camden	Percentage of total (Camden)	Percentage of total (London)*
Owner-occupied	36,540	37.3%	52%
Social rented	34,897	35.6%	25%
Private rented	26,563	27.1%	24%
TOTAL	**98,000**	**100%**	**100%**

* London data is from Annual Population Survey, ONS 2009
Source: Camden 2008 Housing Needs Survey Update

[48] GLA (2008 Round High) Population Projections

[49] Ibid

[50] Housing Needs Survey update, LBC 2008

sector, but only just over half of those in Council or Housing Association homes. While this data is some 10 years old, and should be treated with caution, it showed that just over two fifths of social housing tenants were in employment, compared to just over two thirds of private sector tenants and almost three quarters of owner occupiers in Camden. Correspondingly, there is a strong correlation between areas with high numbers of benefit claimants and areas with a concentration of social housing. Neighbourhood statistics data showed 18 of the 30 small geographical areas (super output areas) that contained the highest numbers of benefit claimants (aged 16 to 65) in February 2010 were also among the 30 areas that the 2001 Census showed to have the highest concentrations of social housing.

3.42. It is estimated that 11,905 households are living in housing described as unsuitable in the Housing Needs Survey. This represents 12.7% of all households in the borough. Of these 11,905 households it is estimated that 8,058 will require a move to alternative accommodation, while the rest can be resolved in situ. Of these 8,058 households it is estimated that 5,951 (74%) cannot afford market housing which represents 6% of all existing households in the borough[51].

Supply and demand for housing

3.43. Camden's popularity as a place to live means house prices and rents are high and demand for affordable housing outstrips supply. The current London Plan (updated in 2008) gives a Camden target of facilitating the provision of 595 additional homes per year between 2007 and 2017. This matches the Council's own target of 8,925 additional homes for the period 2010-2025, including 6,550 additional self-contained homes. The draft replacement London Plan (2009) is likely to be finalised towards the end of 2011, and proposes an annual Camden target of 665 additional homes.

3.44. The Council's Annual Monitoring Report (2008/9) shows how it plans to bring forward development of housing over the next 15 years. Housing of all types are expected to total 12,250 or around 815 a year, significantly above the targets listed above.

3.45. However, the Council expects the demand for additional homes to vastly exceed the anticipated supply[52]. Household projections predict over 1,000 additional households per year in Camden from 2006 to 2026. The additional homes target is 595 per year and the trajectory's estimated supply of 815 a year[53]. Furthermore, almost 12,000 households in Camden currently live in unsuitable housing[54].

[51] Housing Needs Survey update, LBC 2008

[52] Camden Core Strategy 2010

[53] Camden Core Strategy 2010

[54] Housing Needs Survey Update 2008

3.46. Camden has a large demand for additional affordable homes. In November 2010 there were 21,000 households on the Housing Needs Register, which is almost 50% more than in December 2005[55]. The Housing Needs Survey Update indicated that an additional 4,800 affordable homes a year would be needed in the borough over a five year period to provide for existing households in need of affordable housing and new households coming forward each year. On the basis of the annual target for 595 additional homes in the London Plan, and the 50% borough-wide affordable housing target, there is a gap of over 4,000 between the number of affordable new homes needed each year and the target for new supply.

3.47. The Survey Update acknowledged that such a need could not be met within any realistic timeframe, and that many households are likely to meet their needs in other ways such as spending a higher proportion of their income on private sector housing, using housing benefit to access private sector housing, finding cheaper homes outside the borough, or continuing to live as part of another household (e.g., with parents).

3.48. Recent changes as a result of the Local Government finance settlement and proposed in the Localism Bill present particular challenges and opportunities for in Camden. The state of disrepair of Council housing stock is in part due to the fact that Camden tenants rejected the option of having an ALMO that had been offered by the last government which would have brought with it a significant budget for improvements. However, this does mean that the Council still owns a significant proportion of the borough's social housing at an estimated value of £2.4 billion. We understand that a recent audit of council assets has identified more sites that have the potential to be redeveloped more intensively. This includes estate regeneration opening the possibility of mixed social/private housing development and increasing the quality, suitability and number of properties.

Property prices and rents

3.49. Fig. 26 shows average prices in the third quarter of 2010 for each of England and Wales, London and Camden. Fig. 26 shows that average prices in Camden are two and a half times that of England and Wales and also much higher than the London average.

FIG.26 LAND REGISTRY AVERAGE PRICES (THIRD QUARTER OF 2010)

Area	Average price	As % of E and W
England and Wales	£166,936	100%
London	£341,729	205%
Camden	£541,635	325%

Source: Land Registry

[55] Draft Housing Strategy Evidence Base January 2011

3.50. Between the third quarter of 2005 and the third quarter of 2010 average property prices in London rose by 25%. Camden recorded a significantly higher increase of 44%. Of its neighbours, only Westminster has higher house prices than Camden[56].

3.51. Private sector rents are also high. A survey of estate and letting agents for the 2008 Housing Needs Survey Update showed that entry level weekly rents averaged from £270 (one bed), £400 (two beds), £550 (three beds) to £625 (four beds). These were four to five times greater than average rents for Council property at this time[57]. Since 2008, rents in the private sector have risen more sharply than rents in the social housing sector. At December 2010 the Local Housing Allowance weekly rates, reflecting median market rents, for two bedroom properties stood at £525 in the south of the borough and £332 in the north[58].

Affordability

3.52. Fig. 27 shows the ratio of house prices to earnings for 2009 for Camden and some neighbouring boroughs. The first column shows the ratio of median prices to median earnings and the second shows the ratio of lower quartile prices to lower quartile earnings.

3.53. Fig. 27 shows that the ratio for both median and lower quartile for Camden is the second highest behind the City of Westminster, and significantly higher than the average for Inner London. It is therefore the second least affordable London Borough.

FIG.27 RATIO OF HOUSE PRICES TO EARNINGS 2009

	Ratio of median prices to median earnings	Ratio of lower quartile prices to lower quartile earnings
Camden	11.79	10.57
Islington	9.42	9.44
City of Westminster	13.57	12.80
Inner London	8.58	8.67
London	7.64	8.04

Source: CLG Data - Tables 576 and 577

3.54. Private rented accommodation is also very expensive in relation to incomes. Even households earning the median household income of £39,180 per annum (and 53% of households have an income of less than £35,000 a year) are likely to struggle to afford to rent privately[59]. On the basis that a household should spend no more 30% of net household income on rent, only single rooms with shared facilities and studio or one bedroom flats in the north of the borough are affordable to a median-income household.

3.55. The high and rising house prices and difficulty of finding affordable private rented accommodation in the borough has a two fold effect. Those in social housing who seek to move into the private sector are forced out of the borough. Further, when owner occupiers move on, they are replaced by those on even higher incomes. Today, only the wealthiest can afford to buy or live in private accommodation in the borough and only those in the most acute need can gain access to social housing. The result is increasing levels of socio-economic polarisation and over-stretched and over-crowded social housing[60].

3.56. Many households who rent their accommodation claim Housing Benefit, particularly households in social housing. Around 30% of households in the borough and half of households renting accommodation in Camden receive Housing Benefit. In September 2010 there were 28,325 households claiming Housing Benefit with the overwhelming majority (80%) in social housing .

Impact of proposed housing benefit changes

3.57. The government provision to cap the amount of housing benefit that can be claimed by tenants in the private sector, will have a significant impact on some Camden residents. This will be exacerbated by the move from setting Local Housing Allowance (LHA) at the median to setting them at the 30th percentile, which will affect more tenants than the cap alone.

3.58. There are currently 3,135 LHA recipients living in private rented homes in Camden and the proposed changes will affect 2,241 of these claimants. The Council estimates that:

- 814 of affected claimants have children;
- 163 of affected claimants are over 60;
- 121 of affected claimants have a recognised disability of some form; and,
- 354 of the affected claimants are working [61].

3.59. As one of the most expensive boroughs in London, Camden is affected disproportionately by these proposals. In addition to low income families moving to cheaper areas, unintended consequences of the legislation are likely to include increased levels of evictions, overcrowding, and homelessness and increased use of temporary accommodation. The GLA estimates that the increased cost of temporary accommodation could be £16.6 million for Camden the second highest amount in London behind only Westminster with £18.5 million[62].

3.60. The historic shortage of affordable homes has meant an increasing reliance on the private rented sector to house people on low incomes and cut the use of temporary accommodation. This sector has also housed more diverse communities, and some of the current diversity of the borough may be undermined as lower income residents are forced to move to cheaper, outer London boroughs.

[56] House Price Index, Land Registry - www.landregistry.gov.uk

[57] Draft Housing Strategy Evidence Base 2011

[58] Ibid

[59] Paycheck 2009. CACI

[60] Housing Benefit claimant data, as quoted in draft Housing Strategy Evidence Base, Jan 2011

[61] Written evidence to the Work and Pensions Committee by London Borough of Camden September 2010

[62] Written evidence to the Work and Pensions Committee by The Mayor of London September 2010

Sustainability

3.61. Housing accounts for approximately 24% of total borough-wide C02 emissions[63]. Achieving sustainability across the borough will therefore depend, at least partly, on making Camden's housing more energy efficient and sustainable.

3.62. Large reductions in the carbon emissions of the building sector can be made by retrofitting simple measures such as insulation or double glazing to existing buildings. The report on achieving Camden's carbon emission reduction target of 40% notes that there are several challenges to implementing such retrofitting measures:

- 'There are approximately 5,600 listed buildings in Camden, many of which will have solid walls. Listed status could mean that many simple energy saving measures cannot be installed at these sites because doing so may compromise particular architectural features that the listed status is intended to preserve.
- Over half the total land area in Camden has been designated as a conservation area. This means that there may be restrictions on carrying out work that would alter the external appearance of the buildings in these areas. As such some carbon reduction measures such as installing solid wall insulation, double glazing or domestic renewable technologies may be more costly than a standard installation or may be prohibited altogether by planning restrictions.
- There are a high proportion of privately rented homes in Camden (23.46% compared to 14.34% across London and 8.80% nationally4). Private landlords are often reluctant to invest in installing carbon saving measures on rental properties because it is the tenant that benefits from lower fuel bills rather than the landlord. Camden may be able to influence private dwelling owners through planning and building control or other incentives.
- There is a high proportion of local authority owned housing stock in Camden (23.9% compared to 13.3% across London and 8.3% nationally5). Retrofitting the entire LA stock with carbon saving measures will require a large initial capital outlay, but since the Council has direct control over their own stock, significant carbon savings can be made in this sector [64].'

3.63. Nonetheless, the report finds that housing could account for up to 15% of necessary carbon savings, with new CHP schemes in housing providing 19% of savings on top of this.

[63] LB Camden (2010) Meeting 40% Carbon Emissions Reductions by 2020

[64] LB Camden (2010) Meeting 40% Carbon Emissions Reductions by 2020

Summary and Conclusions

3.64. Over the last decade Camden has experienced population growth, albeit at a slower rate than the sub-regional and regional averages. The majority of this growth has been the result of natural change – that is the difference between births and deaths. The population contains a high proportion of young adults many of whom are students or young professionals attracted by vibrancy of the borough, transport links, access to jobs, presence of universities, student accommodation, and the cultural offer. As with many Inner London boroughs there is a high degree of population churn with many residents arriving and leaving each year.

3.65. The borough is characterised by extremes of wealth and poverty, as evidenced in the deprivation and health statistics. There are large ethnic minority populations in some wards and significant health inequalities along with a high level of child poverty.

3.66. The characteristics of the population have implications for their position in the labour market, as we will explore in the next chapter. There are high proportions of young people and ethnic minorities, and areas of significant deprivation. The labour market implications will be brought out in the next chapter.

3.67. Like many Inner London boroughs Camden contains a high proportion of social rented accommodation. The link between tenure and worklessness is well established, with those living in social housing much more likely to be out of work.

3.68. We would suggest that the interaction between the labour and housing markets in Camden has led to an increasingly polarised population. The increase in house prices in the borough has priced out low income and many middle-income earners. Those who live in social housing and who manage to either improve their income levels or enter employment and seek to move into privately owned or rented accommodation are forced out of the borough because of Camden's high rental and house prices. Further, when owner occupiers move on, they are replaced by those of even greater means. Today, only the wealthiest can afford to buy or live in private accommodation in the borough and only the poorest can gain access to social housing. The result is increased socio-economic polarisation and over-stretched and over-crowded social housing.

4 THE LABOUR MARKET

In chapter 2 we looked at the numbers of jobs in Camden and the extent to which these are filled by commuters from outside the borough. We now turn to the position of Camden residents, many of whom, conversely, work in other boroughs. We then examine unemployment and benefit claimants in more detail, and discuss some of the issues that will impact on future change – skills and future anticipated demand for skills.

4.1. In brief, Camden has a highly skilled resident population. Many are employed in professional occupations and earn considerably higher wages than the London and national averages. However, the population is socially polarised and rates of worklessness for certain groups and geographic areas within the borough are high. The numbers of residents with no qualifications has been rising, the proportion of young people who are NEET is above average, and school results vary widely reflecting the polarised nature of the pupil intake.

DEFINING UNEMPLOYMENT AND ECONOMIC INACTIVITY:

Unemployment - The standard International Labour Organisation (ILO) definition for unemployment applies to anyone over the age of 16 who is not in employment, education or on a government training scheme - if they have actively sought work within four weeks of the reference date and are available to commence work within the next two weeks.

Economic Inactivity - Economic inactivity, by contrast, describes those who are not employed but are not defined as being unemployed due to lack of job search activity or availability criteria. Crucially, this can include those who are seeking work but do not fulfil the requisite criteria to be considered unemployed. However, it also covers those who are of working age but do not wish to work for whatever reason (e.g. students and the early retired).

Employment, unemployment and the London factor

4.2. This section looks at employment, unemployment, levels of benefit claimants and worklessness in the borough within the context of London and the borough's place in Central and Inner London.

4.3. The employment rate in Inner London is lower than any other part of the country, despite the fact that the area has undergone a number of years of the highest rate of jobs growth in the country. Many Londoners, and in particular those living in Inner London, have characteristics that put them at risk of labour market exclusion. This is a significant factor in explaining London's relatively low employment rate. However, there are some additional factors related to the functioning of London's labour market, which increase the level of exclusion for some.

4.4. Rates of employment among women are significantly lower in London than elsewhere in the country. Child poverty is higher partly because of low pay in relation to London's higher than average cost of living. Income polarisation is much greater, with much of the population skewed to both the top and the bottom ends of the pay scale. In part this is related to the industrial structure - because to support the high wage jobs in banking and professional services there is a growth in demand for cleaning and other low wage jobs. Manufacturing and other mid-range jobs are the ones where technology has reduced the numbers of people needed. So for inner London residents, higher qualifications are required in order to get a well paid job, and the performance of schools is therefore critical, as mid-range jobs are increasingly scarce. Worklessness in London is concentrated geographically, with higher concentrations within Inner London, and particularly in boroughs with high levels of social housing. The operation of the housing and labour market – i.e. those with low skills and low incomes are more likely to live closer to their place of work – combine to create higher levels of worklessness.

Residents in Employment

4.5. In 2010 there were, according to the ONS survey estimates, 181,240 people of working age, that is age 16 to 64, resident in Camden[65]. Of these, 116,900 (64.5%) were in work. Prior to the onset of the recession the number of residents in work had been rising rapidly. Over the period 2005/6 and 2008/9 the number of working age residents in work grew by 14% (+15,100 people) a much faster rate of increase than the regional (+4%) and national (+1%) averages and also out-performing the sub-regional rate of growth (+10%). However, since 2008/09 the number of local residents in work has fallen by around 3,400 (-3%), in contrast to a small rise in employment across the sub-region as a whole (+2%).

4.6. The employment rate in the borough lags significantly behind the London (68.1%) and national (70.5%) average standing at 64.5% of the working age population[66] in 2010. As discussed later in the chapter, the low employment rate is due mostly to higher level of economic inactivity amongst the working age population. This is explained partly because of the high resident students but also higher levels of inactivity and worklessness amongst ethnic minorities, those with low or no skills, those will health problems and amongst women.

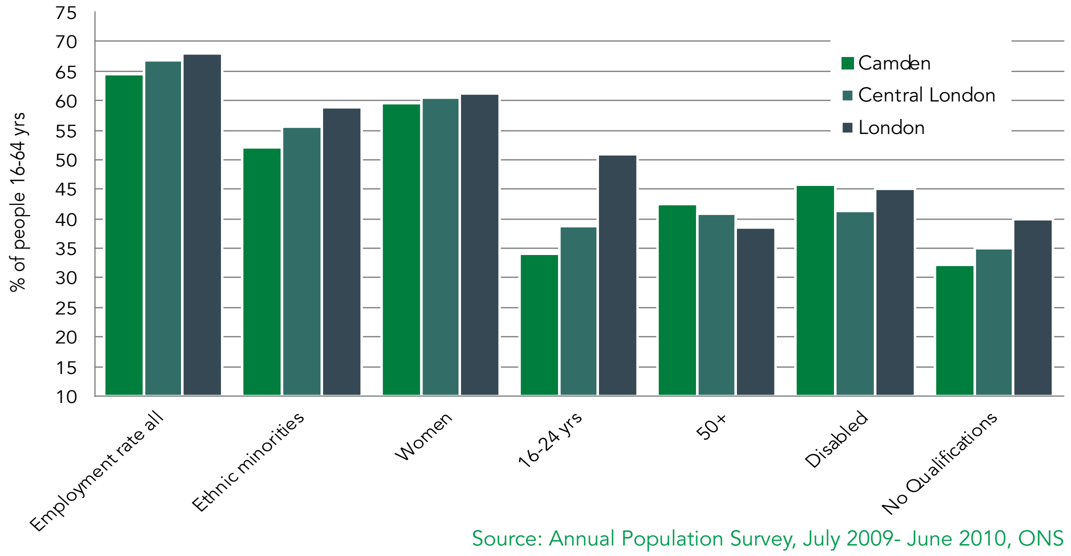
4.7. The explanation for the low employment rate is not a lack of available jobs. As discussed earlier in this document, local jobs growth been significant in recent years, and in 2008 there were a total of 275,800[67] jobs in the borough and prior to the recession the borough enjoyed jobs a faster rate of jobs growth

[65] Source: Annual Population Survey, July 2009-June 2010, ONS (NB this figure exceeds the GLA estimate, which Council officers consider to be a better estimate, but ONS figure is the basis for employment figures and percentages and is therefore quoted in this instance)

[66] Working age population is now defined, due to pension changes, to be 16-64 yrs for both men and women

[67] ABI, 2008, ONS

FIG.28 EMPLOYMENT RATES FOR SELECTED GROUPS IN CAMDEN, JULY 2009-JUNE 2010



Source: Annual Population Survey, July 2009- June 2010, ONS

than the sub-regional and regional averages[68].

4.8. Fig. 28 shows employment rates for selected groups within the borough, the pattern for which broadly follows the trend for Central and Inner London boroughs:

- Just over half (52%) of those from ethnic minority backgrounds are in employment in Camden below the London average (58%) and slightly below the Centre London figure (55.5%);
- The employment rate for 16-24 year olds is just 34% substantially below the regional average. This is in part due to high rates of participation in further and higher education but also in part due to higher rates of unemployment (discussed in more detail later in this chapter);
- Individuals without qualifications are very disadvantaged within the London labour market, just a third of those with no qualifications in Camden are in work, less than the London average but in line with the Central and Inner London position.

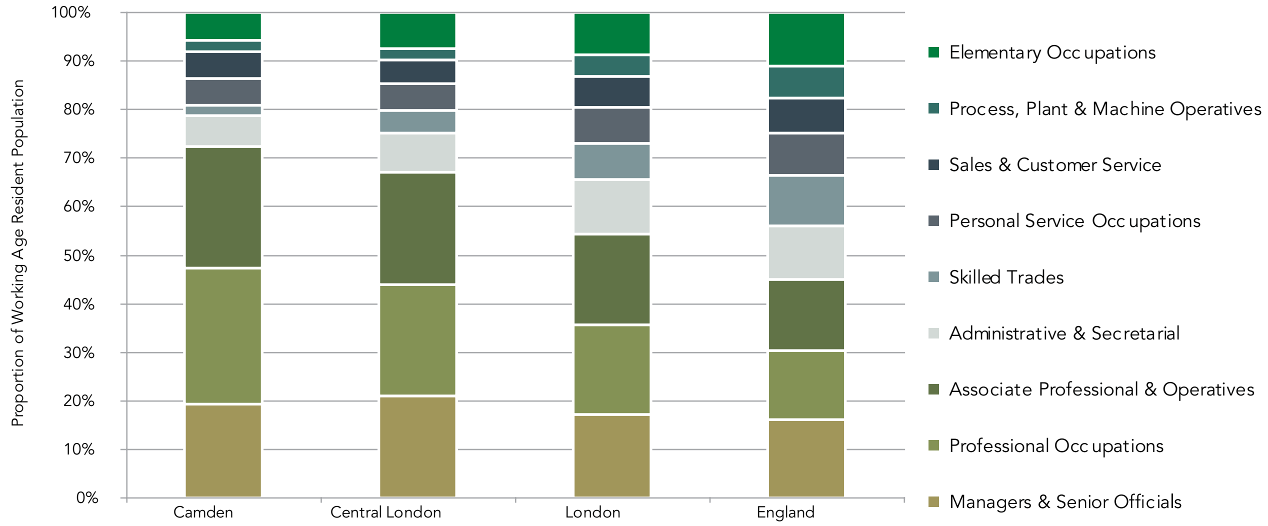
Occupational structure

4.9. Camden's occupational structure contains a much higher proportion of professionals than the sub-regional and London averages. As shown in Fig. 29, the top three occupational groups – managers & senior officials, professionals and associate professionals and technical occupations – accounted for 72% of employed residents compared with 66.7% in Central London, 54% in London and 44.7% across England as a whole[69]. The top two occupational groups saw growth in excess of 35% each between 2004/2005 and 2009/2010, significantly higher than in any of the comparator areas.

4.10. Camden also had a smaller proportion of residents employed at the other end of the occupational spectrum. The lower skilled occupations of process, plant & machine operatives and elementary occupations accounted for just 8.1% of employed residents compared to 9.8%, 13% and 17.5% in Central London, London and England respectively[70]. This low proportion includes a 50% increase in process, plant & machine operative employment since 2004/2005, whilst equivalent employment decline across all comparator areas over the same period. Over the same period the borough saw large relative decreases in employment in skilled trades and administrative & secretarial positions, much more so than in comparator areas.

4.11. This again points to an increasing polarisation of the resident population but is also part of a wider global and national trend which has led to the 'hollowing out' of middle income administrative occupations and relatively well paid skilled manufacturing as heavy industry has declined and technological/software advances have standardised tasks and practices.

FIG.29 BREAKDOWN OF RESIDENT WORKING POPULATION BY OCCUPATION (2009 / 2010)



Source: ONS, Annual Population Survey (2009 / 2010)

[68] ABI, 1998 - 2008, ONS

[69] ONS, Annual Population Survey (2009 / 2010)

[70] ONS, Annual Population Survey (2009 / 2010)

Resident Income

4.12. In 2010, Camden residents who are employed full-time earned, on average, £649 per week[71]. This is 7% higher than the London average of £606 per week and significantly above the national figure (£506).

4.13. Camden experienced a steady increase in resident earnings between 2002 and 2009. Resident wage levels over this period increased by 31%, above London and national growth rates (both at +25%). However, between 2009 and 2010 resident wages fell by 9% as shown in Fig. 30.

4.14. Examination of annual wage levels for borough residents, estimates for which are generally more stable, show just a 2% reduction in annual wages between 2009 and 2010. Resident wage growth in London over the same period remained flat.

4.15. Camden has a very skewed income distribution with a significant number of very high earners – this can be highlighted by comparing the mean (the average) and median (the middle number, which removes extreme outliers) figures for annual income. The mean annual income in 2010 was £63,681, this compared to a median annual income of just £36,183.

[71] Source: Annual Survey of Hours and Earnings (ASHE), ONS – Median income

Unemployment and economic inactivity

4.16. Model based estimates for unemployment showed that in 2010 there were 11,100 unemployment residents in Camden, this figure represented an unemployment rate of 8.4% of the economically active population. This figure is slightly below the London (8.9%) figure but above the national (7.7%) rate[72].

4.17. The recession has clearly had an impact in the borough and the unemployment rate increased rapidly in the borough between 2008/09 and 2009/10 as shown in Fig. 31.

4.18. In 2010 there were 51,100 economically inactive working age borough residents[73]. This figure represented 28.2% of the working age population much higher than the regional (25.2%) and national figures (23.5%) and also above the sub-regional average (26.6%). Although levels of economic inactivity have fallen slightly in the borough from a high of 30.2% in 2005/06 there has been a slight rise of 2,400 over the last year (+5%) which could be as a consequence of more people withdrawing their labour[74] from the market due to a reduction in the demand for labour caused by the recession.

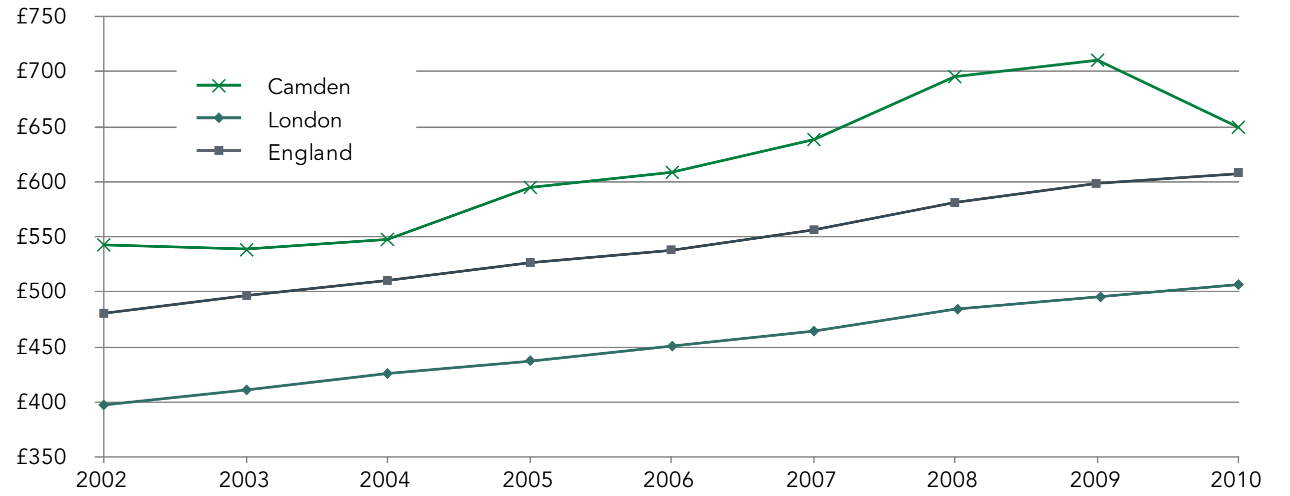
4.19. Part of the explanation for the high level of economic inactivity in the borough is the high number of resident students. For example at the time of the 2001 Census there were around 17,000 economically inactive students living in the borough, making up almost a third (31%) of the economically inactive population, the highest proportion of any London borough. More up-to-date information from the Higher Education Statistics Agency shows that in 2009/10 there 23,800 Higher Education students registered as resident in Camden. However, while part of

[72] ONS Model Based Unemployment Estimates July 2009-June 2010

[73] Ibid

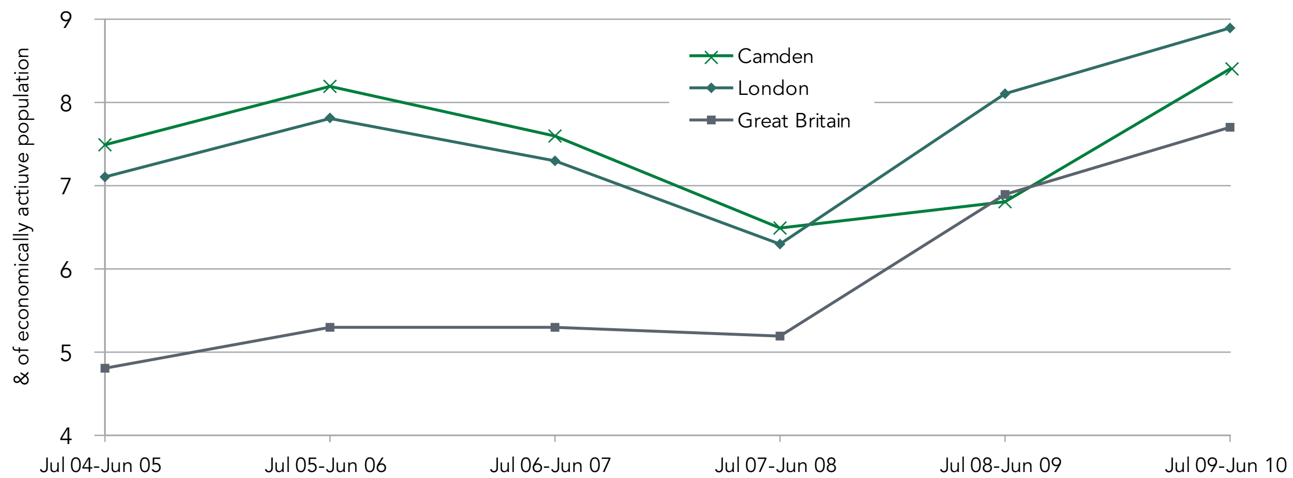
[74] For example - by choosing not to actively seek work due to limited employment options or by more young people deciding to delay entering the labour market by choosing to enter further or higher education instead

FIG.30 WEEKLY EARNINGS OF FULL-TIME EMPLOYEES, 2002-2010



Source: Annual Survey of Hours and Earnings, ONS

FIG.31 UNEMPLOYMENT RATES 2005-2010



Source: Model based unemployment estimates, ONS , July 2004-June 2005 to July 2009-June 2010, ONS the explanation for the high level of inactivity may be the high number of resident students in the borough, one of the features of inner London boroughs is low employment rates, and high levels of unemployment and high rates of economic inactivity. As previously noted the employment rates of ethnic minorities are also significantly below average.

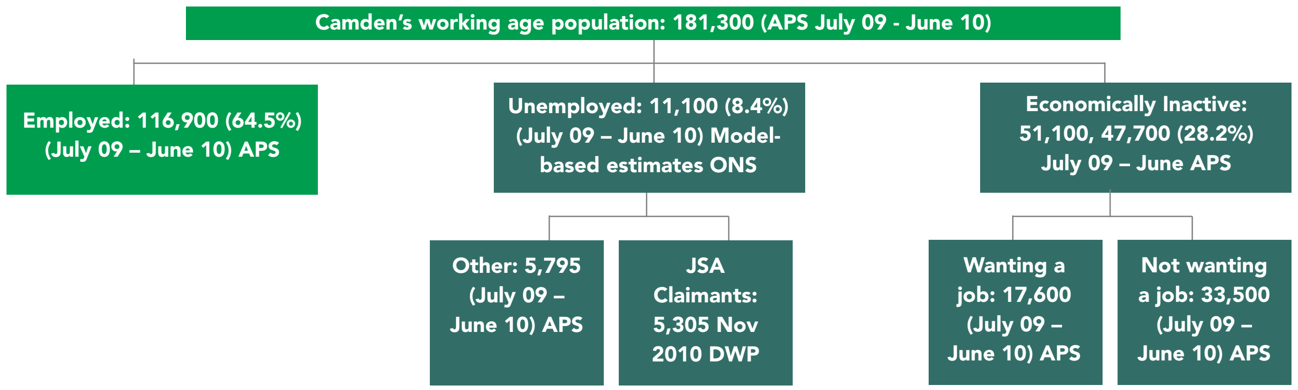
4.20. One of the ways of identifying 'hidden unemployment' is to look at the proportion of the economically inactive population who would like to work even if not currently actively looking for it. Of the 51,000 residents who were classed as economically inactive in 2010, over a third (17,600 pr 34%) would like to work. This is higher than the London (25.2%) and national (24%) averages but close to the average for Central London (32%) and indicative of the prevalence of more intense barriers to employment in Inner London boroughs.

Out-of-work benefit claimants

4.21. In May 2010 11.8% of Camden's working age population was claiming out of work benefits, a total of 20,690 people. This is below the Central London figure (13.1%) and slightly below the London average (12.7%).

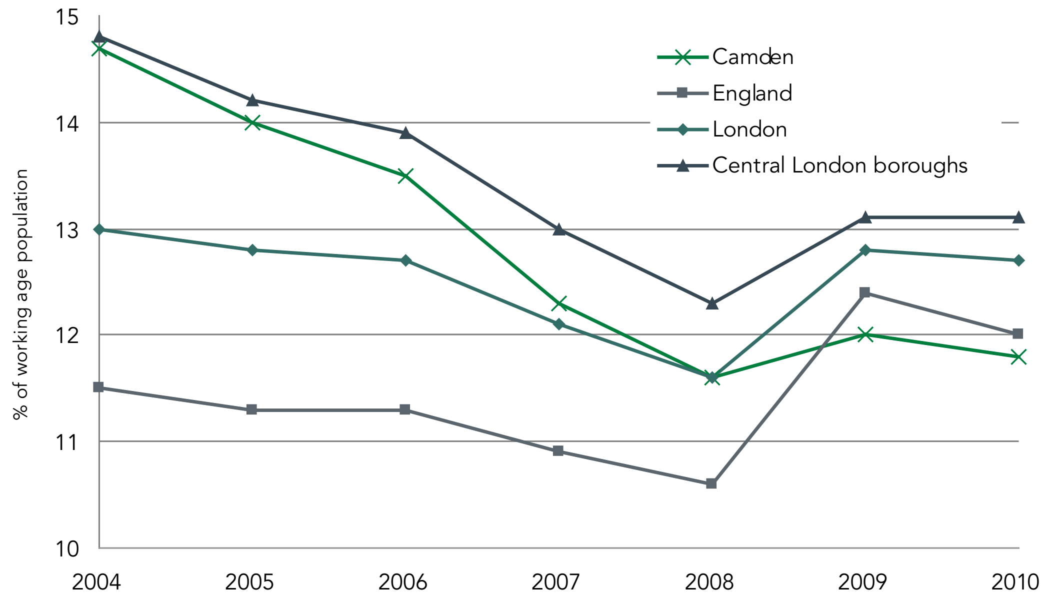
4.22. Over the period 2004-2010 Camden has witnessed a far larger decline (-11%) in the number of out-of-work benefit claimants than the sub-regional average (-3%). Camden's better than average performance is due to a faster rate of pre-recession decline, caused by a larger percentage reduction in the number of IB/ESA claimants, and a smaller than average rise during the recession (of JSA claimants) compared to the rest of the sub-region and London as whole as shown by Fig. 32.

4.23. Part of the explanation for this may be simply a smaller proportion of people choosing to register claims, for cultural reasons for example.



Please note: Data is from the Annual Population survey and actual DWP data on claimants. The total figures from the two data sources are different, and the figures do not add up. The chart has been provided to clarify the definitions of economic activity and inactivity.

FIG.32 OUT-OF-WORK BENEFIT CLAIMANTS 2004-2010



Source: Working age claimants, May 2004 to May 2010, Department of Work and Pensions

Geography of worklessness

4.24. Borough level data on out-of-work benefit claimants mask significant concentrations of worklessness within certain wards in the borough. There are high levels of out-of-work benefit claimants in St Pancras and Somers Town, Kilburn, Gospel Oak and Haverstock as shown in Fig. 33.

JSA Claimant Count

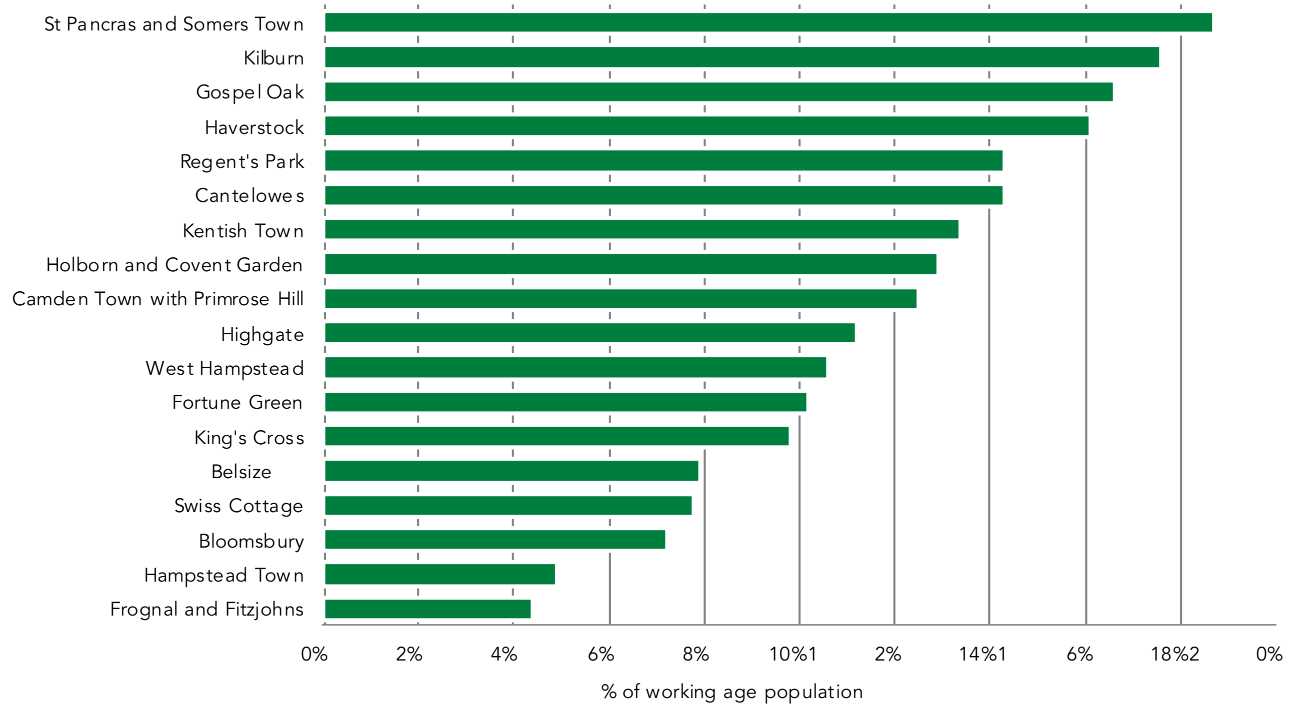
4.25. The claimant count in Camden increased significantly over the course of the recession. Fig. 34 shows the number of people claiming jobseekers allowance stood at 4,225 in November 2008 and climbed to a peak of to 6,015 by November 2009. This rate of increase (+42%) of was of the same order, but a little below the sub-regional (+46%) and regional (+47%) averages.

4.26. The claimant count currently stands at 5,305 (November 2010) a rate of 3% of the working age population, this figure is below the Central London (3.9%), London (3.9%) and English (3.4%) averages.

4.27. Fig. 35 shows a breakdown of the total November 2010 JSA claimant stock by age and ethnicity of claimant and duration of claim:

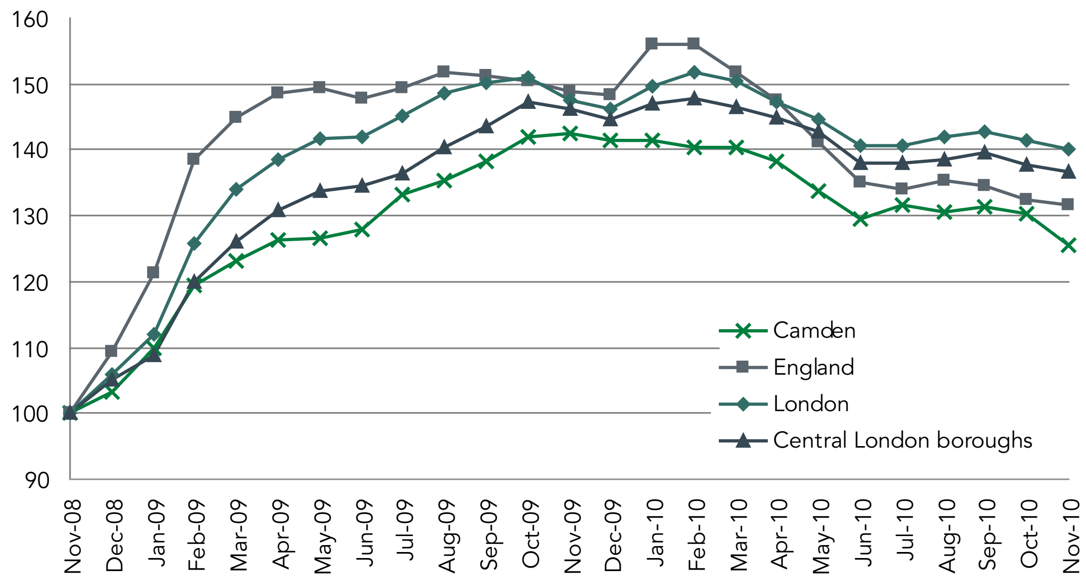
- the majority of claimants are aged between 25-49 yrs while there is a lower proportion of younger claimants (18-24

FIG.33 OUT-OF-WORK BENEFIT CLAIMANTS BY WARD, MAY 2010



Source: Working age benefits, May 2010, Department of Work and Pensions

FIG.34 CLAIMANT COUNT INDEX OF CHANGE (NOVEMBER 08=100)



Source: Claimant Count, November 2008-November 2010, Department of Work and Pensions

yrs) than then London and national averages. Young claimants of JSA represent 4% of Camden's 18-24 year old population lower than the London (6%) or national (7%) averages;

- the vast majority (81%) of people have been claiming for less than a year, close to the London average (83%). The proportion of long-term claimants (over 2 years) is higher than the London average but below the Central London figure; and,
- ethnic minorities are over represented amongst the claimant unemployed, accounting for 40% of local claimants despite making up just 29% of the local population.

4.28. It should be noted that some groups are less likely to register for JSA than others. These include young people ineligible for benefit, and women with little employment history. This means that the breakdown of JSA claimants cannot be assumed to represent a true picture of unemployment.

4.29. In recent months the national picture has been one of substantially increasing unemployment, and particularly high youth unemployment, at the same time as small decreases in JSA claimant numbers. It also appears to be the case that the new jobs created in recent months have almost exclusively been taken up by men, and older men in particular. This is likely to mean increasing numbers of women, including those out of work due to cuts in public expenditure, are also among those not registering for JSA.

FIG.35 CLAIMANT COUNT BY AGE, ETHNICITY AND DURATION, NOVEMBER 2010

	Camden	Central London	London	England
Total claimants by age (%)				
Aged 18-24	22%	21%	24%	29%
Aged 25-49	63%	63%	61%	56%
Aged 50 and over	15%	16%	16%	16%
Total claimants by duration (%)				
Up to 6 months	64%	61%	65%	67%
Over 6 months up to 12 months	17%	17%	18%	16%
1 yr and up to 2 yrs	14%	16%	14%	13%
over 2 years	4%	6%	3%	4%
Total claimants by ethnicity* (%)				
White	45%	40%	43%	75%
"Ethnic minority"	40%	49%	47%	18%
"Prefer not to say"	12%	8%	8%	5%
"Unknown"	3%	3%	2%	1%

*Data on ethnicity is from October 2010
Source: Claimant Count, Department of Work and Pensions

Incapacity Benefit/ Employment Support Allowance

4.30. Incapacity Benefit/ESA is the most commonly claimed out of work benefit in Camden. In May 2010 there were around 11,200 IB/ESA claimants in the borough, 6.4% of the working age population. This is the same as the sub-regional rate, but slightly higher than the London level of 5.9%.

4.31. The distribution of IB claimants by duration, age and gender broadly reflects the regional picture, although there is a slightly higher proportion of prime working age[75] claimants and individuals who have been claiming for over 5 years which may reflect more intense barriers to work for those with health related problems. This is also reflected in the low employment rate for disabled residents. This stood at just 45.7% in 2010 against an English average of 49.1% for disabled individuals and a borough employment rate for all groups of 64.5%.

4.32. The most common reason for claiming Incapacity Benefit in Camden is for mental ill health, in common with the picture across the UK (see Fig. 36). 56% of all IB claimants in Camden claim for this reason, the highest proportion in London and significantly above the regional and national averages of 46% and 43% respectively.

4.33. People currently in receipt of Incapacity Benefit are to be reassessed by Jobcentre Plus through a work capability reassessment process. They will be transferred to Employment Support Allowance if they are unable to work, or to Jobseekers Allowance if they are thought to be capable of some work. In this case they will be eligible for support under the Work Programme after three months. As noted above many of these individuals currently receive IB because of mental ill-health, and the introduction of this process over the next three years may cause them considerable anxiety.

FIG.36 INCAPACITY BENEFIT CLAIMANTS BY MEDICAL REASON FOR CLAIMING, MAY 2010

	Camden	England	London	Central London
mental and behavioural disorders	56%	43%	46%	52%
nervous system	4%	7%	6%	4%
respiratory and circulatory	5%	7%	6%	5%
muscoskeletal	11%	17%	15%	12%
injury, poisioning	4%	5%	4%	4%
other	21%	21%	24%	23%

Source: Working age benefits, May 2010, Department of Work and Pensions

[75] 25-49 yrs

4.34. A recent report[76] commissioned by the Royal Borough of Kensington and Chelsea together with Camden, Islington and Westminster Councils looked at evidence of customer views on employment support for long-term IB claimants. The findings of the study noted that the main barriers to employment for these IB claimants are both health problems and lack of skills.

4.35. Many of those who found work through the Pathways to Work programme (to be replaced by the Work Programme), were those who had recovered from their health condition. This means that employability support on its own is unlikely to be successful unless integrated with health support. For those with mental health problems, providing training at the same time as health services could move the client group closer to the labour market, by increasing confidence and motivation and improving mental health.

4.36. It proposed that because of the health issues affecting IB claimants, employability support should be embedded in health support programmes. It also noted that alleviating anxiety and stress prior to claimants going through the benefit reassessment process could be most effectively done through those agencies already providing support to those individuals.

Parental Unemployment and Child Poverty

4.37. Workless parents in London face additional barriers to employment. These include access to and affordability of childcare as well as lack of and intense competition for well-paid flexible and part-time employment opportunities.

4.38. In 2008 it was estimated that 14,640 children in Camden were living in poverty[77]; that is 40.3%[78] of the borough's children. This is above the London average (30.8% of children) and places Camden within the top 6 London boroughs with the highest proportion of children living in poverty. A high proportion of children living in poverty live in lone parent households, in Camden 67.7% of children living in poverty live in lone parent households, slightly below the London average (70.2%).

4.39. Employment rates for women in Camden are low while levels of economic inactivity are high. Just 65.8% of women in Camden are in employment and over a third (34.2%) are economically inactive[79]. The proportion of economically inactive women in Camden is above the London (32.6%) and national (29.8%) figures but in line with the Central London average (33.7%). Over a third (11,200) of economically inactive women in Camden would like a job. This highlights the more intense barriers to

[76] Customer Insight into Employment Support for Long Term IB claimants, Centre for Social and Economic Inclusion, March 2011

[77] Children in poverty is defined as the number of children living in families in receipt of Child Tax Credit whose reported income is less than 60 per cent of the median income or in receipt of IS or (Income-Based) JSA, divided by the total number of children in the area (determined by Child Benefit data)

[78] Department for Work and Pensions (DWP), Her Majesty's Revenue and Customs (HMRC), 2008

[79] Annual Population Survey, July 2009-June 2010, ONS

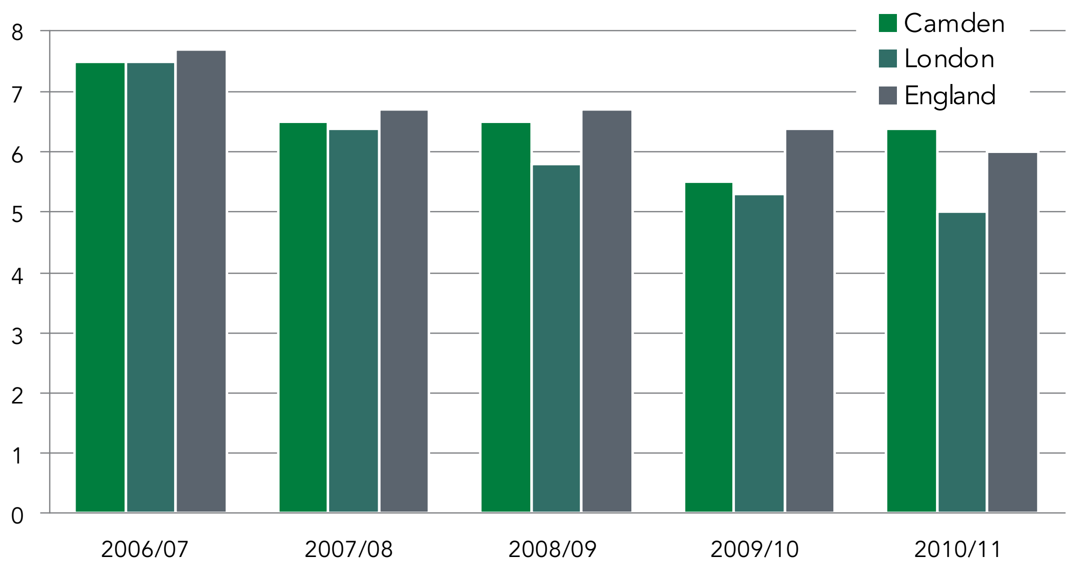
employment in Central and Inner London boroughs.

4.40. In May 2010 there were a total of 3,140 lone parents in Camden in receipt of out of work benefits, 1.8% of the working age population. This was below the London average (2.4%) and in line with the national proportion (1.7%). In line with the regional and national picture the number of lone parent claimants in Camden has been declining steadily in response to changes to the benefit regime as women with increasingly younger children are encouraged to seek work. Current welfare reform is placing increased levels of conditionality for lone parents to seek work. The youngest child threshold age for lone parents claiming Income Support will now reduce to 5 years of age. Once the youngest child has reached this age, lone parents will move to claiming JSA or Employment Support Allowance (ESA) which has higher levels of conditionality attached to it. Partners within couples will also have increased conditionality to bring them in line with lone parents – work ready partners with children aged five and over will now be expected to look for work.

Young people

4.41. Migration to London is primarily among young people while net migration of over-35 year olds has been away from the capital, resulting in a disproportionately young workforce. Younger workers tend to compete more for entry-level job opportunities, reducing the chances for groups at the margins of the labour market.

FIG.37 NEET RATES, 2006/07 - 2010/11



Source: NCCIS/Connexions, Department of Education (figures are 3 month averages of Nov, Dec, and Jan)

4.42. Between 2006/07 and 2008/09 Camden experienced a fall in the proportion of young people who were not in any form of education, employment or training (NEET) - from 7.5% in 2006/07 to 5.5% in 2009/10[80] (see Fig. 37). However, there has been a slight rise over the last year. In 2010/11 the NEET rate stood at an estimated 6.4%[81] above the London (5%) average and slightly above the England figure (6%).

4.44. In November 2010 there were a total of 1,140 Jobseekers Allowance claimants aged 18-24 living in the borough – representing 4% of Camden's 18-24 year old population lower than the London (6%) or national (7%) averages.

4.45. However, the higher youth unemployment figures often quoted in the news count more than just those claiming JSA – they include those not claiming benefits as well (a large proportion of unemployed young people do not actually claim benefits). Camden's figures here are more worrying, showing that 30% of the economically active 18-24 year olds (ie excluding full time students) are unemployed[82]. This compares to 22% for London and 18% nationally. There has been a rapid increase in these figures – from 1,000 people in June 2009 to 4,500 people in June 2010 (the latest available data). The national figures have also risen sharply through the recession, and clearly this is an increasingly important challenge for all local authorities, Camden included.

4.46. The Audit Commission Report Against the odds published in 2010 highlighted the long-term effects of being NEET on long-term life chances. Young men who are NEET between the ages of 16 and 18 have poorer life chances than their peers[83] and in adult life were:

- 4 times more likely to be out of work;
- 6 times less likely to have qualifications;
- 5 times more likely to have a criminal record; and,
- 3 times more likely to have depression.

4.47. The coalition government has introduced a number of policy changes which may impact negatively on the ability of young people from low income families to participate in post 16 education or training, possibly leading to further rises in NEET levels. FE and HE Funding reforms will mean that in the future learners and employers will be expected to co-invest alongside government in meeting intermediate and high level training costs. At the same time Educational Maintenance Allowance is being discontinued, making it harder for low income families to support their children to stay in school post 16.

[80] Official NEET figures (i.e. 3 month averages over November, December and January)

[81] Source: NCCIS and Connexions, Department for Education

[82] These figures on youth unemployment should be used with caution, unlike JSA benefit data which is a full administrative count these figures come from Annual Population Survey which is sample survey and there are wide margins of error around these estimates because of small sample sizes.

[83] Evidence from the 1970 British Birth Cohort

Education and skills

Adult skills profile

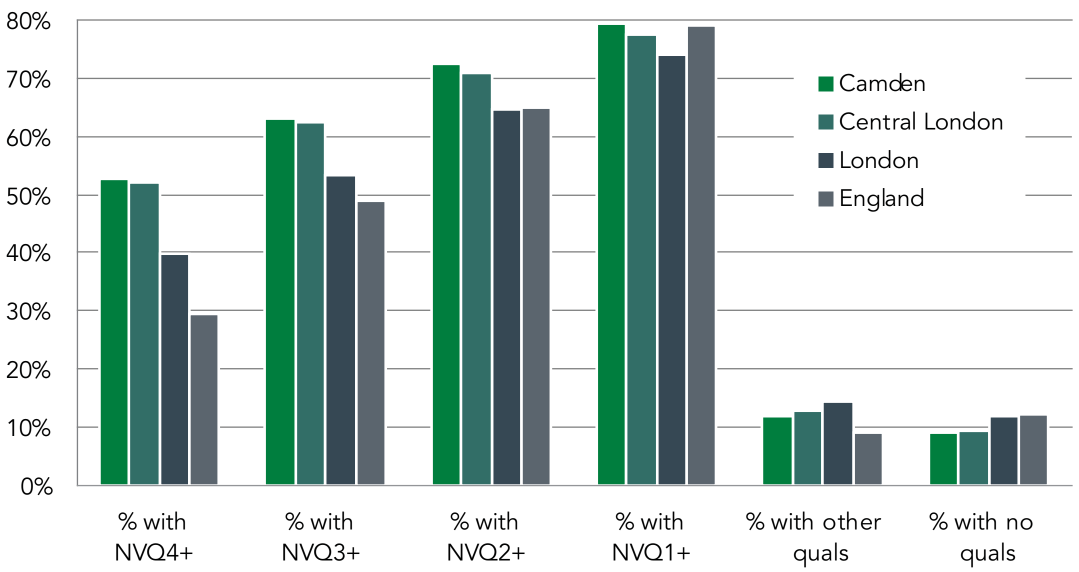
4.48. Camden has a highly skilled population, as shown in Fig. 38. Over half (53%) of the local population in 2009 were qualified to degree level, this proportion was in line with the Central London figure and substantially above the regional (40%) and national (30%) averages. There are also fewer residents with low or no qualifications. Just 9% of Camden's residents have no qualifications against regional and national averages of 12%.

4.49. Over the period 2004 to 2009 Camden has experienced significant growth in the number of highly skilled residents living in the borough. There are currently 94,700 local residents qualified to degree level or above, this represents an increase of 33% on 2004's figure. This rate of increase is above the national average (+23%) and in line with the regional figure (+34%) but below the level of growth witnessed across the sub-region (+44%).

4.50. There has also been strong growth locally in the proportion of residents qualified to NVQ Level 1 (+31%) and above, NVQ Level 2 and above (+32%), and NVQ Level 3 and above (+31%). These rates of growth are significantly higher than the regional and national averages and in line with the sub-regional trend.

4.51. Less positively, there has been an increase in the number of residents with no qualifications. There are currently 16,100 Camden residents who have no qualifications at all, significantly disadvantaging them in the London labour market. This figure represents an increase of 14% since 2004, furthermore this growth has occurred during a time of significant reductions sub-regionally (-22%), London wide (-12%) and nationally (-13%).

FIG.38 QUALIFICATIONS (NVQ) OF THE RESIDENT POPULATION, 2009



Source: Annual Population Survey, January 2009 – December 2009, ONS

4.52. The increasing polarisation of skills would again support a suggestion that those with some skills and qualifications, particularly families, who manage to access employment or move up the career ladder move to areas outside the borough where there is access to a greater number of affordable homes.

Educational attainment

4.53. As highlighted in the chapter on the economy there are significant travel to work flows across Camden's boundaries, this is also the case with travel to learn patterns. A quarter of children studying in Camden schools live outside the borough and a fifth of Camden resident children study outside the borough[84]. This has an impact on the data, for example in 2008/09 48.7% of school pupils who were resident in Camden achieved 5+ A*-C grades including English and mathematics at Key Stage 4 (GCSE level) while the results for pupils at Camden's schools were higher (51.1%). The rest of this section looks at performance of pupils by educational establishments.

4.54. In 2010 53% of pupils in Camden achieved 5+ A*-C grades including English and mathematics at Key Stage 4 (GCSE level). This figure was in line with the average for Inner London and nationally (both 53% too).

4.55. The proportion of pupils achieving 5+ A*-C GCSE grades including English and mathematics in the borough has improved albeit at a slower rate than most other Inner London boroughs. Since 2006 Camden has achieved an 8 percentage point improvement in the proportion of pupils attaining 5+ A*-C including English and mathematics compared to a 14 percentage point improvement across Inner London and a 7 percentage point improvement nationally.

4.56. The average point score per pupil at Key Stage 5 (A/AS-Level) in 2010 for Camden pupils was 695, this compares to a national average of 745 and a London average of 699. However, Camden performed better than the national average on average points per entry, in 2010 the average points per entry score stood at 217 slightly above the national figure of 214. The difference between the two measures is because pupils in Camden undertake comparatively fewer A-Level examinations but on average achieve slightly better results in them than the national average.

4.57. Individual school performance shows wide variation across the borough. For example in 2010 just 37% of pupils at

[84] CYPP Profile/ Schools Census

Haverstock and 38% at South Camden Community achieved 5+ A*-C including English and mathematics, compared to 74% and 76% at Camden School for Girls and La Sainte Union respectively.

4.58. However, it is important to also look at the progress made by pupils. One measure, such as contextual Value Added (CVA) which tracks the progress of pupils between leaving primary school and completing their GCSEs, taking into account factors such as deprivation and special needs. Camden School for Girls and Haverstock achieved the two highest CVA scores in Camden in 2010 and were both in the top 25% of schools nationally for this measure, despite having large differences in the proportions of pupils achieving 5+ A*-C including English and mathematics.

4.59. There is a further jump in performance when looking at the results of private schools within the borough. Pupil performance at GSCE level North Bridge House Senior School, Royal School of Hampstead and St Margaret's School stood at 94%, 83% and 84% respectively in 2010.

4.60. Despite improvements over the last 5 years, there remains a wide variation in pupil attainment levels across the borough, reflecting the high level of inequality in the population. A high proportion of pupils in Camden's schools continue to live in poverty and have additional needs. The main challenge over the coming years for schools, the Council and its partners is how best to tackle these achievement and poverty issues, to improve the overall outcomes for the next generation of young people.

Occupational Projections

4.61. The Oxford Economics (OE) and GLA sectoral employment projections discussed in Chapter 2 included projections of occupational trends to 2020. Fig. 39 illustrates that the two models broadly agree on the expected trends by occupation over the next decade.

FIG.39 LONDON EMPLOYMENT GROWTH PROJECTIONS BY OCCUPATION

	Employment Change (000s, 2010 – 2020)		
	OE Pessimistic Projection	GLA Projection	OE Baseline Projection
Managers & Senior Officials	89	100	148
Professional Occupations	55	69	111
Associate Professional & Technical	50	70	104
Administrative & Secretarial	-63	-57	-28
Skilled Trades Occupations	-27	-29	-10
Personal Service Occupations	25	46	37
Sales & Customer Service Occupations	11	12	26
Process, Plant and Machine Operatives	-12	-23	-3
Elementary Occupations	13	40	49

4.62. The key occupational patterns illustrated by the two models are:

- A significant increase in the proportion of top level occupations, particularly in the number of managers & senior officials.
- A decrease in the number of intermediate occupations, particularly administrative and secretarial occupations.
- An increase in the number of service and sales occupations, connected to continued growth in retail.
- A decrease in the number of low-skilled occupations connected to manufacturing.
- An increase in the number of low-skilled occupations generally.

4.63. The overall trend, therefore, is a continued 'hollowing-out' of the labour market, with growth in both high-skilled and low-skilled occupations whilst intermediate-skilled occupations are eroded through changes in labour demand.

4.64. Whilst superficially this would appear to be beneficial to low skilled workers, in practice they are most likely to be vulnerable to these trends, as they will increasingly have to compete with intermediate skilled workers for employment.

Summary and Conclusions

4.65. Camden has a younger than average and highly skilled resident population. Residents earn above average wages and are more likely to work in highly skilled professional occupations compared to the London average. However, the borough is socially polarised with extremes of wealth and poverty, which borough level estimates for worklessness, income and health obscure. The employment rate is low, due mostly to higher level of economic inactivity amongst the working age population rather than higher levels of unemployment. This is explained partly because of the high numbers of resident students but also higher levels of inactivity amongst ethnic minorities, those with low or no skills, those will health problems and amongst women.

4.66. The recession has resulted in rising levels of both unemployment and economic inactivity suggesting that some residents have withdrawn their labour from the market due to falling demand for labour. The proportion of young people who are NEET has been increasing, child poverty levels are high and there is wide variation in schools performance across the borough.

4.67. Despite high levels of qualifications amongst the resident population there remains a substantial proportion, albeit lower than some other London boroughs, of residents with low or no skills. In an increasingly competitive London labour market individuals who lack qualifications are particularly disadvantaged. Further, in Camden the number of individuals in this group has been rising, a worrying trend set against high rates of decline across the capital as a whole.

5 DRIVERS AND RECOMMENDATIONS FOR THE COUNCIL

This final section draws out some of the conclusions from the analysis in the previous sections and identifies a number of drivers of change in the borough. It then suggests a number of policy recommendations for the Council and its partners.

5.1. The principal drivers of change suggested from the analysis are listed below, and discussed in the following paragraphs:

- Economic growth and agglomeration;
- Regeneration and development;
- Population growth and demand for housing;
- Demand for higher (and lower) level skills; and,
- Reduction in public expenditure and new government policy.

Economic growth and agglomeration

5.2. Global growth amongst many emerging market countries remains strong, providing a basis for recovery in the developed economies. The current signs are that London will continue to retain its position as one of the world's foremost financial centres. Contrary to some of the pessimistic claims that have been made regarding the health of the financial services sector, the pattern has been one of renewed investment rather than large-scale relocation to other cities.

5.3. The future prospects for businesses in Camden depend at least in part on the form and patterns of growth across London. Given its location and attractiveness as a business and residential location, and its strengths in the growth industries of business services, cultural and creative industries and the visitor economy, Camden is well positioned to benefit from continued growth.

Regeneration and Development

5.4. London is set to benefit from a number of high-profile, large-scale investments, some of which are either wholly or partly located in Camden and all of which will support growth in jobs. There are several other major developments in London outside Camden that will affect investment decisions in the coming years. These include the development of the Olympic Park and the Royal Docks in Newham, the development of East London hubs for both the digital and low carbon sectors and the redevelopment of Battersea Power Station. These sites will both compete with and complement Camden's economy, creating demand for goods and services from Camden-based companies but also providing alternative locations for firms looking to invest in London. However, Camden will see extensive development in the form of King's Cross Central and will also benefit from being linked into Crossrail via Tottenham Court Road and from the upgrade to the Thameslink service. Furthermore, any expansion of high-speed rail would link into Euston – thus helping to maintain Camden's position as one of London's most important rail hubs. These developments mean that Camden is in a strong position to remain a key beneficiary of employment growth in the future.

5.5. The bulk of the employment growth anticipated in the borough will occur in the south of the borough – principally around Kings Cross, Euston and in the Central Activity Zone. While some of the housing growth will be in this area, the increased population density will be spread more widely across the borough. In the north of the borough, the local economy looks very different to that within the CAZ, with the town centres providing the main business locations. The economic health of these centres varies, and in most there is limited scope for major development.

Population growth and demand for housing

5.6. The population is projected to grow significantly in the coming decades. The GLA projection is for a 20% growth in population and 23% growth in the number of households between 2001 and 2026. This growth will result from a combination of natural growth and inward migration. Migration patterns are by their nature very variable, depending on political and relative economic conditions. However, Camden is likely to continue to attract migrants including overseas migrants, and the borough is likely to become increasingly ethnically diverse.

5.7. The growth in households will continue to reinforce the pattern of greater demand for housing than supply. There are already 21,000 on the Housing Needs Register and there is significant overcrowding, especially, but not exclusively, in social housing. The growth areas could provide 6,450 new homes over this period, but this will still present a significant shortfall in relation to the existing and anticipated demand.

5.8. This imbalance will, in turn, continue to increase social polarisation, which may be exacerbated by the impact of the changes to housing benefit. Low and middle-income earners will continue to be priced out of the private housing market in Camden. Households seeking to buy property, or needing more space to accommodate children will continue to look outside the borough. Many of those claiming housing benefit may also be forced to live outside the borough through the cap and changes in Local Housing

Allowance. The overall impact of these changes will become apparent over the coming months.

5.9. The borough is likely to continue to attract those on high incomes as well as established businesses seeking highly skilled workers.

Demand for higher (and lower) level skills

5.10. The resident population is very highly qualified, but there is an increasing proportion of residents with low or no skills. In a highly competitive London labour market individuals who lack qualifications are particularly disadvantaged.

5.11. These problems of disadvantage are only likely to increase as the 'hollowing out' of the labour market continues, with greater competition for low-skilled positions from intermediate skilled individuals.

5.12. Although improving too many young people leave school without the skills necessary to compete effectively in the London labour market, and the proportion of young people who are NEET is above the London average and has been increasing over the last year.

Reduction in public expenditure and new government policy

5.13. The recession has had an impact in the borough, leading to rising levels of both unemployment as well as increases in economic inactivity suggesting that some residents have withdrawn their labour from the market due to falling demand for labour. As the impact of public expenditure cuts feed through, this may continue. It is quite likely that this will increase the level of economic activity among women, ethnic minorities and young people.

5.14. Education and employment are recognised as vital components of an approach to tackle deprivation, and the government's new Welfare Reform programme is designed to help take this forward. However, there is considerable concern about the potential impact of these reforms on clients who are not able to access work as benefit cuts take effect.

5.15. A higher proportion of benefit recipients are in social housing than is reflected in other tenures, and these communities will be subject to increasing pressures to take employment even if it is low paid. In-work poverty is likely to continue.

Identification of Priority groups and interventions

5.16. Some people will be affected to a far greater degree than others by the reductions in public expenditure and changes to the welfare system. For the Council to identify and prioritise interventions, it will need to:

- assess the available evidence;
- understand the direction of future government policy and likely impact of forthcoming programmes; and,
- map the programmes and resources, and understand the relationship between services and policy levers available to the Council and its partners.

5.17. In relation to unemployment, the introduction of the government's welfare reform programme, and the Work Programme in particular, will have a significant impact on statutory support, particularly for the long-term unemployed. Until the Work Programme is fully operational and the supply chain in place (from summer 2010), it will be difficult to identify gaps in provision for priority groups or specialist services required to support them. However, the most easily identifiable gap in support services – particularly in the context of a reduction in discretionary funded employment support activities – is those individuals who do not, for what ever reason, claim benefits, and who will not therefore be eligible for any of this support. These include:

Young people

- Many young people cannot, or do not, claim benefits and so will not have access to support via JCP or the Work Programme[85].
- Rising youth unemployment and future changes to way in which information advice and guidance is provided will impact on the amount of support available for young people who are NEET or at risk of becoming NEET.

Low income families

- Much of the focus of support for women returning to work after caring responsibilities focuses on lone parents. There is limited support of this nature directed at partnered women because they rarely claim benefits themselves[86]. The reduction in discretionary funded employment support will mean that there is even less support provided to those who fall outside the benefit system.
- For those women with children the lack of affordable childcare, and flexible employment opportunities, can as a major barriers to returning to work.

[85] E.g. 16 or 17 can only get JSA in exceptional circumstances, for example, being cut off from or leaving your family leading to severe hardship. In addition young people aged 18-25 years who do not meet the criteria to claim JSA – e.g. Income related JSA is based on National Insurance Contribution records (you have to have been paying in for 2 years previously) and is paid for a maximum period of six months. Individuals can apply for means tested JSA but this will take into household income, pension and savings.

[86] Partnered women who seek a return to work, for example after looking after the children/family, quite often do not have a sufficient NI record to claim contribution based JSA. Again, as with young people they can apply to obtain means tested, however if there partner is in work it is unlikely that they will be eligible to claim. Therefore they will not be eligible for mainstream support via JCP or the Work Programme.

Ethnic minorities

- Recent DWP research has shown that take up for most income related benefits is lower for ethnic minority groups[87].
- Recent entrants and some established ethnic minority communities in the borough may have language related employment and training barriers. The cuts in funding as well as changes to the eligibility criteria for ESOL will impact upon non-claimants and in particular women without independent means and low-waged workers.

[87] Ethnic minority customers' experiences of claiming disability benefits, Research Report No 609, DWP, 2010

Residents with mental health problems

- Camden has a high proportion of residents with mental health problems. It also has the highest proportion of residents claiming Incapacity Benefit for reasons of mental ill health of any London borough many of which have not worked for over five years.
- Given the strong connection between employment and wellbeing, support for people with mental health problems to help them remain in work as well as integrated health, training and employability support will help to address their needs.

Recommendations for the Council

5.18. Recommendations for the Council and its partners are suggested below under the headings of place-shaping and development, supporting young people and improving skills, mainstreaming employability support, and reducing health inequalities.

Place-shaping and development

- Maximise the community benefit from new developments through planning frameworks and S106 agreements;
- Continue to maximise supply of affordable and intermediate housing;
- Consider economic health of local areas and the local labour market in the preparation of place plans;
- Work with the business community to support local employment and boost the impact of CSR programmes to help tackle unemployment and deprivation.

Supporting young people and improving skills

- Improve vocational education, information and advice within schools and links to business;
- Boost support for young people to access training and employment opportunities including preparatory training courses where needed;
- Encourage residents to take up training opportunities and continue to address barriers to training and employment such as childcare and ESOL linked to employability support.

Mainstreaming employability support

- Integrate employability support for low income families into existing services (such as family support) and service centres (such as Children's Centres and housing services programmes including Pathways);
- Target families affected by changes in housing benefit regulations for additional wrap-around support including employability;
- Harness all the support available through Council and partner services to support the new Work Programme for the benefit of the most disadvantaged residents;
- Work with Jobcentre Plus to co-ordinate and integrate employability and skills provision across the borough;
- Promote volunteering and work opportunities such as apprenticeships with the Council and other public agencies within disadvantaged communities.

Reducing health inequalities

- Work with partners in health and the third sector to embed employability support within their services;
- Link health services providers to local employers to support people with health problems to remain in work;
- Review the IB reassessment process, and provide additional support to IB claimants and those reassessed as fit for work.

5.19. The challenges discussed in this assessment in relation to unemployment and social polarisation, are significant. For a Council to tackle them at the same time as it is facing major funding cuts will require a radical reassessment of its approach, and a real commitment from across the public, third sector and business communities. On the other hand, if anywhere in the country has the wealth and opportunity to provide the basis for a turnaround in the fortunes of its disadvantaged residents, it is Camden.

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