OUTER LONDON COMMISSION

# The Mayor's Outer London Commission:

# Pre Publication Report

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# Contents

**Foreword**

**Executive Summary** 5-18

**Chapter 1: Introduction**
Purpose 19
Methodology 19-22
Terms of reference 22-24

**Chapter 2: Survey**
Sources 25-27
Historic context 27-28
Demand side 29-42
**Supply side**
Demography 43-50
Workforce 51-68
Housing 69-76
Transport 77-80
Quality of Life 81-88
Future trends 89-98
Stakeholder views 99-106

**Chapter 3: Analysis**
Scale and sources of growth 107-114
A new spatial structure for growth? 115-120
Making the most of existing places 121-132
Quality of Life 133-134
Transport 135-140

**Chapter 4: 'Plan' – Recommendations**
Spatial structures 141-146
Demography and housing 147-148
Economy 149-152
Transport 153-156
Labour market 157-158
Institutional 159
Quality of Life 161
The Future 163

**Annexes**
Annex 1: Commission's 'First Thoughts' paper
Annex 2: Initial consultation questions
Annex 3A: Interim employment trends
Annex 3B: Final employment trends
Annex 3C: Home Counties Employment
Annex 4: Economically active population trends
Annex 5A: Housing trends
Annex 5B: Net completions for inner and outer London
Annex 5C: Compliance with the London Plan Housing Density Matrix

Annex 6A: Health infrastructure benchmarks
Annex 6B: Social infrastructure maps
Annex 7: Office development trends
Annex 8: Respondents to the Outer London Commission

OUTER LONDON COMMISSION

Dear Mr Mayor

I have pleasure in submitting the final report of the Outer London Commission. It outlines the work we have undertaken and the research and consultation responses on which we have drawn in coming to our conclusions, and then sets out our findings and recommendations.

It is clear that outer London has many strengths and huge potential on which it can build in ensuring it takes its place in supporting the future prosperity of those living and working there and, indeed, of the capital as a whole. Among its key assets are the imagination and hard work of those working on the ground, many of whom we have met during our work.

In submitting this report I would like to thank my fellow Commissioners – and those in the GLA group, who supported them - for all their hard work and commitment in enabling this report to be presented

William McKee
Chair, Outer London Commission

# Executive summary

## Purpose of the Commission

The Mayor set up the Outer London Commission to:

1 "Identify the extent to which outer London has unrealised potential to contribute to London's economic success, identify the factors which are holding it back and recommend policies and proposals for the future development of outer London to the Mayor for inclusion in the London Plan and other GLA group strategies and guidance. These should include:

- Ways of encouraging employment growth in outer London.
- Ways of identifying, and supporting the development of economic growth hubs in outer London.
- The role of town centres and town centre based initiatives such as business improvement districts and town centre partnerships.
- The role that heritage and urban design issues might play.
- The links between housing, retail, office based and other types of employment and development in outer London.
- Links between economic success and improving quality of life in outer London, and ways of managing these effectively.
- Infrastructure and other supporting investment required to support economic growth in outer London.
- Methods of funding such infrastructure and investment.
- Identify issues that are presented by the relationship between outer, inner and central London".

## Working arrangements

2 The Commission was composed of 14 individuals with extensive experience in London business, local government, development, planning, design, academic geography, transport and the voluntary sector and chaired by Will McKee CBE. Its secretariat was provided by GLA Group officers.

3 The Commission had a distinctive method of operation, testing propositions iteratively, as they emerged from its work, by calling not just on the expertise of its members and its own research, but also by drawing on and informing work being undertaken at the same time to develop a common evidence base for the Mayor's Economic Development and Transport strategies and the London Plan. Uniquely, it carried out an extensive programme of consultation with the main stakeholders in the outer London economy through:

- a series of 'meetings in public' in each of the different quadrants of the capital;
- over 30 'one to one' or small group meetings, and
- a structured 'call for evidence'.

4 The Commission wishes to place on record its appreciation for all these contributions – they added a new dimension to understanding the ambitions, challenges and experiences of those engaged in realising the potential of outer London.

5 We have sought to collate a robust evidence base to support and develop our conclusions. In reaching our final conclusions and recommendations we have followed the familiar process of survey, analysis and policy-making so readers can follow the steps we have taken in making our recommendations.

## Benchmark trends

6 From the outset it was clear that outer London's potential to contribute to the wider economy could not be measured simply in terms of the number of jobs there. These were of course the key concern of the Commission (both as a focus of its terms of reference, and as they account for over 40% of the capital's jobs). But other factors were also crucial, not least because outer London is home to 60% of all Londoners, two fifths of whom work outside the area and help give most parts of it a higher economic activity rate than inner London. However, this dependence on commuting, coupled with relatively low local employment growth, has given rise to what was the key concern for many consultees - that outer London has been relegated to a dormitory suburb role, and its local economies neglected, with the thrust of metropolitan policy focused on growth in central London.

7 At least in terms of economic trends, there is some substance to these concerns – on average over the last two economic cycles only 2,800 jobs pa have been generated in outer London compared with 5,100 pa in inner London and 36,000 pa in the 'home counties'. Moreover, this overarching trend conceals very substantial variation between boroughs and smaller but still significant differences between their performances in different cycles. Over the whole period 1989 – 2007, five outer boroughs were above the pan London average trend, four above the outer London average, one below the average but positive and nine had negative growth.

8 A key task for the Commission was therefore to establish reasonable future employment trends or benchmarks against which it could test measures which might generate higher growth. As well as collating five data sources on the historic trend to inform this process, the Commission also drew on three sets of employment projections. In examining them it was mindful not just of the effects of the recent recession and of the need to relate them to the wider economy, but also of the perception of some consultees that low projections led to low infrastructure investment and so reinforced low growth. Account was also taken of the axiom that in using projections it is better to be broadly right than precisely wrong.

9 The projections ranged from a simple extrapolation of the historic trend (2,800 more jobs pa); a somewhat dated triangulation of trend, development capacity and transport accessibility (10,000); a more up-to-date top down forecast (10,500) and the current draft London Plan projection which incorporates trend data anticipating the onset of the recent recession and up-to-date estimates of development capacity and public transport accessibility (6,000 pa).

## Sources of future growth

10 In exploring potential sources of growth above trend the Commission found it useful to distinguish conceptually between:

- those based on existing sectors ('endogenous' growth) which have contributed to the trends outlined above, but which might have capacity to perform more effectively if constraints on their cumulative performance were addressed, and
- those which for convenience might be termed 'exogenous' sources of growth. These might be either strategically significant, largely new activities or existing activities capable of a step change in performance.

## New spatial structures

11 The Commission's brief required it to identify and test new spatial structure which might help lift outer London's economy above trend.

- **The 'super-hub' concept**

12 The Commission's brief suggested that as a working proposition, there might be four 'super-hubs', one in each quadrant of outer London, perhaps based on the Heathrow area, Brent Cross/Cricklewood, Croydon and Stratford. The concept was intended to identify centres where proposals for development could complement other business centres by providing the potential to generate a distinct offer of greater than sub regional importance (most existing business centres in outer London are, at best, of only sub-regional significance). In practice we have concluded that to be successful, hubs of this kind would have to support high density business agglomerations or clusters to found the basis of a virtuous circle of public investment (particularly in transport infrastructure) and wider growth. This pointed to office-based activities generating rental values of more than £25-£30/sq ft and on a scale substantially above that anticipated in any of the benchmark employment projections – say double the 300,000-400,000 sq m usually taken as the basis for an office quarter with a distinct mass and identity, with capacity, say, for 50,000 new office jobs.

13 On the face of it such a proposition might not seem implausible – after all, Canary Wharf has gone from virtually zero to over 90,000 new jobs in two decades and the 'Home Counties' have recorded an average of 36,000 more jobs pa over two economic cycles.

14 However, closer analysis raised substantial doubts. Most of the office growth projected for the London Plan is expected to come from relatively low value added local services spread across outer London – not the sort of relatively high value jobs required to pay rents justifying strategically significant private office development in a few small areas. While a few parts of outer London have experienced significant office new build in the past, even two hubs of say 600,000 sq m each would approximate to 23 years of historic gross average output across the whole of outer London (and this is on a generous definition of what constitutes growth in office space).

15 Nevertheless, the Commission was mindful that it had to look beyond historic trends to see if there was potential for 'exogenous' growth. It therefore examined the applicability of a series of different potential models or proxies for 'super hubs' –

Heathrow and other outer London centres with a history of significant growth, Canary Wharf in inner London and office centres in the wider south east, as well as modelling the transport implications of the concept. These either did not meet the 'super-hub' criteria outlined above or were not realistic propositions in the distinct circumstances of outer London.

16 The Commission was primarily concerned with technical considerations bearing on the economic realism of 'super-hubs'. However, it was also mindful that development proposals on this scale would have to be 'owned' by the key stakeholders – the response from boroughs in particular suggested that this was unlikely. Thus, though the testing exercise did not lead to the Commission endorsing the concept, it did provide valuable insight into other parts of its work.

- **Strategic outer London development centres**

17 While the Commission concluded that it could not endorse the idea of 'super hubs', the testing exercise did show that there was scope for smaller increments to existing capacity (and improvements to its quality) in some competitive locations with distinct types or scales of activity (or mix of activities). To avoid compromising the viability of capacity in other centres, these would have to be of more than sub-regional importance and with the potential for further development both within the centres themselves and in their hinterlands. This concept could be applied to a wider range of business clusters than the office based 'super-hubs', including leisure/tourism, media, logistics, industry, higher/further education and retailing. The Commission recommends that its initial list of these clusters be left open to be refined through the Draft Replacement London Plan preparation process, and we are pleased to see the concept taken forward in the draft Plan's policy on 'strategic outer London Development centres'.

- **Extending into the Green Belt?**

18 The Commission considered whether strategic extensions of provision for business activity in to the Green Belt was necessary to realise the economic potential of outer London. We have concluded that as a strategic principle this was unnecessary and wasteful in terms of the use of land and existing infrastructure.

## Making the most of existing places

19 As well as exploring new types of business location, the Commission also investigated the performance of existing planning structures and ways in which they could more effectively realise outer London's potential to contribute to the metropolitan economy. An over-arching theme was the importance of using a 'star and cluster' based approach to coordinating development, and within this to ensure that town centres develop as its fundamental building block.

- **Inter and intra-regional working**

20 The Commission was very conscious that London is part of a much wider city region and of the need for the planning system to address this in a concrete way if outer London is to realise its potential. This is most apparent for transport - as well as the need for strategic coordination of limited transport capacity, there is particular growth in out-commuting which must be encouraged to move towards public transport. It extends to the wider coordination of land use and transport investment for the

benefit of the city region as a whole, as well as to more specific issues like waste management, logistics coordination, more positive use of the Green Belt and establishment of a level playing field for parking policy (in line with government's regional policy). With some notable exceptions, and while recognising the uncertainty over regional working outside London, cross border arrangements to address these (especially along strategic 'Corridors') appear to require rejuvenation.

21 It will be important to ensure that outer London makes the most of the development and regeneration opportunities that may arise from national and regional transport and other infrastructural investment (with projects like Crossrail or High Speed 2, for example). Similarly, the importance of airports will remain a major economic driver for outer London. As already indicated, joint local and strategic working is vital to resolve local environmental and other concerns with wider strategic economic objectives.

22 Within London, it must be recognised that there is no hard and fast dividing line between its inner and outer parts. Irrespective of administrative boundaries it is essential that for policy purposes boundaries are regarded as permeable. The Commission supports the Mayor's positive response in the DRLP to its recommendation that, on balance, Newham is more properly considered to be part of inner London.

- **Sub-regional structures**

23 The Commission supports the view that a 'one size fits all' structure to coordinate sub-regional activity would not be fit for all economic development purposes. However, it did stress the importance of sustaining an effective sub-regional facility to support and inform the important step down from pan-London policy principles to the geographically specific detail required at local level. It noted the variety in current arrangements and the need to ensure that they remained fit for purpose as well as providing the strong leadership necessary to respond positively to changing circumstances.

- **Town Centres**

24 The Commission's work showed that 60% of employment in outer London took place in its main town centres. Coupled with the other roles of these centres, this supports the view that they should be developed as the single most important set of business locations outside central London; and that the focus here should be on promoting access to a competitive selection of goods and services, foregrounding the use of more environmentally-friendly modes of transport. The Commission stressed the need for tempering ambitions for local centres with economic realism and recognition of the different roles each centres plays in the broad town centre network. Its recommendations to support this included:

- the need for real partnership working, including possible use of land acquisition powers to assemble sites:
- measures to enhance their quality and offers:
- guidance on a creative approach to mixed use development including increased town centre related residential provision;
- the importance of a sensitive approach to parking policy:
- maintenance of London's distinct approach to the 'sequential test':

- closer integration of the investment priorities and initiatives of the GLA Group and other agencies such as the Homes and Communities Agency, as well as the boroughs and other relevant stakeholders; and,
- the potential to develop emerging results from GLA research on use of the planning system to secure small shop provision so that large new retail developments can contribute to relevant aspects of local town centre renewal.

**Opportunity Areas and Areas of Intensification**

25 The Commission supports these as mechanisms to bring forward capacity for development in an integrated, sustainable way. The GLA should continue to work with boroughs and other stakeholders to investigate whether the concepts can be extended elsewhere. However, the Commission was concerned at the slow rate of progress in bringing forward some Opportunity/Intensification Area Planning Frameworks.

**Industrial Land**

26 Careful management of strategic and local industrial capacity remains essential, especially to accommodate the relatively low-value but vital functions which it supports. The Commission has made specific recommendations over policy to secure an adequate quantity of provision as well as the need to place greater emphasis on quality, including improved local road access.

## The potential for growth in different economic sectors

27 The Commission identifies four main growth sectors for the outer London economy: office-based work (including the public sector); knowledge-based industries; leisure, tourism and culture; and retail. Each of these will require a particular set of approaches, which we outline below:

- **Office based sectors**

28 The Commission recommends a realistic and proactive approach to office development where increased economic potential can be clearly identified - the focus needs to be on the most competitive locations for future growth complemented by recognition that structural change in parts of the outer London office market looks set to continue.

29 The Commission's report provides detailed suggestions on how the release of surplus office provision might be managed, taking into account the continuing need for some lower cost accommodation, the significance of phasing in this process, the importance of an attractive business environment as part of a broader mix of uses, a sensitive approach to car parking and the role of re-positioning and re-branding the most competitive elements of outer London's office offer. This might be supported by use of the mixed-use 'swaps' concept in competitive locations.

- **'Knowledge based', 'Creative' and 'Green sectors'**.

30 While many consultees lauded the potential of these sectors it was noted that there did not appear to be a universally agreed definition of the terms (and indeed, some overlap between them). The GLA could usefully address this, linking it as far as possible to the planning process.

OUTER LONDON COMMISSION

31 Looking at these sectors raises the question of whether outer London lacks information and communications technology infrastructure and whether the public sector or effective planning can help address this. Taking this further, there may be scope to encourage home (or near-home) working, with new forms of infrastructure or locally based business support services (local ICT "hubs" giving SMEs and individual workers access to the kind of sophisticated ICT that they could not economically afford to buy themselves, for example). We have suggested that public libraries or 'touch down' centres with provision for meetings, possibly provided by large, centrally based firms, might have a role in this. In addition Boroughs could take a more proactive approach to extending fibre optic cable or WIFI networks to enhance capacity to serve such centres – the London Chamber of Commerce and Industry would be happy to work in partnership to progress this.

32 The GLA group could usefully re-consider if there is a case for public sector intervention to support the provision of innovation parks so that similar, related small or medium-sized businesses can cluster together, and this might require active public intervention.

- **Public sector**

33 While recognising central government's views on dispersal of its activities, outer London is clearly a cost-effective place for government and other public sector functions, such as health, judicial and education functions of greater than sub- regional importance – and can be promoted as such. This might include building links to existing central London institutions and to local labour markets. The potential here is to use higher education institutions and hospitals as a focus of regeneration. Putting HE and FE institutions (or satellites of institutions based elsewhere) in outer London has the further benefit of developing the local labour market by helping people to improve their skills and employability.

- **Leisure and culture**

34 There is considerable potential for growth in the spectrum of leisure activities including arts and culture, tourism and local leisure activities. These both make outer London an attractive, 'liveable' place for Londoners and offer potential for development of a visitor economy following successful examples such as Kew Gardens. The Commission welcomes strategic support and encouragement to identify more hotel capacity in outer London, especially in and around town centres.

35 The Commission has noted the imbalance between the number of cultural facilities in outer London and the amount of public funding available (most of which in the capital goes to central London). It recommends that this imbalance should be reviewed. This should be complemented by more positive marketing of outer London's distinct attractions, particularly its leisure and cultural clusters. Local regeneration can be prompted by a more proactive approach to the 'cultural quarter' concept.

36 The possibility of large scale commercial leisure, perhaps of international significance could also be explored. At the other end of the scale, we believe there is scope for the rejuvenation of many of outer London's medium-sized theatres, and extending their use for purposes such as art house cinemas.

37 Some parts of outer London have seen a rapid growth in the night time economy. It is important to remember, though, that areas with a night time economy require effective management and promotion to ensure that they remain attractive and safe, and that potential negative impacts on local residents and businesses are managed effectively.

- **Retail**

38 Consumer spending will be a vital economic driver in outer London, underscoring the importance of retail here. New retail should be focused on town centres and provided in ways that seek to enhance their distinct characteristics – there is no reason why even a centre with a large number of national stores should be a "clone town", and places with a distinct feel and character are likely to be those that will thrive. At neighbourhood and more local centre level there is scope to integrate new retail provision into larger, predominantly residential developments to support place shaping as well as providing essential services.

39 The Commission believes that efficient management of town centres is vital- particularly when combined with targeted investment and regeneration of particular centres. The London Development Agency has a particular role to play both in helping support the extension of models like Business Improvement Districts and more directly through supporting site assembly. Transport issues need to be given particular emphasis, especially encouraging access to and within centres by walking and cycling.

40 There is a need to understand and build upon the distinctive character and role of different types of centre, ranging from the Metropolitan centres, with their particular transport needs, through to smaller District and Neighbourhood centres. Each has an important part to play, and maintaining the kind of network that has been one of outer London's real strengths will require careful and realistic planning. The tools that could be used to achieve this include policies to encourage a diverse and vibrant retail mix across centres, such as supporting the provision of affordable shop units, and promoting street markets to enhance vitality of town centres. Greater encouragement of walking and cycling as more environmentally sound and healthier means of getting into and going around town centres is also essential

## The Outer London labour market

- **Skills**

41 In terms of school-age education, outer London out performs inner London - its residents have higher rates of employment and lower rates of worklessness than inner London residents. It has more economically active people than that inner London – partly because it has a large, albeit slowly growing, employment base of its own, and partly because it is home to many Londoners who work elsewhere, especially in inner London.

42 To build on this success, it is vital that the distinctive skills needs of outer London are addressed. Public sector investment in skills is targeted on *need* not geography, and this tends to result in broad-brush approaches tackling broad-based areas of need. Outer London should not be overlooked. The Commission recommends that the LDA should adopt an approach to commissioning training and skills provision

which will provide further opportunities for locally driven responses while delivering strategic outcomes.

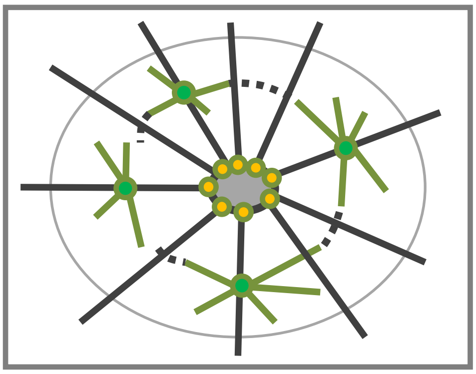
## Transport and outer London

43 Transport is a huge issue for outer London. Before summarising the Commissions considerations for different issues, it agreed some general principles to inform its detailed recommendations:

44 Most importantly, the Commission has taken seriously the need to ensure that what it says about transport is realistic – public sector resources are tight and likely to be tighter. Investment in transport infrastructure will require a strong business case. For outer London this will mean considering the extent of the benefit it will bring whether in transport terms (such as travel time savings) or in the development it can support. These judgements will have to be informed by the distribution and density of population, jobs and development. Having entered these caveats, the Commission considers it is essential that investment in transport infrastructure specific to outer London, its unique character and distinctive needs is not neglected. Outer London does benefit from pan-London and radial improvements, however, and these should not be seen as polar opposites locked in a zero-sum game.

45 These considerations were weighed by the Commission in considering the case made by a number of stakeholders for a high-speed, contiguous orbital transport system. It concluded that a "star and cluster" model (see Figure 1) offers a more effective and practical model to meet the needs of the constellation of centres and employment locations characterising outer London. Orbital movement around London can also be facilitated by developing and improving strategic interchanges and ensuring the most is made of existing links.

**Figure 1: "Star and cluster" approach using existing links and improved strategic interchanges shown in orange**



46 Moving from these general principles, the Commission has considered the role of different modes of transport:

- **Rail** is proportionately more important in outer London than for other parts of the capital, especially in south London where there is less tube coverage.

Particularly given the shortage of resources, the Commission recommends that there should be an emphasis on making the current system operate more effectively, including improving connectivity and interchange with other transport services like buses and cycling. The welcome move towards viewing rail services as an integrated network in ticketing, timetabling, service levels, information provision and promotion should be extended to those parts of the system which are still not covered. The Commission recommends that further improvements should be made to the quality of stations, including improvements to make travellers feel more secure, improved information for travellers and more effective coordination with other modes. There is also a case for medium-scale investment – such as providing new strategic interchanges or improving existing ones – which can give significant benefits for relatively modest investment.

- **Buses** will continue to be a vital component of public transport in outer London and need to be better integrated with other modes such that passengers can make whole journeys by public transport. Buses and coaches can be used to improve orbital connectivity in outer London, and the Commission suggests consideration of things like express services and strategic coach hubs that can facilitate this. Better service information and marketing are also recommended.

- **Ticketing**: stakeholders also raised the question of fare affordability, which is widely seen as a particular issue for outer London. The Commission would like to see a review of ticketing measures – such as development of the Oyster concept to provide an outer London travelcard – to address this.

- **Cycling and walking** are key Mayoral policy priorities, The Commission shares his enthusiasm, and recommends that opportunities to increase them as ways of getting around outer London are identified and taken up. These support other Commission recommendations dealing with things like ensuring a liveable public realm and easy access to local services. There is particular potential to encourage cycling and walking to and in town centres, which will have health and environmental as well as transport and health benefits and should be promoted as modes of choice. There is a particular case for leadership by boroughs in developing cycle hubs and promoting cycling. The Commission supports a combination of incentives and investment to encourage these sustainable modes, and to give a real choice not to use private cars.

- **The car** is likely to remain a key mode for many trips in outer London, however. The Commission recommends more effective road management and cross-borough work to address congestion. These should include ways of improving freight transport and servicing and reducing the need for “school runs”. It also supports speeding up the process for approval of highway projects. There is scope to reduce local traffic through better integration of land use and transport planning, especially in relation to local retail centres, and for some local enhancements to road capacity to address particular congestion problems. Alongside these steps, the Commission considers there is a role for demand management measures, potentially including road user charging in the longer term. Consideration should also be given to more effective ways of managing road works.

Car parking policy in outer London should be developed on an individual and local basis – a "one size fits all" approach is not appropriate to such a diverse area. A balance must be struck between promoting new development and preventing excessive parking provision which can discourage sustainable modes and increase congestion.

The Commission suggests a flexible approach. It recognises the point made by many developers that the lack of onsite parking for office developments in outer London puts them at a disadvantage compared with centres outside London. There is also a case for liberalisation in town centres in need of regeneration. The Commission therefore recommends a selective review of parking policies. It also supports park and ride schemes where these will reduce congestion and journey times and promotion of car sharing and car clubs.

- **Freight:** Increases in the density of commercial activity across London, including outer London, will require logistics premises to support the associated demand in freight and servicing vehicles. This may include the need for consolidation centres, but the case for them still needs to be understood further. In addition to managing congestion at key locations in outer London, increasing the role of rail and river in freight movements will relieve some of the pressures on the road network. However, it is essential to take realistic account of the primary role of road transport in sustaining London's industrial and other business locations so that they can realise their potential contribution to the wider metropolitan economy.

## Outer London as a place to live

47 The Commission is clear that economic issues cannot and should not be considered in a vacuum, and throughout its work it has taken account of the range of likely benefits of a more polycentric approach to development, while avoiding simplistic links between population growth and job creation. It makes clear the importance of "place-shaping" and ensuring new development fits in with local needs and heritage, so places are attractive to live in as well as work in. This will require encouragement of mixed use development and support for local capacity-building, high quality design and appropriate development densities.

48 While it is important to encourage affordable family housing, there is also a need to accommodate the needs of smaller households. All housing should be of high quality; the Commission also recommends that a closer look should be taken at the links between housing density, accessibility and parking provision – all things that form the sense of place and neighbourhood and can help make better places to live.

49 As its 'pure' economic recommendations above make clear, the Commission was conscious that improving housing provision to meet local needs and to support the wider London economy does not mean relegating outer London to a 'dormitory' role – an important concern for some of its respondents. Indeed, increased housing provision can, coincidentally increase local jobs. One element in this would be a more consistent approach to implementation of housing density policy. Emerging density policy appears to place greater emphasis on respecting local context by responding sensitively to

different local circumstance. This should enable boroughs to enhance capacity in appropriate locations such as town centres, while supporting lower density development in neighbourhoods served less well by public transport. High quality design is an essential complement to this. It is clear that housing policy cannot focus solely on numbers, and the Commission stresses the importance of looking at how new homes should be planned for, built and supported with the social and other infrastructure which new and existing neighbourhoods need if they are to be sustainable.

50 Ensuring development of sustainable communities is likely to require new delivery models. There may be particular scope for community-based initiatives. It will also be vital to make sure mayoral strategies and their implementation are carefully coordinated to ensure public investment secures the maximum benefit.

## Quality of life

51 Maintaining and improving the quality of life for those living and working in outer London is vital to realising its potential contributions to London as a whole. While the Commission's recommendations support more development, it is also clear that it is important to ensure growth can be harnessed and influenced to help improve the quality of places in outer London, and the quality of life for those living there. In practice, this means taking a neighbourhood-based approach to promote and support local functions. As already mentioned, it strongly supported application of the concept of "place-making" and reinforcing the importance of town centres. It also supported the idea of "lifetime neighbourhoods" – those meeting the needs of residents at all stages of their lives.

52 The Commission would agree with its many respondents concerns over the need to secure appropriate local social infrastructure (such as schools and healthcare), to give greater attention to London's "green suburbs" and to enhance the semi-public realm and to ensure its maintenance. As part of this, it supports a general presumption against development of back gardens where this is a problem, and continued and vigorous protection of the open spaces so vital to preservation of the quality of life in outer London. The Commission recommends that further work on these issues should be undertaken at strategic level, including updating of the Mayor's "Toolkit for Tomorrow's Suburbs". There is a particular need to develop new ways of enabling greater community identity and cohesion to help foster a sense of ownership and empowerment in taking decisions about growth and development.

53 The Commission noted the historic justifications for targeting resources on inner London because of the concentration of problems of deprivation there. It considered that if a more fine-grained approach is taken, more localised concentrations of chronic deprivation could be identified in outer London and that there might be benefit for the capital in considering the reallocation of some (but by no means all) social and local renewal to realise the potential of those who are still disadvantaged, but not to the extent of those in the most acute need. It also disagreed with the view that the lack of national funding programmes and of strong market drivers means that strategic measures to address outer London's social and physical infrastructure needs would be difficult. The Commission recognises that financial constraints limit the potential for major infrastructure investment, but this does not mean that it is not needed in some

places, nor that innovative solutions cannot be found to address some of these constraints.

## The governance of change

54 The Commission recognises that the London Development Agency (LDA) and Transport for London (TfL) are now working to make outer London a higher spatial priority in their investment strategies and plans. To support this, the LDA in particular should encourage local partnerships by, for example, facilitating land assembly, helping create capacity for town centre management and identifying distinct outer London skills needs.

55 The Commission supports streamlining of the development process in order to reduce the time spent on the planning permission process and speed up the production of local development frameworks. It supports boroughs retaining part of the national non-domestic rates paid by businesses in their area, and allowing them to borrow against future Council Tax income. There is also room for changes to national government practice – in speeding up the identification and disposal of surplus public land, for example.

## The future

56 This report marks the end of the Commission's formal task. In looking back over its work, it reflects on the huge and increasing diversity of outer London, and the many talented people it has in its businesses, voluntary organisations, communities and boroughs. It highlights some areas where further work should be done – aspects of quality of life, institutional arrangements (especially in terms of cross-boundary working), what climate change might mean for the area and, in particular, the resources available to help it realise its economic potential and the scope to make London's 'spatial strategy' more effective in coordinating investment beyond its traditional land use, transport and environmental areas of concern. There are also some specific issues for further research, like the definition of 'knowledge-based' and 'green' industries.

57 In conclusion, the Commission suggests that consideration be given to maintaining a forum for outer London to advise on implementation of the recommendations in this report and, perhaps separately, to provide the basis for occasional, high level engagement with key stakeholders in the outer London economy to identify and assess emerging challenges and opportunities.

# Chapter 1: Introduction

1.1 The Outer London Commission (OLC) was formally established by the Mayor of London in February 2009 as a small, highly experienced and focused group, to advise how outer London can play its full part in the city's economic success. In short, its task was to see how outer London could be given "a shot in the arm", redressing what has been seen as an imbalance in the attention given to outer London and refocusing attention on a part of the capital that plays so important a role in the life of our city.

## Overall purpose of the report

1.2 This is the Commission's final report. It:

- Examines the extent to which outer London has potential to contribute to the economic success of London as a whole
- Identifies the factors which are holding it back from doing so, and
- Makes recommendations on policies and mechanisms to enable to enable it to play its full part in London's future success.

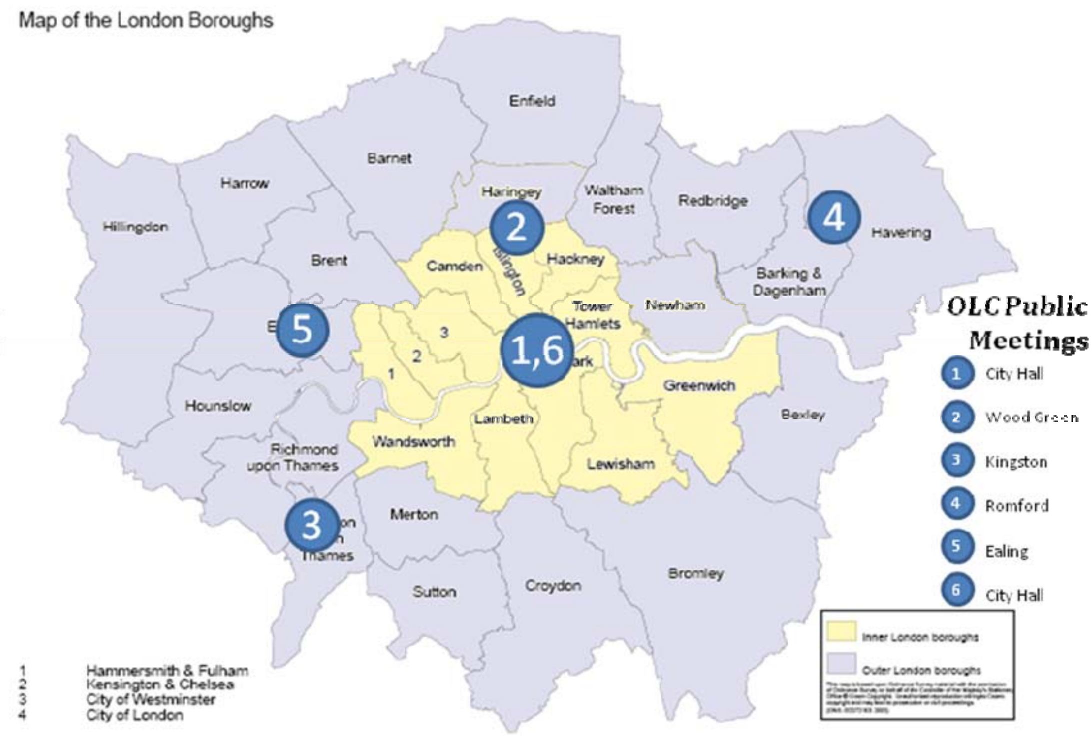
The report addresses the fundamental reasons for establishing the Commission in the first place – to identify the capacity to grow the outer London economy in a sustainable way, removing barriers to growth for competitive, established sectors and to attract new ones; explore the potential contribution of a few large "growth hubs"; secure the wider rejuvenation of outer London's town centres and other business locations; improve outer London's quality of life, business and residential environments; examine the relationship between population, housing and economic growth and the infrastructure necessary to support this.

## Methodology

1.3 The Commission has taken pains to ensure its discussions, conclusions and recommendations are based on credible and robust evidence. Starting from a 'First Thoughts' paper based on initially available information, the Commission set out to establish a base line data set showing as far as possible economic performance and other trends over two business cycles. It has gratefully used past research and studies (including that prepared for the GLA by Robin Thompson) and has commissioned new work where needed. It has also engaged in the evolution of the joint evidence base developed by the GLA Group to support the draft replacement London Plan and the Mayor's draft Economic Development and Transport strategies.

1.4 The Commission was clear from the outset that the experiences, views and ideas of those who have engaged with outer London and its issues over the years would be an essential resource on which it would need to draw. With this in mind the second step it took was an extensive series of consultation meetings with outer London boroughs, business groups, civic amenity societies and others to address the aspirations of outer London and the priorities for policy intervention. The starting point for this was responses to a set of written questions published on the Commission's website (see Annex 2). In addition to the provision of written questions, there were more than thirty meetings of one to one/ small group discussions with stakeholders and 'meetings in public' in the quadrants of outer London. Figure 1.1 shows the locations of the public meetings:

**Figure 1.1: Locations of OLC public meetings**.




1.5 The next stage was to draw on the evidence and views the Commission had gathered to consider the spatial opportunities for outer London growth, taking particular account of the likely levels of investment in transport and accessibility.

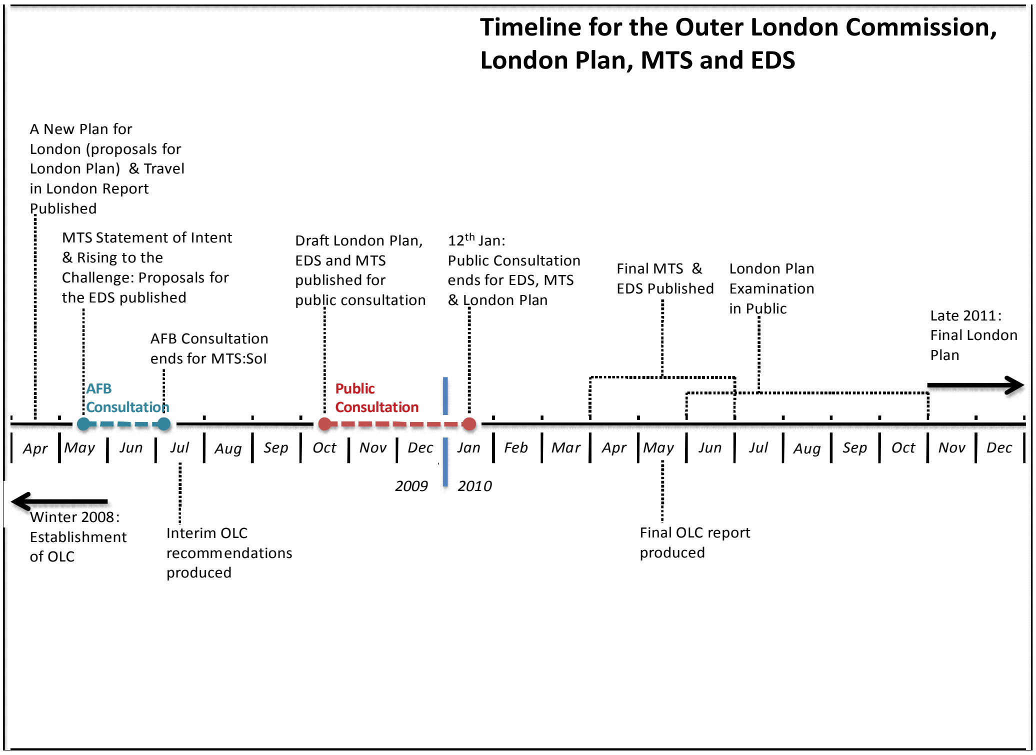
1.6 Finally, the Commission reached its conclusions and made recommendations. As requested in its terms of reference, it prepared an interim report in June 2009 to help inform the draft replacement London Plan and other mayoral strategies issued for consultation in October. This interim report and evidence submitted to the Commission can be found at:

http://www.london.gov.uk/olc/docs/interim-conclusions.pdf.

1.7 This is our final report, which draws our conclusions and recommendations together, and shows how these have been developed, and the evidence on which they are based. This process has broadly followed the "survey – analysis – plan" approach familiar to town planners in drawing up strategic policy.

1.8 The period over which this work was carried out is shown in Figure 1.2. This also shows the relationship between the Commission's work, and the processes for revising the London Plan and the Mayor's Economic Development and Transport strategies:

## Figure 1.2: The work of the Commission: a timeline




Key:
AFB: Assembly and Functional Body
EDS: Economic Development Strategy
MTS: Mayor's Transport Strategy
OLC: Outer London Commission

## The Commission

1.9 The Commission was chaired by William McKee CBE, who has extensive experience in both the public and private sectors. Its membership comprised representatives from diverse backgrounds including business, boroughs, architecture and design, developers and the voluntary sector:

Chair: William McKee CBE
Sir Terry Farrell, Adviser on architecture and civic design
Colin Stanbridge, London Chamber of Commerce and Industry
Cllr Mike Fisher, LB Croydon (nominated by London Councils)
Cllr Clyde Loakes, LB Waltham Forest (nominated by London Councils)
Cllr Serge Lourie, LB Richmond-upon-Thames (nominated by London Councils)
Robert Heskett, Land Securities
Tony Pidgley, Berkeley Group
Nigel Keen, John Lewis Partnership
Peter Eversden, London Forum of Amenity and Civic Societies
Corinne Swain, Arup

Professor Ian Gordon, London School of Economics
Peter Rogers/Peter Bishop, London Development Agency
Peter Hendy/Michele Dix, Transport for London

Secretariat: John Lett, Rob Coward, Hannah Phillips (GLA), Peter Wright (TfL).

## Terms of Reference

1.10 The Mayor set the Commission the following terms of reference:

"Identify the extent to which outer London has unrealised potential to contribute to London's economic success, identify the factors which are holding it back and recommend policies and proposals for the future development of outer London to the Mayor for inclusion in the London Plan and other GLA group strategies and guidance. These should include:

- Ways of encouraging employment growth in outer London.
- Ways of identifying, and supporting the development of economic growth hubs in outer London.
- The role of town centres and town centre based initiatives such as business improvement districts and town centre partnerships.
- The role that heritage and urban design issues might play.
- The links between housing, retail, office based and other types of employment and development in outer London.
- Links between economic success and improving quality of life in outer London, and ways of managing these effectively.
- Infrastructure and other supporting investment required to support economic growth in outer London.
- Methods of funding such infrastructure and investment.
- Identify issues that are presented by the relationship between outer, inner and central London.

1.11 The Commission was also requested to make general and place specific recommendations about implementing the policies and initiatives, including:

- Improving the current arrangements for sub- regional working.
- Encouraging more effective joint action by boroughs, the GLA Group, other public sector agencies and the private and not- for- profit sectors.
- Ways to make public, private and third sector partnerships to secure investment and development in outer London more effective.
- Establishing more effective communication with neighbouring regions to secure coordinated economic development of outer London and neighbouring parts of the wider metropolitan area.

OUTER LONDON COMMISSION

**Definition of Outer London:**

The definition of outer London used by the OLC was based on that used by the GLA in the initial preparation of the London Plan . It includes the following boroughs: Barking & Dagenham, Barnet, Bexley, Brent, Bromley, Croydon, Ealing, Enfield, Haringey, Harrow, Havering, Hillingdon, Hounslow, Kingston upon Thames, Merton, Newham, Redbridge, Richmond upon Thames, Sutton and Waltham Forest.

Compared to the GLA definition of outer London the ONS definition includes Greenwich but excludes Newham and Haringey. It should be noted that following the consultation undertaken by the OLC, in particular representation by Newham regarding the dominant characteristics of the borough, the definition of outer London changed to reclassify Newham as part of inner London (see Figure 1.3).

**Figure 1.3 Definition of outer London (as amended)**


Source: GLA


## This report

1.12 Following the "survey – analysis – plan" approach, this report is divided into sections as outlined below:

**Chapter 2:** "Survey" summarises key parts of the evidence gathered by the Commission and taken into account in its work. It briefly outlines the historic background to the development of the outer London economy and highlights elements of the

Commission's evidence base relating to its size and importance, its role in the wider London economy, its structure and geography. It also sets out information about outer London's workforce and its resources of land and investment

**Chapter 3:** "Analysis" draws on the evidence in the previous chapter to develop recommendations and proposals. It examines:

- The possible scale of economic growth in outer London
- The kinds of economic sectors that might support growth in the area
- The case for a hub-based approach to policy
- Ways of making the existing economic geography of outer London – town centres, strategic industrial locations, Opportunity/Intensification Areas etc. work better to support growth in outer London
- The importance of quality of life and environmental quality issues
- The question of linkages with neighbouring regions outside London and the "outer metropolitan area"
- Transport issues that will have to be addressed. : Existing policy approaches and drivers of economic success, including the historic approach of the London Plan and development of London, the current economic recession, additional analysis for transport and land use options and economic viability.

**Chapter 4:** "Plan"/Recommendations – sets out our final conclusions and recommendations:

This is followed by a list of key references used in preparing the report, together with a series of Annexes providing further information.

# Chapter 2: Survey

## Introduction

2.1 This chapter of the report seeks to briefly summarise the evidence which the Commission gathered or had access to. With such a complex and broad ranging array of material there is no single, simple methodology for presenting it. The pragmatic response has been to briefly describe the main sources of information used and then, to set the scene, sketch a potted history of outer London. This is followed by largely statistical outlines of the key issues considered by the Commission, broken down broadly by those which are 'demand side' (output, employment, businesses) and 'supply side' (population and workforce). In the world of planning (rather than economics) there can be considerable overlap between the two, but the distinction has been made to help the reader. This is complemented by sections on housing, transport, and 'quality of life' and, by way of synthesis, one which explores possible future trends in the outer London economy and another summarising what key stakeholders thought of its economic past and see for its future.

### Sources

2.2 The Commission was able to draw, and reach its own conclusions, on a wealth of published studies on London, some dealing with London as a whole but touching, sometimes in depth, on outer London e.g. Jerry White's opus on London in the 20th century[1]; others dealing with outer London as a geographic entity[2] and some dealing with specific themes[3]. Also important were broader studies, such as thematic analysis, for example that by Sir Peter Hall and Cathy Pain on 'polycentricity'[4] and that by the Solutions team[5] on sustainable development. The work of the 'London Group'[6] of academics was particularly illuminating.

2.3 Of more immediate interest were the reports by Robin Thompson[7] and the London Assembly[8] prepared to inform the 2008 edition of the Plan. These showed what had previously been addressed in this context (the Commission had no wish to reinvent the research wheel), and also what had not, or perhaps more pertinently, not in the way in which the Commission's brief was cast.

2.4 Where the Commission was able to add a new dimension was in engaging with the key stakeholders in the London economy to find out what they thought were the key opportunities and challenges it faced and how they might be addressed (see Chapter 1 of this report for methodology). The contributors to this process are noted in

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[1] White J. London in the 20th century. Vintage, 2008
[2] e.g. Saint A. London's suburbs. Merrell Holberton, English Heritage, 1999
[3] e.g. Buck Nick, Gordon I. Turbulence and Sedimentation in the London Labour Market, *in Gary Bridge , Sophie Watson*, *A Companion to the City, Blackwell Publishers, 2003*
[4]*Hall P, Pain K.* The Polycentric Metropolis: Learning from Mega-city Regions in Europe*, 2006*
[5] *Solutions* - Sustainability Of Land Use and Transport In outer Neighbourhoods, 2008. See http://www.suburbansolutions.ac.uk/
[6] *LSE London group* – see *http://www2.lse.ac.uk/researchAndExpertise/researchHome.aspx*
[7] Mayor of London. outer London: Issues for the London Plan. GLA 2007
[8] London Assembly Planning and Spatial Development Committee. Semi-Detached: Reconnecting London's Suburbs. GLA 2007

Annex 8 and their responses briefly summarised below. These, and, the evidence they submitted to the Commission, are available on the Commission's website[9].

2.5 The Commission sought to assess these views, and its own, through independent analysis. This work was undertaken in an iterative way, initially testing the propositions in its 'First Thoughts' paper[10]. This is set out in full as an annex to the present report because it shows 'where the Commission was coming from' when it began its work.

2.6 As it progressed the Commission sought to make the most effective use of integrated material being prepared to inform the draft Transport and Economic Development Strategies as well as the London Plan. Thus the Commission was able to influence and benefit from the results of large scale 'number crunching' exercises assessing long term trends in London's demography and economy as well as testing different approaches to transport investment.

2.7 However, it began its work by first evaluating the demographic, economic and investment assumptions which had underpinned the 2008 Plan, and moving on to assessment of emerging analysis, such as then new historic employment trends prepared by Cambridge Econometrics, Oxford Economics and Business Strategies Limited (Annex 3A) before exploring what were to become the 2009 London Plan base trends and projections[11] (Annex 3B). These are summarised in iterations of the Joint Strategies Evidence base[12].

2.8 GLA Economics[13] and the LDA[14] prepared a series of statistical analyses of some of the individual issues and areas identified by the Commission. They are raised below, together with the results of relevant 'one-off' studies, such as the London Office Policy Review[15] (which included a bespoke analysis of the outer London and Metropolitan Area office markets); the London Town Centres Health Check and retail need study[16],

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[9] OLC. The Mayor's outer London Commission Interim Conclusions July 2009 http://www.london.gov.uk/olc/questions/interim-conclusions.jsp.

[10] OLC Initial Questions for the Commission – see: http://www.london.gov.uk/olc/questions/initial-questions.jsp

[11] the final iteration of which is: Roger Tym & Partners. GLA Employment Time Series. Technical Report. GLA, 2010

[12] GLA. Economic Evidence Base GLA, October 2009 http://www.london.gov.uk/publication/economic-evidence-base-october-2009-version.

[13] outer London Commission, GLA Economics. Working Paper 34: outer London - Economic Data and Statistics, GLA, March 2009 http://www.london.gov.uk/publication/working-paper-34-outer-london-%E2%80%93-economic-data-and-statistics

[14] Innovacion, LDA. Working Paper: Understanding the economy of outer London- Early Thoughts. LDA, 2009

Innovacion, LDA. Working Paer to Support the outer London Commission. Economic Profile of Key Locations in outer London. LDA, 2009

Innovacion, LDA. Working Paper to Support the outer London Commission. Sources of Endogenous Growth in outer London. A Case Study of South West London. LDA, 2009

Innovacion, LDA. Working Paper. Heathrow – International Gateway and Cluster of Transport Services. LDA, 2009

Innovacion/LDA. Working Paer to Support the outer London Commission. Data on key Locations in outer London (Potential Criteria for Hubs). LDA, 2009.

LDA, Innovacion. Working Paper. Economic Profile of Bexley. LDA, 2009

[15] Ramidus Consulting, Roger Tym & Partners. London Office Policy Review, GLA, 2009

[16] Mayor of London, 2009 London Town Centre Health Check Analysis Report, GLA 2009; Mayor of London: Consumer Expenditure and Comparison Goods Retail Floorspace Need in London, GLA 2009

the Strategic Housing Land Availability Assessment/Housing Capacity Study[17] and borough level sectoral refinements to the 2009 Plan's economic projections[18]. The Commission also reconsidered some of the evidence which underpinned the 2008 London Plan[19]. It was fortunate in being able to draw on the expertise of one of its members involved in preparing the most recent edition of the City of London's annual 'London's Place in the UK Economy' report[20], which includes a separate section on outer London.

2.9 In taking account of such a range of sources covering a long period, the Commission encountered a range of definitional issues, not least geographical. As far as possible, it conducted its analysis on the basis of the area of outer London defined in its brief (see Figure 1.1) – which inter alia contributed to its recommendation that Newham was more appropriately defined as an inner London borough (see Figure 1.3). Where this was not possible, the definitions used are noted in the text/footnotes.

**Outer London: historic context**

2.10 Outer London is a mixture of old and new. The capital's outward growth embraced ancient towns and villages – the first written record mentioning Croydon is an Anglo Saxon will dating from 962 and parts of Ealing have been occupied for at least 700 years. But other areas and much of the area's "connective tissue" is much more recent – most of suburban north west London was built in the years between the world wars, and photographs of the areas from the early thirties around new Underground stations in places like Edgware show small rural villages unrecognisable today. The term "connective tissue" is an apposite one; London's outward surge followed improvements in public transport and the construction of new infrastructure which made it possible to work in central London while living in places with many of the conveniences of urban living and the quality of life of more rural areas.

2.11 The administrative County of London established in 1889 covered the area roughly encompassed by Travelcard zones 1 and 2. The continuously built-up area extended a little further out into the areas around the docks to the east, Hackney and Hampstead to the north and Herne Hill to the south. Cheap workmen's rail fares helped the city spread to the north and east from the 1860s. The consolidation of previously privately-owned and competing tram networks by the London County Council between 1896 and 1906, and provision of services by local authorities like East Ham helped support further expansion. These are the suburbs marked by terraces of Victorian and Edwardian houses in places like Brixton, Tottenham and West Ham.

2.12 The greatest expansion, though, came in the period between the two world wars. This was when what is now north-west London was developed, seeing huge population growth (north-west Middlesex grew by 800,000 in this period) supported by

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[17] Mayor of London. The London Strategic Housing Land Availability Assessment and Housing Capacity Study 2009, GLA, 2009
[18] Roger Tym & Partners. London Employment Time Series, GLA, 2010
[19] GLA Economics. More residents, more jobs? The relationship between population, employment and accessibility in London. GLA, 2005.
Batty M. More residents, more jobs. The relationship between population, employment and accessibility in London. A review of the report from GLA Economics. GLA, 2007
URS. Industrial Land Release Benchmarks. GLA, 2007
[20] Ian Gordon, Tony Travers and Christine Whitehead, with Kathleen Scanlon: London's Place in the UK Economy 2009-10, City of London, 2009

new rail lines and services. Perhaps the best known example of this is the Metropolitan Railway, which established a development subsidiary to build houses in places like Harrow and Pinner.

2.13 The 1930s saw a range of new industries move to outer London where larger sites with easy access to the large and growing markets of the London area – for example Fords in Dagenham in the 1920s and Hoover building its iconic works on the Western Avenue. Outer London was not only a place where more and more people lived, but also a place where many worked and made things. By the 1950s, for example, Fords were producing around a quarter of a million vehicles each year at Dagenham and London as a whole accommodated a quarter of the country's manufacturing jobs, most in outer London. Particularly after the second world war, outer London experienced substantial growth in office based jobs, providing 'back offices' for central London's business and financial services, administrative and headquarters functions for firms which wanted a London location without central London costs, central government administrative functions, and some specialist activities such pharmaceuticals and the emerging IT sector.

2.14 Manufacturing in London started to decline in the early 1970s. In 1971, there were over a million manufacturing jobs in the capital, many of them in outer London. There are now 224,000, with the prospect of further decline to 89,000 by 2031[21]. The large factories in outer London closed as production was moved to other parts of the United Kingdom where larger, cheaper sites were available – or out of the country altogether. Exacerbated by technological and organisational change and government dispersal policy, a similar process also affected some of outer London's large post-war office occupiers.

2.15 However, at the same time new, more locally based jobs were being created in the service sectors like retail, leisure, personal and business services and the creative industries, especially to meet the local needs of an increasingly affluent population. The result is a hugely variegated one, with some parts of the area still coping with the consequences of the first shift to a post-industrial economy or with the first set of post-industrial changes as large scale office occupation contracted in the 1980s and 1990s, while others have seen traditional strengths in services reinforced and built upon as sectors change and new ones come forward. The remainder of this chapter seeks to map this variety.

[21] Annex 3B

OUTER LONDON COMMISSION

# Outer London economy: demand side

## How big is the outer London economy?

### Output

2.16 In workplace output terms, outer London accounted for a third (32.6% - £83,064 million) of London's £254,621 million economy in 2007[22]. While this was little more than half (54%) of that of the 'home counties' as a whole (Essex, Bedfordshire, Hertfordshire, Berkshire, Buckinghamshire, Surrey and Kent), its was substantially larger than any individual county e.g. Beds & Herts £36,310 million, Essex £28,349 million, Surrey £26,992 million, Kent £26,519 million). The outer West &North West ONS London sub-region accounted for 47% of the outer London total, with the outer East & North East contributing a further 27% and outer South 26%.

2.17 Between 1995 and 2007, outer London's workplace based output grew at a significantly slower rate (86%) than that of inner London (138%), with the outer E & NE (72%) and outer S (76%) growing more slowly than outer W and NW (101%). This rate of growth was also slower than that recorded for the 'home counties' as a whole (103%), and at individual county level only Buckinghamshire had a slower growth rate (79%).

2.18 It must be borne in mind that these are workplace not residence based measures of output. The high levels of out-commuting by outer London residents to inner London and, to a lesser extent, to the 'home counties' (see below) create a rather different pattern. A rough proxy for this distribution is provided by that for average resident household income in Fig 2.1, which shows the boroughs towards the west of outer London as part of a more extensive distribution of wealthier districts across the western parts of the outer Metropolitan Area, and conversely, the less affluent eastern boroughs as part of a similarly characterised area beyond London's boundaries, especially towards the south east. However, as more detailed analysis later in this report demonstrates, as an indication of the incomes of different types of household, this broad brush impression can be misleading: a finer appreciation shows a much more complex picture.

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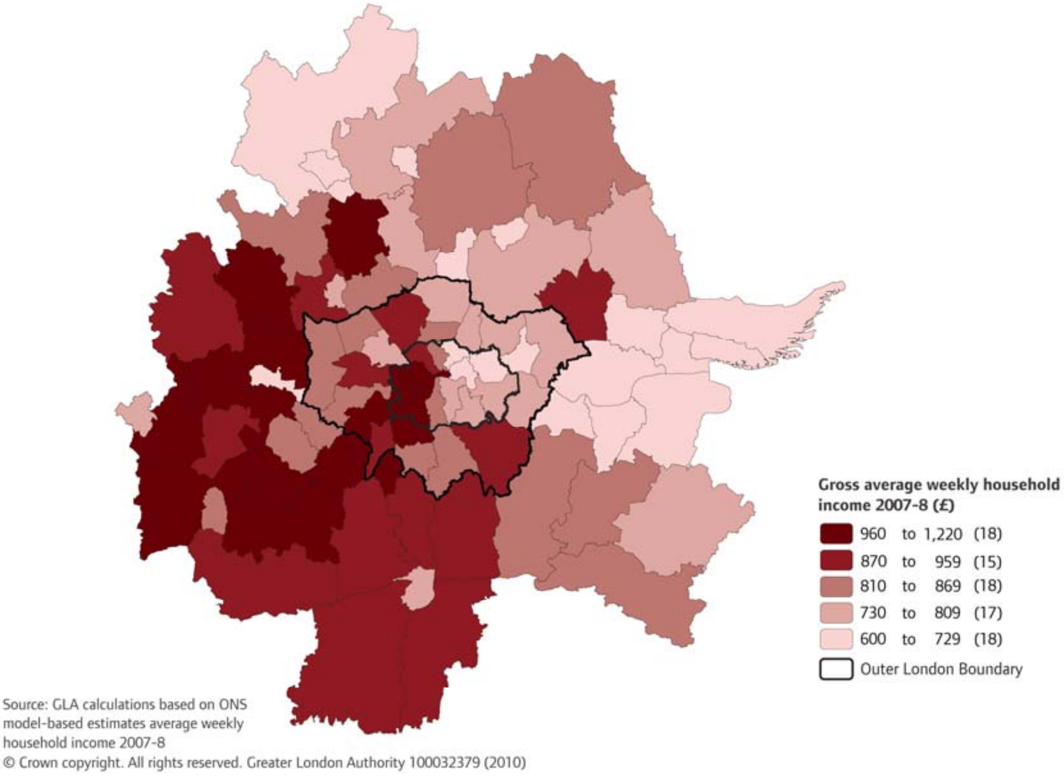
[22] ONS. Regional, sub-regional and local gross value added . ONS Statistical Bulletin, 2009 (workplace based).

**Fig 2.1 Gross average weekly household income 2007/8**




## Employment

2.19 In workplace employment terms, Annex 3B shows that outer London accounted for two fifths (42% - 1.97 million) of London's 4.67 million jobs in 2007. This was more than half (60%) of that of the 'home counties' as a whole (Essex, Bedfordshire, Hertfordshire, Berkshire, Buckinghamshire, Surrey and Kent), and was substantially larger than any individual county e.g. Kent 635,000, Essex 625,000, Surrey 506,000, Berkshire, 462,000)

2.20 Over time, employment growth in outer London has been relatively slow, but steady. This is in contrast to the more boom-to-bust cycle that characterises employment in inner London. In fact, employment has been largely steady across outer London for several decades, although employment growth over the two last economic cycles has been lower in outer London than in London as a whole.

2.21 Peak to peak across two economic cycles (1989 – 2001 and 2001 – 2007) outer London employment grew by an average 0.14% pa or 2,800 pa, compared with 0.46% pa in inner London[23] (5,100 pa) and 1.23% pa (36,000 pa) in the 'home counties'. More recently growth has been slower, with outer London employment growing by 0.17% or 3,200 pa 1989 – 2001 and 0.10% pa (1,900 pa) 2001 – 2007. This compares with 0.49% pa (5,300 pa) in inner London 1989 –2001 and 0.41% pa (4,600 pa) 2001 – 2007, and in the 'home counties' respectively 1.71% pa (50,000 pa) and 0.28% pa

[23] Excluding CAZ and the Isle of Dogs

(9,000 pa) over the same periods[24]. See Annex 3C for the 'home counties' employment figures 1989-2007.

**How is employment growth distributed?**

2.22 Figures 2.2 and 2.3 and Annex 3B show that over the two cycles spanning 1989 – 2007, outer London employment growth was far from homogeneous. At borough level:

- Five outer boroughs exceeded the pan-London total average growth for the period (8.9%) and the inner London average (8.6%): LB Hillingdon (50.6%); LB Richmond (41.0%); LB Barnet (18.4%); LB Haringey (13.5%) and LB Bromley (12.9%).

Of the remainder

- Four boroughs were above the outer London average (2.6%): LB Kingston (8.5%); LB Merton (7.4%); Redbridge (6.4%) and LB Harrow (6.3%).
- One borough was below the outer London average but had positive growth: LB Sutton (1.1%); and
- Nine outer boroughs had negative growth: LB Havering (-0.2%); LB Ealing (-4.9%); LB Bexley (-6.2%); LB Enfield (-6.4%); LB Brent (-11.0%); LB Croydon (-13.8%); LB Waltham Forest (-14.0%); LB Hounslow (-16.2%) and LB Barking & Dagenham (-27.1%).

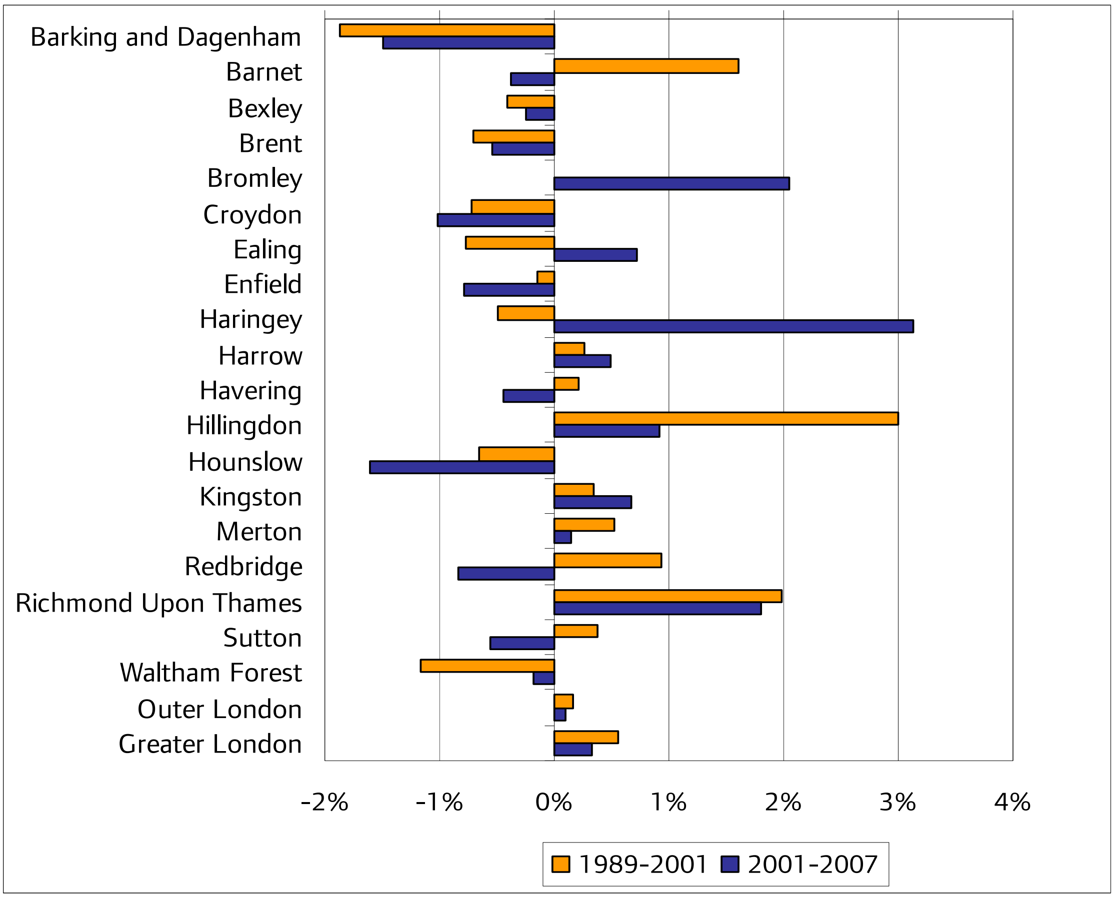
2.23 Analysis of annual average change in employment in Figures 2.2 and 2.3 shows that for outer London as a whole there was a slight difference in employment growth rates between the cycles, 0.17% pa 1989-2001, compared to 0.10% pa 2001-2007, compared to the inner London respective averages of 0.46% pa and 0.36% pa respectively.

2.24 In outer London, the pattern at borough level however reveals significant variations. Five boroughs in outer west and south London (Harrow, Hillingdon, Kingston, Merton and Richmond) experienced positive average annual employment growth across both cycles. Employment growth rates were particularly strong across the two cycles 1989-2001 and 2001-2007 in Hillingdon (3% pa and 0.9% pa respectively) and Richmond (2% pa and 1.8% pa respectively). Four boroughs (Barnet, Havering, Redbridge and Sutton) experienced positive annual average employment growth 1989-2001 but negative annual average employment growth in 2001-2007. Three boroughs (Bromley, Ealing and Haringey) experienced negative annual average employment growth 1989-2001 but strong positive annual average employment growth in 2001-2007. Seven boroughs (Barking & Dagenham, Bexley, Brent, Croydon, Enfield, Hounslow and Waltham Forest) experienced negative average annual employment growth across both cycles.

[24] Note that the data for the 'home counties' includes the relevant unitary authorities and comes from three sources (Census of Employment (1987-2001), Annual Employment Survey (1991-1998) and ABI (1998-2007). Comparability of these datasets over time is imperfect so the figures should be treated with caution.

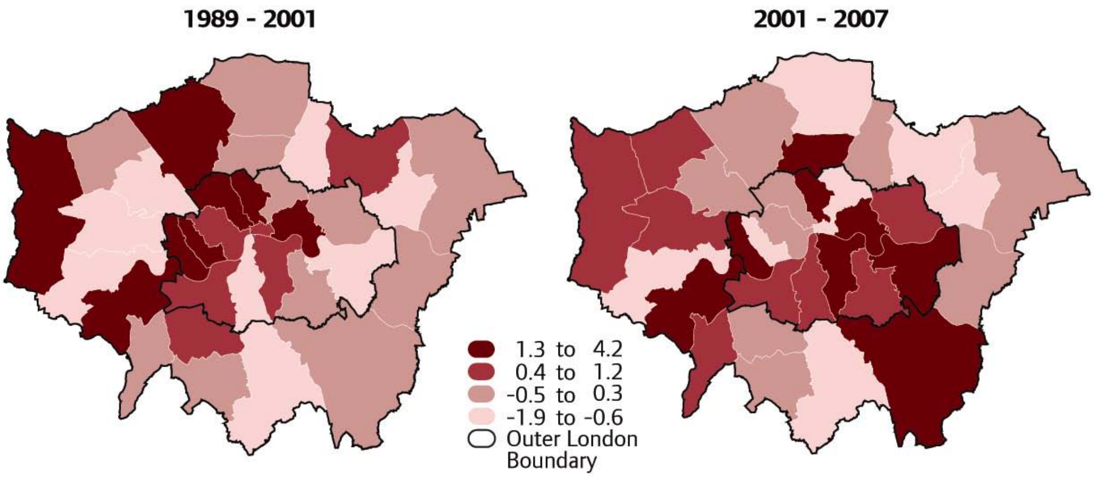
OUTER LONDON COMMISSION

**Figure 2.2 Average annual change in employment over economic cycles 1989-2001 and 2001 – 2007**




Source: Roger Tym & Partners, 2010

**Figure 2.3 Average annual % change in employment over economic cycles**




Source: Roger Tym & Partners 2009

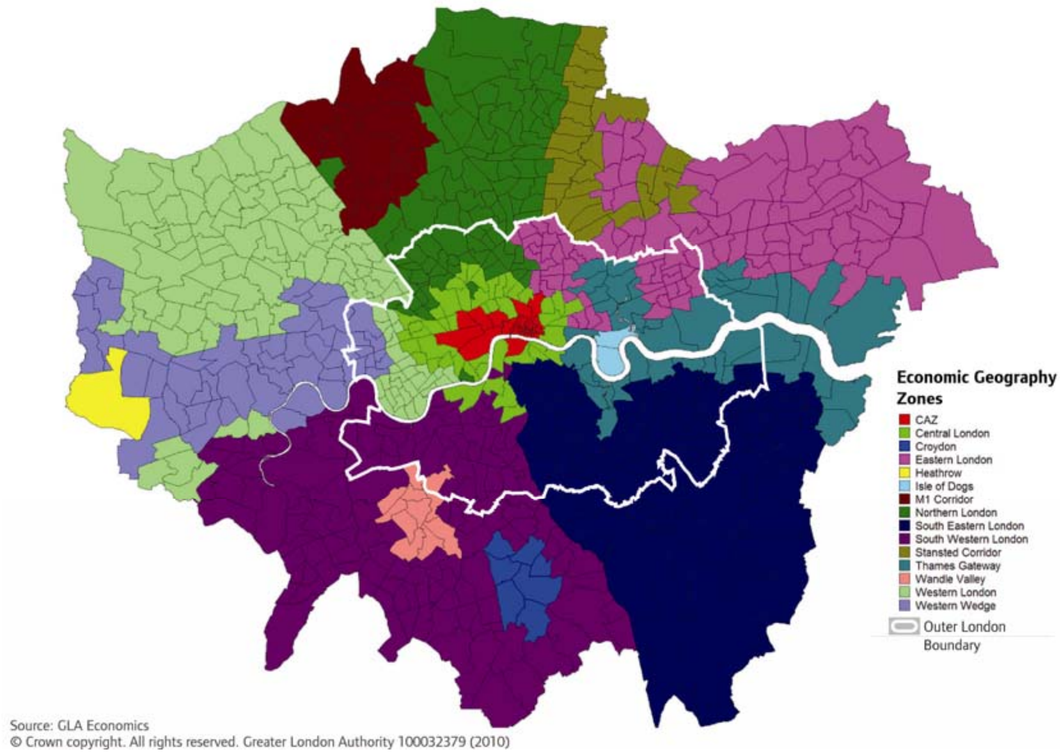


2.25 Figures 2.2 and 2.3 highlight this variation in employment growth. To some extent the variation in growth rates reflects the state of industries located in different boroughs. As noted below, some industries are concentrated in small geographies.

Barking & Dagenham has historically been an area associated with manufacturing, an industry that has been in decline for decades, whereas employment in Richmond is much more heavily concentrated in finance and other service industries. These industries have been growing rapidly in the last three decades.

2.26 Figures 2.4a and 2.4b show that Borough level analysis can distort appreciation of the distribution of growth. A finer grained approach to London's economic geography highlights what GLA Economics[25] call the 'pillars' of the outer London economy focused on Heathrow and Croydon, together with 'corridors' of development that offer potential for employment growth and 'wider urban areas'.

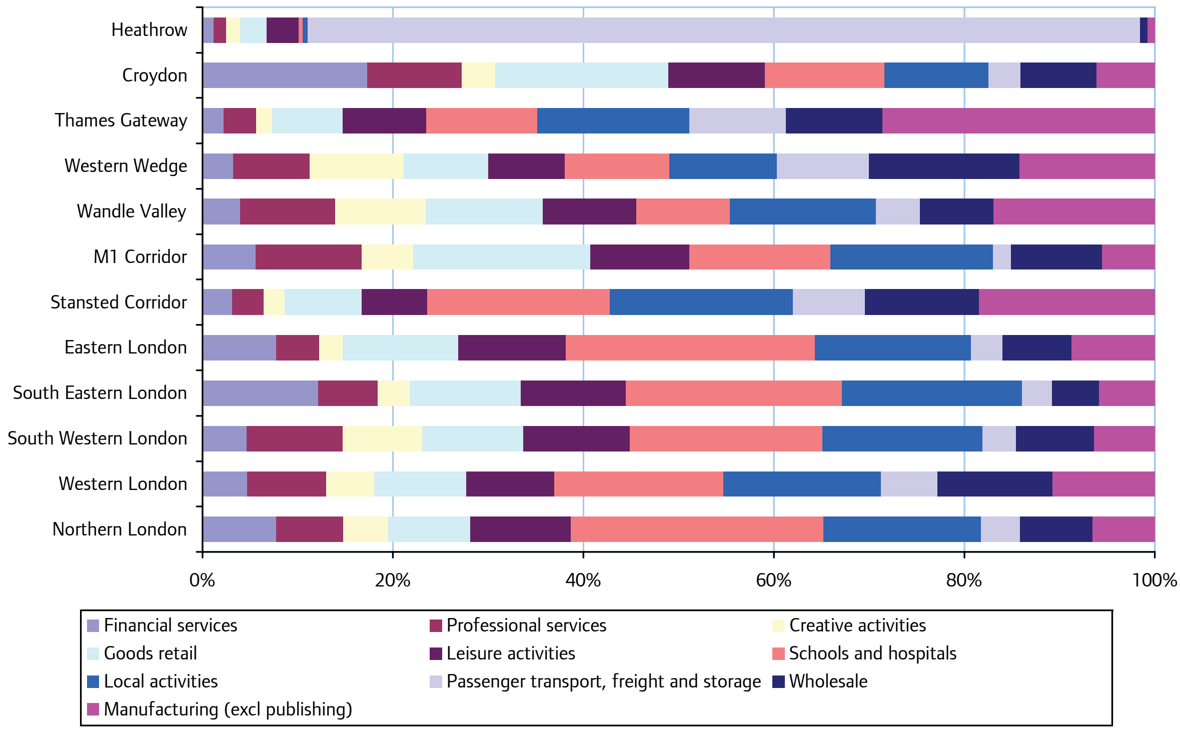
**Figure 2.4a London's Economic Geography**




[25] GLAEconomics. Our London, Our Future. Planning for London's Growth II. GLA, 2005

OUTER LONDON COMMISSION

**Figure 2.4b London's Economic Geography: shares of employment in key economic activities 2002**




Source: Annual Business Inquiry, GLA Economics. Based on ONS definition of outer London

2.27 Sectors shown in Figure 2.4b make up around 60 per cent of total employment in outer London (sectors including construction, hotels and parts of the public sector were not included in the analysis).

2.28 Heathrow is notably dominated by passenger transport, freight and storage activities, reflecting the position of the airport in the local economy. As a result, the area has very small shares of employment in local activities and in schools and hospitals – employment that can be viewed as serving the needs of the local community.

In comparison the outer urban areas generally have larger shares of employees engaged in local activities and in schools and hospitals (further details on this below).

2.29 Also of note are relatively large shares of Croydon's and south eastern London's employment in financial services. Amongst outer London areas, creative jobs are most predominant in the western and south western zones and wholesale activities provide large shares of employment in the western wedge. The data shows that the Thames Gateway area of outer London was most reliant on traditional manufacturing activities as of 2002.

2.30 The 2007 Annual Business Inquiry shows that the two largest outer London areas of employment in absolute terms are Croydon (with 92,000 employees) and Heathrow and its immediate surrounds (with 91,000 employees). To put this in context, the City of London (which is, in terms of land mass, less than a sixth of the size of

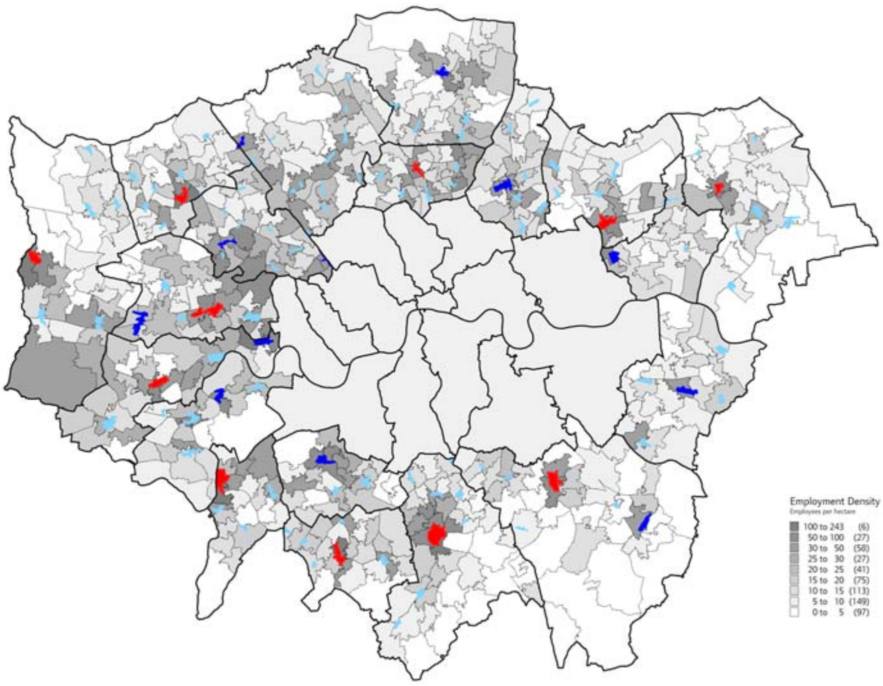
Croydon) accounts for over 300,000 employees (or just under a seventh of all the jobs in outer London). Other outer Metropolitan centres (as defined in the London Plan) with large clusters of employment include Uxbridge (around 35,000 employees), Bromley (27,000 employees) and Kingston (23,000 employees). Most other Metropolitan and Major centres in outer London have fewer than 20,000 employee jobs.

To test this distribution further, GLA Economics have undertaken more detailed spatial analysis:

**Employment in outer London town centres**

2.31 Employment density in outer London is far lower than in central London and so much of the geographic variation in density within outer London is hidden if it is examined as part of employment density across London as a whole (Figure 2.6). Figure 2.5 below therefore examines employment density in outer London only and so uses a scale that explicitly shows the finer variation in employment across outer London. If employment in outer London was only located in town centres this map would show a number of darker patches that correspond to town centres. But it does not. There are many areas of employment that are outside town centres and sometimes the number of people working here is quite substantial. In total, around 60 per cent of outer London employees work in town centres and about 40 per cent work outside these centres.

**Figure 2.5: Employment density in outer London by Middle Supper Output Area.** Town Centres are shaded in red and blue




Source: GLA Economics

2.32 Places where people work outside centres include industrial parks like Park Royal, the Thameside sites in East London, and sites in Enfield. Or they are smaller industrial sites, such as in New Addington. They include hospitals, for example in Bromley Common, or universities, like in Coombe Hill. And around Heathrow airport there are a number of industrial sites and office parks. Office parks are not uncommon in West London.

**Method**

2.33 This analysis was conducted using data from the Annual Business Inquiry at Middle Supper Output Area. This geography was used because there are over 900 MSOA, about 50 per cent more than wards. This helped increase the granularity of the analysis. MSOAs that contain any part of a town centre, including those that merely share a border, were assumed to be part of a town centre to allow for any instances where town centre boundaries follow retail patterns rather than class B uses as defined by DCLG (PPS4). All employment within these MSOAs was aggregated and assumed as 'town centre' employment. Any employment in the other MSOAs was not defined as town centre employment. This analysis did not attempt to estimate employment in individual town centres.

2.34 This is an important point for the Commission and perhaps one which runs counter to the perceptions of some of its consultees. Employment in outer London is not concentrated in a few small areas, but is actually spread widely across the region, with generally more people working in the western half. The Metropolitan Town Centres make up only a small amount of total employment *but* are significantly clusters relative to their surroundings. Together with the Major and District centres, the 119 town centres in outer London account for around 60 per cent of employment in outer London. The remaining 40 per cent is located outside these town centres, in industrial areas, business parks or in smaller local centres.

2.35 Employment in the town centres varies as much as across outer London as a whole. For example:

- Much of the employment in Croydon is split across three broad economic sectors. Financial and business services currently employ around 27,000. Public administration, education and health activities provide 25,000 jobs and the broad distribution, hotels and restaurants sector employs a further 21,000.
- In Uxbridge, public administration, education and health services account for around 10,500 jobs. The other largest sources of employment are the distribution, hotels and restaurants sector (just over 9,000 jobs) and business services (7,000 jobs).
- In Bromley, financial and business services accounts for 11,000 employees, with around half of these jobs in financial services. Distribution, hotels and restaurants account for almost 6,000 and only slightly less are in public administration, education and health.
- Finally, in Kingston, retail and wholesale is the largest sector of employment, providing around 7,000 jobs. Other economic activities in this area are public administration, education and health with 7,000 jobs and business services with around 4,000 jobs.

The GLA is advised to examine the types of work occurring in out of centre as well as these town centre locations and if possible to explore their relative growth rates.

**What are the key clusters of economic activity in outer London?**

2.36 While it is useful to examine the composition of employment in outer London this only compares areas against areas. It is also worthwhile to consider the location of employment within specific industries. By examining the location of specific industries it is possible to identify industrial clusters where significant numbers of employees within the industry are located. Some sectors benefit more than others by being located near to one another. These clusters may then continue to attract the same type of industry. Other sectors tend to locate together in areas where there is a natural advantage to them. For example, businesses moving large amounts of goods between cities may locate near a motorway because of the transport infrastructure usually, rather than because they benefit from being near one another.

2.37 It is possible to identify sectors that are significantly located within outer London. So even though employment in these may be small – causing the activity to 'disappear' when looking at borough-level data – a substantial proportion of it may be located there, as an sector cluster.

2.38 Data from the annual business inquiry shows that clusters of employees exist in outer London in a number of sectors. These range from manufacturing to insurance activities.[26]

2.39 West London is home to a number of industrial clusters, particularly in what is known as the 'western wedge' from Heathrow to central London. These include many 'creative' industries, including:

- Motion picture, video and television programme production, sound recording and music publishing activities;
- Programming and broadcasting activities; and
- Advertising and market research.

There are also a number of west London centres where Scientific Research and Development is concentrated.

2.40 It was noted above that many more people are employed in financial services in Croydon than in other parts of outer London. This is largely because of a significant cluster of insurance and reinsurance activities and a smaller cluster exists in nearby Bromley.

2.41 Notable clusters in manufacturing and warehousing employment exist elsewhere in outer London, particularly near transport infrastructure. Manufacturing is most prominent near Heathrow, Park Royal and in the Upper Lea Valley. Warehousing follows a similar pattern, with additional clusters near London City Airport, Croydon and along the Thames in East London. The Commission was mindful that employment is only one measure of economic activity. It did, for example, identify functionally important clusters of manufacturing related activity elsewhere e.g. at Biggin Hill and in south Kingston. The GLA and more local stakeholders could usefully work together to identify

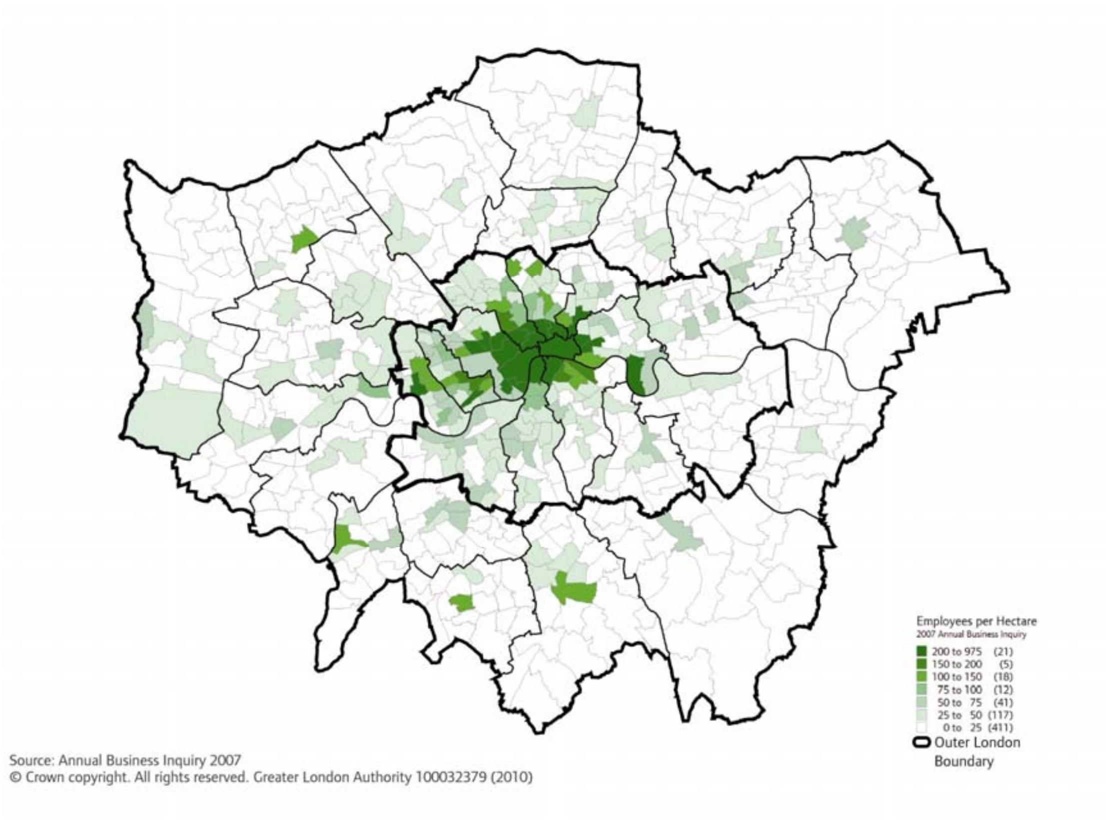
[26] This analysis was conducted using 2008 ABI data with the new industrial classification system introduced in 2007 (SIC 2007). This new classification breaks up the previous 'Business Services' classification into a number of component industries. It also removed publishing from the manufacturing class.

other such functionally important clusters, including those in other sectors such as leisure and culture.

**How does outer London relate to the wider metropolitan economy?**

2.42 Within London as a whole the accessibility and agglomeration advantages make the central Activities Zone the prime location for businesses and there is very high competition for space there. Indeed it is this competition for limited space that drives up land values and acts, alongside congestion and other diseconomies of spatial concentration, as a check on further concentration[27]. As in most cities, land prices are highest in the centre and generally decline with distance from the centre, reflecting the appeal of central locations when compared to peripheral ones. Firms that benefit most from agglomeration are most willing and able to pay for offices in central London and so the most productive jobs are located in the centre. This is reflected in both productivity and wages earned[28], as well as employment densities (see Figure 2.6)

**Figure 2.6 Employment density in London**



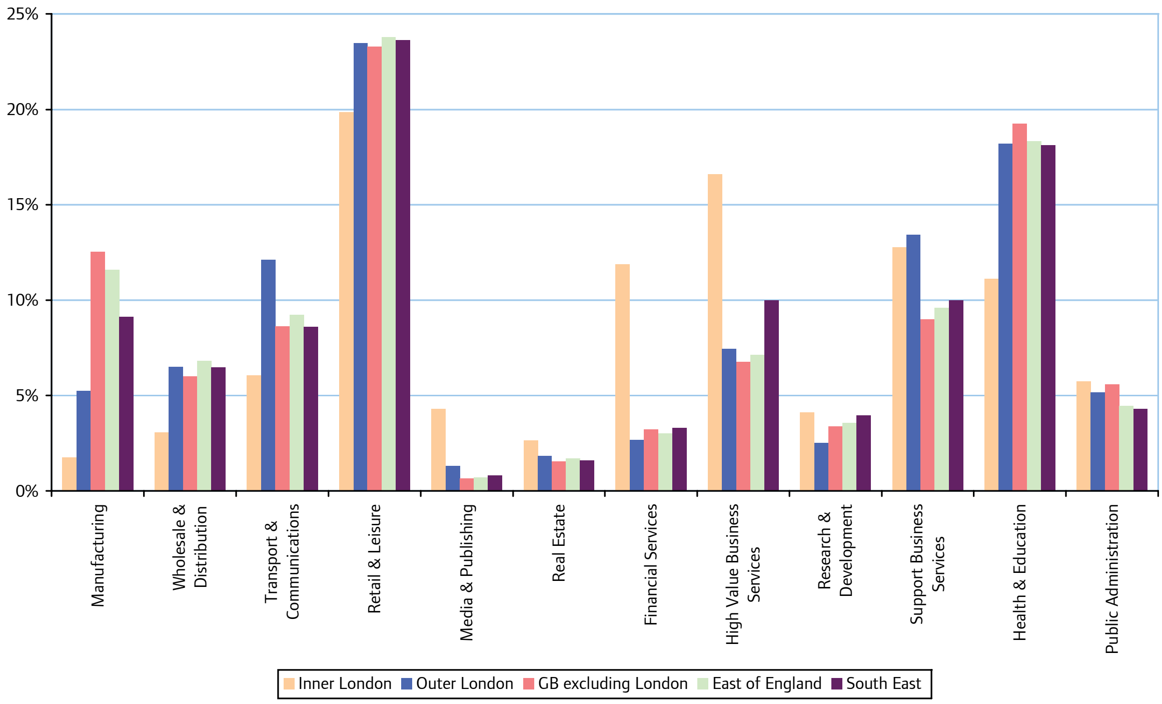

*Source: Annual Business Inquiry 2007*

[27] Krugman P, What's new about the new economic geography?, Oxford Review of Economic Policy, Vol 14, No.2.

[28] The Annual Survey of Hours and Earnings 2009: median gross earnings for all residents in London was £28,100; £30,000 for inner London residents and £27,000 for outer London residents. For only full-time employees the median across London is £31,900, with £33,400 in inner London and£31,200 in outer.

2.43 Where agglomeration benefits do not amount to enough to compensate for higher rents, for instance in activities that are more space intensive, firms locate elsewhere, either in outer London or other towns and cities in the wider region. By and large (but not exclusively) these businesses tend to be suppliers to other businesses, often those in the centre, and businesses serving local communities. The types of business that might provide a more supportive role to other businesses include those involved in catering, cleaning, logistics and security. To this end the proportion of jobs associated with serving the population (like retail or health and education for example) and jobs in what might be referred to as 'support business services' is higher in outer London than in inner London. As a result, the composition of the economy in the outer boroughs more closely resembles that of the rest of Great Britain than inner London, as shown in Figure 2.7. Health and education account for 18 per cent of jobs in outer London and 23 per cent of employment is in retail and leisure. This compares to only 11 and 20 per cent, respectively, of jobs in inner London. Businesses providing supplies or services to other businesses make up the third largest component of outer London's labour market.

**Figure 2.7 Industrial structures: comparative geography**



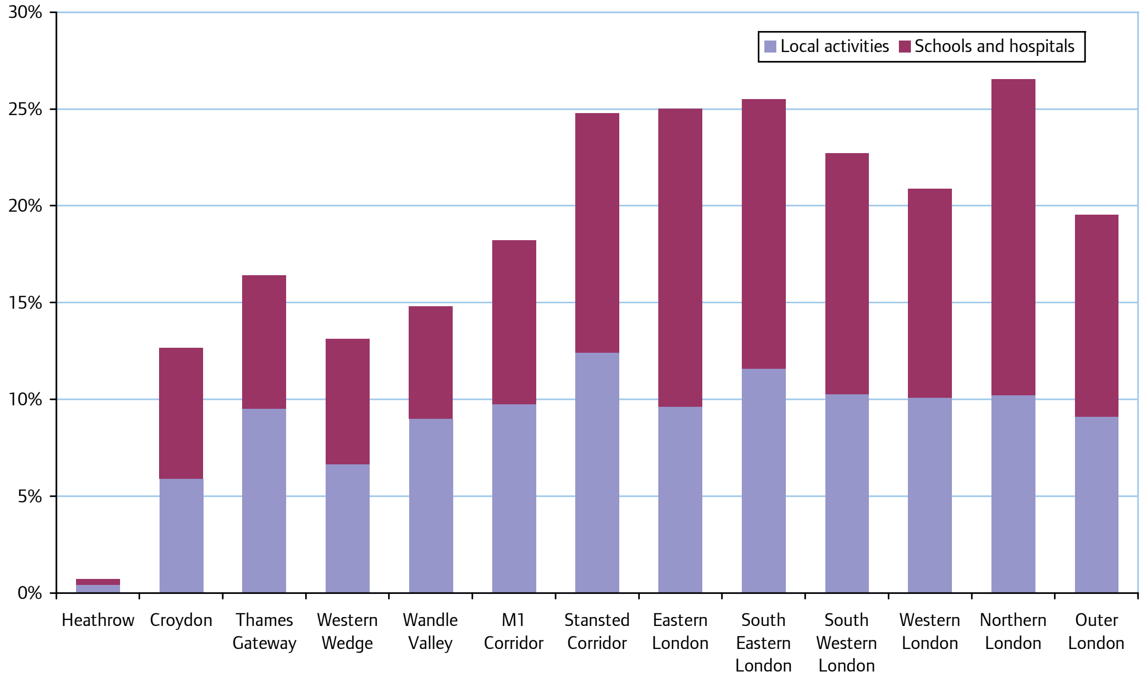

*Source: Annual Business Inquiry, 2007*

2.44 The analysis above underscores the importance of local services, both public and private, in driving the outer London economy. Figure 2.8 shows the shares of total employment in local activities and in schools and hospitals in the economic geography zones in outer London.

The Northern, Eastern and South Eastern outer urban areas typically have the highest proportions of their total employees in either local activities or schools and hospitals (around 25 per cent). Proportions of employees in schools and hospitals in Western and South Western areas are slightly lower in comparison.

2.45 Croydon and the outer areas of the remaining four corridors have shares of jobs in local activities and in schools and hospitals between 13 per cent and 18 per cent. These comparatively lower shares reflect greater levels of employment in other economic activities as shown in Figure 2.5.

**Figure 2.8: Shares of total employment in local activities and in schools and hospitals, GLA Economics geography zones (see Figure 2.6) 2002**




Source: Annual Business Inquiry, GLA Economics
Based on ONS definition of outer London

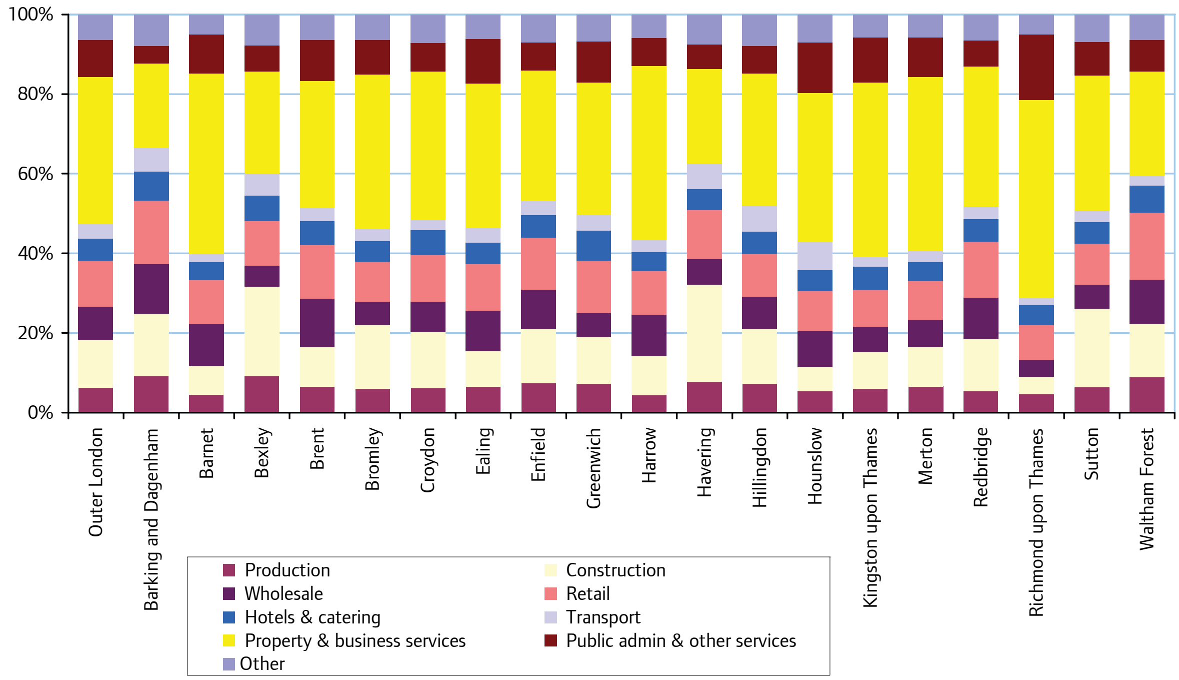
**What are the distinct features associated with outer London businesses and other employers?**

2.46 The nature of economic activity in outer London boroughs can also be gauged from the composition of firms in those boroughs. Figure 2.9 shows the proportions of firms in broad sectors defined by the ONS inter departmental business register (IDBR) for outer London boroughs.

2.47 Figure 2.9 shows that proportions of construction firms are highest in Havering (24.6 per cent) and Bexley (22.4 per cent). Meanwhile, Richmond upon Thames has the highest share of firms in the property and business services sector (49.9 per cent) followed by Barnet (45.1 per cent), Kingston upon Thames, Harrow and Merton.

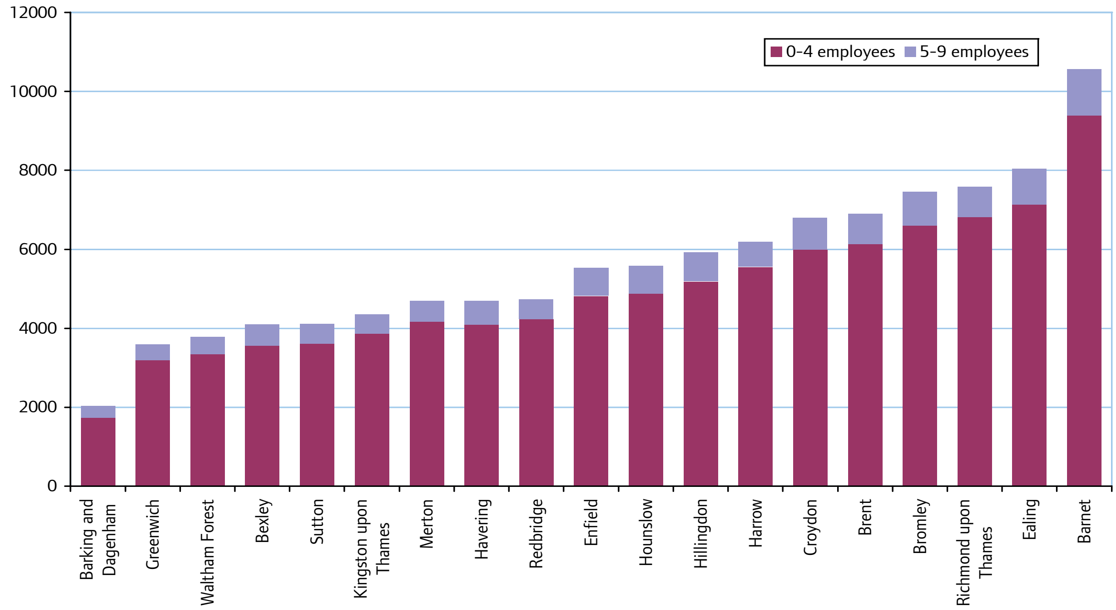
2.48 IDBR data also shows the prevalence of small firms in the outer boroughs. Figure 2.10 here is restricted to micro firms (those with less than 10 employees) because employment in these firms is most likely to be located close to their places of registration in outer boroughs (unlike employment in larger firms). Figure 2.10 shows that the largest number of micro firms are located in Barnet, Ealing and Richmond. Of all the outer boroughs the fewest number of firms with less than 10 employees are located in Barking and Dagenham.

**Figure 2.9: IDBR VAT registered enterprises by industry, outer London boroughs, 2007**




Source: DMAG Focus on London borough statistics, ONS
Based on ONS definition of outer London

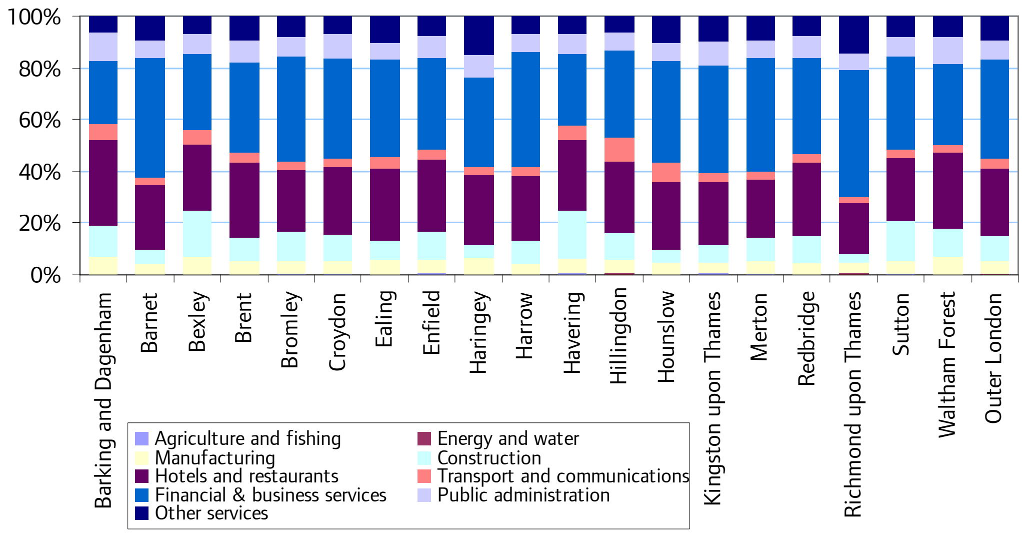
**Figure 2.10: IDBR VAT registered enterprises by employment size band, outer London boroughs, 2007**




Source: DMAG Focus on London borough statistics, ONS
Based on ONS definition of outer London

2.49 Figure 2.11 shows the break down of private businesses by broad industrial category in each of the outer London boroughs and makes clear the variation in employment type between the different boroughs, though even this masks very local differences. This analysis looks only at business units and so overstates the size of the private sector in outer London as public bodies like schools, hospitals and borough councils tend to employ large numbers of people.

**Figure 2.11: Business units in outer London by broad industrial group**




*Source: Annual Business Inquiry, 2007*

# Outer London economy: supply side issues

**What are the key demographic issues relevant to the Commission?**

**Historic trends**

2.50 While outer London currently contains 42% of the capital's jobs it is home to 60% of its 7.6 million residents. The historic demographic trends underpinning the present population/employment structure have a fundamental bearing on the issues and perceptions which the Commission was asked to address.

2.51 Figure 2.12 shows how outer London's historic role in accommodating the city's population has changed. While London's overall population declined from WWII until the mid 1980's, this contraction was concentrated in inner London, with outer London experiencing a mix of modest expansion or relatively lower rates of decline. The mid 80s was a cathartic time for London in demographic as well as political and economic terms. London's population began to stabilise and then expand but this process was focused on inner London, with generally lower rates of growth in outer London. As with employment growth, Table 2.1 shows that the pattern of population change was by no means even, with:

- no boroughs growing at the same or a higher rate than the inner London average (19.1%),
- eight boroughs growing above the outer London average (8.7%) – Hounslow 17.6%, Merton 17.3%, Haringey 16.3%, Redbridge 15.6%, Kingston upon Thames 15.5%, Richmond upon Thames 13.0%, Brent 12.1% and Enfield 11.0%,

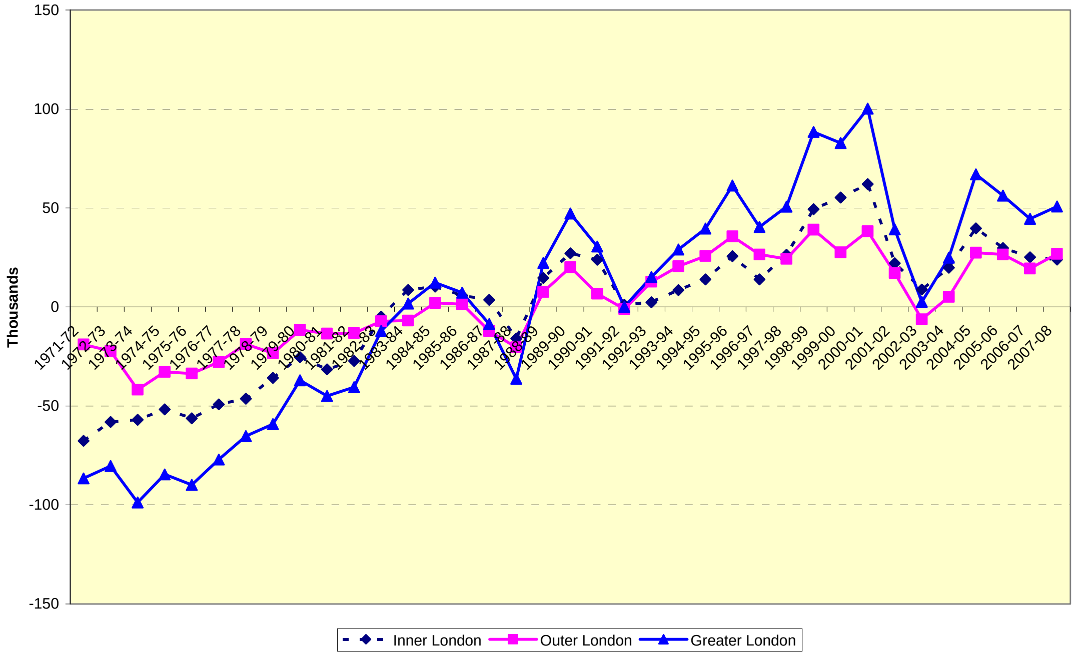
and

- eleven boroughs growing below the outer London average – Barnet 10.3%, Barking & Dagenham 8.9%, Hillingdon 8.3%, Ealing 8.2%, Sutton 8.1%, Croydon 6.2%, Harrow 5.7%, Waltham Forest 4.5%, Bromley 1.2%, Bexley 0.6% and Havering -3.8%.

2.52 The factors underpinning this pattern of change are complex and have implications for the economy of the wider city as well as that of outer London itself. On the one hand, the 2001 Census[1] showed that compared with inner London, outer London is still relatively strongly characterised by indicators of 'familism' and social stability. It has relatively fewer single person households, more economically active residents as well as those over retirement age, less over-crowding, better health and higher educational attainment (see below).

[1] GLA DMAG. 2001 Census Ward Atlas of London. Vols 1 & 2. GLA, 2006

Figure 2.12: Annual population change: inner, outer and Greater London: 1971-2008




2.53 However, outer London <u>is</u> changing. There is already a well established trend for migration of families and older people from outer London, especially to the home counties (from which the economically active may return to London to work). Conversely, the historic exodus of inner Londoners to outer looks set to continue, perhaps partially offset in the future by reverse migration of younger outer Londoners seeking more urban lifestyles closer to the centre. Fig 2.13 shows that the ethnic composition of outer London is also changing with particular growth in west, north and parts of east and south outer London. So too is its social status, with downward or static trends among the higher socio economic groups across most boroughs (Fig 2.14)

**Figure 2.13 Change in high socio-economic group (Social Occupation Class 1-3) 1991 - 2001**

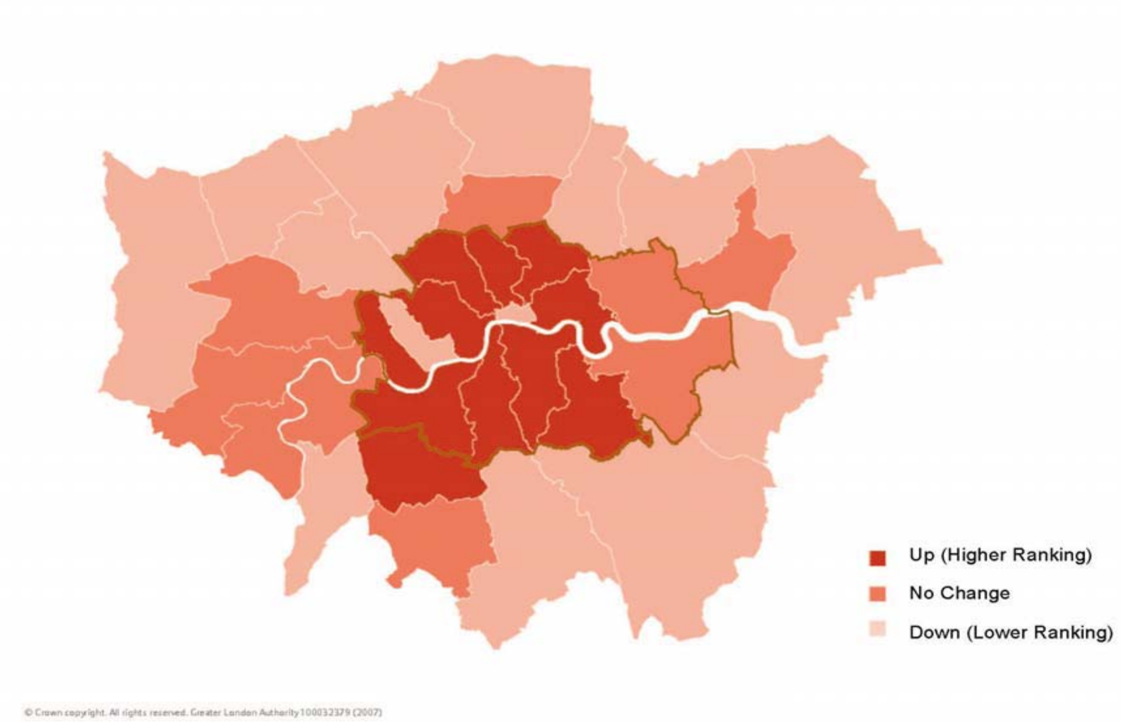
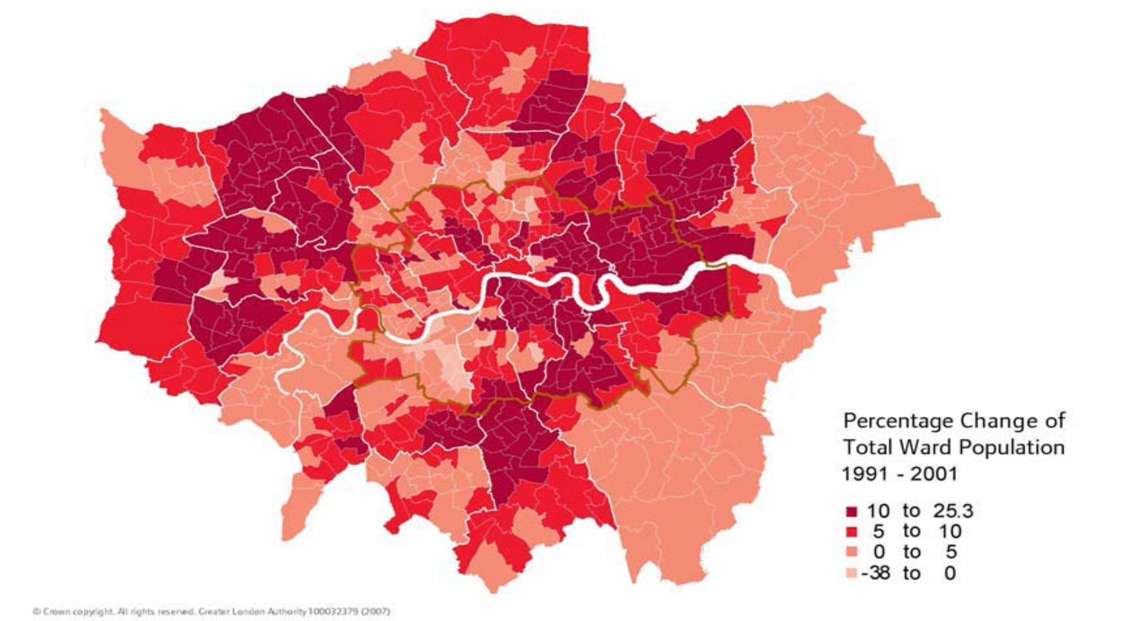



**Figure 2.14 Percentage change in ethnic minority population 1991 - 2001**




## Projected trends

2.54 Like London as a whole, Tables 2.1 and 2.2 show that the outer suburbs are projected to experience a substantial increase in both population and households in the period up to 2031. Outer London's population is expected to grow by 520,000 to over 5.1 million. On an annualised basis, this is significantly higher (23,000 pa) than that recorded in the previous 23 years (16,000 pa), but much lower than that projected for inner London (32,000 pa). Figure 2.15 shows this projected growth between 2011 and 2031on a ward by ward basis. The projected increase in household numbers (17.6%) is expected to be significantly less than in other parts of London, but will still produce a challenging increment of 330,000.

2.55 This is partly because the tendency towards small households will be slightly more pronounced here than in the rest of the capital. In the period to 2031, one person households are expected to comprise a greater component of growth in outer London (78%) than inner (59%) as the suburbs undergo some of the demographic changes which characterised inner London in earlier decades. While the numbers of married couples are expected to decline, numbers of co-habiting couples, lone parents and 'other adult' households are expected to increase.

Nevertheless, relative to inner London, growth in the younger age groups is expected to be less and in the older groups greater.

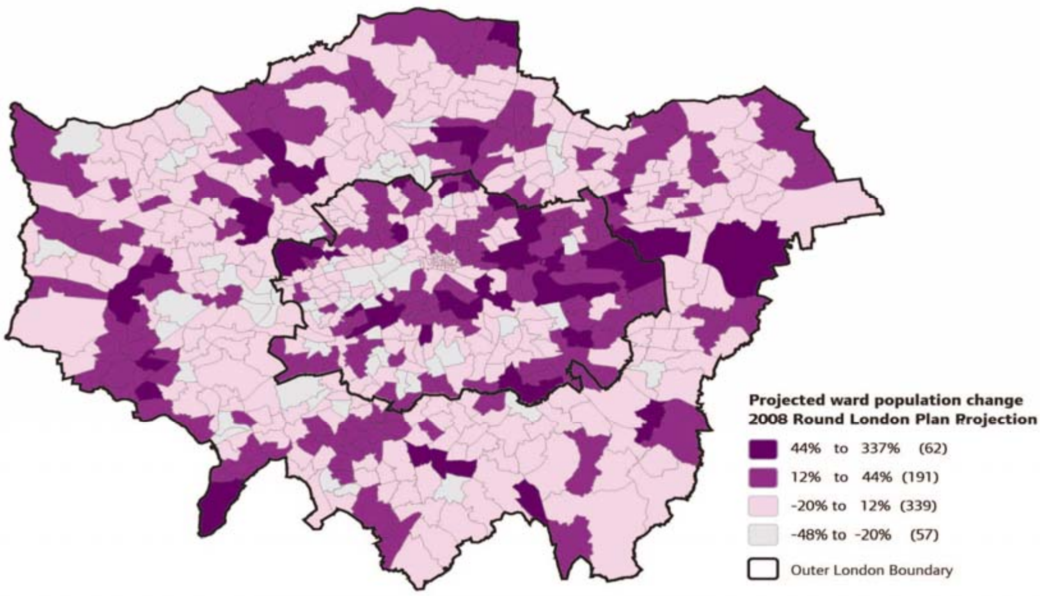
**Table 2.1: Outer London Population Change: 1985 – 2031**

| | 1985 | 2008 | 2031 | % Growth 1985-2008 | % Growth 2008-31 |
|---|---|---|---|---|---|
| **Barking and Dagenham** | 157.9 | 171.9 | 237.6 | 8.9 | **38.2** |
| **Barnet** | 294.7 | 324.9 | 414.5 | 10.3 | **27.6** |
| **Bexley** | 217.3 | 218.5 | 225.8 | 0.6 | 3.3 |
| **Brent** | 246.3 | 276.1 | 310.1 | **12.1** | **12.3** |
| **Bromley** | 296.9 | 300.5 | 315.4 | 1.2 | 4.9 |
| **Croydon** | 317.2 | 336.8 | 379.4 | 6.2 | **12.6** |
| **Ealing** | 290.5 | 314.3 | 347.4 | 8.2 | 10.5 |
| **Enfield** | 262.6 | 291.5 | 308.3 | **11.0** | 5.8 |
| **Haringey** | 201.2 | 234.0 | 273.8 | **16.3** | **17.0** |
| **Harrow** | 205.6 | 217.3 | 211.8 | 5.7 | -2.5 |
| **Havering** | 238.5 | 229.4 | 272.2 | -3.8 | **18.7** |
| **Hillingdon** | 232.6 | 251.9 | 280.1 | 8.3 | 11.2 |
| **Hounslow** | 195.6 | 230.0 | 254.0 | **17.6** | 10.5 |
| **Kingston upon Thames** | 132.5 | 153.1 | 165.8 | **15.5** | 8.3 |
| **Merton** | 166.7 | 195.6 | 200.7 | **17.3** | 2.6 |
| **Redbridge** | 217.9 | 252.0 | 285.0 | **15.6** | **13.1** |
| **Richmond upon Thames** | 162.4 | 183.6 | 195.3 | **13.0** | 6.4 |
| **Sutton** | 170.6 | 184.4 | 186.3 | 8.1 | 1.0 |
| **Waltham Forest** | 216.1 | 225.8 | 249.0 | 4.5 | 10.3 |
| | | | | | |
| **Inner London** | **2544.0** | **3030.6** | **3756.2** | **19.1** | **23.9** |
| **Outer London** | **4223.1** | **4591.5** | **5112.5** | **8.7** | **11.3** |
| | | | | | |
| **Greater London** | **6767.1** | **7622.2** | **8868.7** | **12.6** | **16.4** |

**Table 2.2: Outer London Household Change: 2008 – 2031**

| | 2008 | 2031 | % Growth 2008-31 |
|---|---|---|---|
| **Barking and Dagenham** | 71.5 | 103.9 | 45.3 |
| **Barnet** | 132.7 | 180.2 | 35.8 |
| **Bexley** | 92.1 | 99.3 | 7.8 |
| **Brent** | 106.0 | 129.8 | 22.4 |
| **Bromley** | 130.8 | 143.9 | 10.0 |
| **Croydon** | 145.2 | 176.4 | 21.5 |
| **Ealing** | 123.2 | 142.8 | 15.9 |
| **Enfield** | 117.6 | 130.0 | 10.6 |
| **Haringey** | 97.2 | 115.3 | 18.6 |
| **Harrow** | 85.0 | 93.9 | 10.4 |
| **Havering** | 95.6 | 121.9 | 27.5 |
| **Hillingdon** | 102.1 | 119.2 | 16.7 |
| **Hounslow** | 90.8 | 103.4 | 13.9 |
| **Kingston upon Thames** | 64.5 | 72.9 | 13.0 |
| **Merton** | 83.0 | 90.8 | 9.4 |
| **Redbridge** | 97.8 | 116.0 | 18.6 |
| **Richmond upon Thames** | 79.7 | 85.6 | 7.4 |
| **Sutton** | 79.9 | 85.4 | 6.8 |
| **Waltham Forest** | 94.1 | 111.4 | 18.4 |
| | | | |
| **Inner London** | **1345.3** | **1775.4** | **32.0** |
| **Outer London** | **1888.9** | **2221.9** | **17.6** |
| | | | |
| **Greater London** | **3234.2** | **3997.3** | **23.6** |

**Figure 2.15: Ward Level Population Change: 2011-31**



OUTER LONDON COMMISSION

2.56 These projections are based on recent trends and national assumptions in mortality and fertility, together with migration largely determined by housing development. While susceptible to policy, social and technology changes e.g. in terms of migration, social cohesion or medicine, and subject to continuous monitoring, they at present look deepset and are considered to provide a robust basis for planning London's future.

**Age**

2.57 The age of the resident population has particular implications for the economic concerns of the Commission, including the way these relate to quality of life through infrastructure provision. In 2006 outer London as a whole had larger shares of its population in the 45-64 and 65 and over age cohorts compared with inner London, although these shares were still lower than those for the wider UK (Table 2.3). Outer London also had slightly higher shares of residents 15 or under than inner London. However there was a significantly lower share of 25-44 year olds in outer London as a whole compared with inner London (almost a 10 per cent differential).

2.58 Comparing outer London boroughs, Havering had the largest share of its resident population in the 65+ age group (17.5 per cent), followed by Bromley (16.7 per cent) and Bexley (15.9 per cent). Meanwhile the highest shares of population 15 or under were in Barking and Dagenham (23.8 per cent), Redbridge (21.4 per cent) and Waltham Forest (21.0 per cent).

**Table 2.3: Resident Population mid-2006 by age groups**

Percentages

| | 0-15 | 16-24 | 25-44 | 45-64 | 65+ |
|---|---|---|---|---|---|
| Barking & Dagenham | 23.8% | 12.5% | 30.8% | 20.1% | 12.8% |
| Barnet | 20.2% | 10.8% | 32.9% | 22.2% | 13.8% |
| Bexley | 20.2% | 11.2% | 28.2% | 24.4% | 15.9% |
| Brent | 18.7% | 12.5% | 36.8% | 20.3% | 11.7% |
| Bromley | 19.7% | 9.7% | 29.4% | 24.6% | 16.7% |
| Croydon | 20.8% | 11.5% | 31.7% | 23.2% | 12.8% |
| Ealing | 18.8% | 11.7% | 37.4% | 20.8% | 11.3% |
| Enfield | 20.9% | 11.7% | 31.9% | 22.3% | 13.3% |
| Greenwich | 20.8% | 12.5% | 34.5% | 20.3% | 11.9% |
| Harrow | 19.5% | 11.7% | 31.2% | 23.5% | 14.2% |
| Havering | 19.1% | 11.0% | 26.6% | 25.8% | 17.5% |
| Hillingdon | 20.5% | 13.3% | 30.5% | 22.3% | 13.5% |
| Hounslow | 19.5% | 12.3% | 36.2% | 21.0% | 10.9% |
| Kingston upon Thames | 18.0% | 13.1% | 34.3% | 22.3% | 12.2% |
| Merton | 18.3% | 10.5% | 38.6% | 20.6% | 12.0% |
| Redbridge | 21.4% | 11.7% | 31.4% | 22.5% | 12.9% |
| Richmond upon Thames | 19.4% | 9.0% | 34.8% | 24.1% | 12.7% |
| Sutton | 20.0% | 10.4% | 32.4% | 23.2% | 14.0% |
| Waltham Forest | 21.0% | 12.2% | 36.1% | 19.8% | 10.9% |
| | | | | | |
| Inner London | 18.0% | 12.5% | 42.2% | 17.8% | 9.5% |
| Outer London | 20.0% | 11.5% | 32.9% | 22.3% | 13.3% |
| London | 19.2% | 11.9% | 36.6% | 20.5% | 11.8% |
| United Kingdom | 19.0% | 11.9% | 28.3% | 24.7% | 16.0% |

Source: DMAG Focus on London 2008, ONS; Based on ONS definition of outer London

## Density

2.59 Also of relevance to the Commission is the density of outer London's population which affects not just the nature of market areas but also bears on the economics of infrastructure provision. Table 2.4 shows population densities for outer London boroughs and inner London (based on ONS definitions) in 2006. The most densely populated outer boroughs were Brent (6,277 per $km^2$), Waltham Forest (5,712 per $km^2$) and Ealing (5,517 per $km^2$).

The sparsest populations were in the outer boroughs of Bromley (1,992 per $km^2$), Havering (2,025 per $km^2$) and Hillingdon (2,161 per $km^2$). Population density in outer London as a whole was almost a third of that recorded for inner London.

**Table 2.4: Population density, mid-2006**

| | Area (Km2) | Population (thousands) | Density (Pop/$km^2$) |
|---|---|---|---|
| Barking & Dagenham | 36 | 165.7 | 4,591 |
| Barnet | 87 | 328.6 | 3,788 |
| Bexley | 61 | 221.6 | 3,659 |
| Brent | 43 | 271.4 | 6,277 |
| Bromley | 150 | 299.1 | 1,992 |
| Croydon | 87 | 337.0 | 3,895 |
| Ealing | 56 | 306.4 | 5,517 |
| Enfield | 81 | 285.3 | 3,529 |
| Greenwich | 47 | 222.6 | 4,702 |
| Harrow | 50 | 214.6 | 4,251 |
| Havering | 112 | 227.3 | 2,025 |
| Hillingdon | 116 | 250.0 | 2,161 |
| Hounslow | 56 | 218.6 | 3,904 |
| Kingston upon Thames | 37 | 155.9 | 4,186 |
| Merton | 38 | 197.7 | 5,257 |
| Redbridge | 56 | 251.9 | 4,466 |
| Richmond upon Thames | 57 | 179.5 | 3,127 |
| Sutton | 44 | 184.4 | 4,206 |
| Waltham Forest | 39 | 221.7 | 5,712 |
| | | | |
| Inner London | 319 | 2,972.9 | 9,311 |
| Outer London | 1253 | 4,539.4 | 3,624 |
| | | | |
| London | 1572 | 7,512.4 | 4,779 |

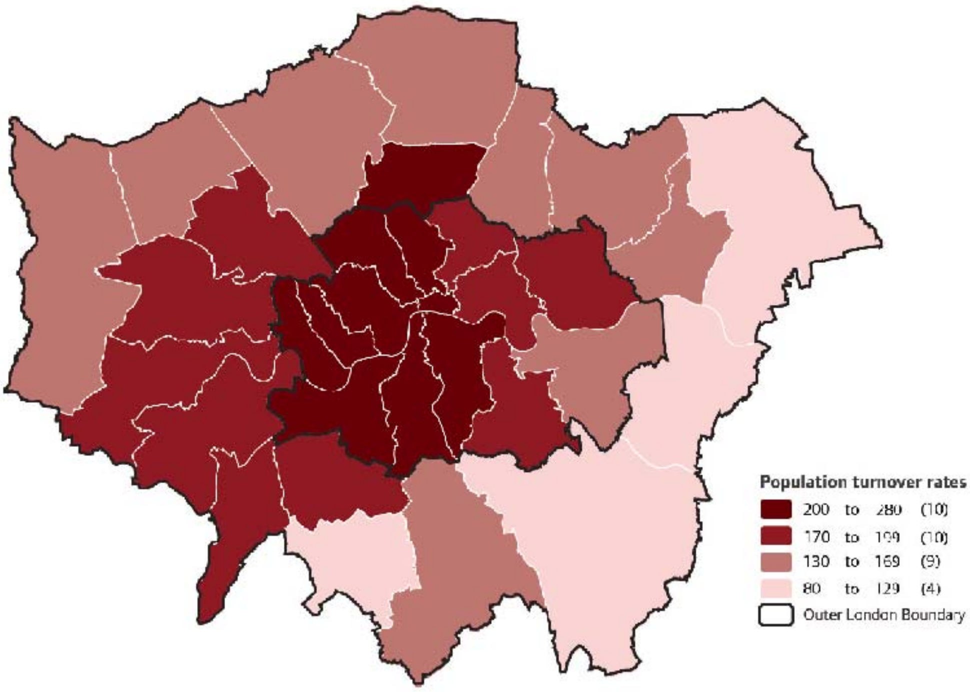
Source: DMAG Focus on London 2008, ONS
Based on ONS definition of outer London

## Population 'churn'

2.60 Population turnover or 'churn' is also of relevance to the Commission. Turnover is measured as the population inflow plus outflow excluding within-borough moves. Flows include both migration within the UK and international flows (Figure 2.16).

2.61 Highest turnover rates amongst the outer boroughs are in those to the south and west of London, namely Merton, Kingston upon Thames, Richmond upon Thames, Hounslow, Ealing and Brent. The lowest rates of population churn over the 2001-2006 period were in the outer London boroughs of Sutton, Bromley, Bexley and Havering.

**Figure 2.16 Average population turn over rates 2001 - 2006**



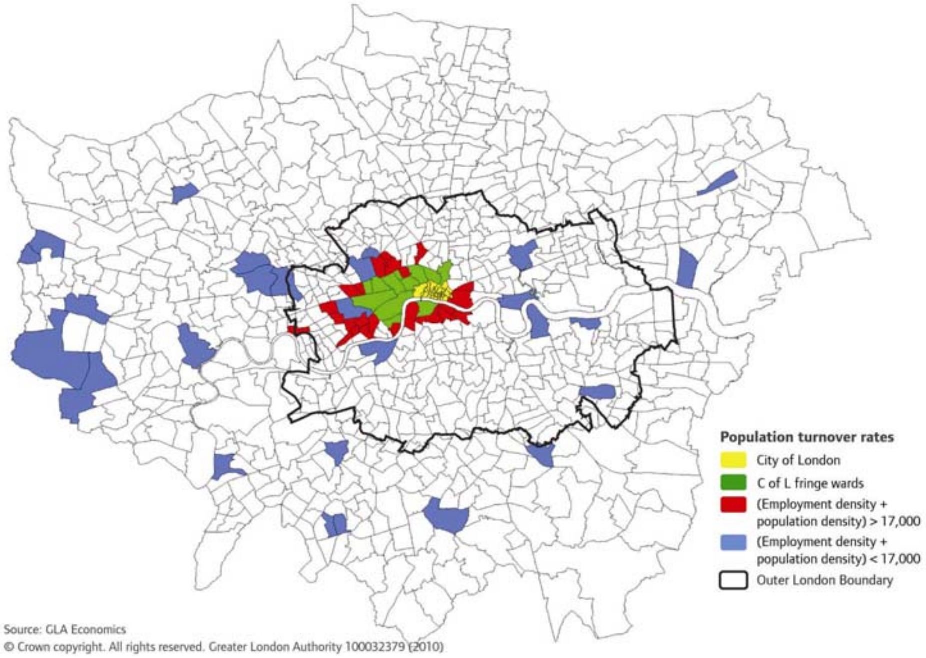

Source: DMAG focus on London 208, ONS

## What are the characteristics of the outer London workforce?

2.62 The relationship between numbers of residents and the numbers of jobs in outer London bears on the Commission's remit. GLA Economics have assessed this using 2001 employment and population density data[2]. Results displayed in Figure 2.17 show wards where the ratio of employment to population density is greater than unity.

2.63 While areas with the highest ratios of employment to population density are focused in the centre of London, reflecting an agglomeration of business activities in the centre and commuting to central areas, the blue wards coinciding with Metropolitan town centres and other major employment foci e.g. Heathrow also have high ratios. Despite having lower accessibility these outer London areas maintain high relative levels of employment, presumably sustained to a greater extent by the local resident populations.

**Figure 2.17: Areas of London with employment to population density ratio > 1**
Yellow = City of London; Green = City of London fringe wards; Red = (employment density + population density) > 17,000; Blue = (employment density + population density) < 17,000




2.64 When the population: employment relationship is presented at borough level (Table 2.4), Hillingdon (including its airport related employment) emerges with the highest ratio, with slightly more than 4 jobs for every 3 residents. Kingston is the only other outer borough where the number of jobs exceeds the resident population.

[2] More residents, more jobs? The relationship between population, employment and accessibility in London, GLA Economics, January 2005.

2.65 Boroughs with the lowest jobs density ratios are Waltham Forest (0.55), Barking and Dagenham (0.57) and Redbridge (0.58). These low ratios are likely to reflect both commuting and workless individuals living in the borough (both of which are covered by analysis below).

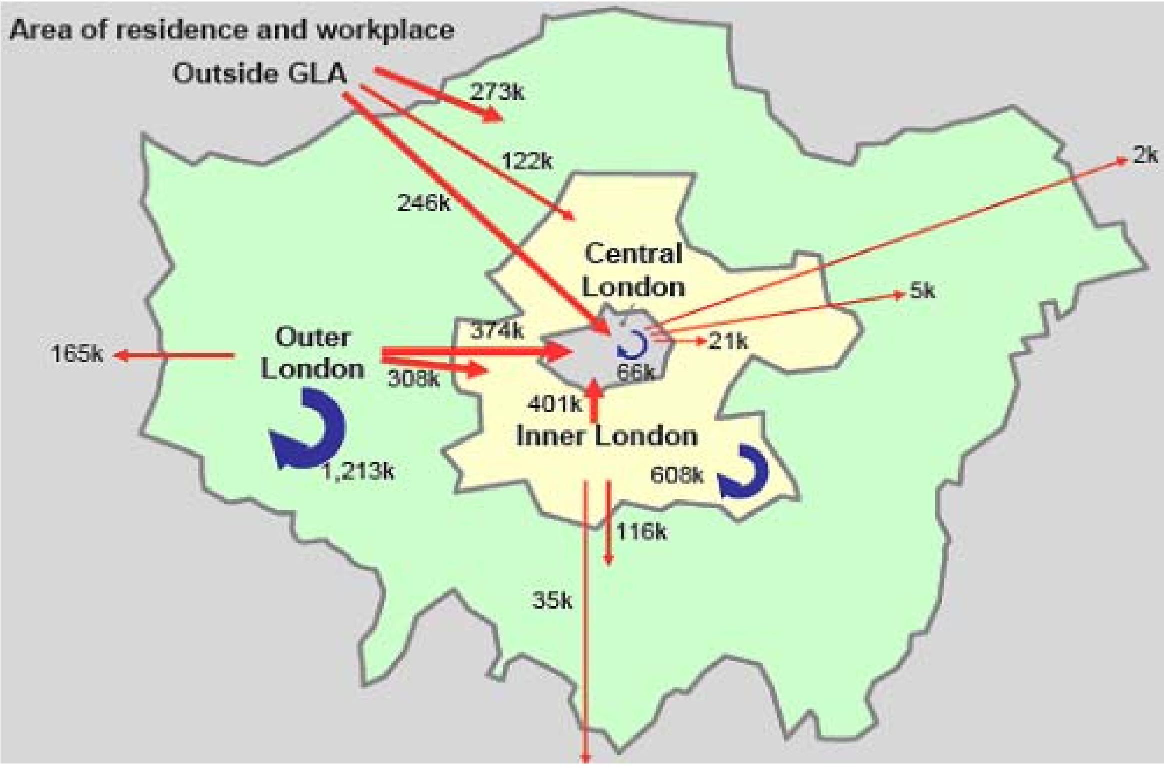
**Table 2.4: Jobs density in outer London boroughs, working age, 2006**

| | |
|---|---|
| Barking and Dagenham | 0.57 |
| Barnet | 0.82 |
| Bexley | 0.63 |
| Brent | 0.72 |
| Bromley | 0.80 |
| Croydon | 0.78 |
| Ealing | 0.76 |
| Enfield | 0.67 |
| Greenwich | 0.63 |
| Harrow | 0.74 |
| Havering | 0.74 |
| Hillingdon | 1.37 |
| Hounslow | 0.98 |
| Kingston upon Thames | 1.03 |
| Merton | 0.71 |
| Redbridge | 0.58 |
| Richmond upon Thames | 0.88 |
| Sutton | 0.69 |
| Waltham Forest | 0.55 |
| Greater London | 1.02 |
| United Kingdom | 0.88 |

Source: ONS
Based on ONS definition of outer London

2.66 Whilst residents outnumber jobs in all but a small number of outer London areas namely Heathrow and outer town centres Figure 2.18, showing absolute flows of workers, indicates that the majority of those who do work in outer London are also residents of outer London boroughs.

Figure 2.18: Flows of workers within, into and out of London

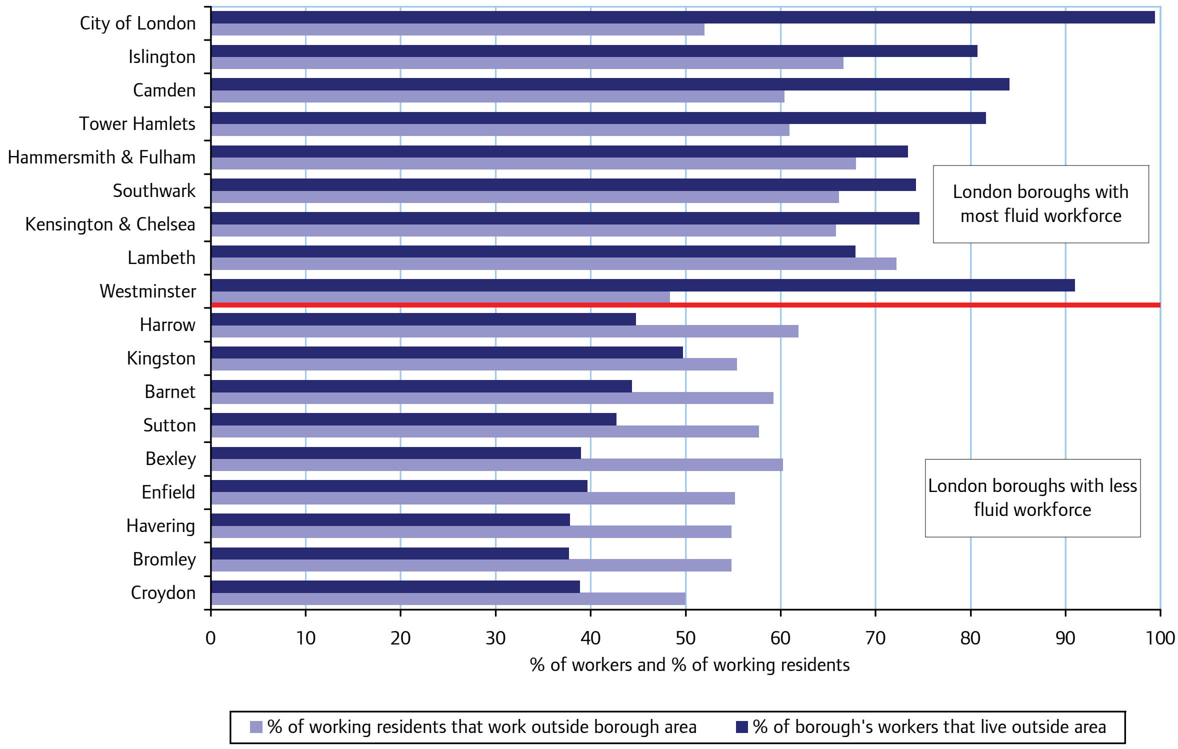



Source: Transport for London
Based on ONS definition of outer London

2.67 Figure 2.19 shows proportions of working residents that are employed outside of boroughs in which they live, and the proportions of each borough's workers that live outside that borough's boundaries.

2.68 The top section of the chart shows that in inner London boroughs receive large shares of workers from other areas (typically 70-90 per cent of the total workforce). In contrast, outer London Boroughs tend to be more "self contained" in so far as more of their local workforce is made up of local residents. However, even outer London boroughs depend significantly on non-resident workers – 39 per cent of Croydon's workers do not live in the borough, 50 per cent in Kingston. Hillingdon (not shown on this chart) sourced 63 per cent of its workers from outside of the borough. According to 2001 data Hillingdon was also the only borough in which less than half of working residents did not work outside of the borough boundary (reflecting employment opportunities offered by Heathrow).

**Figure 2.19: Fluidity of workforce by borough**




Source: Census 2001.

2.69 Aside from commuting to work, residents also travel for leisure and other purposes. Data from TfL's London Travel Demand Survey (LTDS) breaks down trips by purpose that are taken within and between outer London, inner London and central London. Results are shown in Table 2.5.

2.70 Table 2.5 shows that the largest total number of trips per day are taken within outer London (ONS definition used by TfL). The majority of these trips are taken for shopping or leisure purposes.

2.71 Around half of all trips between outer and central London are for commuting purposes. In comparison a lower share of trips between inner and outer London areas are for commuting, the largest share being for leisure purposes.

2.72 Additional data from the LTDS indicates that of all outer London boroughs (ONS definition) residents of Kingston upon Thames make the greatest number of trips per day on a per person basis, followed by those in Richmond upon Thames, Barnet and Bromley. Total distance travelled per person per day is highest for Bromley followed by Kingston, Havering and Richmond.

**Table 2.5: Trip purpose shares by origin-destination areas 2007/2008**

| | Trips per day (thousand) | Trip purpose | | | | | |
|---|---|---|---|---|---|---|---|
| | | Commuting | Other work | Education | Shopping/ personal business | Leisure | Other |
| Within central London | 742 | 20% | 8% | 2% | 32% | 32% | 6% |
| Within inner London | 4,478 | 11% | 5% | 9% | 35% | 26% | 14% |
| Between central and inner London | 1,247 | 33% | 11% | 7% | 23% | 20% | 6% |
| Within outer London | 8,757 | 12% | 4% | 9% | 34% | 25% | 16% |
| Between central and outer London | 719 | 51% | 15% | 3% | 11% | 17% | 3% |
| Between inner and outer London | 1,779 | 22% | 11% | 6% | 20% | 31% | 9% |
| Between Greater London and rest of GB | 690 | 16% | 17% | 3% | 17% | 40% | 7% |
| All areas | 18,410 | 16% | 6% | 8% | 31% | 26% | 13% |

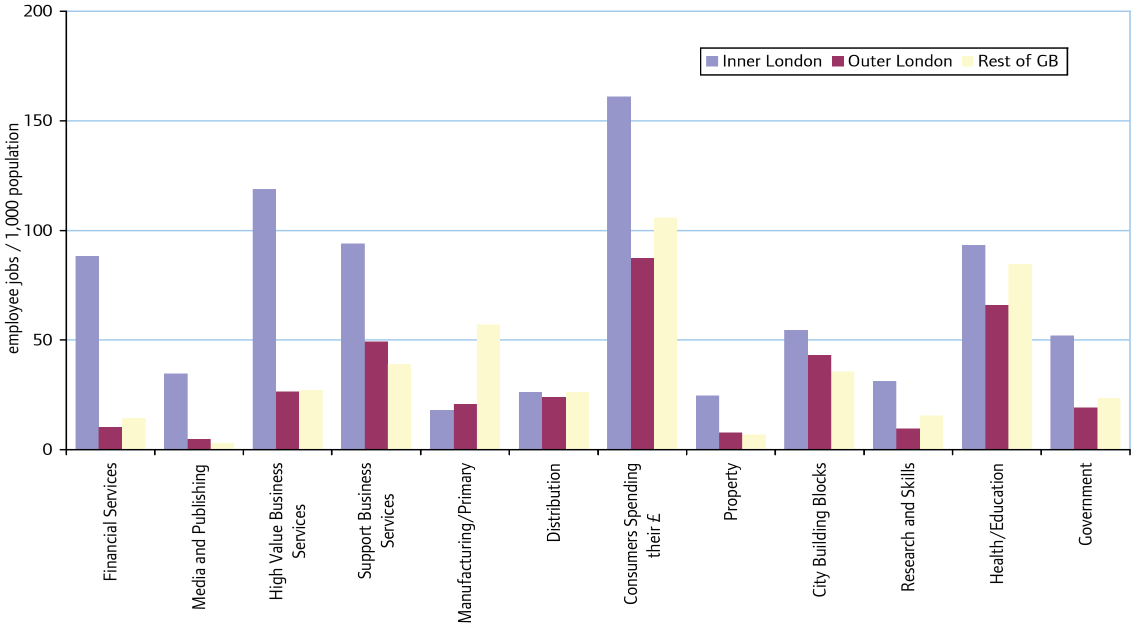
Source: TfL London Travel Demand Survey 2007/08
Based on ONS definition of outer London

2.73 The patterns of commuting for work and leisure shown in Figures 2.17 and 2.18 and Table 2.5 reflect the concentrations and occupational makeup of jobs in outer London and central areas. Residents of outer London boroughs commonly commute to work in agglomerated business and financial services in the CBD, leading to higher overall employment densities in the centre. Employment data in Figure 2.20[3] illustrate these patterns of employment in outer and inner London using a range of expenditure-based sectors. This categorisation differs from traditional industrial classification in that it aims to understand the role products and services play in the economy rather than simply categorising the output created. So, for instance, instead of classifying bars and catering as part of 'hotels and restaurants' they are split into 'consumers spending their money' (bars) and 'support business services' (catering).

[3] GLA Economics Working Paper 25: An expenditure-based approach to employment sectors in London, November 2007.

OUTER LONDON COMMISSION

**Figure 2.20: Employment in inner and outer London, expenditure-based sectors, 2005**




Source: GLA Economics
Based on ONS definition of outer London

2.74 In contrast to inner London, commerce in the outer London boroughs (with the exception of Heathrow) has proportionally greater focus on leisure, shopping and local activities required by local residents.

## Qualifications

2.75 School achievement provides a foundation for Londoners to succeed in the region's labour market, which employs a greater proportion of highly skilled people than other parts of the UK. Outer London has a 78% participation in post 16 education compared to 70% in inner London and 71% in England.

2.76 Figure 2.21 compares outer London (ONS definition) with inner London, London as a whole and England in terms of the average points score of candidates achieving Level 3 qualifications (A level or equivalent). The chart shows that the average score in outer London is higher than in inner London and just below the England average.

**Figure 2.21: Average point score by candidates achieving GCE/VCE A/AS and key skills at Level 3 qualification**


Source: GLA Economics from DfES
Based on ONS definition of outer London

2.77 Department for Children, Schools and Families (DCSF) data for 2006/07 show a similar out-performance of outer London over inner London in GCSE results, with the percentage of outer London pupils achieving 5+ GCSEs with A*-C grades higher than the England average.

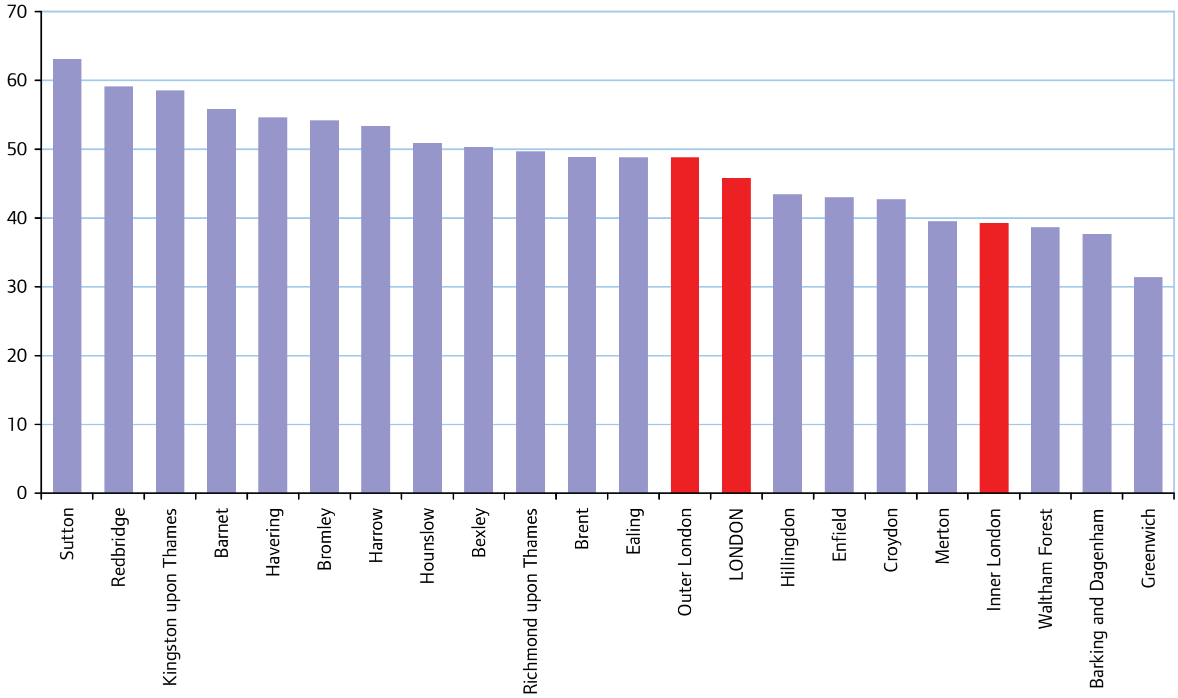
2.78 It is also possible to compare the performance of pupils across outer London boroughs. This is done in Figure 2.22, a chart modified from a previous GLA Economics report to focus on outer London areas (ONS definition of outer London used)[4].

2.79 Figure 2.22 shows that attainment at GCSE level is better than the London average across the majority of outer London boroughs with the top performing outer borough being Sutton in which 63.1 per cent of pupils achieved 5+ GCSEs with A*–C grades including English and Maths. Only three outer London boroughs posted weaker attainment than the inner London average, Waltham Forest (38.6 per cent), Barking and Dagenham (37.7 per cent) and Greenwich (31.4 per cent).

[4] Chart originally presented for all London boroughs in 'Globalisation, Skills and Employment: The London Story', GLA Economics, October 2007.

OUTER LONDON COMMISSION

**Figure 2.22: GCSE (5+ A*–C) attainment including English and Maths by London Borough 2005/06 (%)**




Source: GLA Economics from DfES
Based on ONS definition of outer London

2.80 Many pupils attend schools that are not maintained by the borough in which they live, commuting to other boroughs or outside of Greater London. This may reflect relative attractiveness or scarcity of schools relative to where a pupil lives or the ability of a pupil to travel. Table 2.6 provides details of the movements of secondary school pupils across boroughs and London's boundaries. Figures are for pupils attending maintained mainstream secondary schools, City Technology Colleges and Academies (not including those attending independent schools).

2.81 The table shows that some outer London boroughs are net importers of secondary school pupils relative to numbers of pupils in residence and other boroughs are net exporters of pupils. Overall the number of pupils attending secondary schools in outer London boroughs (ONS definition) is approximately 2,400 less than the number of pupils residing in those boroughs. The turnover ratio is a measure of the fluidity of pupils in the boroughs – the sum of inflows and outflows divided by resident pupils in the borough. Richmond and Sutton are the boroughs with the highest turnover of pupils and are also the biggest importers of pupils.

**Table 2.6: Destinations of secondary school pupils, outer London boroughs, 2007**

| | Pupils residing in borough | Outflows of pupils | | Inflows of pupils | | Net difference[1] | Pupils attending schools in borough | Turnover ratio[2] |
|---|---|---|---|---|---|---|---|---|
| | | to other boroughs | to outside of London | from other boroughs | from outside of London | | | |
| Richmond upon Thames | 5,809 | 1,400 | 205 | 2,666 | 108 | 1,169 | 6,978 | 0.75 |
| Sutton | 10,934 | 2,105 | 865 | 4,187 | 887 | 2,104 | 13,038 | 0.74 |
| Kingston upon Thames | 6,929 | 1,594 | 550 | 2,013 | 582 | 451 | 7,380 | 0.68 |
| Hounslow | 12,448 | 2,887 | 1,047 | 3,726 | 186 | -22 | 12,426 | 0.63 |
| Merton | 8,689 | 2,857 | 96 | 2,051 | 137 | -765 | 7,924 | 0.59 |
| Barnet | 15,625 | 3,115 | 479 | 4,040 | 315 | 761 | 16,386 | 0.51 |
| Brent | 14,493 | 3,769 | 74 | 3,180 | 334 | -329 | 14,164 | 0.51 |
| Greenwich | 13,187 | 3,778 | 112 | 2,744 | 47 | -1,099 | 12,088 | 0.51 |
| Bexley | 14,699 | 2,054 | 604 | 3,810 | 633 | 1,785 | 16,484 | 0.48 |
| Croydon | 19,807 | 4,648 | 956 | 3,536 | 323 | -1,745 | 18,062 | 0.48 |
| Harrow | 10,700 | 2,962 | 584 | 1,295 | 113 | -2,138 | 8,562 | 0.46 |
| Bromley | 16,228 | 2,555 | 656 | 3,888 | 276 | 953 | 17,181 | 0.45 |
| Havering | 14,881 | 1,800 | 1,107 | 2,336 | 909 | 338 | 15,219 | 0.41 |
| Redbridge | 15,975 | 2,240 | 945 | 2,428 | 578 | -179 | 15,796 | 0.39 |
| Hillingdon | 15,149 | 2,278 | 953 | 2,107 | 510 | -614 | 14,535 | 0.39 |
| Ealing | 15,473 | 3,417 | 207 | 1,804 | 32 | -1,788 | 13,685 | 0.35 |
| Enfield | 17,928 | 2,373 | 442 | 2,902 | 324 | 411 | 18,339 | 0.34 |
| Barking and Dagenham | 11,505 | 1,821 | 43 | 1,042 | 83 | -739 | 10,766 | 0.26 |
| Waltham Forest | 13,970 | 1,656 | 142 | 774 | 64 | -960 | 13,010 | 0.19 |
| Outer London | 254,429 | 49,309 | 10,067 | 50,529 | 6,441 | -2,406 | 252,023 | 0.46 |
| Inner London | 124,131 | 35,336 | 436 | 30,273 | 219 | -5,280 | 118,851 | 0.53 |
| Total London | 378,560 | 84,645 | 10,503 | 80,802 | 6,660 | -7,686 | 370,874 | 0.48 |

1 Positive figure indicates borough is a net importer of pupils. Negative figure indicates borough is a net exporter of pupils
2 Turnover ratio is the sum of inflows plus outlows of pupils divided by number of pupils residing in the borough
Source: DMAG Focus on London 2008, DCSF
Based on ONS definition of outer London

2.82 Table 2.6 does not include pupils attending independent schools. For 2007 DCSF data shows that the most pupils attending independent schools were in the boroughs of Richmond (3,529), Croydon (3,000), and Barnet (2,388). The fewest attendants of independent schools were in Bexley, Barking and Dagenham, and Havering.

**How extensive is worklessness and poverty in outer London?**

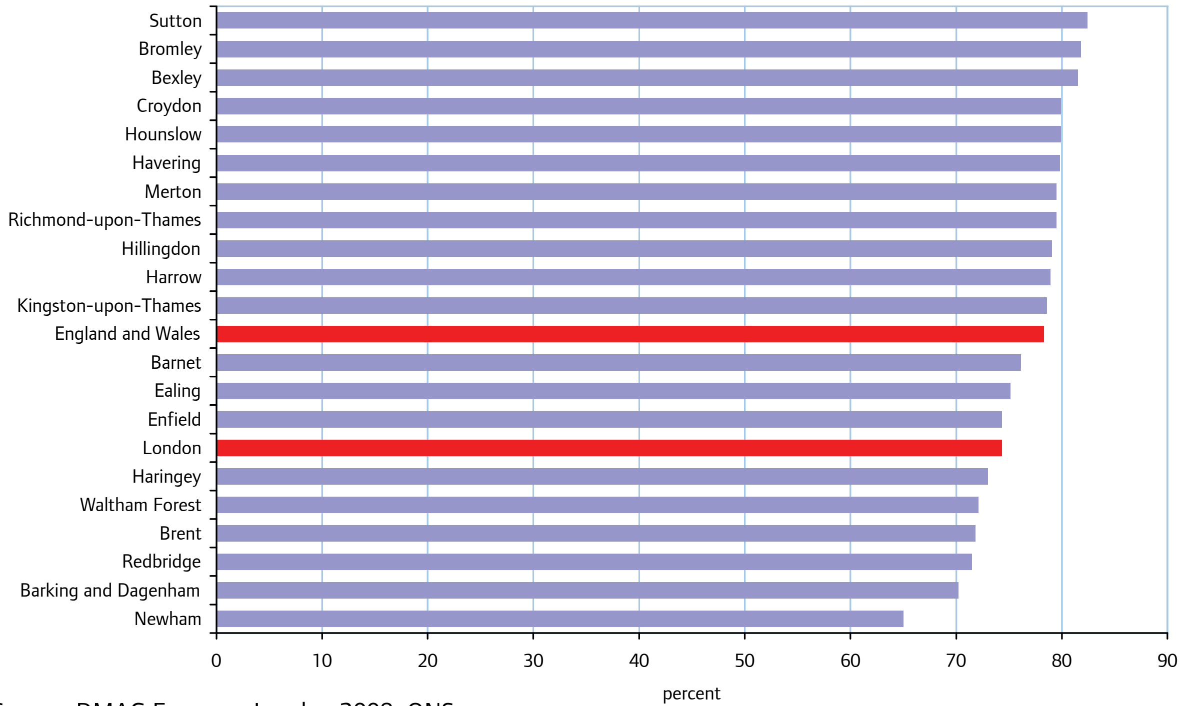
2.83 Worklessness and poverty are both influenced by whether people are supplying or wanting to supply their labour to produce goods and services – that is those in the population who are economically active. Economic activity rates for the outer London boroughs, London as a whole and England and Wales are shown in Figure 2.23.

2.84 The chart shows that in 11 of the outer London boroughs economic activity rates are above the average rate for England and Wales and the average outer London activity rate (77%) is above that of inner London (75%). However, Annex 4 shows that in broad terms, growth in the economically active population (10,900 persons pa 1991 – 2008) has outstripped historic employment growth (2,800 jobs pa 1989 - 2007) and is projected to do so in the future (average economically active population growth 2008 – 2031 is expected to be 8,900 pa while employment growth 2007 - 2031 is projected to be 6,000 pa). To set this in a wider perspective, the economically active population of London as a whole is projected to increase by an average of 26,000 people pa while employment in London is projected to increase by 32,000 pa 2007 – 2031[5].

2.85 This provides a fuller context for concerns expressed to the Commission over the perceived 'decline' of the outer London economy – while it is widely recognised that locally based employment is not growing as fast as in inner London (see above), this is not always balanced by an appreciation that local residents of working age are more likely to be in employment, partly because two fifths of them commute elsewhere. Thus policy must recognise the importance of commuting to outer London residents as well as the need to generate additional local employment.

2.86 However, it must also be borne in mind that in a number of outer boroughs clustered together in north eastern London there are far lower rates of economic activity – notably Newham (65.0 per cent), Barking and Dagenham (70.2 per cent) and Redbridge (71.5 per cent).

**Figure 2.23: Economic activity rates, working age, 2006**



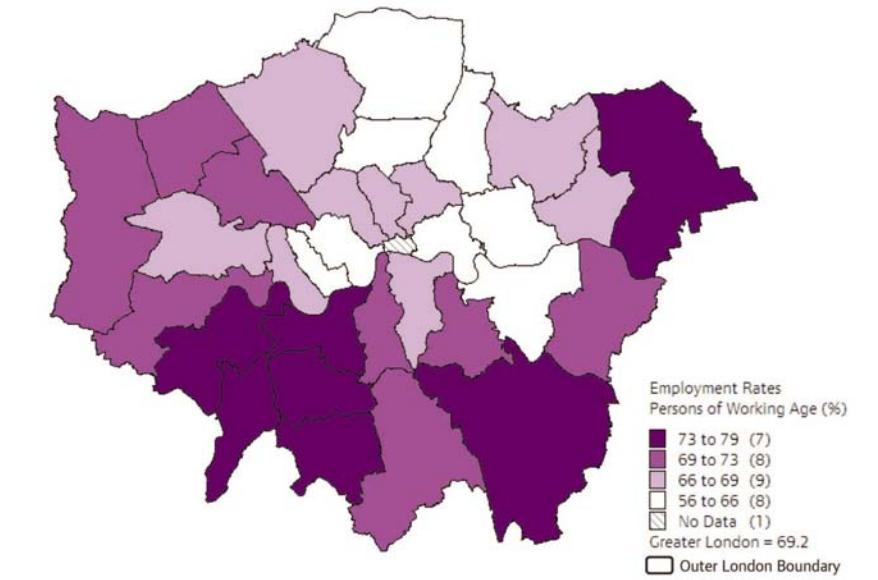

Source: DMAG Focus on London 2008, ONS
Based on GLA definition of outer London

5 Annex 3B

2.87 Employment and unemployment rates are displayed in Figure 2.24. The maps show a clear pattern with high employment and low unemployment rates in outermost boroughs to the South West, South East and East of London. There are mixed rates of employment and unemployment in the North and North West outer boroughs.

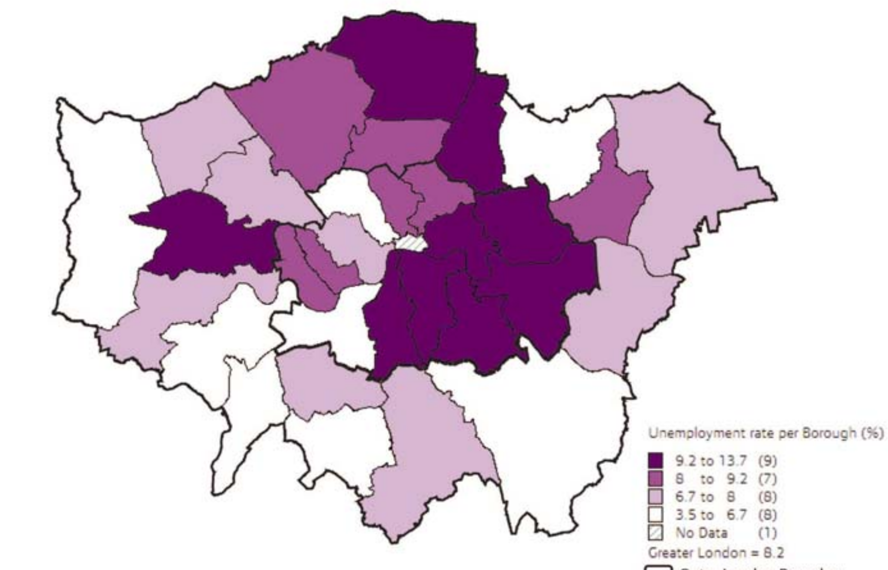
Barking and Dagenham and Newham are the outer boroughs that suffer the lowest employment and highest unemployment rates. According to latest ONS data for 2007, the unemployment rate in Newham stood at 11.3 per cent.

**Figure 2.24: Employment and unemployment rates in London boroughs, 2005**






Employment rates






Unemployment rates

*Source: GLA DMAG Borough*

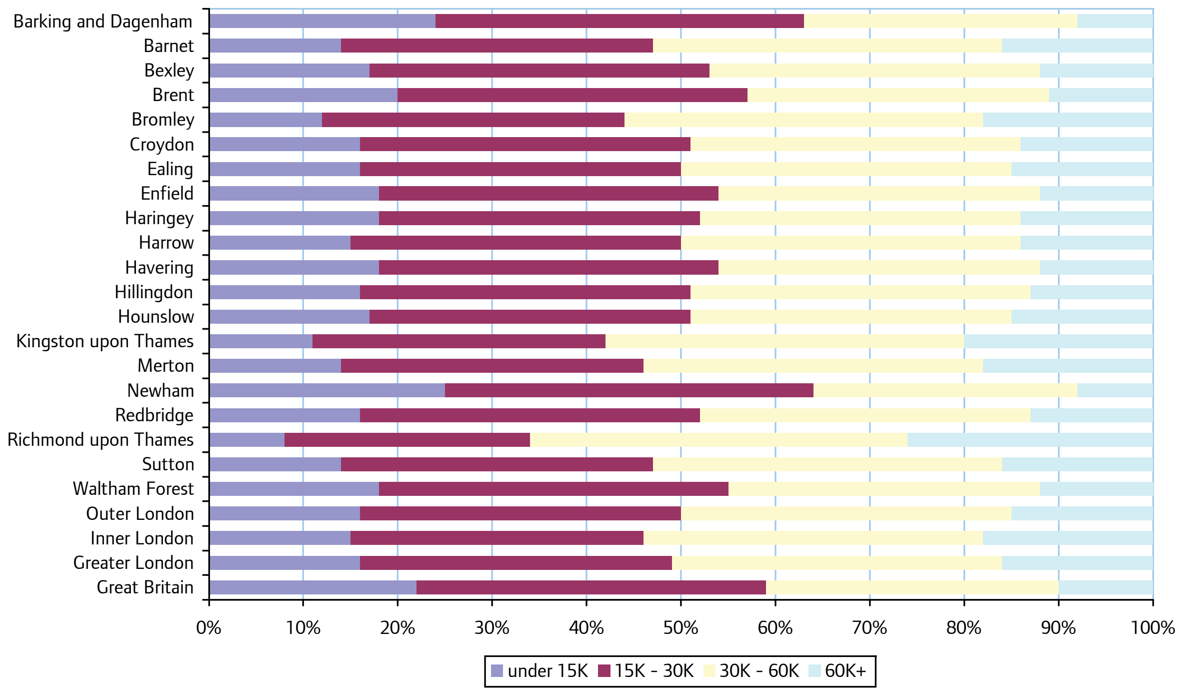
**Poverty Indicators**

2.88 Boroughs with the highest rates of worklessness are also, not surprisingly, those with the greatest incidence of poverty and low income households.

2.89 Taking firstly the income distribution, Figure 2.25 shows for outer London boroughs the shares of households receiving incomes in four bands ranging from less than £15,000 to £60,000 or more.

2.90 The data are equivalised, meaning that incomes are adjusted to reflect household size, taking into account both the greater income needs of larger families and economies of scale achieved when people live together. The data relates to household income from earnings and benefits but does not include outgoings such as tax payments and housing costs.

**Figure 2.25: Household income distribution, equivalised, % of households, 2008**




Source: DMAG from 2008 PayCheck dataset
outer and inner London distributions based on ONS definitions

2.91 Boroughs with the highest shares of households with incomes of under £15,000 are Newham and Barking & Dagenham (around one-quarter of households in both boroughs). These are also the only two outer boroughs where proportions of residents with incomes of less than £30,000 are greater than the corresponding proportion for Great Britain (59 per cent).

2.92 The outer boroughs with the greatest proportions of residents with incomes of above £60,000 are Richmond (26 per cent), Kingston (20 per cent), and Bromley (18 per cent).

2.93 Aside from income thresholds, which can be considered an absolute measure of poverty, benefits data offer a useful source of information about the degrees of poverty and low incomes across the outer London boroughs. Table 2.7 shows, for outer London boroughs (ONS definition), people of working age and children in families on key benefits including jobseekers allowance, incapacity benefit, disability allowances, income support and working and child tax credits.

**Table 2.7: People of working age and children in families on key benefits**

| | People of working age on key benefits, November 2007 | | Children in families on key benefits, August 2007 | |
|---|---|---|---|---|
| | Claimant rate (%) | Rank in Great Britain | Claimant rate (%) | Rank in Great Britain |
| Barking and Dagenham | 20.4 | 32 | 33.3 | 14 |
| Greenwich | 17.8 | 73 | 32.5 | 17 |
| Waltham Forest | 16.9 | 86 | 33.2 | 15 |
| Enfield | 16.2 | 99 | 30.1 | 27 |
| Brent | 15.6 | 111 | 32.6 | 16 |
| Ealing | 13.4 | 164 | 27.7 | 38 |
| Croydon | 13.3 | 166 | 23.0 | 82 |
| Redbridge | 13.0 | 172 | 23.6 | 78 |
| Hounslow | 12.8 | 181 | 27.0 | 39 |
| Hillingdon | 11.9 | 216 | 22.4 | 92 |
| Havering | 11.7 | 221 | 16.5 | 183 |
| Barnet | 11.3 | 235 | 18.8 | 140 |
| Bexley | 11.3 | 236 | 14.8 | 213 |
| Harrow | 11.0 | 245 | 17.5 | 167 |
| Bromley | 10.3 | 267 | 15.8 | 190 |
| Sutton | 9.8 | 285 | 14.4 | 224 |
| Merton | 8.7 | 318 | 20.3 | 118 |
| Kingston upon Thames | 7.1 | 369 | 10.8 | 300 |
| Richmond upon Thames | 6.9 | 380 | 8.6 | 350 |
| Outer London | 12.7 | - | 22.8 | - |
| | | | | |
| Inner London | 15.6 | - | 35.7 | - |
| Greater London | 14.0 | - | 27.5 | - |
| Great Britain | 13.9 | - | 19.1 | - |

Source: DMAG Borough Poverty Indicators from DWP
Based on ONS definition of outer London
Notes: Rates are calculated as a percentage of all those of working age and aged 0-18 years respectively from the ONS 2007 mid-year population estimates.
Rankings are out of 408 Local Authorities in Great Britain where 1 is the highest rate.

2.94 The table shows that in outer London (ONS definition) the highest proportions of both working age population and children in families on key benefits are in the borough of Barking and Dagenham. In close proximity and also scoring poorly on these benefits indicators is Waltham Forest (ranked second-worst overall in outer London based on the ONS definition in terms of children in families on key benefits).

2.95 Not included in the table is Newham due to the borough not being in the ONS outer London definition of outer London used by this dataset. Child poverty is especially acute in Newham, with 41 per cent of children in families on key benefits (ranked fourth out of all Local Authorities in Great Britain).

2.96 For all of the outer London boroughs the proportions of children in families on key benefits ranks higher out of all Local Authorities in Great Britain than the proportions of all people on key benefits. This reflects a greater extent of child poverty in London compared with the rest of the country. However, claimant rates in outer London boroughs are significantly lower than those in inner London – the gap between the two areas being particularly marked for children in families on key benefits.

**What is distinct about outer London's incomes and lifestyles?**

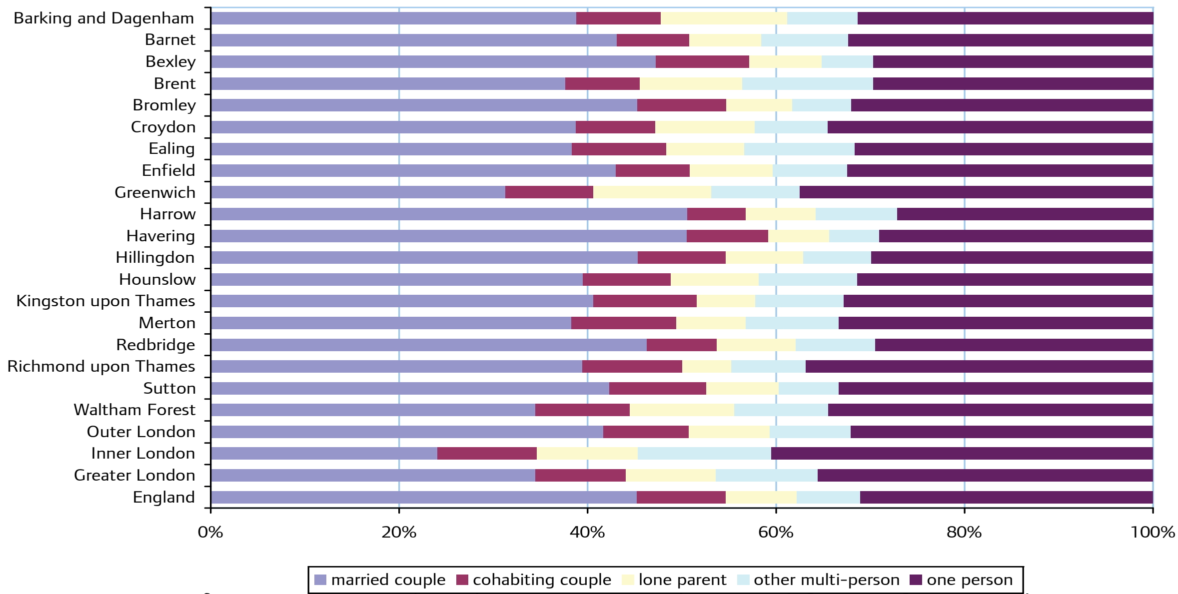
2.97 Household incomes and expenditures, to be considered below, in part reflect the types of households in which individuals in the outer boroughs live. Figure 2.26 shows the proportions of different types of households in the outer London boroughs (ONS definition) and in inner London and England for comparison.

2.98 Outer London as a whole has lower proportions of one-person households (32 per cent) and households formed of two or more unrelated adults (9 per cent) compared with inner London (for which the proportions in these categories are 40 per cent and 14 per cent respectively). In contrast there is a markedly greater proportion of married couple households in outer London (42 per cent) compared with inner London (24 per cent).

2.99 Comparing outer London boroughs with one another, the largest proportions of married couple households are in Harrow and Havering (making up 51 per cent of households in both boroughs). The highest proportions of households formed of two or more unrelated adults are Brent (14 per cent) and Ealing (12 per cent).

2.100 The greatest proportions of lone-parent households in outer London boroughs are in Barking and Dagenham (13 per cent), Greenwich (13 per cent), Waltham Forest (11 per cent) and Brent (11 per cent). These are the only outer London boroughs with proportions of lone-parent households above the proportion for inner London boroughs combined (ONS definition).

**Figure 2.26: Households by type, outer London boroughs, 2004**




Source: Department for Communities and Local Government Based on ONS definition of outer London

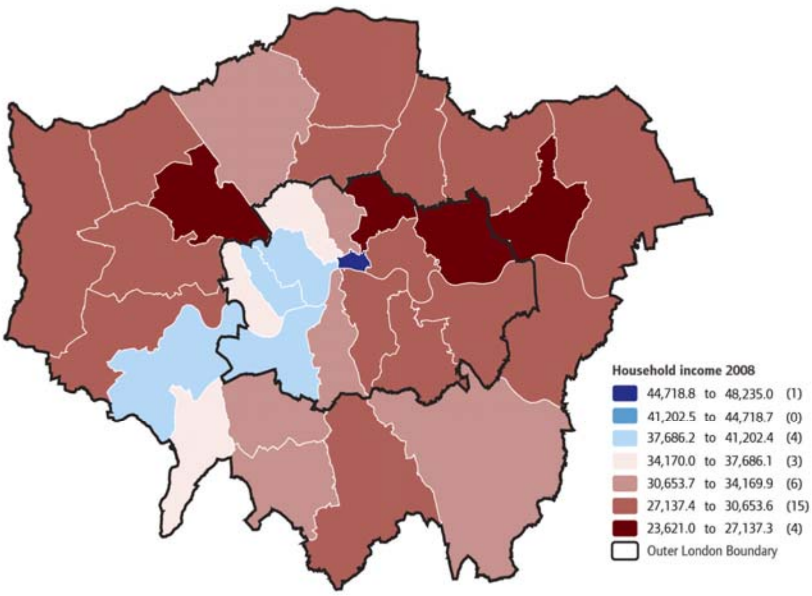
OUTER LONDON COMMISSION

2.101 Household income distribution in the outer London boroughs has been analysed previously above. Also of interest are average incomes and earnings in the outer London boroughs and comparisons with inner London. Figure 2.27 maps median average equivalised household incomes and median average weekly pay for individuals.

2.102 The outer boroughs with the lowest average equivalised household incomes are Newham (£23,600), Barking and Dagenham (£23,900), and Brent (£26,600). These same three boroughs are also those with individuals on the lowest average weekly pay (Newham with £449, Brent with £475, and Barking and Dagenham with £494).

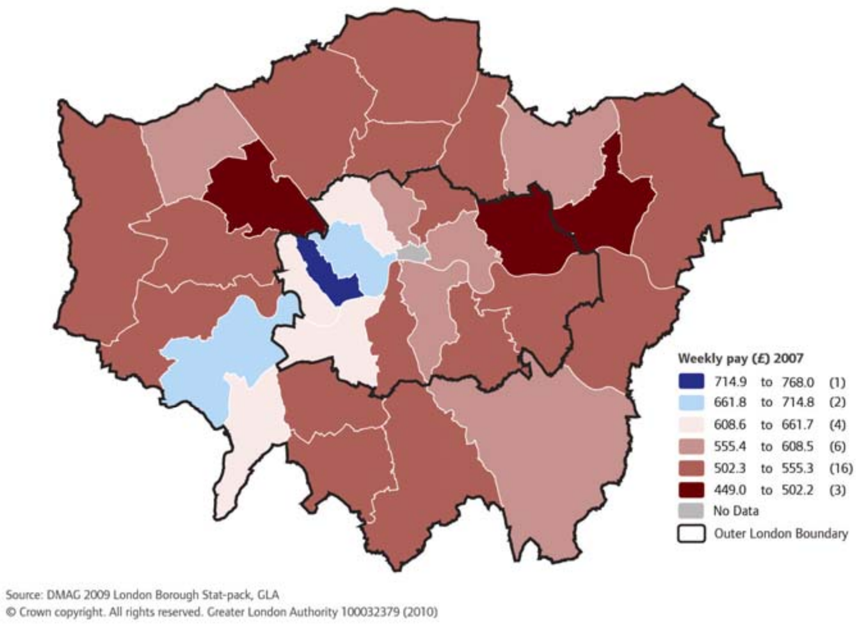
2.103 The highest average incomes and levels of weekly pay in outer London are in the boroughs of Richmond upon Thames and Kingston upon Thames.

**Figure 2.27: Median equivalised household income (2008) and median weekly pay (2007)**




Source: DMAG 2009 London Borough Stat-pack, GLA

Weekly pay (£)



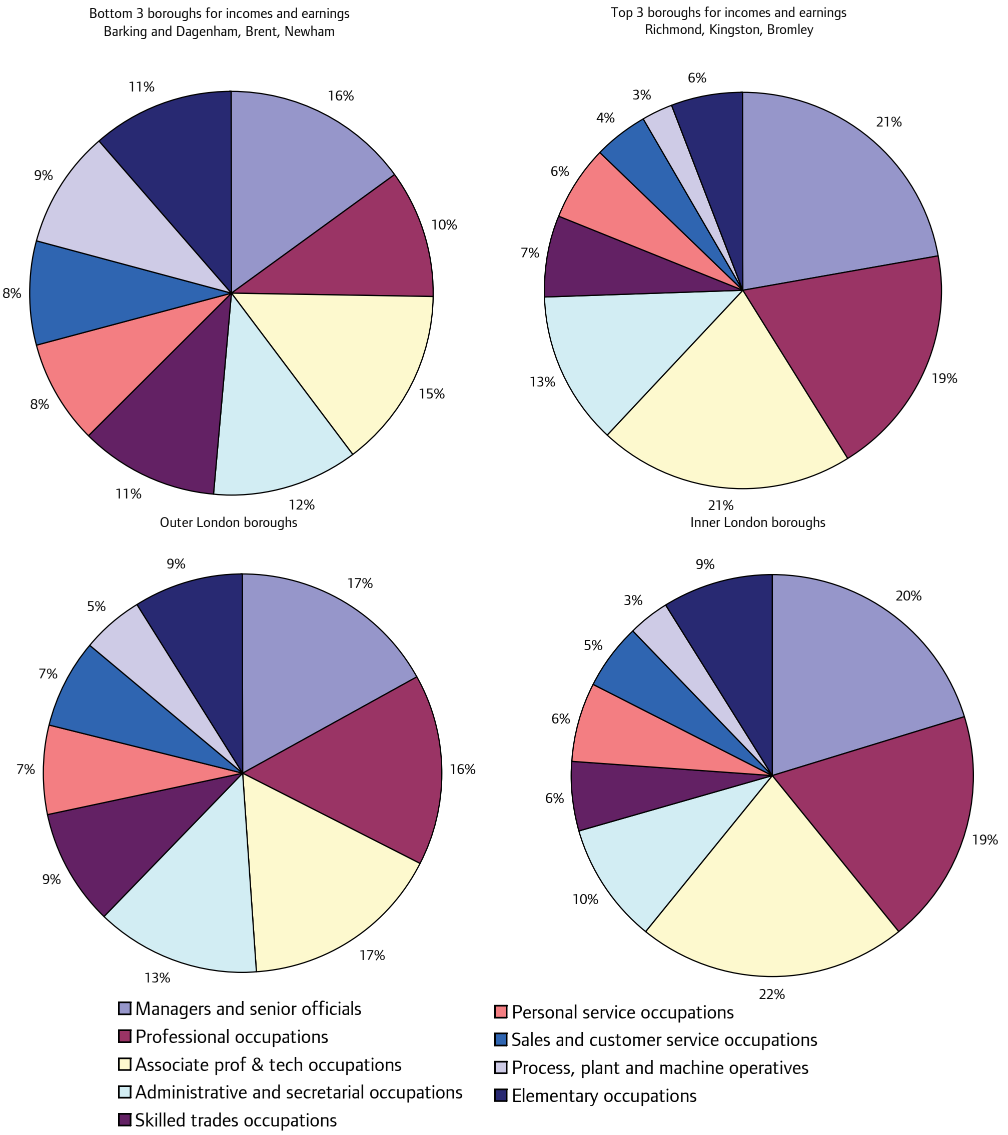

Source: GLA DMAG 2009 London Borough Stat-pack

2.104 Occupations are a key driver of incomes and earnings. Evidence of this for outer London is the occupational mix in boroughs with the highest and lowest average household incomes and earnings.

2.105 Outer boroughs with the top three average household incomes are also those with residents on the highest average weekly pay (Richmond upon Thames, Kingston upon Thames and Bromley). And three boroughs with lowest average household incomes are also those with lowest average weekly pay levels (Newham, Barking and Dagenham, and Brent). For these two groups of boroughs, Figure 2.28 shows proportions of residents in different occupational groups from all those in employment. Also shown for comparison are the occupational shares in all outer London and inner London boroughs.

OUTER LONDON COMMISSION

**Figure 2.28: Occupational shares in boroughs with the top three and bottom three average household incomes and earnings, 2007**




Source: ONS Annual Population Survey
Based on GLA definition of outer London

2.106 In the boroughs with lowest household incomes and earnings there is a spread of residents working across the major occupational groups, with over a quarter of people employed in what can be termed low skill jobs; elementary occupations, process, plant and machine operatives, and sales and customer service occupations. Just over 40 per cent of working residents in these boroughs are employed in one of the high skill categories; managers and senior officials, professional occupations, and associate professional & technical occupations.

2.107 In contrast, greater proportions of workers living in boroughs with the highest incomes and earnings are employed in the high skill occupations – likely to be in higher-end business and financial services agglomerated centrally and thought of as specialist areas for London. Only 13 per cent of workers living in these boroughs are employed in the aforementioned low skill occupations.

2.108 The occupational mix of residents living in outer boroughs with the highest incomes and earnings is closer to that of inner London. The occupational mix in boroughs with the lowest incomes and earnings is more akin to that of outer London as a whole, but with higher shares of residents employed in low skill occupations.

2.109 Geographically, this provides a finer grained appreciation of the broad differences in income distribution shown in Figure 2.1, which outlined a greater concentration of wealthier outer London households towards the south west and, with some exceptions, a greater concentration of the less well-off towards the east.

OUTER LONDON COMMISSION

## What is distinct about housing in outer London?

2.110 By way of context for the Commission's work, it should be noted that the characteristics of London's housing market are distinct from elsewhere in the country. Greater London has the highest average house prices of any UK region and a greater proportion of London's housing stock is social (public) housing compared with the rest of England.

2.111 Of particular relevance to the Commission are those features of housing in outer London that differ from those in inner London and the wider south east. Also of significance are differences in housing market conditions between outer London boroughs.

2.112 Table 2.8 shows total numbers of dwellings and percentages of private and public (social) housing in outer London boroughs and, for comparison, inner London, Greater London, the South East, the East of England and England as a whole. Private housing is that which is owner occupied or private rented. The table also shows the percentages of private and public dwellings in each area that are deemed unfit.

2.113 Outer London provides 61 per cent of London's total dwelling stock. The tenure mix here is noticeably different from that of inner London, where a much greater proportion of housing is 'affordable'. At 17.7 per cent the proportion of public sector dwellings in outer London is almost half that in inner London (34.9 per cent). The tenure mix in outer London is closer to those in the South East and Eastern regions and England as a whole.

2.114 Outer London boroughs with the highest proportions of affordable housing are Barking and Dagenham (32.4 per cent), Newham (30.7 per cent) and Haringey (29.6 per cent). These three boroughs along with Brent provide over 30 per cent of outer London's total affordable housing supply. Figure 2.29 is a map showing the geography of social housing throughout London. Outer boroughs with the highest shares of private housing are Redbridge (90.7 per cent), Harrow (89.3 per cent) and Kingston upon Thames (88.5 per cent).

2.115 The proportions of unfit housing in outer London are lower than those in inner London but higher than shares recorded in the wider south east. Of outer London boroughs, Newham and Brent have particularly high shares of unfit dwellings in the private sector and the greatest shares of unfit public housing are in Barking and Dagenham and Harrow.

OUTER LONDON COMMISSION

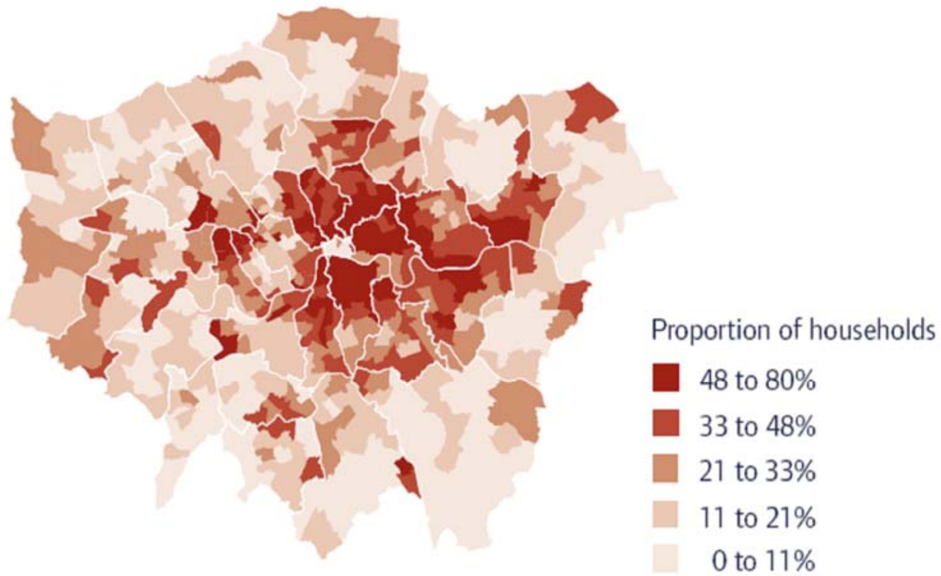
**Table 2.8: Dwelling stock by tenure and condition, 2006**

| | Total Dwelling Stock | % Private Sector | % Public Sector | % Unfit Private Sector | % Unfit Public Sector |
|---|---|---|---|---|---|
| Barking and Dagenham | 69,137 | 67.6 | 32.4 | 4.8 | 5.0 |
| Barnet | 134,105 | 86.4 | 13.6 | 5.6 | 0.9 |
| Bexley | 93,773 | 87.4 | 12.6 | 3.5 | 0.0 |
| Brent | 105,424 | 75.7 | 24.3 | 15.3 | 0.2 |
| Bromley | 131,834 | 88.3 | 11.7 | 3.1 | 4.6 |
| Croydon | 139,366 | 83.3 | 16.7 | 8.3 | 1.0 |
| Ealing | 122,484 | 80.0 | 20.0 | 0.9 | 1.7 |
| Enfield | 117,446 | 84.5 | 15.5 | 3.8 | 0.8 |
| Haringey | 98,838 | 70.4 | 29.6 | 9.8 | 4.5 |
| Harrow | 83,567 | 89.3 | 10.7 | 3.9 | 8.9 |
| Havering | 96,904 | 86.0 | 14.0 | 3.9 | 2.7 |
| Hillingdon | 101,593 | 82.3 | 17.7 | 5.7 | 0.8 |
| Hounslow | 90,964 | 77.7 | 22.3 | 3.5 | 0.1 |
| Kingston upon Thames | 62,982 | 88.5 | 11.5 | 4.4 | 0.0 |
| Merton | 80,403 | 86.4 | 13.6 | 5.7 | 2.4 |
| Newham | 98,169 | 69.3 | 30.7 | 15.2 | 3.2 |
| Redbridge | 96,638 | 90.7 | 9.3 | 5.9 | 0.0 |
| Richmond upon Thames | 79,949 | 88.0 | 12.0 | 5.0 | 0.4 |
| Sutton | 77,734 | 84.7 | 15.3 | 4.2 | 0.0 |
| Waltham Forest | 95,026 | 78.2 | 21.8 | 5.8 | 3.3 |
| Outer London | 1,976,336 | 82.3 | 17.7 | 5.8 | 2.1 |
| | | | | | |
| Inner London | 1,239,656 | 65.1 | 34.9 | 7.1 | 4.7 |
| Greater London | 3,215,992 | 75.7 | 24.3 | 6.2 | 3.6 |
| South East | 3,535,792 | 85.6 | 14.4 | 3.7 | 0.9 |
| East of England | 2,421,804 | 83.7 | 16.3 | 3.9 | 0.5 |
| England | 22,085,741 | 81.5 | 18.5 | 4.8 | 2.5 |

Source: GLA DMAG 2009 London Borough Stat-pack
Based on GLA definition of outer London

OUTER LONDON COMMISSION

**Figure 2.29: Proportions of households living in social housing by ward, 2001**



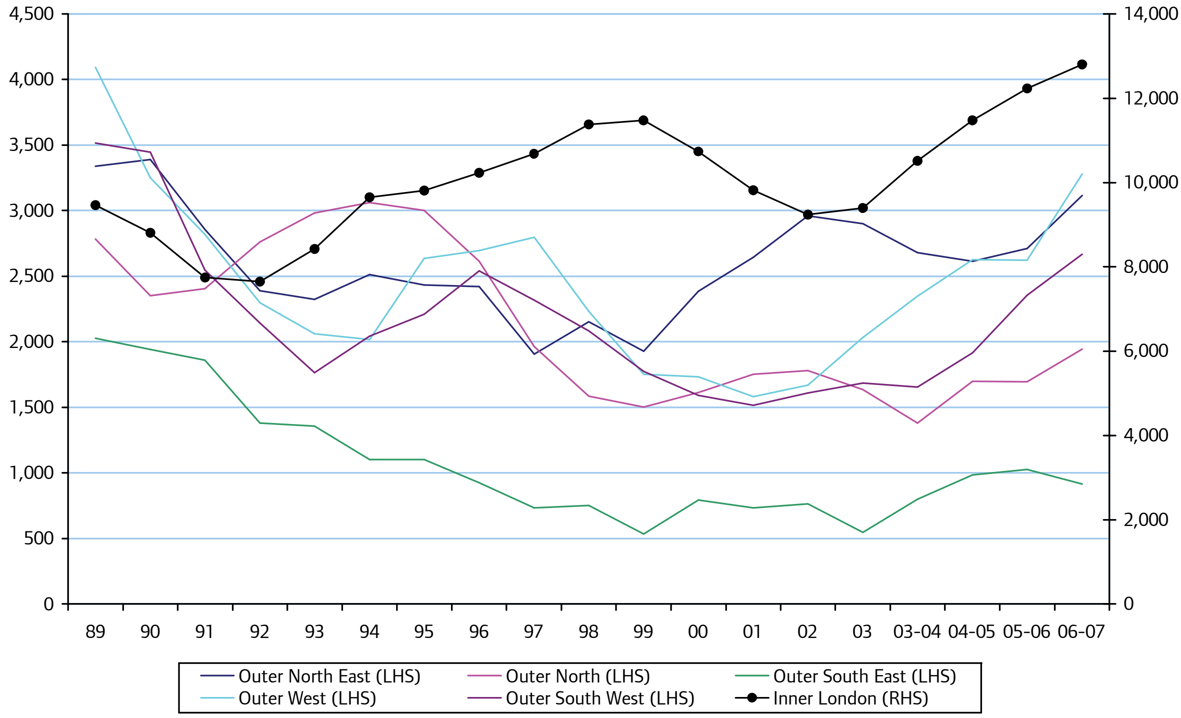

Source: GLA London Housing Strategy evidence base from 2001 Census

2.116 Over the past 20 years London's population has been rising which, together with declining average household size, has led to increased demand for housing. The result has been a rise in both the price and stock of housing, with these trends expected to continue in the medium to long term. This follows economic theory. There are many things that affect price and dwelling numbers but increasing household numbers is one of the most fundamental of them. This can be inferred from the market assessments and NHPAU reports.

2.117 Annex 5B shows that until the early 90's, outer London housing output was consistently above that of inner London, but since then, with few exceptions, it has been below, usually by a significant margin. However, this headline conceals considerable local variation. Figure 2.30 shows net conventional housing completions over time in outer London sub-regions (left hand axis) and inner London for comparison (right hand axis)[1].

[1] Boroughs contained in outer areas of the sub regions are as follows; outer North East includes Barking and Dagenham, Havering, Newham, Redbridge and Waltham Forest; outer North includes Barnet, Enfield and Haringey; outer South East includes Bexley and Bromley; outer West includes Brent, Ealing, Harrow, Hillingdon and Hounslow; outer South West includes Croydon, Kingston, Merton, Richmond and Sutton.

**Figure 2.30: Net conventional housing completions, 3 year moving averages**[2]




Source: Data from the 4th Annual London Plan Monitoring Report
Based on GLA definition of outer London

2.118 Housing supply in the outer South East (Bexley and Bromley) has been in general decline since the late 1980s, although picked up somewhat since 2003. Completions in the outer North, outer South West and outer West all fell during the 1990s but have risen since the start of the current decade, with the sharpest rate of growth in this period in the outer South West. Housing supply in the outer North East rose strongly from 1999 to 2002 but has rather plateaued since then.

2.119 Housing output is partly a function of the density of development. However, simply raising densities across the board is not a solution to increasing output, much less sustaining the distinct qualities of suburban London. High housing densities in inappropriate locations were an important concern for many of the respondents to the Commission, especially when they resulted in development which is out of scale and character with the residential heartlands. Thus, while average density of new development in outer London is less than half that in inner London[3] (Fig 2.31), 50% of output is still above the range for a particular location which might be expected from London Plan density policy (compared with 56% in inner London – Annex 5C). The policy itself[4], based on 'Sustainable Residential Quality' (SRQ) principles originally developed by the boroughs themselves, appears reasonable (subject to some minor modifications – see below). The problem would seems to be much more in its implementation, with the 'SRQ' matrix being interpreted mechanistically and not

[2] Data from 2003-04 was collected using a different method and is therefore not strictly comparable with data from previous years.
[3] Mayor of London. London Plan Annual Monitoring Report 6. GLA, 2010
[4] Mayor of London. The London Plan Consolidated with |Alterations since 2004, Policy 3A.3. GLA, 2008.

enough attention being paid to the need to respect local context and to take proper account of public transport accessibility. Annex 5C also shows that even taking this into account, the policy does not seem to be being interpreted consistently across outer London. Though it is intended to provide flexibility to respond to different local circumstances, the character of outer London would not appear to vary so much as to justify one outer borough having an average new development density of 35 dwellings/ha[5] (implying significant output below the national 30 dwellings/ha minimum benchmark), while densities in most outer boroughs are at least double this.

2.120 The Commission recognises that implementing the policy more effectively will require a more complex decision making process and will place pressure on Development Control resources – however, this is essential to deliver the 'Sustainable Residential Quality' outcomes originally anticipated. It should be backed by refinements to the 2008 Plan which place greater emphasis on optimising rather than maximising output by taking proper account of local context and access to public transport, and by measures to ensure that in higher density development in particular, new homes are of a high standard.

2.121 According to data from the Land Registry, average house prices rose in every outer London borough in every year from 1997 to 2007. It is of interest to examine the magnitude of house price increases across different outer London boroughs during the residential property boom.

**Figure 2.31: Density of residential development by borough**

| | Approvals | | | | Completions | | |
|---|---|---|---|---|---|---|---|
| **Inner** | **2008/09** | **2007/08** | **2006/07** | | **2008/09** | **2007/08** | **2006/07** |
| Camden | 136 | 116 | 227 | | 227 | 141 | 106 |
| City of London | 330 | 1,263 | 525 | | 505 | 558 | 423 |
| Greenwich | 136 | 246 | 161 | | 123 | 148 | 170 |
| Hackney | 201 | 240 | 275 | | 236 | 183 | 266 |
| Hammersmith and Fulham | 187 | 227 | 160 | | 197 | 143 | 116 |
| Islington | 259 | 256 | 319 | | 288 | 235 | 226 |
| Kensington and Chelsea | 138 | 164 | 170 | | 147 | 164 | 135 |
| Lambeth | 127 | 216 | 203 | | 173 | 163 | 141 |
| Lewisham | 163 | 173 | 142 | | 137 | 123 | 109 |
| Newham | 366 | 347 | 269 | | 261 | 293 | 163 |
| Southwark | 321 | 277 | 285 | | 229 | 263 | 268 |
| Tower Hamlets | 311 | 481 | 348 | | 312 | 299 | 248 |
| Wandsworth | 171 | 151 | 154 | | 172 | 135 | 169 |
| Westminster | 154 | 254 | 160 | | 261 | 207 | 259 |
| | **213** | **274** | **208** | | **215** | **181** | **189** |

[5] Mayor of London. Annual Monitoring Report 2010 op cit

OUTER LONDON COMMISSION

| | Approvals | | | Completions | | |
|---|---|---|---|---|---|---|
| Outer | 2008/09 | 2007/08 | 2006/07 | 2008/09 | 2007/08 | 2006/07 |
| Barking and Dagenham | 80 | 146 | 165 | 144 | 125 | 95 |
| Barnet | 113 | 79 | 78 | 115 | 66 | 66 |
| Bexley | 99 | 51 | 87 | 75 | 48 | 44 |
| Brent | 133 | 149 | 199 | 150 | 106 | 113 |
| Bromley | 36 | 49 | 44 | 35 | 54 | 54 |
| Croydon | 130 | 106 | 115 | 98 | 72 | 78 |
| Ealing | 160 | 113 | 121 | 162 | 140 | 195 |
| Enfield | 66 | 82 | 52 | 70 | 95 | 75 |
| Haringey | 114 | 173 | 136 | 163 | 138 | 175 |
| Harrow | 59 | 90 | 111 | 71 | 79 | 93 |
| Havering | 55 | 41 | 60 | 72 | 63 | 55 |
| Hillingdon | 91 | 69 | 85 | 60 | 54 | 49 |
| Hounslow | 164 | 95 | 156 | 120 | 102 | 120 |
| Kingston upon Thames | 77 | 60 | 45 | 59 | 115 | 86 |
| Merton | 74 | 94 | 64 | 46 | 96 | 93 |
| Redbridge | 87 | 116 | 150 | 114 | 132 | 126 |
| Richmond upon Thames | 58 | 60 | 83 | 82 | 58 | 74 |
| Sutton | 92 | 118 | 70 | 89 | 53 | 60 |
| Waltham Forest | 119 | 128 | 130 | 132 | 125 | 140 |
| | **90** | **96** | **87** | **85** | **83** | **87** |
| **All boroughs** | **136** | **151** | **129** | **130** | **118** | **123** |

Note: Figures are based on gross residential units in schemes for which a site area is available

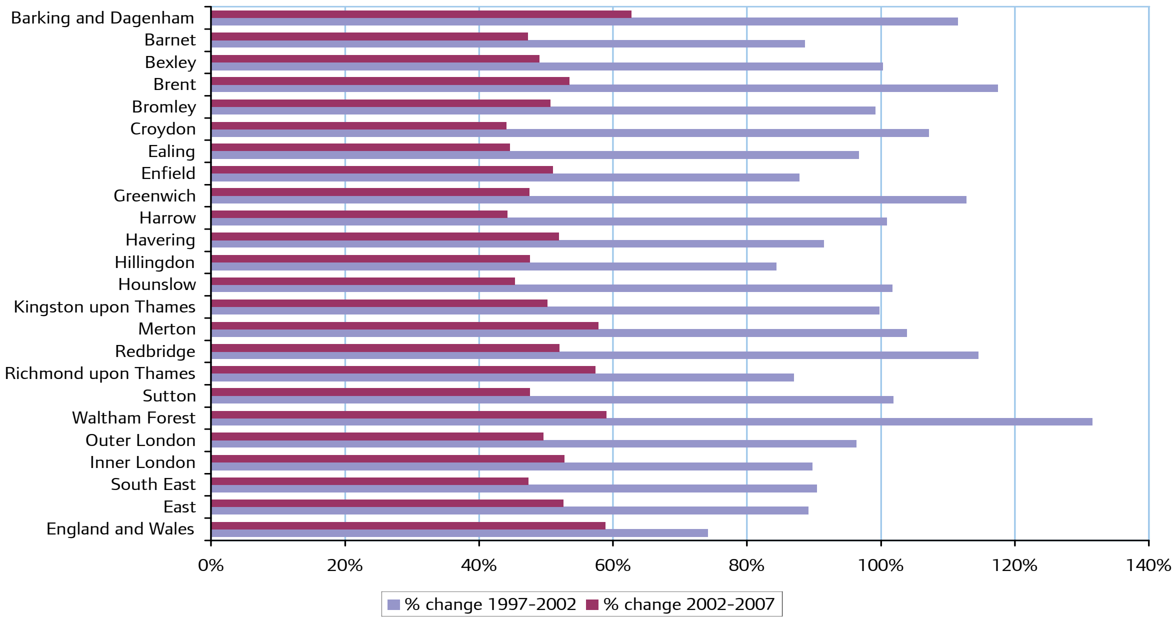
2.122 Figure 2.32 shows percentage increases in average house prices in the latest two five-year periods for which data is available (1997 to 2002 and 2002 to 2007). Data is shown for the outer London boroughs (ONS definition), outer and inner London and the East and South East regions for comparison.

2.123 The chart shows that across all areas growth in house prices was sharper in the period 1997-2002 compared with 2002-2007. During the 1997-2002 period prices in outer London underwent a sharper percentage increase (96 per cent) than those in inner London (90 per cent), the wider South East (90 per cent) and East (89 per cent) regions, and the whole of England and Wales (74 per cent). The sharpest rises in outer London occurred in Waltham Forest, Brent and Redbridge.

2.124 From 2002-2007 the percentage increase in average prices in outer London (50 per cent) was slightly less marked than that in inner London (53 per cent), the East of England (53 per cent), and England and Wales (59 per cent). However, outer London's increase was again sharper than that in the South East (47 per cent). The sharpest increases in outer London between 2002 and 2007 were in Barking and Dagenham, Waltham Forest and Merton.

2.125 In 2007 (i.e. close to the peak of the recent housing boom) the average house price in outer London was £301,000 compared with £440,000 in inner London (ONS definitions). Average prices in outer London boroughs varied widely from £512,000 in Richmond to £193,000 in Barking and Dagenham. The ranks of outer boroughs in terms of their average house prices changed little over the last ten years with a few notable exceptions. Average prices in Brent and Redbridge were the tenth and thirteenth most expensive in outer London respectively in 1997. By 2007 Brent was the sixth most expensive borough and Redbridge the tenth most expensive borough.

**Figure 2.32 Percentage changes in average house prices, 1997 to 2002 and 2002 to 2007**




Source: Department for Communities and Local Government
Based on ONS definition of outer London

OUTER LONDON COMMISSION

## What are the distinct features of transport in outer London?

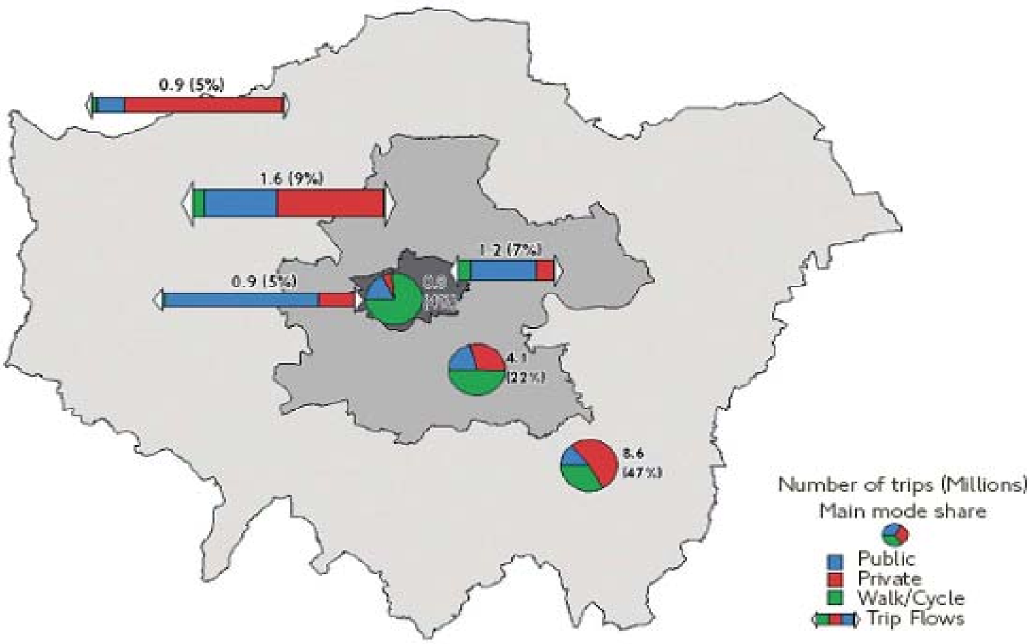
2.126 Information already presented covers commuting aspects of transport. Figure 2.33 shows the main mode shares of trips taken for all purposes within outer London and to inner and outside of London. Also shown on the map are total numbers of trips in millions. The 'private' mode represents car or other automobile journeys.

2.127 The main mode shares displayed on the map indicate that of trips taken within outer London over half were taken by car and around a third were walking or cycling trips. Car journeys represented an even larger share of trips between outer boroughs and outside of London (around 80 per cent).

2.128 In contrast, public transport was used for around 80 per cent of all trips between outer and central London, with the remainder of journeys between the two areas by car.

2.129 Between outer and inner London car journeys were again the most widely used form of transport, representing slightly more than half of all trips. The vast majority of non-car trips between outer and inner London were taken by public transport.

**Figure 2.33: Number and main mode share of residents' trips (all purposes) within and between central, inner and outer London, 2001**




Source: LATS 2001 Household Survey from TfL 2007 London Travel Report
Based on ONS definition of outer London

2.130 Data gathered by TfL also allows closer inspection of modes of travel to work from and to outer London areas (and inner London). This information is shown in Table 2.9.

Almost half of all journeys to work by residents of outer London (ONS definition) are by car, reflecting a large proportion of work commutes that are within outer London (see Table 2.5). The three principal modes of public transport (bus, rail and underground) are used by approximately equal shares of outer London residents to get to work.

**Table 2.9: Main mode of travel to work, Autumn 2006**

Percentage

| Main mode | Area of workplace | | | | | | Area of residence | | |
|---|---|---|---|---|---|---|---|---|---|
| | Central London | Rest of inner London | Outer London | All London | Rest of Great Britain | Great Britain | Inner London | Outer London | All London |
| Car and van | 11 | 31 | 63 | 37 | 76 | 71 | 20 | 47 | 37 |
| Motorbike, moped, scooter | 2 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 1 |
| Bicycle | 3 | 4 | 2 | 3 | 3 | 3 | 6 | 2 | 3 |
| Bus and coach | 12 | 16 | 14 | 14 | 7 | 8 | 21 | 13 | 16 |
| National Rail | 40 | 16 | 5 | 19 | 2 | 4 | 11 | 14 | 13 |
| Underground, tram, light rail | 28 | 19 | 5 | 16 | - | 2 | 26 | 14 | 18 |
| Walk | 4 | 12 | 10 | 9 | 11 | 11 | 14 | 8 | 10 |
| Other modes | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| All modes | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Number of people (millions) | 1.11 | 0.87 | 1.36 | 3.34 | 21.48 | 24.83 | 1.06 | 1.88 | 2.94 |

Source: ONS Labour Force Survey from TfL 2007 London Travel Report
Based on ONS definition of outer London

2.131 Travel to work times, shown by main modes of transport in Table 2.10, are significantly shorter for workers in outer London compared with inner London commutes. Shorter journeys are likely to be taken by those that live and work in outer London and outer areas contain lower employment densities compared with central London, meaning that congestion is not as great.

**Table 2.10: Travel times to work by main mode, Autumn 2006[2]**

Minutes

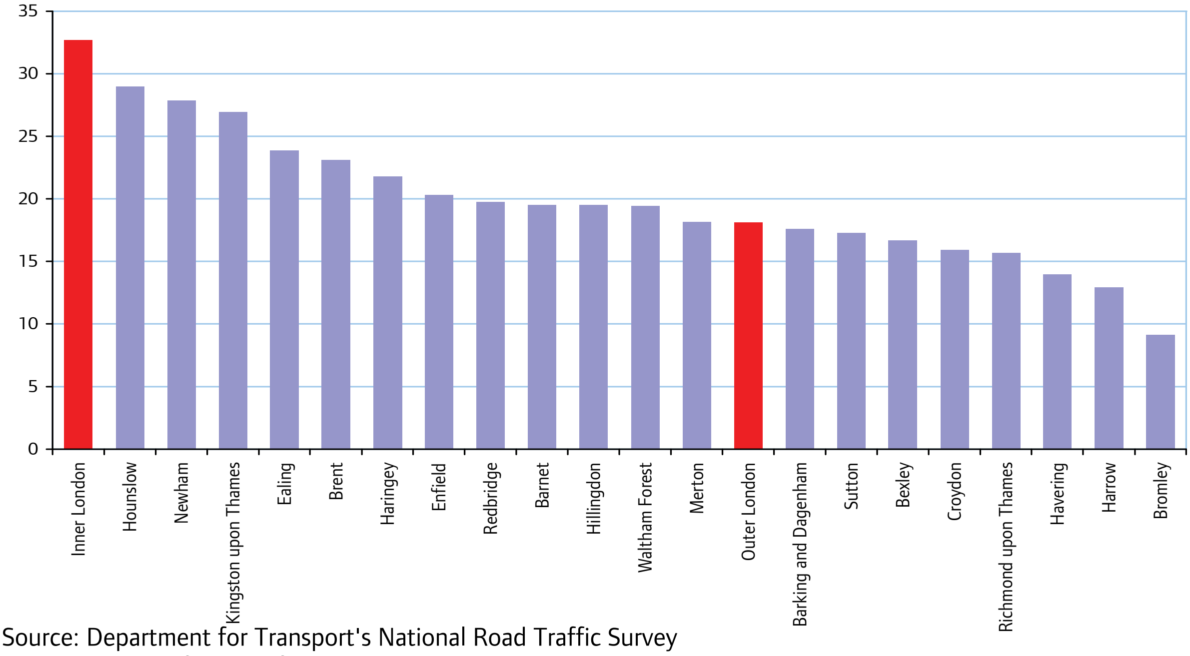
| Main mode | Area of workplace | | | | | |
|---|---|---|---|---|---|---|
| | Central London | Rest of inner London | Outer London | All London | Rest of Great Britain | Great Britain |
| Car and van | 48 | 32 | 25 | 29 | 20 | 20 |
| Motorbike, moped, scooter | 36 | 29 | 27 | 31 | 19 | 21 |
| Bicycle | 33 | 24 | 20 | 25 | 15 | 17 |
| Bus and coach | 47 | 39 | 36 | 40 | 33 | 34 |
| National Rail | 69 | 66 | 43 | 66 | 47 | 58 |
| Underground, tram, light rail | 49 | 45 | 37 | 47 | 42 | 46 |
| Walk | 21 | 16 | 13 | 15 | 12 | 13 |
| All modes[1] | 55 | 39 | 27 | 39 | 20 | 23 |

1 Includes modes not listed (e.g. taxi).
2 Comparisons with earlier years results (reported in previous editions) are subject to sampling error and should be treated cautiously.
Source: ONS Labour Force Survey from TfL 2007 London Travel Report
Based on ONS definition of outer London

2.132 As shown above car journeys make up a significant proportion of all trips taken by residents of outer London. It is therefore of interest to examine which outer boroughs contain the most car traffic, and to compare boroughs of different sizes it is useful to look at traffic flows per square kilometre of area.

2.133 Figure 2.34 shows firstly that traffic flow density is much lower in outer London compared with inner London. It also shows which outer boroughs receive the highest and lowest traffic flow densities, with densities likely to reflect traffic volume and the location of major thoroughfares and motorways (M4 and M11 for example).

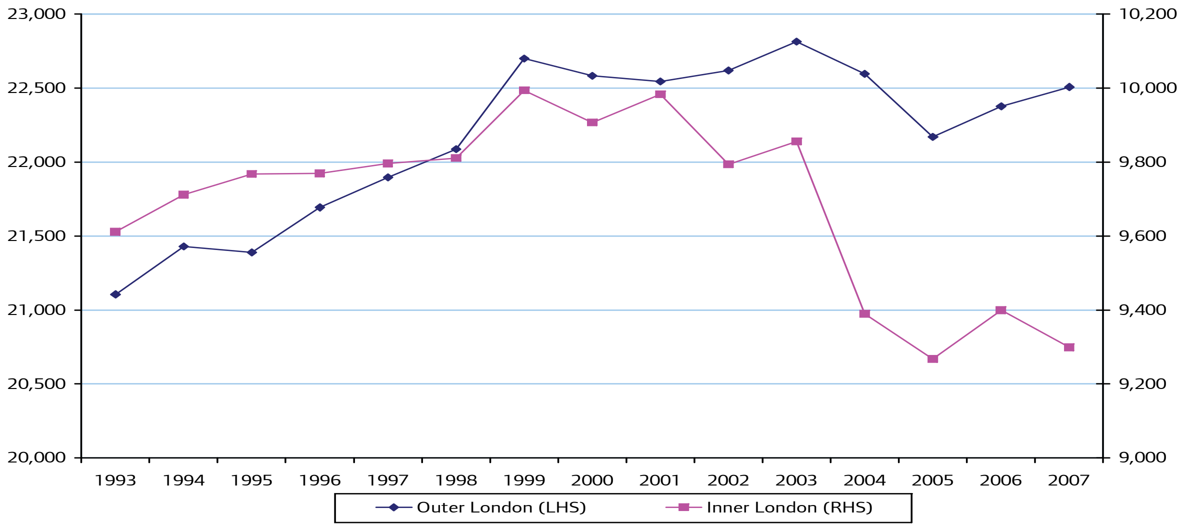
**Figure 2.34: Estimated traffic flow densities, flows for all motor vehicles (million kilometres) per sq km**




Source: Department for Transport's National Road Traffic Survey
Based on GLA definition of outer London

2.134 Without accounting for area, outer London contains higher absolute flows of traffic compared with inner London. Total absolute traffic (vehicle kilometres) over time in the two areas is shown in Figure 2.35. Traffic has increased steadily in outer London from just over 21 billion vehicle kilometres in 1993 to just under 23 billion vehicle kilometres in 1999, and has since remained at about the same level. Traffic in inner London increased from 1993 to 1999, and has since fallen.

**Figure 2.35: Change in traffic flows 1993-2007, outer and inner London, flows for all motor vehicles (million kilometres)**

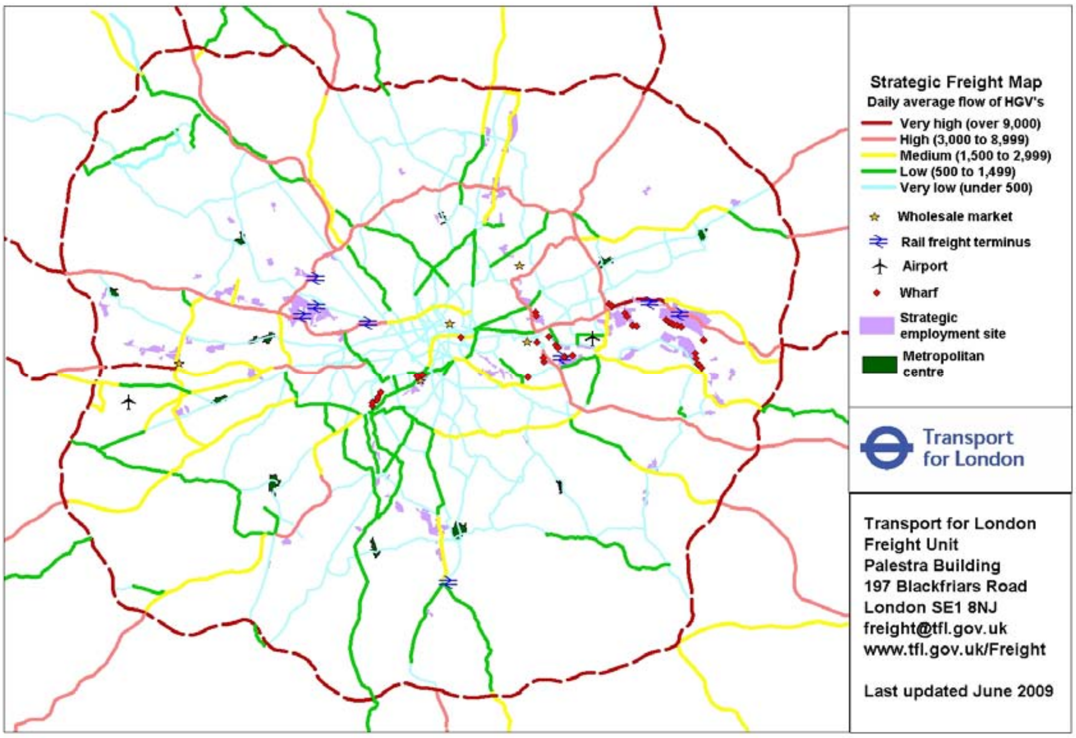



Source: Transport for London; Based on GLA definition of outer London

OUTER LONDON COMMISSION

2.135 Freight and servicing vehicles make up an important component of the trips undertaken across London by road, rail and river. Despite the large number of rail freight movements along the corridors to the north, west and east of London, road freight makes up 89 per cent of freight by tonnage and furthermore it is expected to grow to meet the demands from London and the rest of the country. Figure 2.36 shows HGV freight flows across London. Within the M25 freight flows are high predominantly on radial routes through outer London, as well as along the orbital north circular road. Across London, freight accounts for 17 per cent of kms travelled. A 10 per cent increase in freight mileage would be more than all bus mileage in London. Commercial vehicles, such as those used for deliveries and waste collection, facilitate the day to day activities taking place in London. The number of vans (LGVs) is forecast to grow by 30 per cent between 2008 and 2031 with some growth in HGV activity.

**Figure 2.36: HGV freight flows across London**




Source: TfL

# Quality of Life

2.136 Outer London scores strongly on most statistical indicators of life and environmental quality. However, as Thompson[1] noted, opinion polls suggest that while around four fifths of outer London residents are satisfied with their neighbourhood as a place to live, polls also indicate that residents have some specific concerns, with crime, the local street environment and anti-social behaviour coming at the top of factors that they regarded as needing improvement[2].

## Crime

2.137 Crime is cited as the main cause of concern for residents. While rates are higher than for the country as a whole, they are lower in outer London, and historically have been falling faster, than in inner London. Table 2.11 shows rates for particular types of crime. Newham and some other outer boroughs with significant 'inner London' characteristics, tend to have higher levels of crime, but this is by no means universal – Ealing, for example, experiences motor vehicle and burglary offences above the inner London average.

2.138 Rates of the four categories of crime shown in the table are consistently low in the borough of Sutton. Richmond has some of the lowest rates in outer London with the exception of burglary offences (which are approximately average). Kingston has one of the three lowest outer London rates in three of the crimes listed but is middle ranked for violence against persons.

**Table 2.11 Crime rates in outer London boroughs**

| | Motor vehicle offences per 1,000 population | Robbery offences per 1,000 population | Violence against persons per 1,000 population | Burglary offences per 1,000 households |
|---|---|---|---|---|
| Barking and Dagenham | 20.0 | 4.7 | 32.1 | 16.7 |
| Barnet | 19.3 | 3.8 | 19.6 | 20.7 |
| Bexley | 12.8 | 2.2 | 19.9 | 13.3 |
| Brent | 18.0 | 8.8 | 30.8 | 22.4 |
| Bromley | 16.2 | 3.0 | 18.4 | 16.4 |
| Croydon | 13.2 | 5.4 | 22.8 | 16.1 |
| Ealing | 21.5 | 6.6 | 26.0 | 25.2 |
| Enfield | 15.3 | 5.2 | 18.8 | 21.0 |
| Haringey | 22.3 | 9.0 | 30.9 | 28.2 |
| Harrow | 13.2 | 4.1 | 14.3 | 18.8 |
| Havering | 18.7 | 2.0 | 18.5 | 11.7 |
| Hillingdon | 18.2 | 3.5 | 25.2 | 18.1 |
| Hounslow | 19.9 | 4.0 | 30.3 | 20.8 |
| Kingston upon Thames | 8.4 | 2.2 | 21.3 | 9.8 |
| Merton | 11.9 | 3.3 | 19.1 | 12.2 |
| Newham | 28.2 | 10.1 | 34.0 | 27.3 |
| Redbridge | 18.0 | 5.4 | 16.1 | 22.6 |
| Richmond upon Thames | 10.6 | 2.5 | 12.8 | 17.2 |

[1] Thompson R. 2007 op cit
[2] MORI. Dystopian Suburbia. Mori, 2006
IPSOS MORI. Annual London Survey 2006. Final Topline Results. GLA, 2006

OUTER LONDON COMMISSION

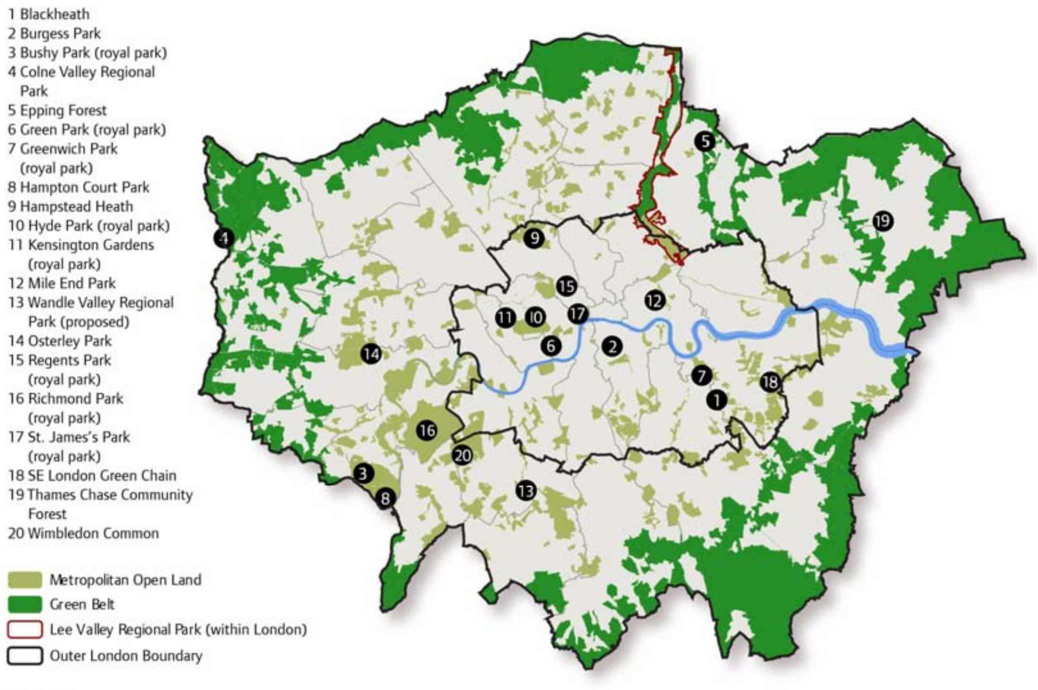
| | | | | |
|---|---|---|---|---|
| Sutton | 13.2 | 2.3 | 17.8 | 8.7 |
| Waltham Forest | 21.6 | 10.8 | 30.8 | 20.4 |
| Outer London | 17.3 | 5.1 | 23.0 | 18.9 |
| | | | | |
| Inner London | 20.7 | 7.9 | 32.9 | 21.4 |
| Greater London | 18.5 | 6.1 | 26.6 | 19.8 |
| England and Wales | 13.5 | 1.8 | 19.7 | 13.5 |

Source: Home Office
Based on GLA definition of outer London

### Open space

2.139 Access to open space is relatively good. Every outer London borough has more open space per capita than any inner borough[3]. The Mayor's Green Capital Report also indicated that most of London's important biodiversity is in the outer boroughs. Almost all of London's Natura 2000 sites, designated under European Union directives, are in outer London. All but four of London's 38 Sites of Special Scientific Interest are in the outer London boroughs, along with the majority of Sites of Metropolitan Importance, much of its Metropolitan Open Land, many of its allotments and all of its Green Belt. Figure 2.37 illustrates London's strategic open space network. Figure 2.38 shows the number of allotment sites per 10,000 people for London.

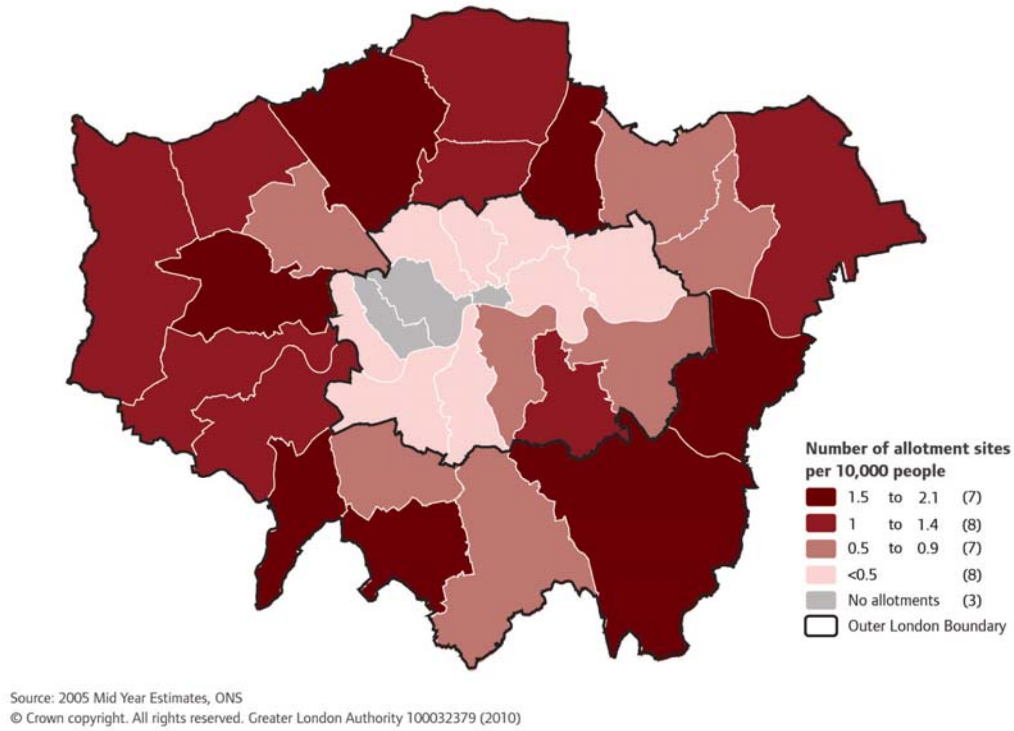
**Figure 2.37: London's Strategic Open Space Network**




Source: GLA


3 ODPM. Generalised Land Use Database. ODPM, 2006

**Figure 2.38**
**Number of Allotment Sites per 10,000 people**




Source: DMAG A lot to lose: London's Disappearing Allotments: 2006

**Atmospheric emissions**

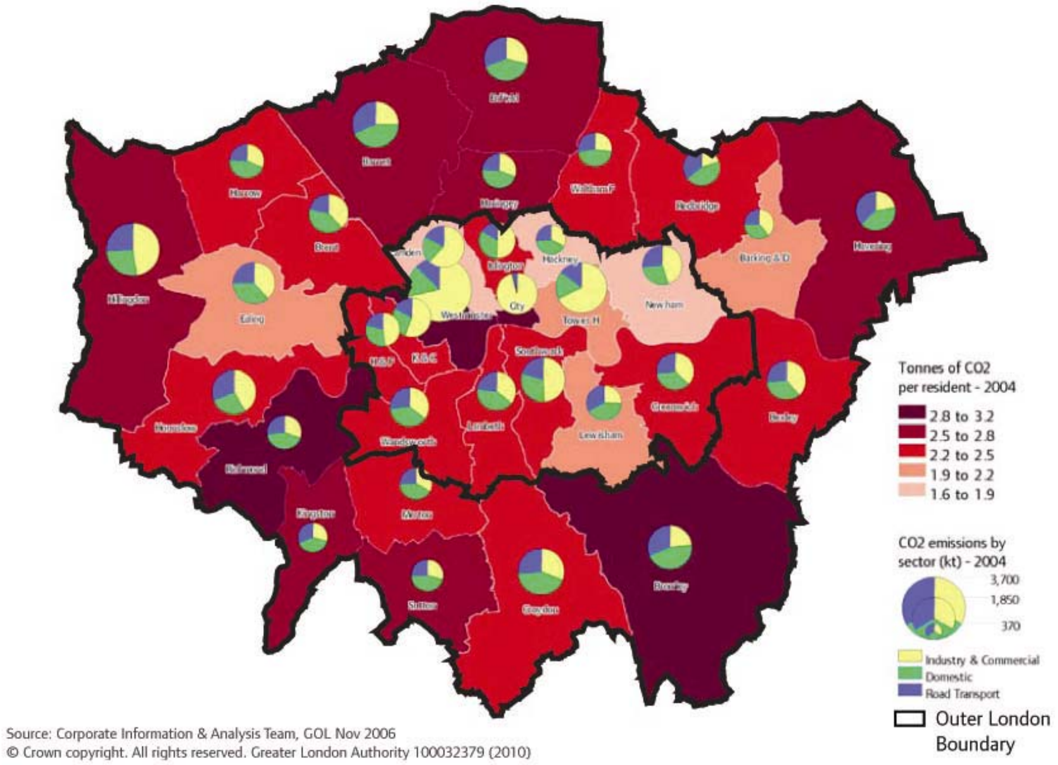
2.140 Figure 2.39 suggests that carbon emissions per resident are generally higher in outer London and especially in the boroughs on London's boundary. This may be linked to relatively higher private vehicle usage (see paragraph 2.105).

2.141 The two main pollutants of concern for Greater London are particulate matter (PM10) and nitrogen dioxide (NO2). Ambient air quality in outer London tends to be better than in central and inner London apart from in the vicinity of Heathrow or very busy roads.

2.142 Fig 2.40 shows that the vast majority of London already meets the EU Limit Value for the annual mean PM10 in 2008 (shaded blue, green, yellow and orange). Figure 2.41 shows that there are areas throughout Greater London that exceed the NO2 annual mean EU limit value (shaded yellow and red in Fig 2.41). The Mayor recently published his draft Air Quality Strategy for public consultation that includes London wide and central London focused initiatives to reduce emissions of these harmful pollutants and thus improve the health of Londoners.

OUTER LONDON COMMISSION

**Figure 2.39 Carbon Dioxide Emissions per Capita**

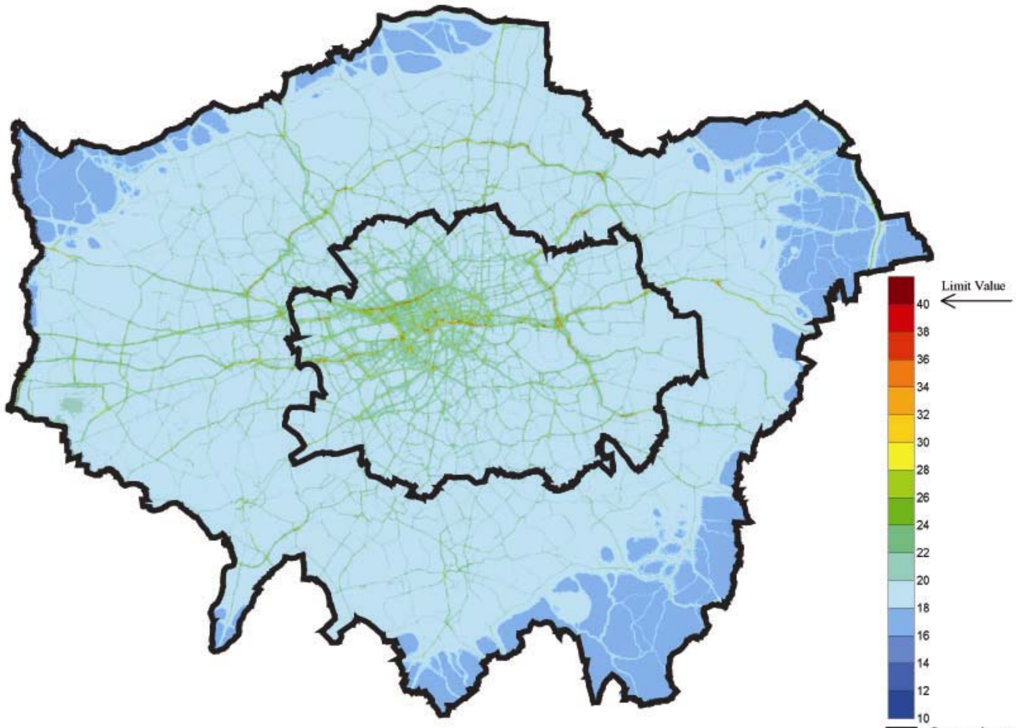



Source: Government Office for London Corporate Information & Analysis Team Nov 2006

2.143 Ambient air quality in outer London tends to be better than in central and inner London apart from in the vicinity of Heathrow or very busy roads, although the Government's health based air quality objectives are unlikely to be met in at least part of every London borough. Ambient noise maps show a similar picture with outer London tending to be less noisy than central and inner. This is largely due to less noise from the transport network. Household recycling rates are higher in outer London at 23.5 per cent, compared to 17.9 per cent in inner London.

OUTER LONDON COMMISSION

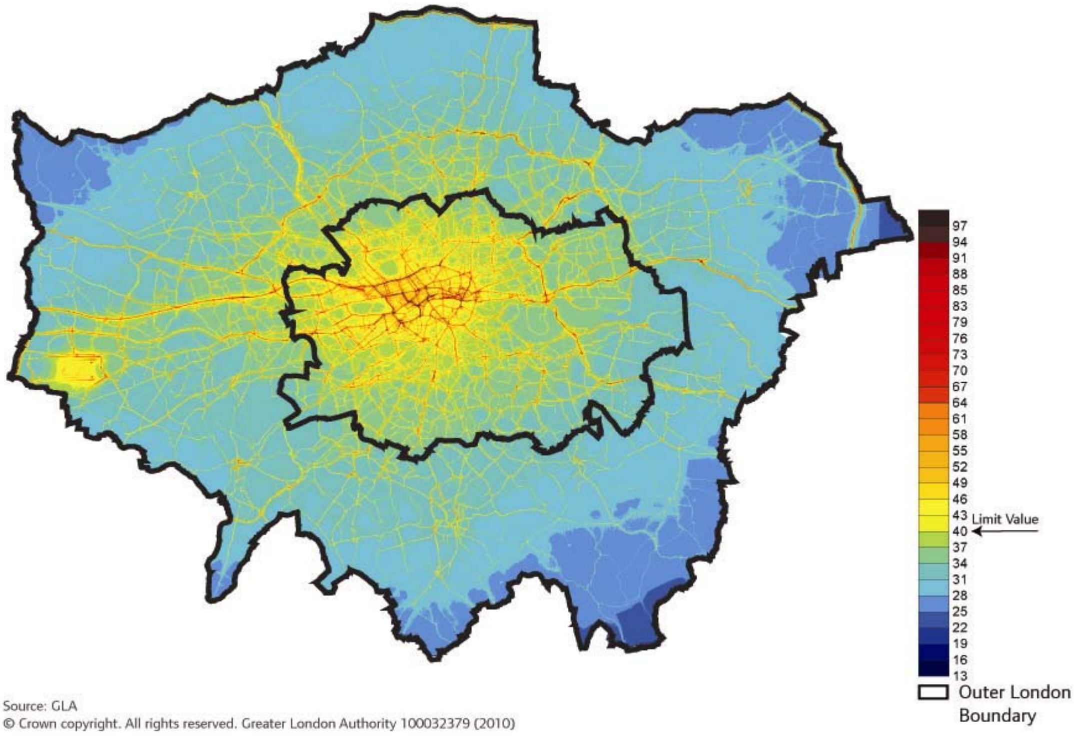
**Fig 2.40PM$_{10}$ annual average concentrations ( g/m$^3$) 2008**




Source: GLA



**Fig 2.41 NO$_2$ annual average concentrations ( g/m$^3$) 2008**



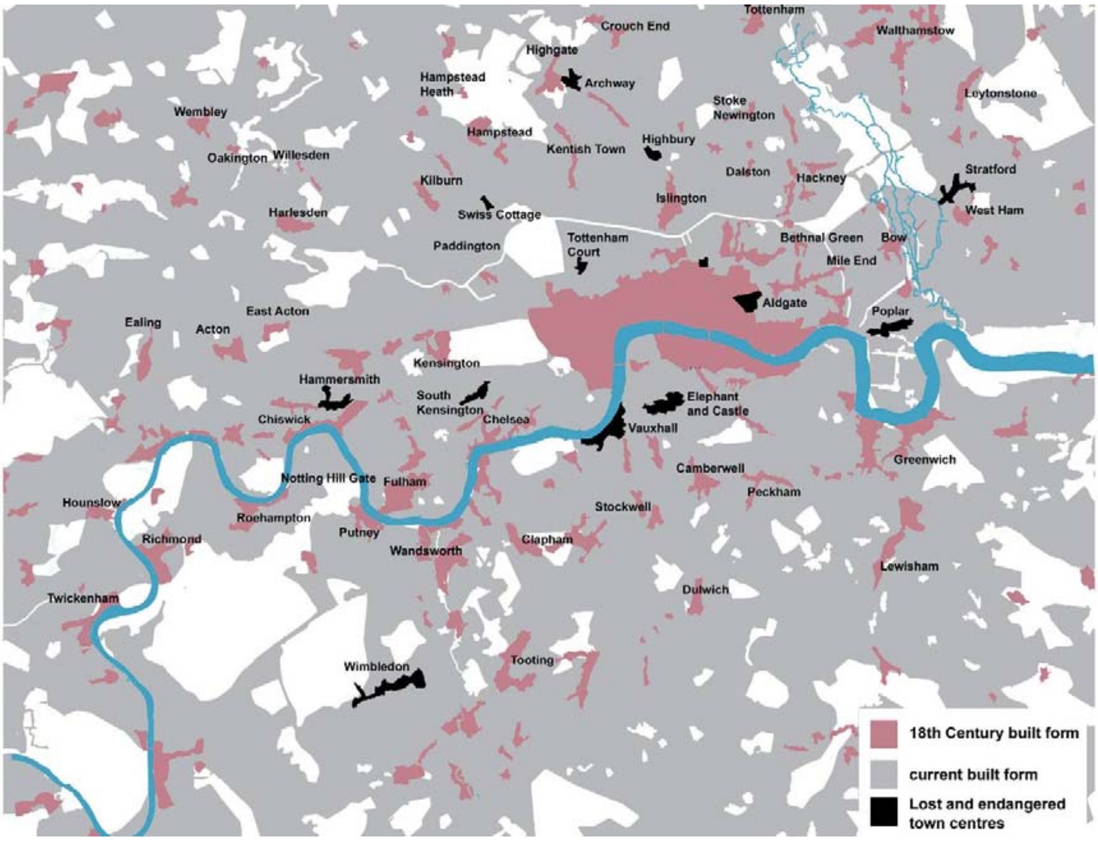

Source: GLA

OUTER LONDON COMMISSION

**Place shaping and housing quality**

2.144 The Commission noted that the 2008 London Plan was prepared before the 'place shaping' agenda had been fully set. There is now extensive advice on this for different types of locality, not least town centres and residential neighbourhoods. It can make a key contribution to enhancing the quality of life for outer Londoners and should be reflected in the replacement Plan for implementation in light of local circumstances, playing to the strengths of local places – one suggestion was that it could help lead to the 'rediscovery of London's lost towns' (Fig 2.42) to provide stronger foci and sense of place for established as well as new communities. This would complement the more sensitive approach to housing density and quality required to support increased housing output outlined in para 2.119

**Figure 2.42: London's 'lost towns'**




Source: Farrells

**Social Infrastructure**

2.145 While outer London anticipates lower growth than inner London, this growth will still be substantial: 890,000 more people, 330,000 more households and 140,000 more jobs up to 2031. To support this, and maintain quality of life for existing residents, more social infrastructure is required, especially in terms of health and education facilities. Historically, coordination of this function has sometimes been problematic. This is due to a range of factors, including the tendency for national education investment to take a short term perspective; fragmentation between the commissioners and providers of health services (and the distribution of infrastructure which underpins this process); the weight accorded to borough based Community Strategies, and the relatively isolated role of the Strategic Health Authority. For the longer term the Plan would appear to have scope to take a more proactive part in coordination of social infrastructure provision.

2.146 For the interim, to inform this process, the Commission has engaged in work to provide strategic gross provision benchmarks to help local stakeholders assess their net need for different types of social infrastructure in light of existing provision. Annex 6a, developed by the Healthy Urban Development Unit (HUDU) shows potential gross demand for additional health infrastructure arising from an increase in population generated from future housing supply. These broad requirements take into account an expected shift in activity from acute to primary and community care settings, but do not address the capacity of current health services and facilities. Annex 6b sets out projected education/school age populations to enable boroughs to test whether they have made provision to meet future education requirements in LDFs. Interpretation of parts of these tables should be informed by the associated TfL maps showing access to facilities. Consideration should be given to extending use of this material in a more formal planning context, for example through Supplementary Planning Guidance.

**Broader Quality of Life issues**

2.147 The Commission's economic remit, and thus its approach to quality of life issues, differed from Robin Thompson's brief for his work[4] on the 2008 Plan, which had a stronger social emphasis. However, from the evidence it has considered the Commission would agree with him that "on most indicators, outer London is healthier, wealthier and greener than inner London and indeed most urban areas in the UK. Its residents like living there, although some are voicing some concerns with the quality of the local environment".

2.148 The Commission noted his view "This may, to an extent, reflect 'private wealth and public squalor'. As the quality of the private domestic environment grows, dissatisfaction is focused on the relatively poor quality of the external environment as manifested by poor paving, graffiti, abandoned vehicles, anti-social and criminal behaviour and the like".

2. 149 The Commission also noted his observation that "some polls suggest that outer London residents identify far more strongly with their local area than with London as a whole. Phenomena such as traffic congestion, high housing costs and more intensive development may give residents the feeling that inner city characteristics are intruding into the traditional suburban styles of living. To this could be added a sense of a "slide" in the perceived status and position of outer London as the outer Metropolitan economy out-performs it and the inner London regeneration powers on".

2.150 In considering quality of life issues, the Commission would agree with Thompson that "this presents policy makers with difficult issues. The changes that are occurring in the economy and demography have deep rooted structural causes such as de-industrialisation, concentration of global finance and business growth sectors in the centre city and the growing popularity of inner city living with young professional people. These structural changes are by no means unique to London. They can be

[4] Thompson R. Outer London: issues for the London Plan. GLA, 2007

seen in, for example, New York and England's next two largest cities, Birmingham and Manchester. They can only be managed by long-term strategies that address the deep-seated nature of some of these trends".

## Statistically, what are outer London's long term economic prospects?

### General trends

2.151 Despite the lengthy recession, it is likely that long-term economic growth will return. At the time of writing it was expected that London would emerge from recession either at the end of 2009 or the first half of 2010. GLA Economics then forecast that GVA growth would be –3.5 per cent in 2009 and –0.2 per cent in 2010. On an annual basis it was the thought that it that GVA growth might not resume until 2011, at 1.5 per cent. Employment normally lags output and so it was expected that the number of people working in London might decline through 2011. The then latest forecast is summarized in Table 2.12 below.

**Table 2.12: Economic forecasts for London (2009-2011)**

| Annual growth rates (per cent) | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|
| London GVA (constant 2003 £ billion) | 1.4 | -3.5 | -0.2 | 1.5 |
| Consensus (average of independent forecasts) | | -3.6 | -0.4 | 2.1 |
| London civilian workforce jobs | 0.7 | -3.4 | -2.3 | -0.6 |
| Consensus (average of independent forecasts) | | -3.6 | -2.1 | -0.1 |
| London household spending (constant 2003 £ billion) | 2.8 | -3.0 | -1.9 | 0.5 |
| Consensus (average of independent forecasts) | | -3.5 | -0.6 | 1.3 |
| London household income (constant 2003 £ billion) | 3.1 | -2.3 | 0.6 | 1.7 |
| Memo: Projected UK RPI (Inflation rate) | | -1.1 | 1.8 | 2.2 |
| Projected UK CPI (Inflation rate) | | 1.7 | 1.6 | 1.4 |

Sources: GLA Economics' Autumn 2009 forecast and consensus calculated by GLA Economics.

2.152 While London has performed better than the rest of the UK during this recession, it is expected that in the recovery London's growth will lag that of the rest of the country, if only because it has not fallen as far. An unknown factor that may have a strong influence on London's economy is change to the regulation of the financial services sector. Since this does not normally occur after typical recessions it may affect historical patterns. Though this sector is concentrated in central London and employs a relatively small number of people, it is an integral part of the larger economy. But experience over time suggests economic growth after the recession may be above trend.

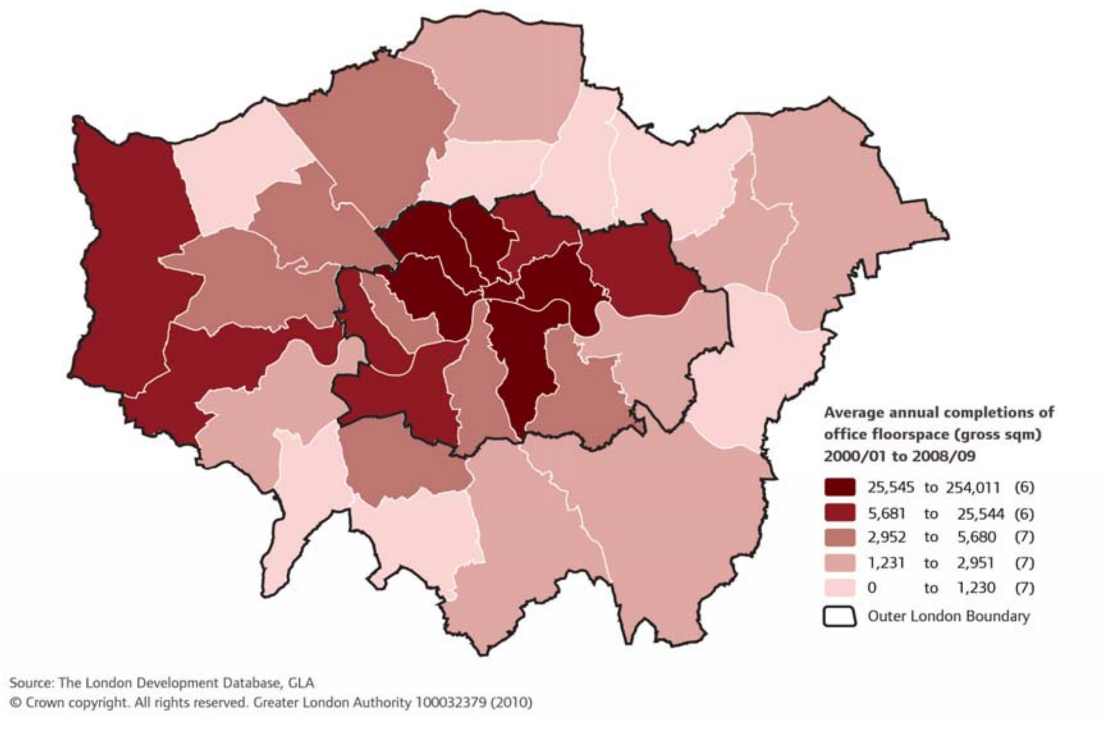
2.153 The same reasons that have made London a desirable place for business in the past remain so today. The recession has not changed London's strategic position in the global economy – an important consideration for outer London. Table 3.1 illustrates the factors that are considered important to businesses, emphasising that London scores highly with a variety of factors.

2.154 GLA Economics projects that by 2031 London's economy will add 775,000 jobs over 2007 levels (Annex 3). Of these around 140,000 will be in outer London, which equates to some 6,000 new jobs per year. On these trends conventional manufacturing employment looks set to continue to decline, by 224,000 jobs across London and by 2031 may be only a marginal employer. In contrast financial and business services are expected to grow by 360,000 while the hotels and restaurants industry is projected to add 235,000 jobs[1] - the latter sectors are a key consideration for outer London because they are less closely associated with central London. Within outer London, office based employment is projected to increase by 70,000 2007 – 2031, broadly defined industrial type jobs are expected to decline by 94,000 and 'other' (mainly local service based) jobs to expand by 167,000 (see Annex 3B).

**Future office demand in outer London**

2.155 As a result of structural change in its historic occupier base (see above), office based development and employment in much of outer London have not been closely related over at least two economic cycles. This is partly because office based employment growth (see Annex 3A) has not been sufficiently 'value added' to justify strategically significant new office development across outer London (Annex 7). To be viable such development typically required rentals of more than £25/£28 per sq ft in historically 'normal' economic conditions (and more realistically £30 sq ft)[2]. While these rents have been achieved in a relatively few, attractive locations (mainly in west London), demand to sustain them has not been sufficiently widespread to lead to extensive, structural rejuvenation of the outer London office stock. Figure 2.43 (and more specifically Annex 7) shows that with some notable exceptions there has been relatively little office development in much of outer London over the last economic cycle. The series of London Office Policy Reviews for the GLA and London Planning Advisory Committee suggest that this inactivity also covered the previous cycle 1989 – 2001.

**Figure 2.43 Average annual completions of office floor space (gross sqm) 2000/01 to 2008/09**

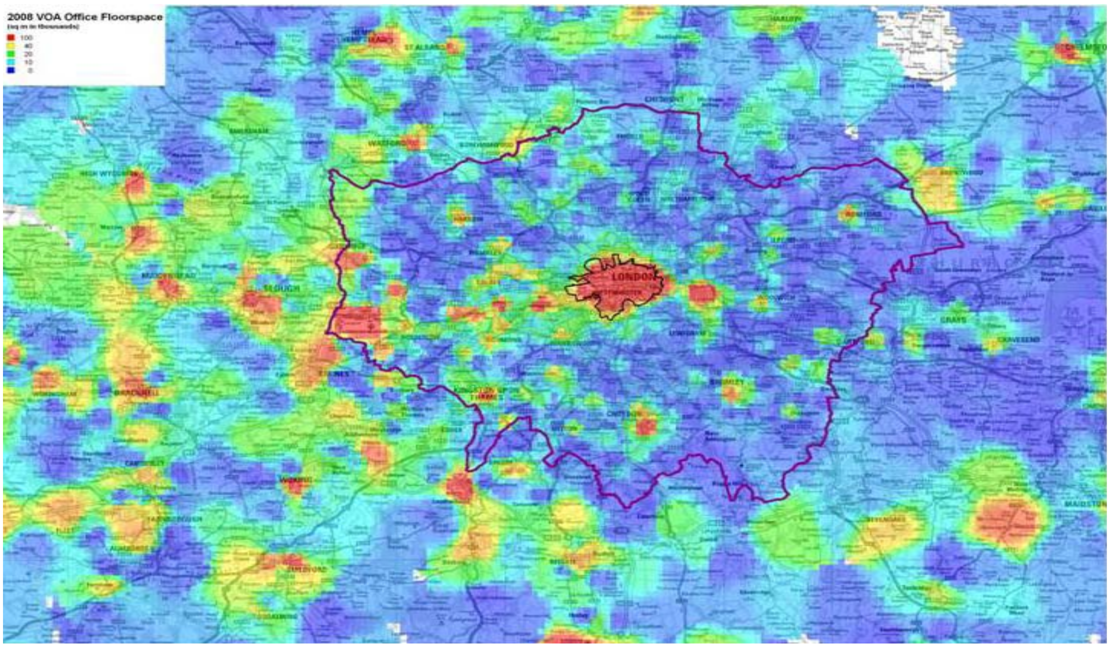



[1] The full projections are detailed in "Working Paper 38: Employment projections for London by sector and trend-based projections by borough", GLA Economics, Nov 2009.
[2] Ramidus, Roger Tym & Partners 2009 op cit

2.156 This position has been exacerbated by the scale of the existing stock (7.1 mll sq m or 25% of the London total), most of which is available at significantly lower rents than those required to support new development. In some cases, these rents may not even be enough to justify investment for modernisation, or retention of the space in office use when faced with competition for scarce land resources from higher value development, especially housing. In addition, nearby parts of the wider southeast (the Outer Metropolitan Area – OMA), especially towards the west, have offered competitive advantage to potential occupiers (Fig 2.44), providing modern new space at around the same rental threshold as might apply in outer London but with lower other business costs, especially those generated by labour market related factors. Such OMA locations do not incur the wider costs of trying to do business in an extensive and densely urbanised area while still garnering some of the agglomeration benefits arising from proximity to it. It is arguable that such new office development as has been proposed within London but outside CAZ/Canary Wharf, has been following a similar pattern – in strategic terms little is planned to come forward in town centres; most is at best in edge of centre locations and much is out of centre[3].

2.157 The mismatch between office employment and development prospects was central to the work of the Commission (see next 'Analysis' section of this report). It is now also recognised by the Draft Replacement London Plan, which strongly qualifies application of conventional worker floorspace density assumptions to office employment projections when coming to a view on future office floorspace demand in the distinct circumstances of outer London. Thus, while the draft Plan does provide consistent, pan-London monitoring benchmarks produced on an employment/density basis, it makes clear that in outer London in particular these should be qualified by other market indicators eg development trends, density, rents, take-up, vacancy.

**Figure 2.44 Office Floorspace 2008 London & outer Metropolitan Area**

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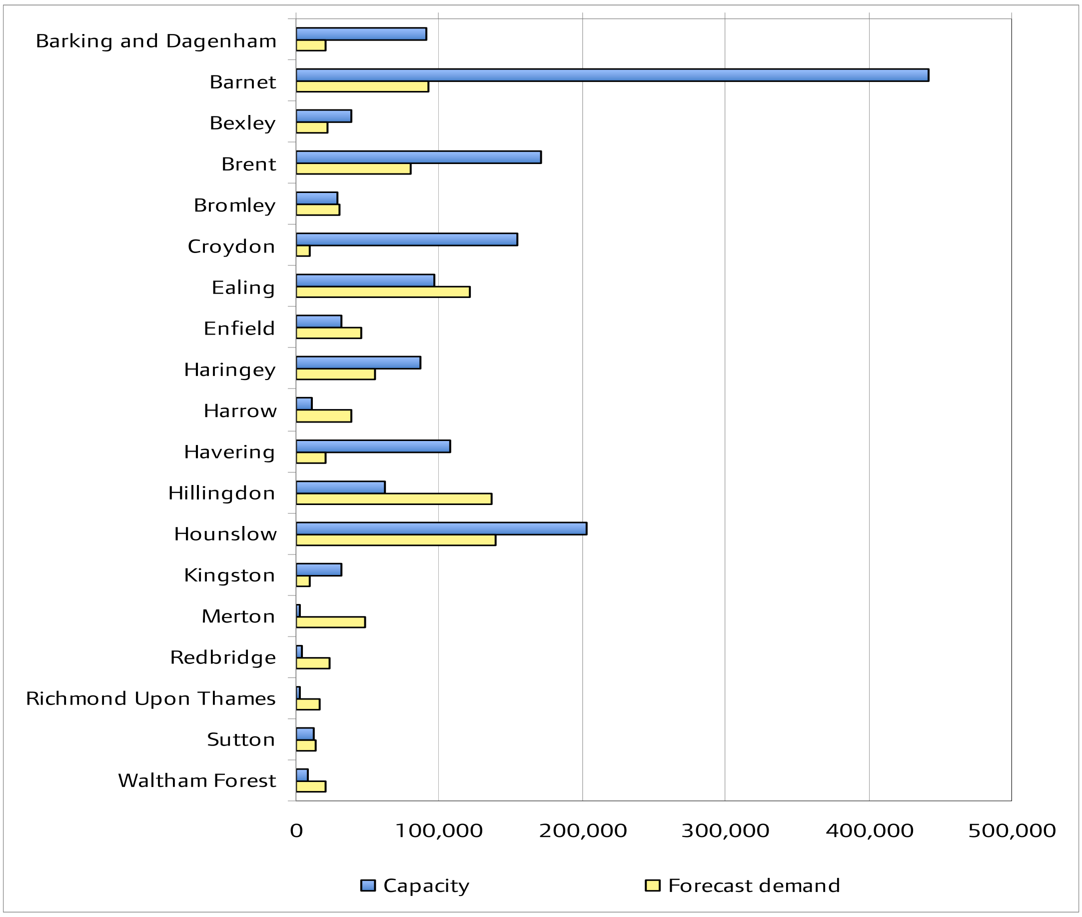
[3] Ramidus, Roger Tym & partners 2009 op cit

2.158 While acknowledging the limitations of working just on an employment/density basis, the 2009 London Office Policy Review (LOPR09)[4] showed that it could on this basis suggest demand for some 5.3 million sq.m of office floorspace across London over the period 2007-2031. Of this total demand, some 940,000 sq.m (18%) was attributed to outer London. Figure 2.45 illustrates the geographical distribution of this projected demand for office floorspace in outer London at borough level, and compares it with floorspace in the planning pipeline (including offices under construction or with planning permission).

2.159 Relative to other parts of outer London, the strongest demand for offices is anticipated in the West (notably Hillingdon, Hounslow and Brent) and parts of outer North London (Barnet). The supply-demand balance in Figure 2.45 shows however that identified capacity exceeds forecast demand in nine outer London boroughs and most notably in Croydon, Havering, Barking & Dagenham and Barnet. Whilst this supply-demand analysis can be useful when considering potential approaches to office development, the review warns against using this data too prescriptively.

**Figure 2.45: Employment density based projected demand for office floorspace (gross) in outer London boroughs 2007-2031 and identified capacity, sq.m.**




Source: LOPR09

[4] Ramidus, Roger Tym & Partners 2009 op cit

2.160 LOPR09 illustrates the great variability in the attractiveness and success of outer London office markets and supports the concept of focussing demand on the most viable and competitive business locations. The study considered the potential growth prospects of outer London centres based upon a range of factors including current and prospective levels of economic activity, clustering advantages, diversity of offer, impact of infrastructure improvements and strategic site availability. The consultants considered that there may be a case for encouraging office-led development in the next economic cycle at Park Royal, Chiswick, Brentford, Hounslow, Heathrow perimeter, Uxbridge, Stockley Park, Croydon and Wimbledon (see Figure 2.46). The assessment identified a case for office-led mixed use development in a number of other centres in outer London including Barking, Bexleyheath, Romford, Wembley, Ealing, Southall, Feltham, Bromley, Kingston, Surbiton, Richmond, Twickenham, Sutton and Brent Cross.

**Figure 2.46 Outer London Office Development Guidelines (DRLP Annex 2)**


Source: GLA/ LOPR


2.161 As the Commission was sitting, the consultants also examined the relative performance of outer London (OL) and the Outer Metropolitan Area (OMA), between 2003 and 2007, according to a number of economic performance measures. They found that the simple perception that OL is 'under-performing' OMA to be misleading. Rather, it has changed structurally over the last twenty years due to a range of factors including the degradation of central London salary weightings and the effects of 'new technology' on traditional central London 'back office' functions, resulting in a major reduction in the 'relocation' market – the residual of this market may now well go overseas. Perhaps counter-intuitively, the consultants' assessment of performance measures suggested that there was no clear pattern of out-performance by OMA. In addition to its labour market and lower land cost advantages, the consultants found there were was some evidence that OMA performed better on quality of environment measures – a potential lesson for outer London. The consultants also noted that liberal parking regimes might offer advantage in some circumstances, but qualified this by noting that one of outer London's most successful business parks (Chiswick Park) is firmly embedded in its urban environment. They concluded that "the fundamental issue of competition between east and west is probably the much more significant issue and strategic challenge (than between OL and OMA).

**Future industry/warehousing demand in outer London**

2.162 Together, the outer London boroughs in 2006 contained an estimated 4,000 hectares in industrial, warehousing and related uses such as waste management and utilities. This represents some 73% of the London total[5]. Over 450 hectares of industrial land in outer London was identified as vacant or 11.3% of the total, compared to the inner London vacancy rate of 16.5%.

2.163 Like office demand in outer London, that for industrial capacity is complex. While traditional metal based manufacturing, particularly on a large scale, looks set to continue its well documented decline, other types of occupier may have a more positive future. These range from small scale providers of 'services for the service sector', through larger scale industrial type services such as waste management, to the complex logistics networks essential to provide goods for a post industrial city. What most have in common is a need for relatively cheap land protected through the planning system. Though 'top end' industrial rents of slightly more than £15 sq ft (but more usually £10 - £12) may compete with some other commercial functions, in most economic circumstances they are challenged by a substantial margin (a factor of five or more) by residential land values. At the other end of the scale, it is environmentally desirable and economically necessary for those firms which need to compete from a £5 sq ft (or less) rent base to remain in London to provide it with their specialist services. While it is essential to be more realistic in accommodating the needs of commercial vehicles, further growth in 'white van' traffic (already the main source of commercial traffic growth) should not be exacerbated by forcing these firms to relocate beyond London. Thus, when coming to a view on using the planning system to accommodate business activities which 'need to be in London', account should be taken not just of issues associated with economic linkages/supply chains, but also indirect environmental and transport capacity costs, as well as to providing more positively for the efficient movement of commercial vehicles on the road system.

2.164 Based upon a strategic assessment of supply and demand for industrial uses, London Plan SPG indicates that the outer London boroughs where the supply-demand balance for industrial land is tightest include Croydon, Sutton, Merton, Bromley, Richmond, Kingston and Hounslow. In Bexley, Havering and Barking & Dagenham the supply-demand balance is less restrictive, but a managed approach to industrial land reconfiguration and transfer to other uses will be essential. Strategic and local employment land reviews will continue to play a key role in assessing the quality of sites and identifying opportunities to enhance the attractiveness and competitiveness for industrial type activities.

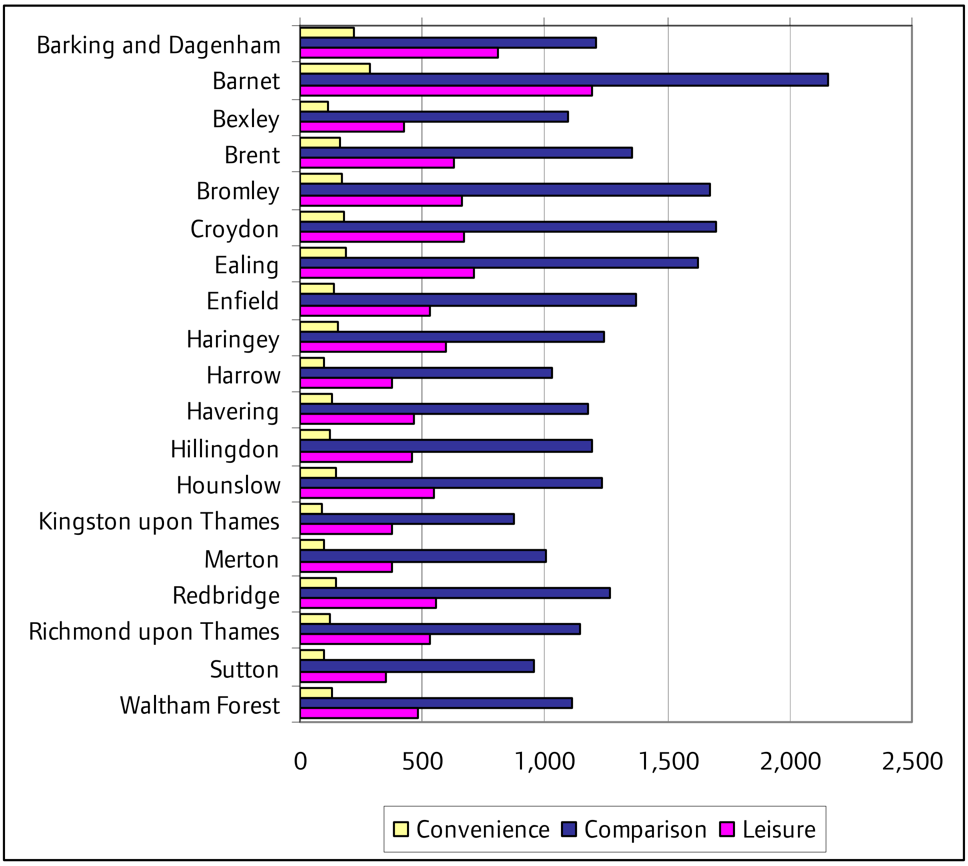
[5] URS Industrial Land Release Benchmarks 2007

The Commission's views are informing an LDA review of industrial land in London, the results of which are anticipated in June 2010.

**Other services including retail and leisure**

2.165 In 2006, estimated consumer expenditure on comparison goods retail in the outer London boroughs stood at £13.9bn and was projected to rise to £38.3bn in 2031, an increase of 176%, compared to the London average of 190 %. Estimated household expenditure on convenience goods retail in the outer London boroughs in 2006 stood at £7.2bn and was projected to rise to £10bn in 2031, an increase of 39%, compared to the London average of 46%. Household spending on leisure in outer London was also expected to rise from a base of £31.6bn in 2006 to over £42.3bn in 2031. The outer London borough distribution of growth in household convenience, comparison goods retail and leisure spend 2006-2031 is set out in Figure 2.47.

**Figure 2.47 Growth in household convenience and comparison goods retail and leisure spend, outer London boroughs 2006-2031 (£m).**



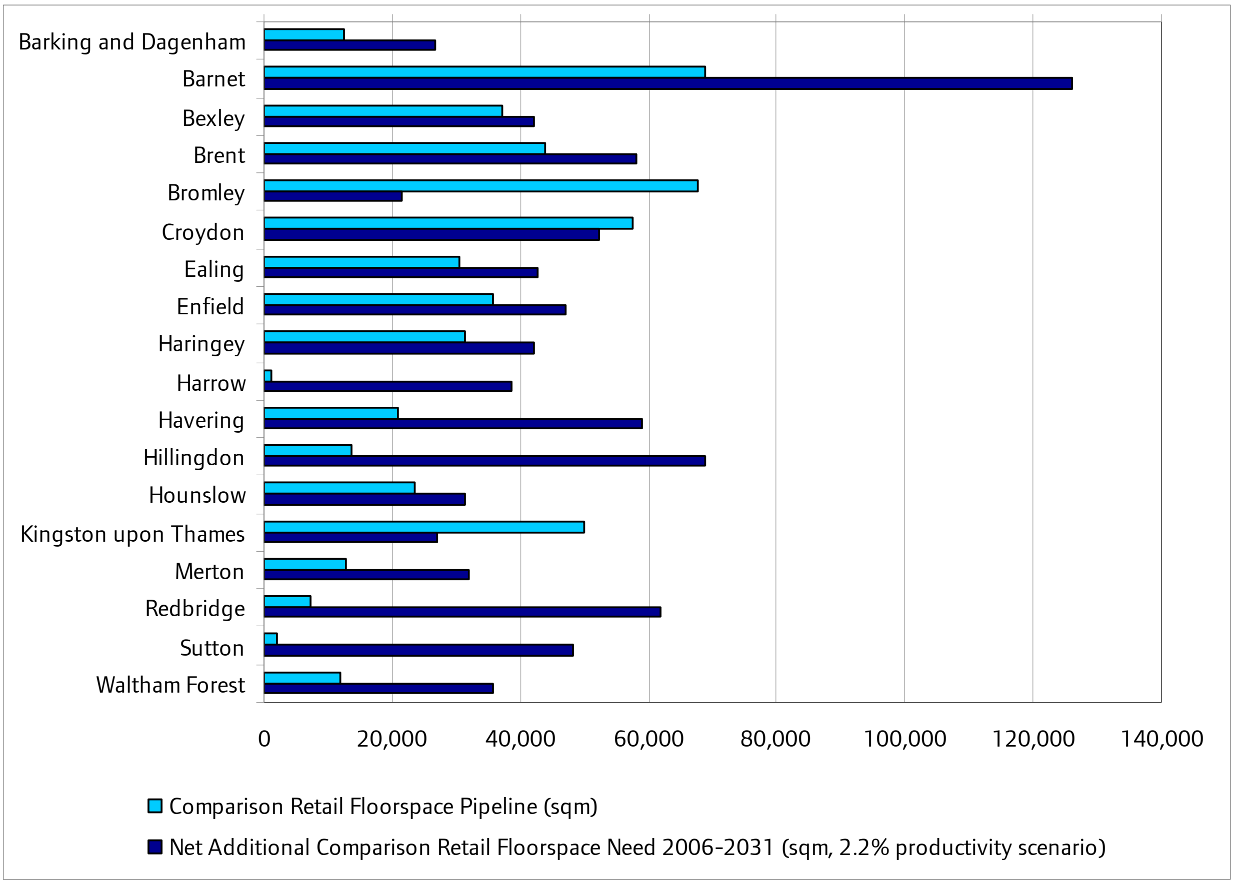

Source: Experian Business Strategies, 2009

2.166 Taking into account growth in commuter and tourist spending, retailers making more efficient use of existing space and new forms of retailing like buying on line, London has a 'net additional' need for 1.3-2.2 million sq.m comparison goods retail floorspace by 2031. About 40% of this need is identified in outer London (excluding

Newham), or 50% if Newham is included. Figure 2.48 illustrates estimated comparison goods retail floorspace in the planning pipeline and how the additional demand to 2031 is distributed across the outer London boroughs. The largest comparison goods retail developments in the pipeline in outer London are listed in Table 2.12 with schemes over 35,000sqm at Brent Cross/Cricklewood, Kingston, Bromley and Croydon town centres. Definitions of outer London including Newham would raise the pipeline figure significantly, with around 112,000sqm comparison goods retail under construction at Stratford City.

2.167 Identification of capacity to accommodate growth in retail and leisure is a key issue in outer London and the recent London-wide Town Centre Health Check provided an indication of town centres where such capacity might exist, such as at Croydon, Kingston, Woolwich, Wembley, Ealing and Ilford. The Health Check report noted however, that evidence of capacity was limited, and that it will be important to identify such capacity in more local retail and leisure assessments within and on the edges of town centres where appropriate.

**Figure 2.48 Comparison Goods Retail Floorspace in the Planning Pipeline and Net Additional Need to 2031, sqm.**




Source: Experian Business Strategies, 2009

**Table 2.12 Comparison Goods Retail Floorspace in the Planning Pipeline in outer London (largest schemes at 2009)**

| Borough | Site Name | Additional Comparison Retail Floorspace (sqm) |
|---|---|---|
| Barnet | Brent Cross Cricklewood | 60,776 |
| Kingston upon Thames | Eden Walk Shopping Centre, Eden Walk | 50,000 |
| Bromley | Bromley Town Centre | 38,000 |
| Croydon | Park Place, Park Street | 36,707 |
| Bexley | B & Q Plc Sidcup, Sidcup-By-Pass | 30,261 |
| Enfield | Edmonton Green Shopping Centre & Adjacent, The Broadway | 17,472 |
| Ealing | Arcadia Centre, The Broadway | 16,360 |
| Haringey | Tottenham Hale Retail Park, Broad Lane | 15,863 |
| Brent | Oriental City, 399 Edgware Road | 14,677 |
| Hounslow | Blenheim Centre, Key Site One (Phase 2), High St. | 13,266 |

Source: Experian Business Strategies, 2009

## Stakeholders views: summary

2.168 From the outset, the Commission has sought to gather a range of views on past and possible future directions for the outer London economy, which could both complement and inform its own investigations. To facilitate this, the Commission set out a series of questions under three broad themes: Economy, Transport, and Quality of Life, and invited stakeholders to respond to these and add their own additional comments. As well as acting as an invitation for written comments, the questions were used as a basis for discussion at the public meetings held by the Commission. The questions invited respondents to, for example, identify present and previous barriers to economic development, suggest ways of overcoming these and comment on possible configurations for development. There was scope to identify generic issues as well as matters specific to a particular area or stakeholder, and the questions acted as a useful stimulus to the debate. The full list of initial questions is reproduced in Annex 2.

2.169 Responses were welcomed from any quarter, and we were pleased to see a range of respondents: London boroughs, partnerships, developers, business groups and other government bodies. There were 52 written responses in total, and a list of respondents is given in Annex 8. As described in Chapter 1, the Commission held six public meetings, which are listed in the table below:

**Table 2.13: Public meetings held by the OLC**

| | Location | London region | Date |
|---|---|---|---|
| 1 | City Hall | Central | 3 February 2009 |
| 2 | Haringey Civic Centre | North | 18 March 2009 |
| 3 | Kingston Guildhall | South | 15 April 2009 |
| 4 | Romford Town Hall | East | 13 May 2009 |
| 5 | Ealing Town Hall | West | 17 June 2009 |
| 6 | City Hall | Central | 7 July 2009 |

2.170 This section of the report identifies commonly-raised issues and is not intended to be a comprehensive description of all the matters covered in the responses - almost all the respondents described the conditions, needs and aspirations of their particular borough or sub-region. Copies of all written responses are available online at the OLC website. The Commission was heartened by the enthusiasm and commitment which respondents showed in their vision for outer London.

### Economy

2.171 In response to one of our first questions, there was some consensus on what have been the historic barriers to development in outer London. One was the legacy of the industries with which outer London has often been strongly associated and which now either have been in long-term decline, face competition from locations outside London, or both. These include manufacturing and heavy industry, back office functions and 'traditional' waste management, as well as logistics, distribution and retail. There is sometimes a perception that, even as these sectors have declined, 'this is what outer London does', and an apparent reluctance to re-evaluate this. Additionally, many of the jobs in these sectors are low-paid, and the relative affordability of commuting into higher-value jobs in central London, or to towns beyond the Capital, has contributed to slower growth in outer London. It was noted that outer London competes much more with the Outer Metropolitan Area (OMA) than with inner London. In particular, the retail sector in town centres and on the high street has had to compete with bigger, more attractive out-of-town locations, which are well connected both for public transport and, more importantly, the private car. Consider, for example, the competition from Bluewater in Kent or Lakeside in Essex for shopping (all that parking space!) or Reading for modern offices. As office-based jobs have moved out, the office stock available, and its quality, has declined. Furthermore, the higher value of residential development in outer London means that available land is often diverted from business and office sectors to housing.

2.172 Respondents identified a need, then, to "re-brand" and reinvent outer London as part of our quest to secure future economic growth. Some suggested that there needed to be active 'marketing' of outer London or particular locations within it. Some respondents noted that the planning regime can act as an inhibitor to investment. They noted the many bodies involved in local development and the need to align expectations and aspirations in order to give a clear message about the future of the areas to attract and reassure investors. Similarly, any plans proposed by the Commission must have regard to existing policies and frameworks put in place by local responsible bodies (eg through Local Development Frameworks). There was also a call to release land, especially public sector land, for development. It was suggested that the existing London Plan has enabled central London to dominate the economy of London by focusing new growth in this area, a pattern reinforced by good radial transport links, and the assumption that while outer London is a desirable place to live, the centre is where the jobs are.

2.173 Related to this, many respondents highlighted that there is a highly-skilled workforce living in outer London, but that, with notable exceptions, many commute to the centre or outside London for work. There are pockets of outer London where the potential or existing workforce has lower skill levels, and worklessness is a problem. Local jobs may often be lower-paid, and the cost of commuting can be a barrier, as can the lack of affordable childcare. Most identified the positive effects of local further and higher education institutions, and the relatively low number of universities in outer London. Not only can education serve to upskill the local workforce, but it can help to attract innovative and high-tech employers to the area, and benefits both research and the economy. Other institutions, such as specialist hospitals or large public sector organisations, can also act as a 'magnet' for related industries. Similarly, it was suggested that some central government functions could be relocated to outer London. One means of revitalising some locations, then, could be to site a new HE or FE institution there, or re-locate public sector institutions from central London.

In the London economy, the demand for work requiring low skills and/or qualifications has shrunk greatly and will continue to [do so]

University of East London

2.174 Respondents also suggested that there needed to be business support for small to medium enterprises and recognition that much economic activity was now micro-, often home-based businesses. There could be better support for them via, for example, office support centres in towns, with cheap and flexible services and rents.

Respondents said that future employment sectors needed to be high-value, and with a long future life. These include knowledge-based and creative industries, innovative technology (for example pharmaceuticals), and 'green' sectors. Also highlighted was the need to reinvent some of outer London's historical roles to reflect the needs of the 21st century, and in particular to respond to concerns about the environment and climate change. Waste management would continue to be an important sector, but should continue to re-focus on recycling and enhanced energy recovery and alternatives to landfill. Distribution and logistics would also remain a key part of the outer London economy; again with potential to make these more environmentally beneficial, for example by freight consolidation. A couple of respondents said that decentralised energy provision should be part of the area's future; as could leisure and tourism. Naturally, many respondents outlined in some detail the particular strengths and opportunities for economic development in their area.

2.175 There was a strong consensus, though, that growth should be based upon a diverse base of sectors and with a range of employers, to mitigate the impacts of future economic downturns. In the past, it was suggested, there has been too much concentration on a few areas, such as financial and business services. Spreading the growth over a wider base would help to ensure the economic resilience of London as a whole. The London Plan, and the other strategies, need to support this.

2.176 As stated earlier, views about the potential for 'growth hubs' identified in the Commission's initial questions were mixed. Many noted that Croydon and Stratford had already developed as economic centres with good transport links, and that there were already plans in place to enhance these, meaning that plans for new growth hubs would be superfluous. More importantly, though, respondents stated clearly that the overall effect of the Commission's work should be to benefit the London economy *as a whole*. Any growth hubs must benefit their surrounding area, and fit in with existing and potential growth areas. In particular, it was felt that growth must not be to the detriment of town and district centres or attempt to create centres where none would naturally exist. There could be a risk of re-creating the central/outer London economic and transport dichotomy within outer London, if hubs were to grow at the expense of the wider region. As one respondent pithily said:

> What must be avoided is the opening up of black holes between a few brightly shining supernovas
> (London Councils)

2.177 Some suggested that a more natural pattern would be growth 'ribbons' or corridors, which would reflect and enhance current residential, travel and employment configurations. Industries already cluster in different parts of outer London – creative industries in White City, say, or support for the Olympics around Stratford – and these should be enabled to grow. Future development should similarly be around 'anchors' of natural growth, allowing similar and related businesses to benefit from co-location. Whatever the configuration, growth should be 'organic' and build on existing strengths rather than start from scratch.

2.178 It was also suggested that the definition of outer London should be permeable, and that the Commission should take into account the strong inter-dependencies between inner and outer boroughs in the Capital, as well as London's place in the wider South East. One of our respondents sums this up particularly well:

There should be an elastic definition of outer London reflecting economic characteristics, opportunities and needs rather than the traditional planning based designation....
(Thames Gateway London Partnership)

2.179 There was significant debate around the definition of outer London. At the start of its work, and in accordance with the general definitions uses, the Commission included the London Borough of Newham as an outer London borough. In the borough's response to the consultation, its Mayor, Sir Robin Wales, stated that the borough had long contested this designation and set out reasons for its re-definition as an inner London borough. In subsequent discussion and analysis, the Commission used this designation, and similarly in the development of the three Mayoral Strategies, Newham was considered an inner London Borough. However, in our work we have recognised that some places in "inner" London (perhaps Stratford in particular) are closely linked with more outer areas – and have the potential to support their future development.

**Transport**

2.180 There is, of course, a strong association between economic growth and increased car use, and respondents stated that areas identified for future economic growth must offer sustainable transport alternatives. Otherwise, growth in outer areas would most likely increase car use. Also, capacity on the road network is constrained, and while traffic management measures have a role to play, it is not feasible or desirable to accommodate increased demand for travel simply by increasing car use. There were concerns about traffic emissions and the wider adverse health impacts of car reliance: for example, children not getting enough exercise because they are driven to school rather than walking or cycling locally.

2.181 Traffic congestion was perceived as probably the most significant problem, with an adverse impact on both economic performance and local quality of life. Respondents suggested a range of measures to address this issue, ranging from workplace parking levy, increases in public transport capacity through to encouraging more walking and cycling. Some respondents wanted to see more consideration of park and ride facilities and others drew attention to the real-time traffic management measures that have been successful in central London. Also mentioned were co-ordinated signal timings and the potential removal or shutdown of some signals.

[T]he underperformance [of outer London]. . . can be attributed in part to two interlinked factors: rising levels of congestion and skill deficiencies.

(BAA Heathrow)

2.182 That said, it would not be feasible to provide public transport links to all destinations in outer London and that the car would remain important for many, although opportunities to enable and promote the use of public transport, walking and cycling, should be maximised. Several respondents said that there should be a package of measures to reduce car travel; for a few this included road user or parking charges.

More generally, it was felt to be important to offer attractive alternatives. It was noted that many families retained a car for non-work trips that would be difficult to make by public transport. Overall, there was a clear message that the car would remain important in outer London, and planning should recognise this.

2.183 Smarter Travel programmes cropped up often as a success story. TfL has, with boroughs, run programmes in Sutton and, more recently, Richmond upon Thames. The scheme uses a range of measures - personal, school and workplace travel planning, promotion of car clubs and car-sharing – to encourage people to choose public transport, walking and cycling. The success of Smarter Travel in shifting car users to more sustainable modes was cited by many respondents and there was enthusiasm for the programme being available more widely. Also, it is important to 'lock in' the benefits of the scheme, otherwise suppressed demand will reclaim the road capacity. Some respondents said that schools and hospitals, in particular, would benefit from enhanced travel planning.

2.184 However, the potential transport (and environment) benefits of greater employment growth in outer London were welcomed: enabling people to work and access key services closer to home would reduce the amount of overall travel as well as enabling people to choose more sustainable modes. Obviously, it's easier to walk or cycle to work if your office is in your local town centre. But also crucial to people making this choice is a pleasant and safe environment, in which people feel confident to walk, cycle or use public transport. Some respondents reiterated the benefits of mixed-use development and the added value of having, for example, education and health services in the same location.

New employment generating development needs to be based on principles of reducing the need to travel (through provision of local employment opportunities and encouraging home working) and through ensuring new opportunities further from home are accessible by public transport.

(LB Richmond upon Thames)

2.185 It was recognised that additional resources for transport are limited. In this context, respondents were keen that existing services and infrastructure were fully utilised, for example by increasing service frequencies and passenger capacity. Respondents suggested that cycling routes should be concentrated around town centres rather than attempting overall coverage. There is also potential to get greater value from transport services via 'reverse commuting', as outer London's role as an employment destination grows. Under this scenario, residents would travel from home in one outer London location to another (spreading the load on public transport on the roads), rather than everyone taking a similar route to the centre.

2.186 In the short to medium term, additional public transport is most likely to come from buses and transits and several highlighted the need to make buses more reliable and attractive. This could include bus priority measures on the roads. Other relatively inexpensive measures to encourage the use of public transport, like better information provision, were also identified. Furthermore, well-placed, user-friendly interchanges could help to squeeze the most value from the existing network. Being able to access up-to-date and understandable travel information is also seen as key. It was noted that in some instances, people use the car simply because they are put off by having to make connections and join up different timetables.

2.187 There was also a call to look at the provision of cross-boundary bus and other transport services (covering London and non-London services), since outer London residents do not, of course, only travel within the Capital. All transport services need to be co-ordinated in order to make them easier and more attractive to use; and to squeeze maximum benefit from the existing systems.

2.188 Respondents gave detailed proposals and suggestions for particular transport improvements in their area. While it's not appropriate to list these here, we can pull out some key messages. In general, it was felt that there should be links to, from, and within town and district centres, and historically deprived areas should be enabled to access public transport to get to work. Also important was orbital connectivity, and links between the 'spokes' of the town centre hubs. There were various suggestions for extending Underground, DLR and Tramlink lines, as well as increasing services on the rail network. A few identified the need to electrify parts of the network; others emphasised the need for additional river crossings. Trams were identified as an attractive alternative to car use in some parts of London.

2.189 Public transport costs are perceived as higher in outer London, potentially putting off users. Fares between destinations in outer London needed to be affordable in order to have a mobile labour market; and the price of public transport needs to compare favourably to the cost of running a car. There was a suggestion for an 'outer London travelcard' to make it cheaper to travel within this area. Some respondents suggested that the Mayor's lack of control over National Rail is an inhibitor to fully integrated and affordable services in outer London, where there is heavier dependence on this mode. This is an issue which the Mayor is partly addressing through the integration of Oyster ticketing on National Rail services.

2.190 Respondents recognised that there would be a need for greater residential density in order to justify public transport investment, although many hoped that this could be achieved without compromising quality. There were examples of how this could be achieved, by strong urban design standards and green spaces, for example. There was an overarching concern that the suburbs remain an attractive place to live as well as work. Further to this, respondents noted that outer London residents not only need transport provision for employment, they also need it to access education, leisure and social/family events.

> outer London will become a more attractive place to work if employment centres are easily accessible by public transport. Therefore increased traffic congestion and pollution need not be an inevitable consequence of employment growth if planned correctly. Some of the proceeds of economic growth need to be reinvested into the PT system to ensure this virtuous circle is maintained.
> (LB Barking & Dagenham)

**Quality of Life**

2.191 Overwhelmingly, respondents were clear that increased economic activity in outer London should not be at the expense of retaining the different local characteristics of each area and the many advantages it offers to residents. While the

Commission has, of necessity, had to talk about 'outer London' as a generality, we've always been mindful that this definition contains hundreds of unique locations, each with their own particular heritage and features.

The fantastic attraction to London is its diversity. One size does not fit all and we should, therefore, endeavour to give flexibility in our recommendations (Tony Pidgley, OL Commissioner)

2.192 In addition, development must be sustainable (in all the senses of that word) and have regard to its environmental impacts, particularly in terms of mitigating the extent of future climate change and adapting to its consequences. Many people make a choice to live in outer London because it is less intensively developed and offers a pleasant and attractive place to live, particularly for families. If development is not mindful of these considerations, there is a risk that those who can, will choose to leave London altogether. However, there was support for having more 'self-contained' centres in outer London, where people do not need to travel long distances for work or shopping.

2.193 There was a clear message regarding the need to support and revitalise town and district centres, which may have become rundown and are less attractive and accessible as shopping destinations compared with out-of-town alternatives. Several noted that town centres need to have a mix of quality jobs, shops and services in order to remain viable. They are also important for social cohesion, allowing people to access services nearer to home. Co-location of key services, like health and education, can bring benefits in terms of reduced need to travel and enhanced accessibility. It is also important to be able to access cultural and leisure facilities near to home, avoiding the need to travel to the West End or out-of-town leisure parks. In fact, many of these facilities already exist, we just need to be more aware of them and give them the support they deserve.

It is essential that good quality social infrastructure is provided to support existing and future needs. Healthy, well-educated and skilled citizens will have a competitive advantage in the labour market. These facilities should be co-located and provided at the heart of the communities they serve in order to minimise the need for travel (LB Barking & Dagenham)

2.194 The issue of the night-time economy in town centres was widely discussed: some felt it was important to encourage this to avoid centres becoming deserted at night. But this was accompanied by a concern that there were measures to prevent crime and anti-social behaviour at night. Fear of crime, as well as actual crime rates, is a key concern of residents.

2.195 Housing was often raised as an important issue, and this relates to the matter of residential intensification as well as issues of affordability. It was noted that the housing stock in suburban London was ageing. Several said that there was a need to re-focus development away from one or two-bedroom flats towards bigger homes where families could settle. With caveats regarding quality and space, intensification was acknowledged as a way forward. But housing is not the whole story. Respondents noted that it was vital to provide an increasing residential population with the right health and education services, some of which (for example primary education) are already struggling to meet demand.

We have a duty to ensure that local people share in any wealth generated in the area, that jobs are available to the many that they receive the skills training and good quality housing which they need to improve their living standards
(LB Newham)

2.196 Respondents strongly identified a need to improve the urban realm, particularly in town centres. There was a variety of suggestions for achieving this, including de-cluttering streets, shared space, and green spaces. Since traffic affects the quality of the environment, there were suggestions for traffic calming and, from some, limitation: 20 mph zones, priority measures for cyclists and public transport, and shared space schemes. These could also help to promote walking and cycling as well as attracting new, high-value employment to town centres. Traffic congestion was said to have a strongly negative impact on quality of life in outer London.

2.197 Development needs to be respectful of the heritage and natural characteristics of the area. The existing features of the area – for example waterside space – should be maximised. Again, this recalls the 'organic' growth that respondents talked about with regard to the economy of outer London.

Access to green spaces was seen as very important and many said that the Green Belt must remain sacrosanct.

# Chapter Three: Analysis

3.1 This chapter draws on the evidence in the previous chapter to develop recommendations and proposals. It examines:

- The possible scale of economic growth in outer London
- The kinds of economic sectors that might support growth in the area
- The case for a hub-based approach to policy
- Ways of making the existing economic geography of outer London – town centres, strategic industrial locations, Opportunity/Intensification Areas etc. work better to support growth in outer London
- The importance of quality of life and environmental quality issues
- The question of linkages with neighbouring regions outside London and the "outer metropolitan area"
- Transport issues that will have to be addressed.

## Potential scale and sources of growth

3.2 The European Cities Monitor published annually by Cushman and Wakefield, Healey and Baker identifies and ranks the factors considered to be attractive to businesses when deciding where to locate. These are:

- Availability of qualified staff
- Easy access to markets
- Quality of telecommunications
- External transport links
- Cost of staff
- Climate for doing business
- Language spoken
- Office space – value for money
- Internal transport
- Availability of space
- Quality of life
- Freedom from pollution

3.3 They use these criteria to ask businesses to rank European cities as places to locate their activities. As Table 3.1 shows, London has consistently scored highly against most of these, performing poorly relative to other cities only against cost of staff, value for money office space and freedom from pollution:

**Table 3.1: London's performance against factors attractive to business**

| | 2005 | 2006 | 2007 | 2008 | 2008 Leader |
|---|---|---|---|---|---|
| Availability of qualified staff | 1 | 1 | 1 | 1 | London |
| Easy access to markets | 1 | 1 | 1 | 1 | London |
| Quality of telecommunications | 1 | 1 | 1 | 1 | London |
| External transport links | 1 | 1 | 1 | 1 | London |
| Cost of staff | 22 | 16 | 25 | 29 | Warsaw |
| Climate for doing business | 6 | 5 | 2 | 5 | Dublin |
| Language spoken | 1 | 1 | 1 | 1 | London |
| Office space - value for money | 24 | 29 | 18 | 24 | Leeds |
| Internal transport | 2 | 1 | 1 | 1 | London |
| Availability of office space | 3 | 1 | 2 | 5 | Berlin |
| Quality of life | 13 | 7 | 11 | 14 | Barcelona |
| Freedom from pollution | 27 | 26 | 29 | 27 | Oslo |

3.4 London as a whole scores well. In some of the areas where it does less well, outer London is likely to be able to demonstrate strengths. Wage levels tend to be lower than in central London; office rents are also lower. Much of outer London also enjoys a high quality of life, including lower pollution levels in most parts. If these are combined with the benefits the area gains from being part of London, there is clearly much to play for.

3.5 Drawing on the employment projections provided for us by GLA Economics, projections from a number of independent forecasters and the information provided to us by stakeholders, we consider there are four possible growth scenarios for outer London, and we have applied these as sensitivity tests in considering our recommendations (Table 3.2). In using them we have been guided by the principle of it being "better to be broadly right than precisely wrong" – a useful axiom when considering any projection. We were also mindful that we were interpreting these figures not as statisticians (though we did of course want them to be as 'right' as possible) but as an aid to formulating planning policy (in which it is prudent to make provision which enables rather than constrains growth). In addition we were conscious that these projections are subsets of those for London as a whole and thus subject to wider debate: not just as to whether they were constraining outer London's growth (a concern among some of the Commission's respondents), but also whether they were part of a broader view that, historically at least, some projections for London as a whole might have erred towards the economically optimistic.

**Table 3.2 : Possible scenarios for employment growth in outer London**

| | | |
|---|---|---|
| Scenario 1 | **Continuation of 1989-2007 historic trends** could result in an average of 2,800 more jobs, made up of 4,800 more 'office' jobs pa, 5,400 more 'other' jobs' and a loss of 7,400 'industrial' jobs pa. | a static view of how employment might change, taking no account of the changing future importance of different sectors |
| Scenario 2 | **2008 London Plan** projection based on a triangulation of now dated historic trends = 10,000 more jobs pa, made up of 8,600 more 'office' jobs pa, 3,400 more 'other ' jobs and a loss of 1,700 'industrial' jobs pa | assumes London will grow in line with national trend and takes account of changing relationships between different sectors but does not reflect the most up-to-date information on economic trends |
| Scenario 3 | **Oxford Economics Forecast** =10,500 more jobs pa | a more up-to-date, top-down, macro-economic view but does not reflect local infrastructure investment and development capacity. Sectoral information not available. |
| Scenario 4 | **New Draft London Plan projection** based on a triangulation of new employment, development capacity and public transport data = 6,000 pa, made up of 2,900 more 'office' jobs pa, 7,300 more 'other' jobs and a loss of 4,000 'industrial' jobs pa. | assumes London will grow in line with national trend and incorporates data which takes account of the onset of the recent recession. |

Note: these figures are only broadly indicative due to rounding and because definitions vary.

Where could growth come from? We have concluded that there are two fundamental sources for future growth.

3.6 The first is **endogenous** growth, based on **existing** sectors and sources of employment. These, of course, have contributed to the underlying trends examined earlier in this report, but there may be scope for them to perform more effectively if constraints on their performance, competitiveness and growth that exist in outer London were addressed. These sources include:

- Office-based private sector activities
- Retail
- Leisure/tourism
- Local/central government
- Other public sector activity, such as health, community safety etc
- Industry and logistics
- Creative industries
- Other sectors, such as construction.

OUTER LONDON COMMISSION

3.7 Some growth from these sources can be expected from increased residential population, increasing demand for goods and services locally. Peer group reviewed work[1] for the 2008 London Plan suggested that every extra 1000 population might generate 230 more local jobs.

3.8 The second is **exogenous** growth. This means either **wholly new** sources of employment on a strategically significant scale or **step changes** in the scale or nature of existing sources which might be possible if constraints on outer London's competitive position can be addressed. These might include:

- Central government functions (along the lines of the Home Office's operations in Croydon)
- Other governmental and related functions (European Union agencies, for example)
- National or regional level health or community safety facilities
- Sources arising from, or supported by, new national or regional transport infrastructure, such as Crossrail or a High Speed rail terminus
- Environmental industries
- Attracting back "back office" and other kinds of employment that have moved in recent years from outer London to the surrounding outer metropolitan area.

3.9 More generally, in considering both exogenous and endogenous sources of growth, we have been alive to the need to be realistic about what might be possible, and to avoid making undue reliance on multiplier effects or double counting.

3.10 The Commission considered at some length whether it would be realistic to include new, large scale, commercial office occupiers in the above list as a distinct element of potential exogenous expansion. Clearly, it would be desirable to attract these back to outer London as a source of sustainable growth. Paragraph 3.4 above shows that outer London may be able to offer them competitive advantage, and from the representations made to the Commission, there are certainly strong local ambitions to support this. In addition, major office proposals at Chiswick Park, Stockley Park, Park Royal, Brent Cross and Croydon suggest that the development sector has not discounted the possibility. However, with some notable exceptions the tendency over the last two economic cycles (at least) has been for such firms to leave rather than migrate to outer London. This suggests that while there may not be sufficiently robust evidence to justify a change of policy to make specific strategic provision across outer London as a whole for such occupiers, this does not mean that local stakeholders should not continue to work to develop their competitive advantages to attract them to viable locations. The targeted approach to management of the office stock and its selective renewal set out in paragraphs 2.155 to 2.160 should support this, as well as making provision for other types of occupier.

3.11 We particularly want to highlight two possible sources of growth. The first, which is likely to be mainly exogenous, is based on those activities associated with the environmental sectors. One the one hand, there is a view that, at least for the manufacturing component of green industries: "why should they come to a relatively high cost location like outer London when they can find lower cost bases, and possibly

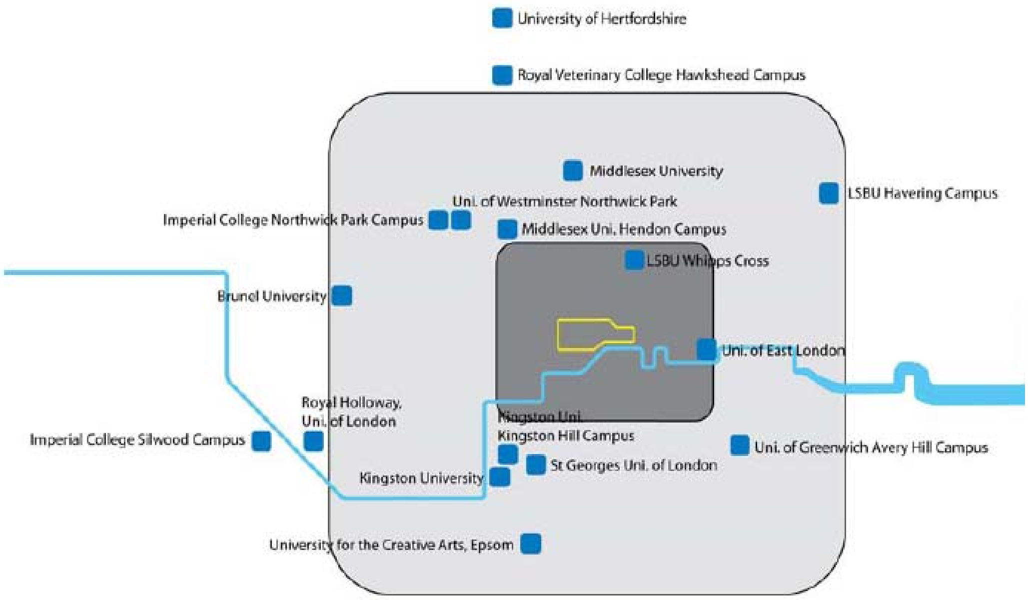
[1] GLAEconomics. More residents, more jobs. The relationship between population, employment and accessibility in London. GLA, 2005

subsidy, in other places?" However, on the other hand, outer London is well-positioned to play a leading role in the research and development of 'green industries', perhaps building on the progress London is making to be the global market leader in carbon finance and its strengths in areas associated with low carbon activity and research. It is a global centre with very high levels of investment in new technology. London is well placed to develop expertise in sectors that are able to respond to the growing market opportunities in the areas of climate change mitigation and adaptation; outer London would be well suited to contribute to such development, for example associated with the decarbonisation of the residential property sector (including both the 3.1 million existing homes in London and the 33,000 pa planned for the future). The draft replacement London Plan requires a significant proportion of London's energy to be supplied by decentralised energy by 2025; this will provide a market opportunity in London that the 'Prospectus for London, the Low Carbon Capital' report of March 2009 estimates could generate over 800 jobs per year.

3.12 Outer London, with its proximity to the environmentally oriented finance and business services in the centre, its range of sites and workspaces and access to a skilled workforce, could be well placed to benefit from job creation and investment in the area as the capital shifts to a low carbon economy.

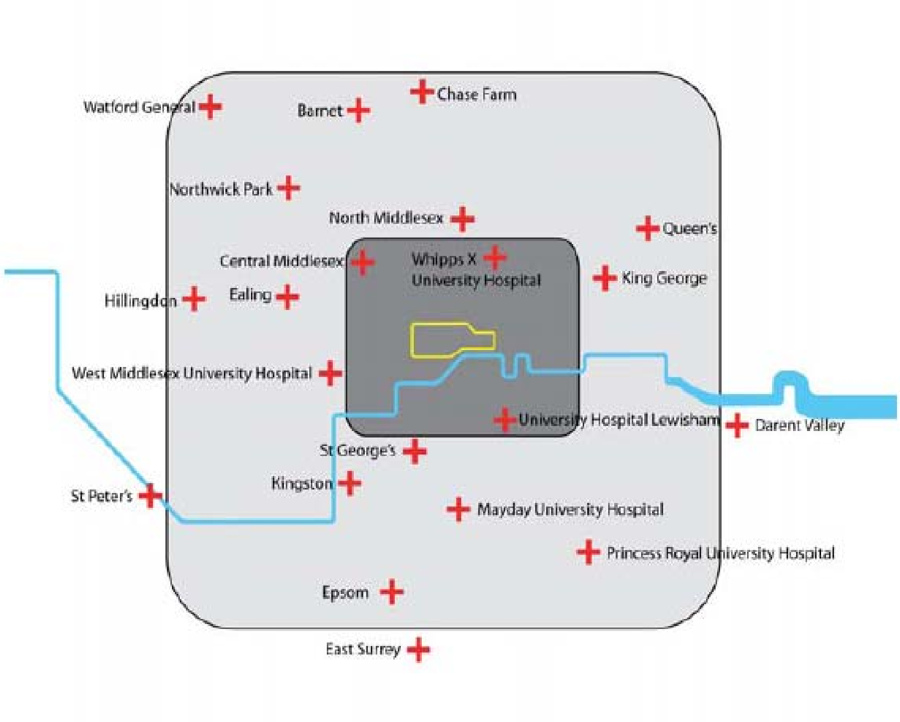
3.13 The second potential source of growth is the public sector which has both exogenous and endogenous components. While the Commission was mindful of government policy to relocate its administrative functions away from London, it did note that locating government, health and higher/further education functions of greater than sub regional significance in outer London would bring many benefits, including links to existing central London institutions and local labour markets, lower costs, skilled labour force and relatively good communications. Higher education institutions and hospitals in outer London (see figures 3.1 and 3.2) have a potential beyond the direct employment they bring as **focii of regeneration**, both because of the direct employment they bring, the scope for helping employees gain experience and skills (the "skills escalator effect, particularly marked in the Health Service), the indirect benefits they bring to local economies and the scope for harnessing "spill over" effects in encouraging emerging sectors. In the next section, we take this line of thought further in examining whether it is possible to attract or support exogenous growth in particular places.

## Figure 3.1: Higher/ Further Education institutions as a focus of regeneration




Source: Farrells

## Figure 3.2: Hospitals as a focus of regeneration




Source Farrells

3.14 While there is understandable scepticism about the historic effectiveness of the public sector looking at economic sectors in this way (or 'picking winners'), the

Commission was also conscious that this is what the private sector tries to do all the time. A pragmatic partnership of public and private stakeholders might be more effective in realising synergies between sectors than the top down interventions of the 1960's and 1970s.

3.15 The Mayor's London Plan is a *spatial development strategy*. That is, it can coordinate all the investment and other interventions that affect the locational decisions businesses make. We can make sure that there are sufficient workspaces in the right places and with the right environment, supported by the transport, information/communications and other infrastructure and easily accessible by a workforce that has been provided with the skills and training support it needs. We can also make sure that policy does not disadvantage development inside the Greater London boundary as compared with that outside (in car parking policy, for example). Getting this spatial development framework right means ensuring the right mix of mutually supportive planning, transport and economic development policies Londonwide and locally, and coordinating the investment and operations of the GLA Group as a whole, boroughs and the whole range of public, private and voluntary sectors with a part to play in the success of places in outer London.

3.16 For the future, the Mayor may wish to explore how the London Plan can help make a step change in the effectiveness of private and public investment coordination. So far the Plan does not appear to have fully flexed its institutional muscles as a 'spatial strategy', instead staying close to the planners' traditional comfort zone of land use, transport and the environment. The Commission has suggested incremental extensions to this to provide more specific coverage of social infrastructure. Potentially it could perhaps go much further, providing a strategic context to add value to the Total Place and Total Capital concepts which have recently been tested at borough level, and extending the 'localness agenda' to embrace the city region. A start might be made by investigating how it might improve services and drive savings by adding a strategic dimension to delivery of the 'health agenda', and exploring how this can contribute to achievement of the Mayor's wider objectives. For example, could it help to coordinate more effectively the infrastructure needed to support integration of strategic and local health and complementary service delivery, possibly between boroughs or across wider areas of London, linked to Opportunity Area or town centre renewal initiatives?

## A new spatial structure for growth?

3.17 As a key part of our terms of reference, we were asked to consider the concept of economic growth hubs in outer London and the contribution a concept of this kind could have in helping outer London to reach its full economic potential. We also examined the related question – raised by many of those we spoke to - of whether and how more **polycentric** growth should be encouraged, with a view to informing the development of the revision to the London Plan, and subsequent strategies.

**Polycentric development:**

Polycentric development, as defined by Hague & Kirk, 2003 (ODPM) is a spatial and functional form of development in which there are many centres and not just one large city that dominates all the others. Polycentric development helps to encourage increased competitiveness, cohesion and regional balance, equality of access to infrastructure and knowledge and sustainable development, and is a concept promoted, for example, in the European Spatial Development Perspective.

3.18 The Commission asked for views on the concept of 'super hubs' or 'growth hubs' - places that could form the focus of, and catalyst for, more general above-trend growth in outer London. It started with four broad locations identified as potential growth hubs: Stratford, Croydon, Brent Cross/Cricklewood and Heathrow (one in each quadrant of outer London) as a basis for this discussion. At the same time, it was made clear that the Commission had an open mind on this issue, and that other options would also be considered. Any future land-use options would of course need to be examined in the light of economic viability, transport interventions and projections of employment and population growth.

3.19 This question probably caused more controversy than any other of the issues we considered. Fears were expressed that identified hubs would receive the bulk of transport and other investment at the expense of other parts of outer London, and that they would see the most of any additional growth. As set out below, it also became clear from our consideration of past and likely future trends in the outer London office market that it was very unlikely that there would be sufficient high 'added value' private office demand to support the scale of growth hubs of this kind would require.

3.20 Thus, as part of its initial work the Commission considered just what a 'super-hub' might comprise. The Commission's brief and its early consultations and analyses suggested that in terms of core functions, 'super-hubs' should have a wider than sub regional 'reach'; that these functions should be capable of being accommodated at high enough densities to justify public transport investment (to create a virtuous, self reinforcing circle of public investment and wider growth); and that they should generate sufficient value to justify private development investment. This pointed to office based functions capable of generating rental values of more than about £27 sq ft (in the same general order as those in nearby parts of the Outer Metropolitan Area and indeed in much of provincial Britain), backed by substantial high value residential development and an attractive range of supporting services.

3.21 To generate the desired step change in employment over and above historic or currently projected trends, the scale of such office development would have to be significantly greater than that anticipated in the emerging London Plan. As an initial proposition for testing, it was suggested that in broad brush terms this might entail development at, say, twice the scale of that usually considered necessary to generate its own mass and identity as a strategically significant office quarter - say, double the 300,000 – 400,000 sq m which in the past has been considered for such quarters at Brent Cross or Earls Court. At average London Plan densities this would provide capacity for at least 50,000 office workers. Variants on this model suggested that even if densities were reduced from 12 sq m person to 18 sq m (which would have implications for development viability) and applied to the smallest office 'super-hub' option (600,000 sq m), this would still create capacity for over 30,000 more office workers.

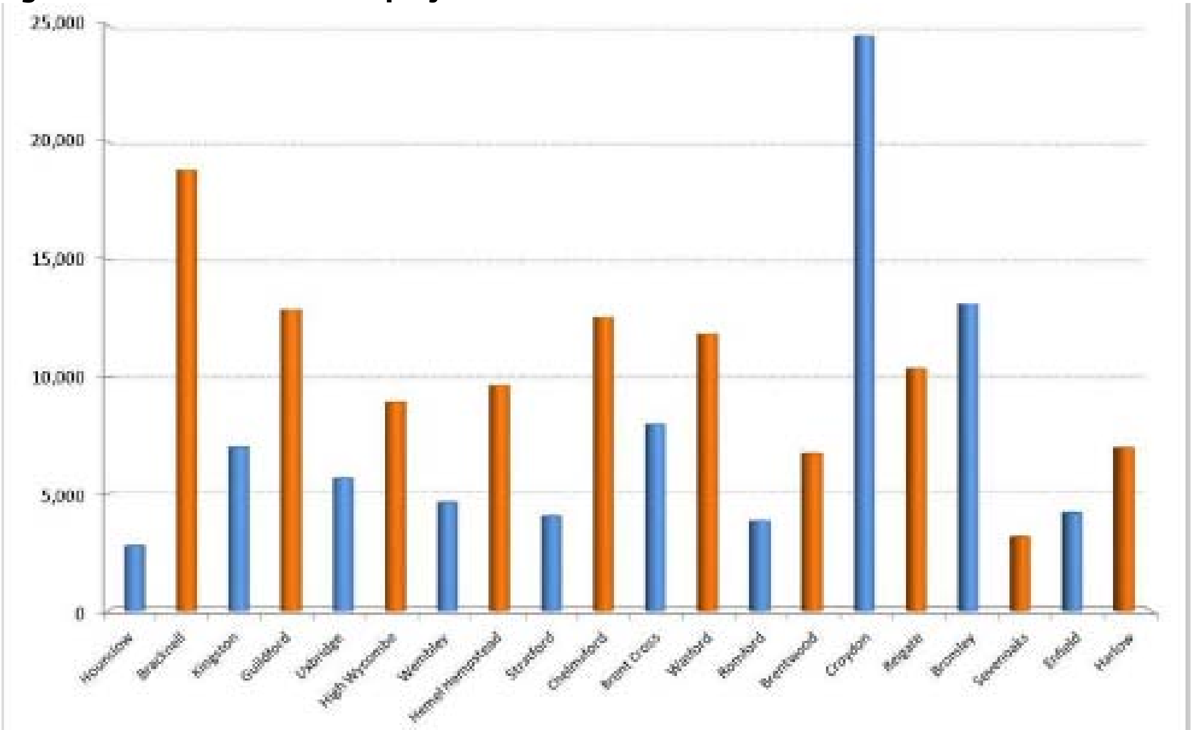
3.22 The 50,000 employment growth from this variant of the 'super-hub' model is equivalent to more than a third of the Draft London Plan's projected employment growth for all sectors across outer London (Table 3.2 Scenario 4) i.e. if successful, a 'super-hub' would certainly achieve the desired 'step change' in employment opportunities. On this basis, it might absorb much of the office employment growth projected for the whole of outer London under Scenario 4, about half that projected under Scenario 1 and a quarter of that expected under Scenario 2.

3.23 The Commission also considered other models for the 'super hub' concept. For example, was it useful to use the Heathrow area as a proxy? This accommodates 90,000 jobs, and while specific growth data was not available, the Commission was mindful that Hillingdon, in which much of this activity is concentrated, has had by far the greatest employment growth of any outer borough (68,000 more jobs 1989 – 2007). Though Heathrow does have a distinct core set of airport related activities (stemming in part from very substantial public investment), geographically these are quite dispersed, most are not office based (Annex 3B) and arguably they do not form the tightly focused nexus which might be characterised as a 'super-hub'. More importantly, the area is quite unique - realistically it is doubtful whether it could be used as a model for replication elsewhere in London.

3.24 However, dispersed areas of growth, sometimes clustered around pockets of more intense activity, do exist elsewhere in London. The employment density maps in Chapter 2 provide a static picture of these, and the borough level tables in Annex 3B provide a broad brush impression of the scale of their growth. Richmond (27,000 job growth 1989 – 2007) and Barnet (21,000) are the most graphic examples. In terms of scale, doubling their historic performance would apparently put them in the same league as the notional 'super-hub' described above, but much of this growth was not office based and was generated by a fairly dispersed geographic structure, with all that that implies for transport investment.

3.25 The Commission also considered whether office hubs in the Outer Metropolitan Area could serve as models – after all, OMA as a whole had grown by 36,000 jobs pa across two economic cycles while outer London had managed only 2,800, and the OMA office market is a more realistic comparator for outer London 'super-hubs' than that of inner London. But the employment growth headline across the 'Home Counties' belies the scale of office growth in each of its own 'hubs'. The nearest proxy to a 'super-hub' there is Reading, with some 30,000 office jobs and nearby Wokingham with some 22,000 jobs. Wokingham grew by 850 jobs pa across two cycles, and growth in Reading was erratic but, on average, negative i.e. very different to the 2,500 jobs pa required over 20 years to reach a 50,000 target for a London 'super-hub'. Moreover, a significant part of this area's office economy is based on a set of more dispersed, car based spatial structures than the dense, public transport based configuration posited for the distinct circumstances of London. Other OMA centres outlined in Fig 3.3 do not have even half the level of office employment suggested for a London 'super-hub' – only Bracknell has more than 15,000 jobs. Moreover, as independent consultants for the London Office Policy Review 2009 concluded, "when looking at office-based employment specifically, the performance of OMA centres is marginally stronger (than those in outer London) but …. the range of growth rates across the two types of centres precluded any definitive and over-arching conclusions".

**Figure: 3.3: Office based employment 2007**




Source: Ramidus, Roger Tym & Partners op cit (ABI 2008)

3.26 It was tempting to use Canary Wharf as an exemplar of a successful London 'super-hub'. Early phases of development there provided capacity for some 50,000 workers which have now grown to more than 90,000, with development capacity to exceed 200,000 jobs. As with some of the other models, this development required substantial public subsidy from a range of sources, including very significant rail infrastructure. Thus, from this perspective, the scale of the 'super-hub' concept outlined above does not appear immodest. However, it is misleading because Canary Wharf serves a very different market from that which might be attracted to outer London. Historic prime rents there have been in the order of £40 sq ft i.e. roughly the same as central London's 'Mid Town', not far above those sometimes achieved in parts of Hammersmith but well above those in the Outer Metropolitan Area which serves a market more analogous to that which might be created in outer London.

3.27 These of course are not wholly valid comparators, not least because much of the projected employment growth in outer London is likely to be essentially 'low value added' while the new exogenous growth required for a 'super-hub' would represent a 'step change' to a new 'high value added' type necessary to justify the development investment. Nor do they address concerns as to the balance of probabilities of outer London attracting such exogenous employment on this scale, or recognize differences in the markets served by other office locations. However, they do provide a context for understanding what a 'super-hub' might entail, and, not least in light of other evidence submitted to the Commission, beg questions as to the realism of predicating a major change in London Plan policy on the basis of such development. While this testing of the 'super-hub' concept did not lead to its endorsement, it did provide useful lessons for the wider work of Commission.

3.28 We also considered whether substantial planned extensions of existing urban areas, perhaps based on release of Green Belt or Metropolitan Open Land, would be a viable way forward. We came to the conclusion that this would be unnecessary and wasteful in terms of the use of land and existing infrastructure. There is very considerable capacity for development and a good deal of "sunk" investment in buildings and infrastructure within the existing urban envelope. There is not, therefore, the justification for large-scale release for development of land which we accept is extremely important for a range of policy reasons and to quality of life.

3.29 Informed by the Survey results showing that while 60% of outer London's employment is concentrated in its main town centres, 40% is more dispersed, the Commission instead came to the conclusion that a more clearly nuanced approach would be more constructive – one that made clear that it was based on smaller nodes or clusters of activities of greater than sub-regional importance which could be developed either by building on existing strengths or the capacity to attract new activities not found elsewhere, and which recognised the potential of a wider range of places. This was the origin of the "strategic outer London development centre" which we propose in this report.

**Table 3.3: Potential locations for 'strategic outer London development centres' and their strategic functions**

| Strategic function(s) | Sites |
|---|---|
| Leisure/tourism | Wembley; and parts of Greenwich; Richmond; Hillingdon; Wandle Valley |
| Media (also food-related) | White City; Park Royal |
| Logistics | parts of Bexley; B&D; Havering; Hillingdon ; Hounslow |
| Other transport | Hillingdon; Royal Docks-City airport; Biggin Hill |
| Office | Croydon; Stratford |
| Higher/Further Education | Uxbridge; Kingston; Greenwich and possibly Croydon; Stratford; Romford |
| Industry | Upper Lee Valley; Bexley Riverside |
| Retail | Brent Cross |

3.30 The London Plan should draw on this list, and our work more generally, to identify specific locations in outer London with specialist strengths, existing ("endogenous") or potential ("exogenous"). Other centres could be added as necessary (the Commission's table is not intended to be exhaustive or preclude other configurations). We hope to see a commitment to developing these and other centres, with a focus on both the business environment *and* the public realm. This should include ways of attracting investment for infrastructure, and measures to help Londoners to access employment.

3.31 To avoid any misunderstanding, recommendations for outer London development centres are intended to mean *existing* town centres and other centres of growth, and *not* the 4 'growth' or 'super' hubs originally envisaged. The meaning has broadened and, could include different classifications, including relatively small district and neighbourhood centres as well as non- town centre locations such as Strategic Industrial Locations identified in the London Plan. The planning guidance and proposals would, of course, need to be adapted for different classifications as appropriate.

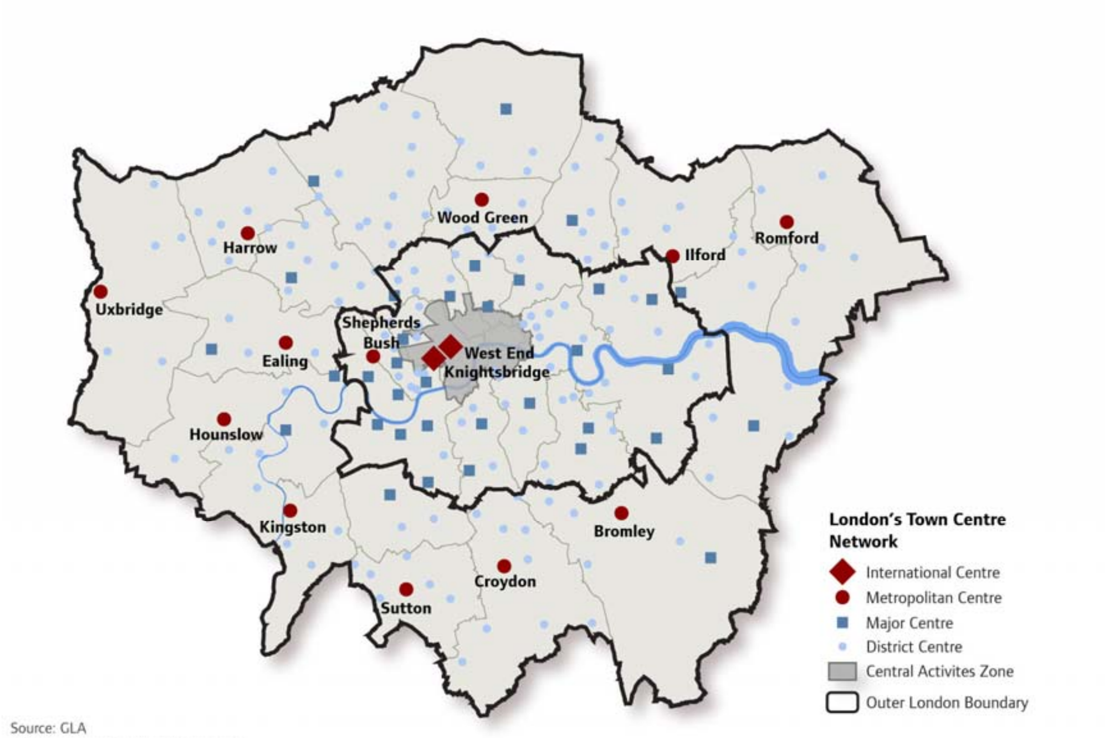
## Making the most of existing places

3.32 Considerable attention has been given to new kinds of places that could be embodied in spatial policy. Many of those we spoke to quite rightly pointed to the need to make the most of existing spatial structures identified in the London plan and elsewhere, and particularly town centres. We strongly agree with these points. Any new spatial designations should complement and not replace or endanger the success of existing places and centres. We briefly consider some of the key spatial designations relevant to outer London, and flag their potential for both kind of economic growth we identified earlier.

### Town centres

3.33 Though outer London's larger town centres already support 60% of its employment there are other reasons why the draft replacement London Plan should identify them as the most important spatial designation outside the central Activities Zone to provide the main foci for commercial development, new retail and housing. We support the development of London's town centres to provide a constellation of the most important business locations beyond the centre, providing the basis for transport and other linkages binding outer London together and providing a source of future strength. Doing this means ensuring that all of those concerned with particular centres work together to ensure each provides a competitive choice of goods and services, that they are accessible increasingly by sustainable modes of transport, that each contains a range of locations suitable to support growth and development and that barriers to development are addressed.

**Figure 3.4: London's Town Centre Network**




Source: GLA


The London Plan Review Draft Consultation Plan (2009)

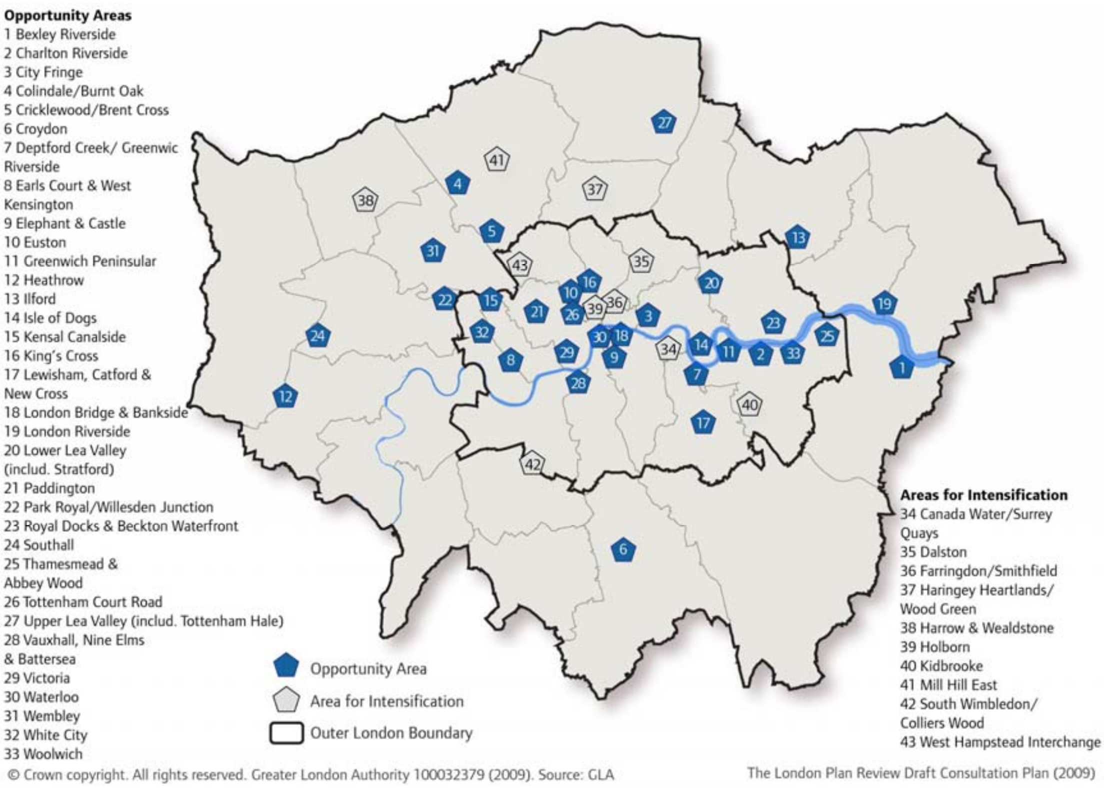
3.34 There is also a need for targeted regeneration action coordinated by all the agencies involved, including those involved in site assembly and making better use of under-developed town centre sites. We believe that increasing the number and density of housing in town centres is increasingly important to ensuring their success, and this needs to be a particular regeneration objective. Consideration should be given to addressing the needs of groups and individuals who may particularly enjoy the 'buzz' of town centres such as students, or some types of smaller households, perhaps even including some older people. Area Action Plans as part of borough LDFs will be an important part of this process. These can provide a framework for more specific work to improve the public realm of streets and spaces, possibly as part of initiatives to enhance civic pride and quality of life such as local variants of the London Festival of Architecture.

**Opportunity and Intensification Areas**

These are London Plan designations:

3.35 **Opportunity Areas** are London's principal opportunities for accommodating large-scale development to provide substantial numbers of new employment and housing (typically more than 5,000 jobs and/or 2,500 homes) with a mixed and intensive use of land and assisted by good public transport accessibility. **Intensification Areas** are places with significant potential for increases in residential, employment and other uses through development of sites at higher densities with more mixed and intensive use but at a level below that which can be achieved in Opportunity Areas.

**Figure 3.5: Opportunity and Intensification Areas**



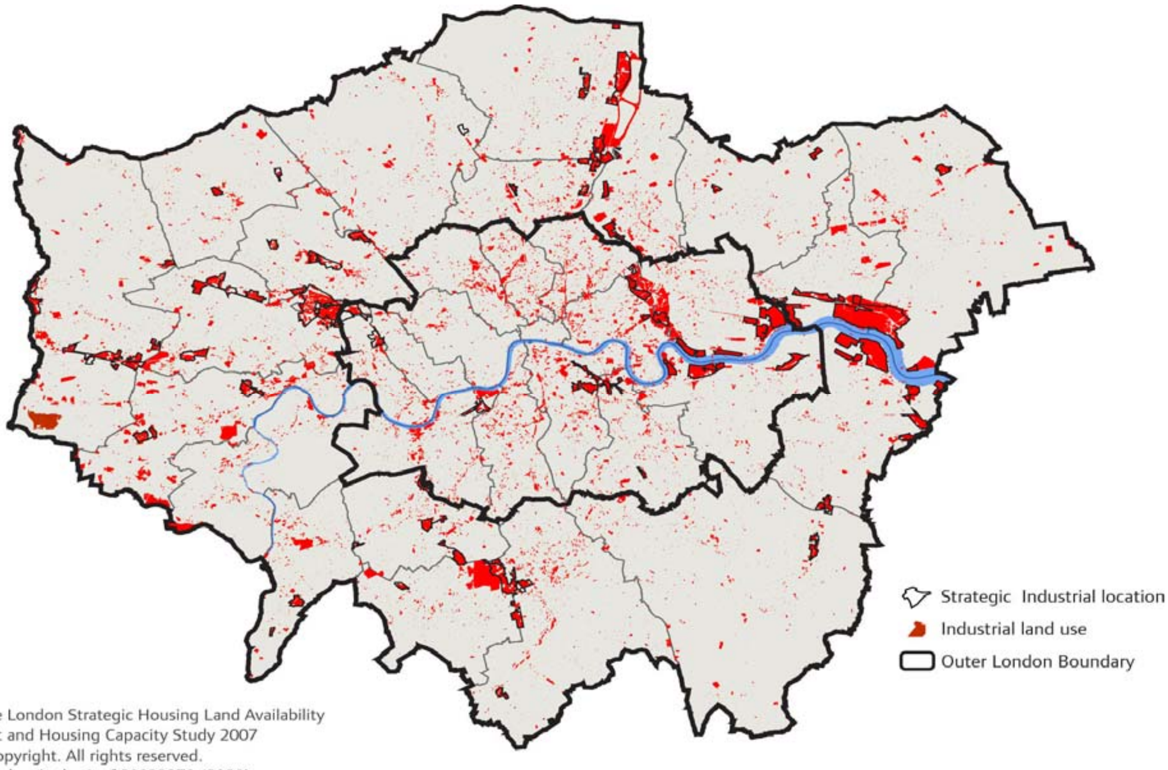
OUTER LONDON COMMISSION

3.36 We support the principles behind these designations, which we note have stood the test of time since the first publication of the London Plan. We also support the identification of new areas of these kinds in outer London. However, based on what we were told we do think there is a need for greater coordination of investment in them by the Homes and Communities Agency, the London Development Agency and other organisations. There is also a need to improve their social and environmental infrastructures to help establish and sustain their attractiveness as places to live and work.

## Industrial land/clusters

3.37 It is important that London retains and then makes the most of the land resources it has for industrial purposes in order to secure the capital's capacity to accommodate activities that are relatively low value, but which play an essential part in maintaining the city's metabolism – manufacturing and maintenance, waste management and recycling, wholesale and logistics and the range of support activities a service economy relies upon. These sectors are often important to outer London's economy and to providing a range of employment opportunities there.

**Figure 3.6: Distribution of industrial land within and outside Strategic Industrial Locations in London**



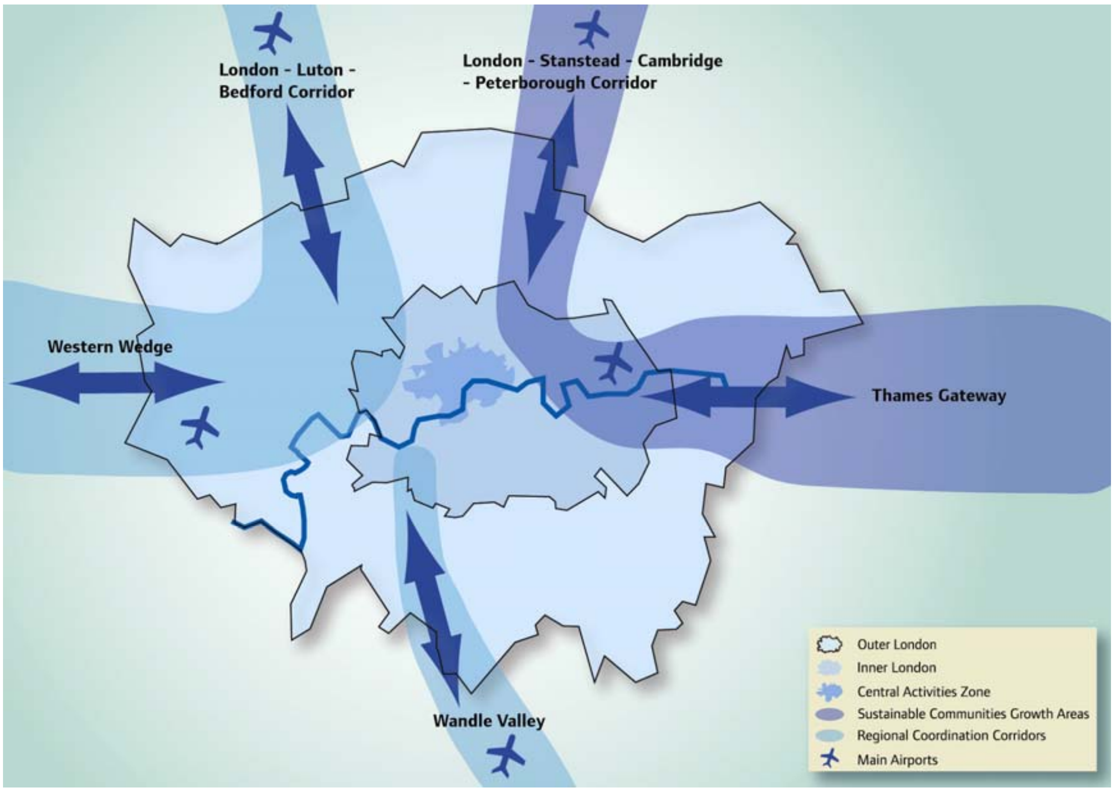

Source: The London Strategic Housing Land Availability Assessment and Housing Capacity Study 2007


The debate about these places all too often begins and ends with the question of quantity; we believe that more attention should be given to ways of improving their quality. In particular, there is a need to look at their physical accessibility, both for workers and for freight.

## Growth and coordination corridors

3.38 The London Plan recognises two nationally-designated growth corridors (the Thames Gateway and the London-Stansted-Cambridge-Peterborough Corridor) and three corridors connecting London with the wider city region (the Western Wedge, Wandle Valley and London-Luton-Bedford corridor). We agree with those who suggested to us that the full potential of these corridors has not been realised. There is clearly a need for more active work and coordination by authorities on either side of the Greater London boundary on a range of issues, but perhaps particularly on transport. Delivering this means putting practical joint planning arrangements in place for each corridor, and focussing on the opportunities providing the most potential – the nodes within each of the corridors, rather than the spaces between. The West London Partnership provided a particularly illuminating illustration of how this might be approached in refining the 'Western Wedge' concept.

**Figure 3.7: London's growth corridors**

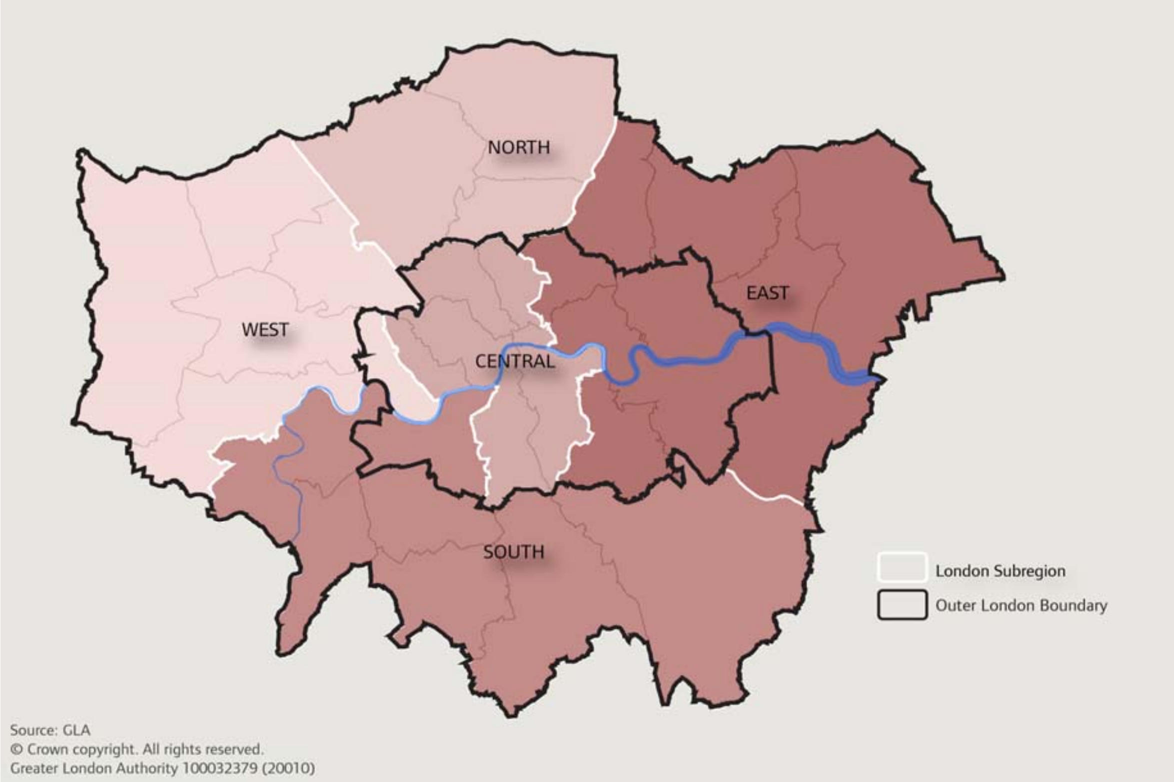



Source: GLA

## London's sub-regions

3.39 The draft replacement London Plan sets out a new sub-regional structure and a more flexible approach to sub-regional working which enables the formation of partnerships across borough boundaries according to the nature of the issue under consideration.

**Figure 3.8: London's sub- regions**




3.40 We welcome the approach taken to sub regional coordination in the draft Plan. It will allow the sound foundation of work carried out by established sub-regional partnerships to be built upon and developed, providing a valuable link between the London-wide and the local. This could be take further by looking at ways in which working at a sub-regional level can add value in delivering services and ensuring the kind of coordinated, targeted regeneration activity we have identified as being essential.

**Regional/national/international linkages**

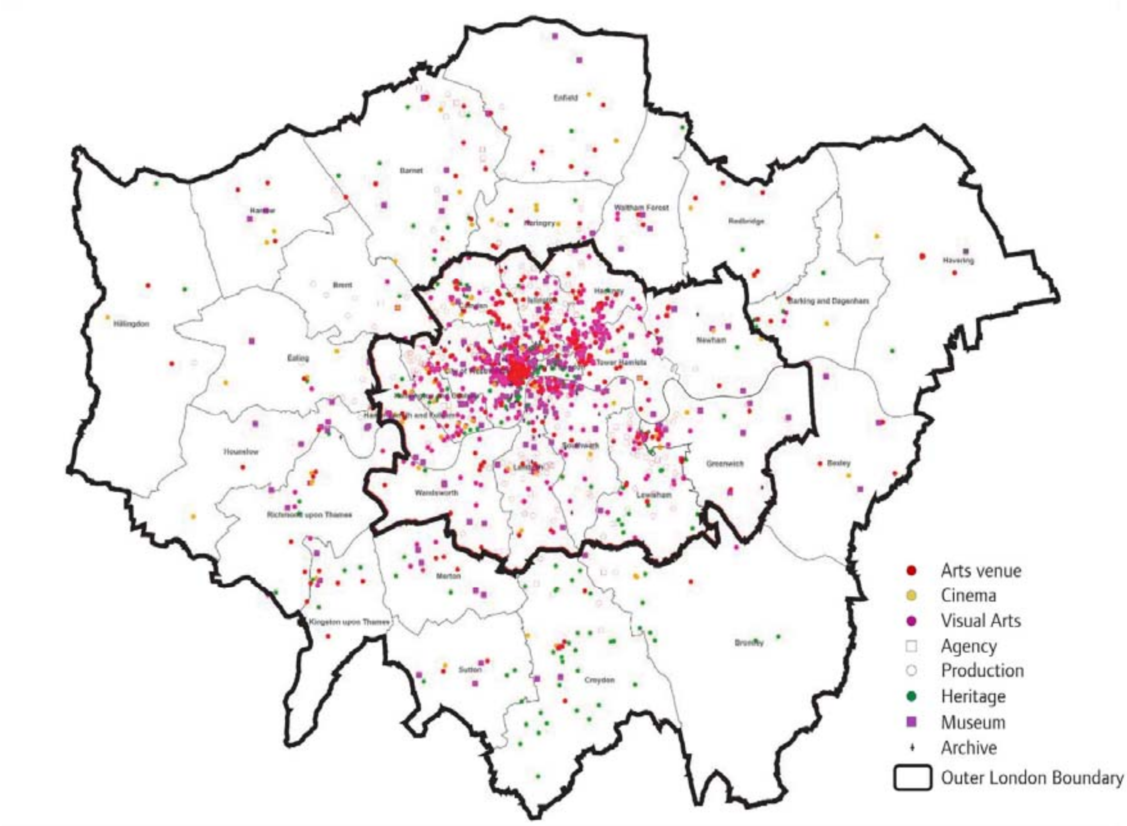
3.41 The London Plan rightly makes much of London's place as part of Europe's urban framework and the United Kingdom's network of core cities. We have had to be mindful of this wider context in considering our recommendations and to the contribution that policies on this wider scale will have for outer London. For example, there is the scope for maximising the benefits from national transport infrastructure investment like High Speed Rail. Access to international transport links is an important factor in businesses' locational decisions, and airports will remain an important economic driver in outer London (particularly perhaps in west and south London – see Fig 3.7 above).

3.42 Addressing these and similar issues in ways that support growth while not putting quality of life, environmental and other objectives at risk requires close working by all the agencies concerned at strategic and local level, within London and across regional boundaries. This reinforces the need to develop arrangements for this kind of joint work mentioned earlier.

**Cultural quarters and areas**

3.43 Outer London already has a range of high quality leisure, arts, culture and tourism facilities. We believe there is considerable scope to build on this, both to make the most of what already exists, and to identify the opportunities for new facilities. In doing so, we have noted that most of the funding for cultural facilities and activities goes to central London – even though one third of the approximately 3,500 cultural facilities in the capital are in outer London. There is clearly a case for funding bodies to rethink this.

**Figure 3.9: London's cultural facilities**




Source: Audiences London


Source: Audiences London

3.44 We believe there are things that should be done more locally and immediately to make the most of these sectors in outer London. First, there is a need for more effective marketing of the area's cultural assets, particularly where these fall within identifiable clusters. This may mean joint marketing efforts by groups of authorities or agencies on a cross-boundary basis.

3.45 There is scope for taking a more proactive approach to management of areas of cultural importance, and we commend the concept of "cultural quarters" – places able to accommodate new arts, cultural and leisure activities and which can be managed so they contribute more effectively to regeneration – identified in the London Plan. This could be used as the basis for exploring the potential for very large scale commercial leisure facilities able to provide a regional, national or international scale offer (as has been done at Wembley, or at North Greenwich with the 02 Centre). At the other end of the scale, consideration could be given to rejuvenation of medium-sized theatres and other facilities.

3.46 Allied to this is the need for effective management of the night time economy, which can on the one hand help support the vitality of town centres, but can also make them unpleasant places to be. This means looking at ways of broadening the range of night-time activities and linking them to cultural facilities and other leisure uses, as well as ensuring effective cross-agency working.

**Mixed use development**

3.47 The Commission noted that mixed use development can play an important part in:

- shaping places;
- securing a more efficient and sustainable use of outer London's scarce stock of development capacity;
- enabling different land uses to be accommodated on the same site or in the same neighbourhood; and
- reducing the need to travel between different activities (such as living and working or shopping and healthcare).

3.48 However, if promoted simply as a blanket 'good thing', it can also raise tensions with other planning objectives, not least when it is used as a 'back-door' to replacing lower value but still functionally important activities hitherto protected by the planning system. Its application must be tailored to local circumstances.

3.49 The London Plan already provides support for mixed use development in different types of location: some policies promote and manage mixed use development in particular areas (2A.5 Opportunity Areas, 2A.6 Intensification Areas, 2A.8 Town Centres, 2A.9 The Suburbs, 5G.3 CAZ) and some in relation to particular uses (3A.2 housing targets, 3A.10 affordable housing, 3B.3 offices, 2A.10 and 3B.4 industry). Others support it generically (notably 2A.1 sustainability criteria and 4B.1 design principles for a compact city – see below).

3.50 The Commission considered that, within the context of its terms of reference, further guidance is required on implementation of these general policies to ensure that the concept delivers what is expected of it and does not have unintended consequences. This bears particularly on mixed use redevelopment which involves housing – at strategic level the highest value use in outer London, and one which, while meeting an essential need and potentially contributing to suburban renewal, can also compromise wider planning objectives. It therefore suggests that when developing guidance on implementation of mixed use policy consideration be given to the approaches outlined below for development which entails:

- conversion/redevelopment of surplus offices
- town centre redevelopment

- industrial land

**Mixed use development and the changing outer London office market**

3.51 As already noted, the office market beyond central London is subject to a complex combination of factors which, over the long term, look likely to reduce strategically significant office investment. Of particular importance are declining demand from historically important large scale occupiers, such as 'back offices' to serve CAZ businesses and central government or for commercial headquarters and administrative activities which in the past sought a London but not a central London location. Against this decline must be set strategic and local initiatives to re-invent and re-brand some of these areas as attractive and competitive business locations, as well as to retain existing occupiers. In addition, population expansion is likely to generate new demand for local business services and justify retention of some lower cost office space. However, overall, while locally based office employment beyond central London is projected to expand substantially its 'added value' may not be sufficient to prompt strategically significant new office development across outer London or to generate investment to maintain and improve the quality of all the existing office stock.

3.52 The Commission noted that the London Plan anticipates that housing-led, mixed use re-development could play a major part in helping to consolidate and modernise part of the office stock beyond central London while at the same time adding significantly to housing capacity. A downturn in the office market, accelerating release of surplus office capacity, coupled with new opportunities for significant investment in affordable homes (see London Housing Strategy) may provide particular opportunities for such mixed use renewal. However, to ensure that the viability of existing office occupiers and investment is not compromised this must be approached sensitively through local strategies tailored to local circumstances. General principles which these strategies could usefully take into account include:

- Recognising that unlike mixed use development in central London, which is mainly office-led, in the remainder of London retail, leisure and, in particular, housing are usually higher value uses and are likely to be the main drivers of change.
- Depending on local and strategic circumstances (see below), the higher values associated with these can also provide scope for partial renewal of the office stock which should be in line with the locational and other requirements, including coordinated conversion of surplus offices to residential (or to other uses).
- Phasing of the office renewal/replacement process will be critical to ensure that the viability of existing office occupiers and investment is not compromised – given the importance of managing change in the outer London economy, housing objectives should generally be a consequence of economic concerns when developing office consolidation strategies in this regard.

3.53 This phasing should take into account the capacity of the existing stock for interim renewal to accommodate new office occupiers e.g. sub division to accommodate small firms – this may delay residential led mixed use redevelopment of some sites. Because much office space outside central London is in or around town centres, local initiatives to manage office capacity could usefully be integrated into wider town centre strategies. Mixed use, housing-led, partial renewal of the office stock can help achieve the objectives of these.

3.54 Boroughs are strongly advised to take a broader than local perspective in analysing their office markets (and as the context for subsequently realising potential housing capacity). Office locations outside town centres should be considered (including the environmental as well as the economic sustainability of these) as should trends in the overall office market beyond central London. The Commission noted that to help provide a wider picture, the GLA publishes strategic reviews of the office market across London[2] which suggested categorising significant office locations beyond CAZ and Canary Wharf according to whether:

- speculative office development could be promoted, possibly in the context of some loss of less attractive capacity;
- some office provision could be promoted as part of wider residential/other use led schemes in the context of more significant loss of less attractive office capacity; or
- they are unsuitable for/there is no strategic case for encouraging office development.

3.55 The Commission welcomes the DRLP (Annex 2) proposal to take forward a categorisation along the lines of the above recommendation and summarised in Figure 2.43. In view of the changing nature of the office market beyond central London, it is particularly important that borough analyses of their office markets (and their approach to housing led mixed use renewal) is in the context of the 'Plan, Monitor and Manage' approach proposed in the London Plan (paragraph 3.150). To inform the scope for housing-led mixed use development, as well as for office renewal, it will be important to test and revise the above categorisations for individual centres. This should inform any guidance on Town Centres and the GLA Town Centres Healthcheck, as well as further revision of the London Plan.

3.56 Significant office renewal and new office development should be consolidated in the most competitive locations where a market can be developed for existing and new occupiers. In several of the different types of location identified in the London Plan (paragraph 3.148), mixed use development with a strong residential component could play an important part in the office renewal process. These types of location include:

- strategic office centres, currently Croydon and Stratford, and elsewhere if justified by demand;
- town centre based office quarters;
- locally oriented, town centre based office provision, which can be consolidated effectively to meet local needs, or where necessary changed to other uses; and
- existing linear office developments such as the 'Golden Mile'.

3.57 Other types of location for suburban office renewal identified in the Plan are likely to be less suitable for a mixed use, residential led approach:

- mid-urban business parks such as that developed at Chiswick;
- conventional business parks beyond the urban area, such as those at Stockley Park and Bedfont Lakes, which should become more sustainable in transport terms; and
- innovation parks ranging from urban incubator units to more spacious provision.

[2] Ramidus, Roger Tym & Partners 2009 op cit

3.58 Mixed use conversion of surplus office buildings, especially to residential, can pose particular challenges. Schemes can vary significantly and in some circumstances, while the intent of internal space, sound insulation and energy efficiency standards must be maintained, an imaginative approach to their application may be required. Housing led conversions and surplus office site re-development must also be set in the context of the supply of local amenities, services and social and environmental infrastructure. In areas deficient in these, DPDs should ensure that some of the development capacity represented by surplus offices addresses such needs. This may require sensitive planning and entail partnership action to facilitate comprehensive, or at least partial, area renewal.

3.59 The physical configuration of some surplus office buildings may make them unsuitable for the provision of on-site affordable housing for some client groups, though this should not exclude them from affordable housing policy requirements (including off site or cash in lieu contributions where this provides more appropriate housing than on site provision).

**Mixed use development and town centres**

3.60 Outer London's strategically recognised (Fig 3.4), and many more locally designated, town centres will be the primary geographical focus for most of its 520,000 new residents expected to 2031, and for much of the £38 billion growth in outer London household expenditure projected to be spent on comparison goods by 2031 (see paragraph 2.165). These trends will help drive substantial mixed use development. Housing is expected to form an important part of this development, capitalising on the accessibility of town centres which also underpins their capacity for higher density development. Housing can also complement other town centre activities - physically in terms of utilising air space above commercial uses, functionally in terms of adding to their vitality and viability and perceptually by strengthening the 'sense of place' and quality of life which they provide for local communities.

3.61 As the main nodes on London's public transport network, town centres typically have higher 'PTAL' scores, capable of sustaining housing densities up to 400 units per hectare or more depending on dwelling size. Opportunities for play and other amenity spaces tend to be more constrained in town centres than elsewhere so a lower proportion of family homes may be appropriate in these locations. A combination of smaller homes and good public transport accessibility reduces the need for car parking provision and provides scope to move towards 'zero' provision, further increasing housing capacity (Policy 3C.24 and Annex 4). Higher densities also enhance the viability of car sharing schemes.

3.62 A real commitment to partnership working, backed where necessary by the Mayor, will be needed to realise this potential. This may include innovative approaches to land assembly, possibly using the compulsory purchase process, perhaps with LDA support. A range of partners including boroughs and the LDA have explored how a design led approach to development in and around medium sized and smaller town centres[3] can increase housing capacity there. This work suggests design and

[3] Urhahn Urban Design, Urban Progress Studio, GVA Grimley. Housing Intensification in seven south London town centres. LDA, 2009

development principles to secure high quality, high density development as well as providing illustrations of ways to balance the need for homes of different sizes.

3.63 In some circumstances, implementation of mixed use policy will require flexible application of affordable housing policy providing this flexibility does not compromise achievement of the broad strategic objective to maximise provision. It is noted that the Mayor's new Interim Housing SPG[4] recognises the need for a more flexible approach to the balance between social housing and intermediate housing.

**Mixed use development and surplus industrial land**

3.64 Historically, surplus industrial land has been a key source of new housing capacity. By 2006 the stock of industrial land had fallen to an estimated 5,500 hectares, a reduction of 440 hectares since 2001. London's manufacturing sector is projected to continue to contract and new industrial type activities are expected to make more effective use of existing industrial land, freeing up surplus industrial capacity for other uses, especially housing. However, it is essential that the process of industrial land release is managed sensitively so that provision is still made for essential industrial functions, especially logistics, waste and transport, emerging new sectors such as green industries and the myriad small industrial type firms which rely on the planning system to protect affordable business space. The introduction of new uses, including housing, to industrial areas should not compromise continuing industrial activities there.

3.65 The Commission notes that the London Plan states that "there is scope for an annual net release of 41 ha (of industrial land) 2006 – 2026, mainly in parts of North East and South East London. This should go to other priority uses, notably housing and social infrastructure a higher level of release is appropriate in the early part of the plan period (48 ha per annum 2006 – 2016)". This release should be undertaken on a selective and carefully managed and monitored basis to ensure that the needs of the full range of bona fide industrial type occupiers are taken into account, including transport, logistics and, in particular, waste.

3.66 In line with PPS3, PPS4 and government guidance on employment land reviews[5], policies and decisions to retain business land, including that for industry, must be justified by realistic demand assessments. The Industrial Capacity SPG[6] sets out quantified industrial land release monitoring benchmarks for individual boroughs in North East and South East London and more general release/retention guidance for all boroughs (the Commission notes that the Mayor proposes to include this guidance within the body of the DRLP). For the period 2006 – 2026, annualised benchmarks to monitor release (including for housing) at sub regional level are:

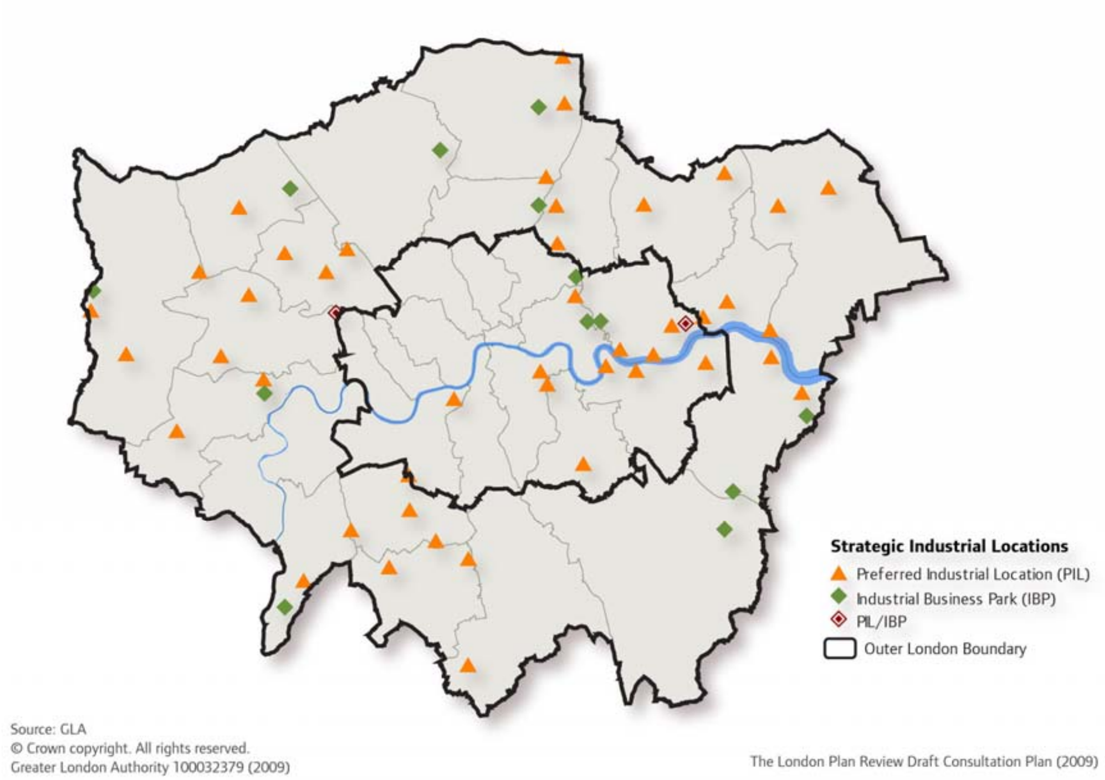
| | |
|---|---|
| North | 9 hectares per year |
| North East | 18 hectares per year |
| South East | 7 ha per year |
| South West | 3 ha per year |
| West | 3 ha per year |

Urhahn Urban Design, CBRE. TEN: town centre enhancement in north London. LDA, GOL 2007

4 Mayor of London. Interim Revised Housing Supplementary Planning Guidance. GLA, 2010
5 ODPM. Employment Land Reviews Guidance Note. ODPM, 2004
6 Mayor of London. Industrial Capacity Supplementary Planning Guidance. GLA, 2008

3.67 It is anticipated that, outside east London, subject to demand and other assessment criteria, most industrial land releases to housing should come from smaller industrial sites. The main reservoir of industrial capacity will continue to be protected as Strategic Industrial Locations (SILs) and where formally designated, as Locally Significant Industrial Sites.

**Figure 3.10: Strategic Industrial Locations**




3.68 Among SILs, especially in east London, there will still be some scope for strategically coordinated intensification, consolidation, locational substitution and/or mixed use development which will yield capacity for other uses, especially housing. Where significant land is to be released from SILs, notably in parts of East London, this should be managed through individual planning frameworks and coordinated through the successor to Sub Regional Implementation/Development Frameworks (the proposed Implementation Plan). Smaller scale releases from SILs should not compromise the integrity and viability of the remainder of the SIL. These are typically small parts of SILs which are sequestered from the main body of the Location by a road or railway, often close to a town centre. Boroughs are advised to draw on the criteria to manage the release of these and other small sites are set out in the SPG.

## Quality of Life/Environmental Issues

3.69 Although our focus has primarily been on outer London's economic development, it was clear to us from the start that we could not ignore the things that make much of it somewhere that is pleasant to live and work. These are the reasons why outer London has a skilled resident workforce. They are why the people who support local shops and businesses choose to live there. They are why many businesses decide to locate there. The quality of life that is enjoyed in much of outer London is crucial for its economic success – and that of London as a whole.

3.70 We believe that development need not detract from what is one of the key strengths of the area. Making sure this happens depends on our taking the concepts of "place making" and, on occasion "place shielding", and realising them on the ground - applying the best of contemporary design and building standards, and tailoring them to local circumstances. This means taking a neighbourhood-based approach to design and development, taking local context into account in ways that address strategic policy objectives while also enabling local needs to be met. To be effective in a city like London, with a growing and changing population means taking account of the needs of people at all stages of their lives and enabling them to make the most of the places where they live. We strongly endorse the concept of "Lifetime Neighbourhoods", and are glad to see it has been taken up in the draft replacement London Plan.

3.71 This approach to ensuring strong and sustainable (in all senses of that term) neighbourhoods also means we have to be more proactive in identifying the range of social infrastructure (everything from schools, clinics and hospitals through cultural and leisure facilities through to prisons) that are needed for civilised urban living. We think there may be value in the London Plan giving more guidance on identifying appropriate levels of social infrastructure in particular places, perhaps by providing benchmarks linked to particular levels of development and growth– we have suggested some of these, together with illustrations of relative accessibility to some types of facility, in Annexes 6A and 6 B, but these could be extended e.g. to cover libraries and facilities for the elderly.

3.72 One way of taking these principles and translating them into action might be through providing more strategic advice and guidance. The GLA has published "Tomorrow's Suburbs", a toolkit for sustainable suburban development to support the London Plan. We think this could be refined and updated, informed by our research, findings and recommendations. In particular, it should set out approaches to help engender greater community ownership, cohesion and choices – all things that are integral to the creation of the kind of neighbourhood we think will help support delivery of the kinds of growth we want to see.

3.73 Civic groups report developers 'cherry pick' profitable parts of development areas without making commensurate contributions needs to provide the social infrastructure required to secure quality of life in the areas as a whole. They have also suggested a 'shopping list' of the sorts of cumulatively important small scale measures which quality of life policies should cover including:

- Manning of stations in the evenings
- Designing out crime
- Eliminating street clutter and improving the public realm
- Maintaining visible Police presence

- Reducing gang culture and associated violence
- Providing good special needs education
- Encouraging apprenticeships for young people
- Providing leisure facilities for both young and elderly people
- Dealing with worklessness in certain groups
- Achieving community cohesion
- Developing borough outreach and engagement of communities
- Ensuring local democratic decision making
- Introducing an effective third party right of appeal
- Improving capacity and reliability of public transport and user information
- Realigning bus routes for effective usage
- Positioning bus stops for ease of interchange
- Improving Dial-a-Ride
- Maintaining street trees and open spaces to acceptable standards
- Protecting local shops
- Developing loyalty purchase schemes
- Eliminating graffiti, flyposting and dumping
- Encouraging development of live/work units and serviced offices
- Supporting street markets, farmers' markets and food growing
- Providing community and business meeting space, including asset transfer
- Protecting heritage and conservation areas
- Managing the night time economy
- Reducing air pollution
- Managing noise problems
- Preventing more front garden parking

3.74 All these approaches are, we believe, important if we are to be able to make sure that growth in outer London is to go ahead in ways that enhance the quality of living in outer London. This is essential if growth is to be acceptable in the first place, and then effective in supporting outer London's success. They must be backed by a consistent and rigorous approach not just to timely translation of strategic policy to the local level (slippage in LDF preparation timetables is reported to be common) but also in its implementation – civic groups report that all too often they find that the policies which are in place to secure quality of life are not accorded appropriate weight in planning decisions.

3.75 So far, we have focussed on new development and growth. We must not forget the huge contribution of the suburban heartlands – the places between town centres that give the area its unique feel and character. These places are important to outer London's success as well, and we should nurture and support the capital's "green suburbs", which are one of the city's key assets. It is important that policy supports the public and semi-public realm in this area – the green and open spaces provided by parks, sports clubs, playing fields and gardens. These have a value that goes beyond protecting pleasant places – they are important to the quality of life, health and well-being of all Londoners and, perhaps at a more mundane level, are a vital part of the outer London "offer" to investors and developers. We welcome the strong support for protection of these spaces in the draft replacement London Plan, its support for local presumptions against development of back gardens and the proposal to extend the "green grid" approach to ensuring a coordinated network of green and open space beyond east London.

## Transport issues

3.76 It was clear from the outset that one of the key considerations in assessing the feasibility of growth in outer London, let alone 'growth hubs', was the transport demand and associated capacity required to facilitate it. Our consideration of the issue was supported by scenario testing of the effects of different patterns of spatial development carried out as part of the development of the draft London Plan and Mayors Transport Strategy by Transport for London. .

3.77 Two principal scenarios were considered:

- Scenario A, with the focus of employment growth in central London with population growth largely in inner and East London (as per the February 2008 edition of the London Plan) – in other words, a continuation of existing trends
- Scenario B, a more dispersed growth, with higher levels of growth in outer London, centred on the four 'strategic outer London development centres' [1]

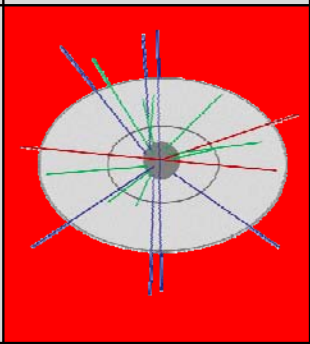
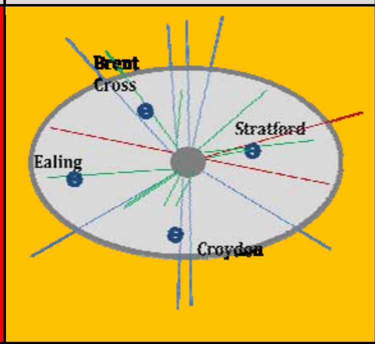
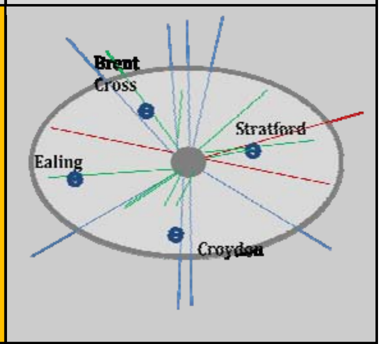
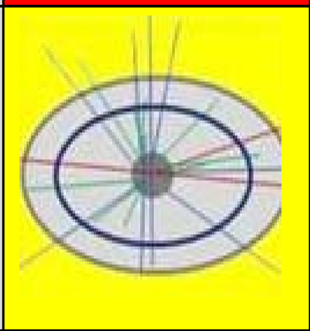
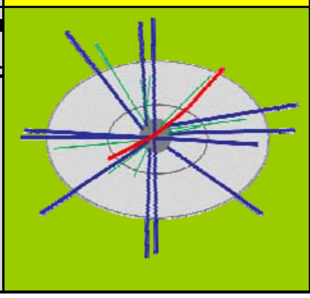
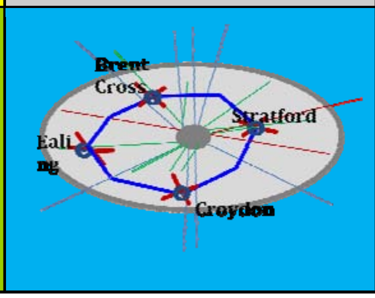
3.78 Each of these basic scenarios, and a number of variations on them, were tested against the possible transport interventions required to support their sustainable development. In addition to the four potential hubs, a further scenario considering the 11 "metropolitan" outer London town centres identified in the current version of the London Plan, was also tested. These 3 main scenarios, then, were examined against the following scenarios of transport intervention:

- TfL Business Plan (to 2017/18) and funded rail schemes as defined by HLOS [7]
- With a dedicated orbital link predominantly in outer London
- With further interventions

3.79 Figure 3.11 illustrates the matrix of land-use planning options and transport interventions modelled as part of the evidence base for the OLC report and the Mayoral strategies.

[7] High Level Output Statement – the programme for investment on the national rail network

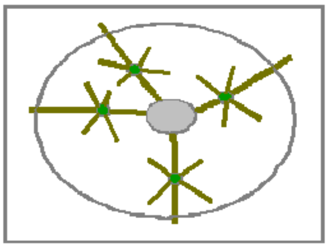
**Figure 3.11: Matrix of land-use and transport changes modelled**

| | | Land-Use Changes | | |
|---|---|---|---|---|
| | | London Plan | Strategic Outer London Development Centres | Eleven Town Centres |
| Transport Changes | Business Plan & HLOS |  |   |   |
| | Orbital Links |  | | |
| | Further interventions |  |   | |

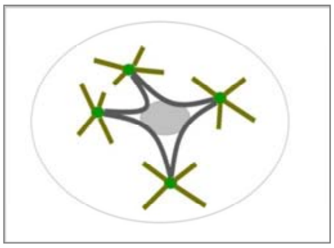
3.80 Different configurations within each of these 3 main transport interventions were also relevant. For example, in supporting outer London development centres, possible transport interventions could include maximising the use of proposed cross-London strategic links (eg Crossrail); developing 'chordal' links between inner London and outer London centres via direct services or interchanges; and improving radial connections into centres, which would then connect up to form orbital links. Figure 3.12 illustrates these models and was also presented in the Statement of Intent for the Mayor's Transport Strategy issued for consultation with the London Assembly and functional bodies.

**Figure 3.12: Possible configurations for connecting development centres in outer London through enhanced orbital connections.**

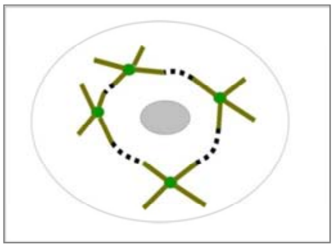
1: Use of existing links



2. 'Chordal' links



3. Radial links to a centre which is then connected to other centres via an orbital link



3.81 Furthermore, the transport modelling indicated that a new dedicated, segregated orbital link in outer London would not be viable, due to the lack of sufficient potential patronage. However, it would be important to provide other, enhanced orbital connections in some parts of London where demand is higher. These could be achieved, for example, by making better use of interchanges and joining up existing links. We believe that doing this in a way that focuses on links to, and between, centres in outer London (what we have termed a "star and cluster" approach, and presented in the recommendations) will result in a denser network of interchanges and orbital services that will enable investment to be concentrated where it will have the most effect.

## Congestion

3.82 The transport modelling indicated that without changes to public transport capacity and connectivity, growth in outer London would lead to more road congestion with associated increases in $CO_2$ emissions. This result is largely accounted for by the relatively high dependence on private car journeys in outer London (50% of all resident trips are currently made by car). In this respect, outer London is much more similar to other UK metropolitan centres than it is to inner and central London, where public transport has a much greater share.

3.83 We have to act to prevent development and growth in outer London simply adding to road congestion and the problems of traffic emissions and the wider adverse health impacts of car reliance: for example, children not getting enough exercise because they are driven to school rather than walking or cycling locally. Congestion will also adversely affect quality of life for residents and for those driving. Unsurprisingly, this was an issue that was raised with us extensively in our discussions with stakeholders.

3.84 It would not, of course, be feasible to provide public transport links to all destinations in outer London. The car is likely to remain important for many, although opportunities to enable and promote the use of public transport, walking and cycling, should obviously be maximised. This is the situation that those devising strategic policies for outer London will have to face.

We have identified four areas to which attention should be given:

3.85 **Rail services** (both those provided by Transport for London and National Rail). These have a proportionately greater significance for outer London compared to inner and central parts of the Capital. Particularly in south outer London, there is less Tube coverage and more public transport journeys use National Rail or TfL Overground services. With this in mind, and an awareness that there is unlikely to be significant funding for new infrastructure available in the short-term, we think there is considerable scope to make the current system operate more effectively. This should include a focus on improved connectivity and interchange between rail and other services such as buses and cycling. We welcome the integration of Oyster cards into the NR network and the continued promotion of the system as an overall network – after all, passengers are more concerned with completing their journey than who provides the service.

3.86 **Buses** will continue to be a vital component of public transport in outer London, but integration with other services is crucial. Allowing passengers to complete the whole journey by public transport where possible, either through improved services, information or marketing.

3.87 **Cycling and walking** we share the mayor's enthusiasm for ensuring a revolution in cycling, and believe it is important that opportunities to increase cycling in outer London are identified and taken up. This links to emphasis we have put on a liveable public realm and easy access to local services. We particularly see potential to encourage cycling and walking to and within town centres. This in part needs to be facilitated through improvements in land use planning, which has the potential to encourage or discourage the take up of walking and cycling in outer London, e.g. out of town centre developments lead to an increase in car travel. There are of course additional health benefits of promoting active modes like cycling and walking, and these must be promoted as modes of choice. They are also cheap and have minimal negative environmental impacts. There is a role for local authorities to take a lead in outer London, developing cycle hubs in and promoting local cycling.

3.88 **Demand management** given the likelihood that outer London is likely to continue its reliance on the car, more effective management of the road network is crucial to ensure that congestion does not act as a barrier to economic growth

## Car parking

3.89 Car parking policy in outer London needs to be developed on an individual and local basis- a "one size fits all" approach is not appropriate here. Our view is that a balance needs to be struck between promoting new development (which is good for the economy) and preventing excessive car parking provision (that can discourage cycling, walking and public transport). Adopting a flexible approach to car parking in outer London is required so that a level of accessibility is maintained whilst being consistent with the overall balance of the transport system at the local level.

3.90 We have heard that developers often view the lack of onsite car parking for offices in outer London as a disincentive to develop offices here, and this is not desirable from an economic point of view. We also know that parking policies in outer London can often put them at a disadvantage compared to centres outside London. In town centres where regeneration is needed, there may be justification for some liberalisation.

## Freight

3.91 With road freight currently comprising nearly 90 per cent of London's freight by tonnage, it is clear that managing the demands and impacts of road freight are an essential part of the package of delivering growth in outer London. Whilst the key driver of growth in freight is likely to be the significant population growth over the next ten years and beyond, it is the various functions associated with this growth that will lead to an increased demand for goods and essential materials. This will require significant freight and servicing activity across London and towards the east, for example in construction. If the potential of outer London's business locations to contribute more effectively to that of the capital as a whole, it will also need realistic and locally sensitive acknowledgement of the transport requirements of road based freight.

# Chapter 4: 'Plan' - Recommendations

This chapter sets out our recommendations, drawing on the evidence presented in chapter 2 and the analysis in Chapter 3. They are presented here.

## Spatial structures: The approach to promoting regeneration and employment growth in outer London: recommendations for strategic approaches

4.1 In this section we make seven recommendations about the spatially-based policies that should be pursued with regard to strategic ways of encouraging outer London's development. They address particularly those parts of our terms of reference dealing with the question of economic growth hubs and the role of town centres, but our conclusions on these points have also been influenced by the evidence and discussion in earlier sections dealing with issues like:

- demography and housing;
- the potential for growth in different economic sectors;
- transport;
- the labour market
- institutional and legislative changes/initiatives
- quality of life

### Spatial Structures

4.2 The spatial structure of a city can have a large influence on its regeneration and growth potential. We considered a variety of new spatial structures with a view to ascertaining which could best help to realise the economic potential of outer London. Listed below are some examples of the options we looked at:

4.3 The **definition of outer London**: many outer London boroughs have 'inner characteristics' and vice versa (and some parts of the outer Metropolitan Area are very similar to outer London). It is therefore important that for policy purposes the boundaries of outer London are considered to be **'permeable'** so boroughs are not constrained by administrative boundaries in drawing on the Commission's conclusions if these are relevant in addressing the needs and challenges of local neighbourhoods.

4.4 **'Super- hubs'** – the original proposition tested by the Commission was that these could be based on a very large scale expansion of a few already successful business locations to develop their 'greater than sub-regional offer'. It was thought that a benefit of these might be their potential to provide further agglomeration economies and so justify the substantial investment required to support them. However, it was soon realised that if the concept was to be widely 'owned' by boroughs, even if the potential growth to sustain them might come forward in the future they would need to be developed without having a negative impact on existing business locations. This possible spatial structure was **rejected** by the OLC, as the potential particularly for private office demand on this scale is doubtful and there was also strong opposition from numerous stakeholders because it would compromise the prospects of other business locations within sub regions.

4.5 **Substantial Green Belt/ Metropolitan Open Land (MOL) based urban extensions** (including the potential to use farms and other open land)- this spatial structure was **rejected** by the OLC in principle. There is already significant development capacity and potential to for intensification to make more effective use of transport infrastructure within the urban area, and this should be our first port of call. However, it may be possible to explore this option if there is no net loss of Green Belt/MOL as a result of development.

4.6 **Strategic Outer London Development Centres -** this idea as a potential spatial structure is **supported** as a more realistic and feasible type of hub. It is more suited to accommodating the scale and nature of growth likely to occur and to minimise the necessity of travel whilst complementing existing structures. Some locations were recommended as potential areas for growth and influence beyond the areas within which they are located; for example, Wembley, Greenwich and Richmond as sites for leisure and tourism; White City for Media and Industry in Upper Lee Valley and Bexley Riverside. There is further information on locations and specialisation given in Chapter 3, section 5 of this report.

4.7 **Reconfiguration of linkages between existing business locations**- a particular focus here was with growth corridors in east and west London, making more effective use of transport linkages, enhancing agglomeration economies and support specialisms. Our view is to **support** this potential spatial structure as a more realistic and feasible structure which accommodates the scale and nature of growth expected to come forward, whilst making appropriate use of existing transport facilities and available future transport investment. It also emphasises the relationship between growth areas within London and those at the corridors beyond London.

4.8 Having considered these and other options, **we reached a general conclusion that we should ensure the best use should be made of outer London's existing spatial structures**, building on (and in some cases developing) its current strengths, and making the most of the investment that has already been made there.

4.9 This approach leads us to recommend that the development of outer London should be modelled on a "star and cluster" approach. This would make specific use of the existing town centre network whilst recognising other important business locations. It is also likely to be the most sustainable and cost-effective approach to transport infrastructure investment. There are many variants within this broad approach: Figure 4.1 illustrates schematically one which reflects the perception of a 'central Activities Zone-centric' structure for London (the 'centripetal city'); one which represents London as a 'city of villages' (the 'polycentric city'; and one which seeks to marry ambitions for greater local growth in outer London with a realistic appreciation of outer London residents' dependence on access to the opportunities of the metropolitan labour market as a whole (the model which seemed most plausible to the Commission). These are refined further in Figure 4.2.

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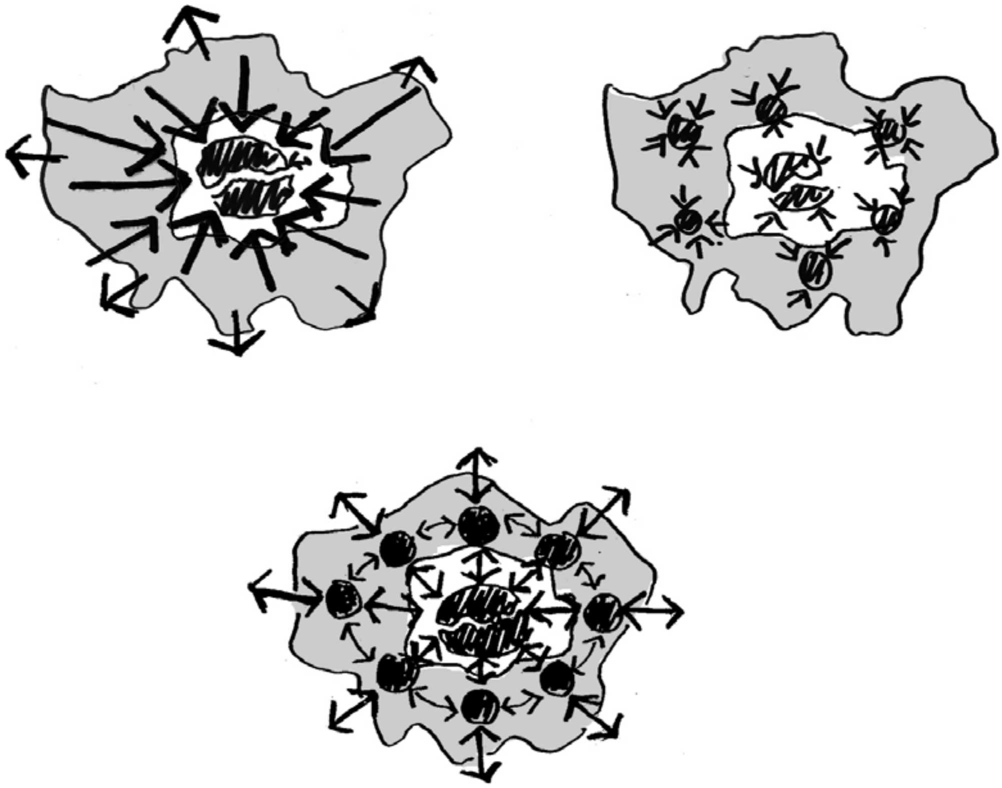
**Figure 4.1: Some variants on the 'star and cluster' structure**



Source: Farrells

4.10 Ways of refining the existing spatial structures listed in the London Plan to more effectively support this structure are listed below. As can be seen, the list includes 'pure' spatial structures (like town centres) and instances where development is clustered around, or stimulated by significant economic institutions (like an airport or a university).

4.11 **Town Centres**: While the Commission was mindful that two fifths of outer London's employment was not in its main town centres, it **supports** the Mayors view that these centres should be the single most important set of business locations outside central London; and that the focus here should be on promoting access to a competitive selection of goods and services, foregrounding the use of more environmentally-friendly modes of transport. The Commission was impressed by the ambitions of stakeholders for their town centres and would only caution that aspirations should be tempered with realism – there may be scope to secure **a step change in the performance of some** by enhancing their specialist functions of wider than sub regional significance, but for most it will be a matter of **playing to their existing strengths** in serving their existing and future local communities – there is substantial potential growth in their **consumer expenditure bases**. Bringing forward capacity to accommodate this in an already built up area will inevitably be a **sensitive process**, requiring **real partnership working** and imaginative measures to enhance their **quality and offers**, especially improving their public realm to create a more attractive and competitive **business environment** and to develop a stronger and more appealing **sense of place** and focus for local communities; possible use of the **CPO** process for site assembly; a creative approach to **mixed use development**; a sensitive approach to **parking policy;** and maintenance of **London's distinct approach to the 'sequential test'**, with in-centre development continuing to be the first choice, but a more liberal approach to edge of centre development than in the rest of the country. Conversely, inappropriate out-of-centre development should be resisted rigorously. Increased town centre **related higher density, high quality residential provision** can play a key part in town centre rejuvenation, coincidentally reducing pressure on established, predominantly residential neighbourhoods to meet housing needs**.** This approach should inform the policies, investment priorities and initiatives of the GLA Group and other agencies such as the Homes and Communities Agency, as well as the boroughs and other relevant stakeholders. The Commission noted that GLA research on use of the planning system to secure **small shop provision** could have wider implications to contribute to different aspects of town centre renewal providing they does not conflict with competition legislation. This could usefully be taken forward through Supplementary Planning Guidance.

4.12 **Opportunity Areas and Areas of Intensification: We consider these spatial designations do continue to fulfil a valuable role** in identifying those areas with the greatest potential for development. Indeed**, we believe there is scope for designation of new areas**, and we welcome the fact that the draft replacement London Plan has, for example, proposed a new area for intensification at Harrow and Wealdstone. Within these structures, the social and environmental infrastructure typically needs to be improved so as to enhance their attractiveness as places to live and work. Given the success of some **Opportunity Area Planning Frameworks** in identifying and helping to bring forward development capacity, the Commission is **concerned at the slow rate of progress** in progressing some of these Frameworks.

4.13 **Industrial Land:** The reservoir of strategically important industrial land in the London Plan provides secure capacity for low- value but vital functions. Implementation of historic industrial capacity policy raises two sets of issues concerned with **quantity and quality of provision**. While the principles of the methodology underlying the policy for managing London's diminishing stock of land and its changing occupier base appear to be sound, release rates seem, for the most part, to be significantly above the relevant benchmarks. The Commission notes that hitherto, this process has been coordinated through SPG and therefore supports the **greater weight given to management mechanisms** by including them within the body of the London Plan. There is also a need to put greater emphasis on the **quality of these sites** (this will help ensure the debate about quantity deals with the fundamental issues). Within this, particular attention needs to be given to **local road access**. The economic role of farms within outer London should also be given further attention, to ensure the benefits they could bring to the outer London economy – and the wellbeing of the capital as a whole – are maximised.

4.14 **Growth/Coordination Corridors**: **The potential of these have not been realised.** Experience shows that this is not likely to be redressed without more active joint work and coordination across the Greater London boundary, bringing in local, sub-regional and regional actors on either side. Comparison of ideas for taking forward the Croydon - Gatwick and West London Corridors suggest that a '**one size fits all' approach is not likely to be appropriate.** This work now needs to be taken forward more vigorously – early signs (in relation to the London-Luton-Bedford corridor for example), are encouraging. But there is clear scope for more, and **we would urge the Mayor to work with agencies in the wider metropolitan area to see how this**

**agenda can be taken forward most effectively**. There is a particular need for joint work of this kind on transport issues.

4.15 **Sub regions**: We welcome the more flexible approach to sub-regional working that has been taken in the draft replacement London Plan. The sheer variety of outer London is a theme that runs through this report, and in view of that, a rigid sub regional framework is clearly unlikely to be relevant or helpful in delivering the objectives we describe here. There is a need for work at a level below the citywide; a key aspect here is to build on established partnerships which are vital for creating linkages between London and local areas and a revision of implementation plans to coordinate funding and other initiatives such as cross border working. We also believe **there is scope to consider how working at this level can complement work and service delivery at the regional and local levels, providing scope for cost efficiencies and adding value**.

4.16 **Regional/ National/ International linkages**: Particularly given the likely shortage of public resources in the next decade, **it will be important to ensure that outer London makes the most of the development and regeneration opportunities that may arise from national and regional transport and other infrastructural investment** (with projects like Crossrail or High Speed 2, for example). Similarly, the importance of airports will remain a major economic driver for outer London. As we have already indicated, joint local and strategic working is vital to resolve local environmental and other concerns with wider strategic economic objectives.

**Recommendation 1- Spatial Structures:**

a) We recommend that outer London's existing spatial structure should be developed as necessary to support its future development and regeneration. The development of outer London should be modelled on a "star and cluster" structure focused on the existing town centre network. We support the concept of strategic outer London development centres where these will accommodate sufficiently the scale and nature of growth likely to occur.

b) We endorse the opportunity/intensification area designations in the London Plan, and recommend that the process of preparing planning frameworks for them should be accelerated and that opportunities for designation of new areas should be considered.

c) We recommend greater weight be given to policy managing outer London's diminishing stock of industrial land and suggest that more attention should be given to ways of determining its future and improving its quality and accessibility to ensure it can make a real contribution to outer London's success.

d) We recommend that more attention is given to ensuring effective cross-boundary work on issues like realising the potential of growth and coordination corridors and transport.

e) We recommend that the Mayor, boroughs and other agencies work together to develop sub-regional working arrangements, in particular to identify opportunities to improve cost-effectiveness and add value in service delivery at this level, including through Multi Area Agreements.

f) We recommend that everyone concerned with planning for outer London works together to identify, and then realise, opportunities for development and regeneration arising from national, regional and local transport and other infrastructure investment

## Demography and Housing

4.17 Economic growth cannot be considered in a vacuum, and in looking at outer London's economic potential we were always mindful of the likely knock-on effects of more polycentric development. With this in mind, we consider that **it is important to avoid making simplistic links between population growth and job creation** - it is essential that growth is sensitive to the quality of the local neighbourhoods. **We would like to see much stronger emphasis on 'place shaping'** and on ensuring that development fits in with local needs and heritage, so that places are attractive to live in as well as work in. To this end, we advocate mixed use developments and capacity building at a local level coupled with high quality urban design and appropriate density of development in accordance with London Plan policies.

4.18 In terms of housing, we would draw attention to the need for both affordable family housing and responding to the needs of smaller households. At the same time there will be more younger and older Londoners; there is also likely to be a move towards more one- or two-person households. **Housing provision needs to reflect these trends. Whatever its tenure type, housing should be of high quality**.

4.19 **We would also recommend a closer look at the link between housing density, accessibility and parking provision**. All of these elements form the sense of place and neighbourhood and can help to make better places to live. For example, there might be less need for parking spaces if neighbours could car-share, which could also have benefits in terms of public realm, air quality and a sense of community. We also recognise that some respondents perceive **housing density to be an issue in its own right**. While the 2008 London Plan policy does require some refinements to make clear the importance of respecting **local context** and of the need for effective coordination with **public transport accessibility**, in essence the policy does have the flexibility to respond to the different types of neighbourhood found across outer London. It does however need to be complemented by a stronger commitment to **quality**, both within the **home** and in the **neighbourhood** – this is particularly important for higher density developments. With over 60% of developments above the density thresholds for particular types of location, there does appear to have been a real problem with policy **implementation** - those proposing and controlling development must take into account the range of factors which bear on **optimising housing output** and not just use density matrix mechanistically but to secure **Sustainable Residential Quality** – what the boroughs who authored the concept originally intended.

4.20 Again, policy cannot simply focus on numbers. Particularly if new homes are to be provided in ways that respect the quality of existing neighbourhoods, and make a contribution to improving the quality of life of existing as well as new residents, **attention will have to be given to looking at how new homes should be planned for, built and supported with the social and other infrastructure new neighbourhoods need if they are to be sustainable**. Annexes to this report provide potential benchmarks to inform this, possibly through Supplementary Planning Guidance. We recommend that further consideration also be given to ways of improving the quality of new homes and of the public realm in which they sit (looking at questions such as the pooling of section 106 contributions for investment). This is likely to require new delivery models, and we believe that there may be particular scope for community-based initiatives and models. **It will also be extremely important to ensure that**

**mayoral strategies and their implementation are carefully coordinated to ensure that GLA Group and Homes and Communities Agency investment can secure the maximum benefit**.

**Recommendation 2- Demography and Housing:**
We strongly urge that simplistic links should not be made between population growth and job creation. There are other factors which need to be considered such as the concept of 'place shaping' and provision of adequate and affordable housing.

In planning for new homes it will be important to bear in mind the changing patterns of demand – the need for more family homes, meeting the particular needs of more young and older Londoners and the growth in smaller households. Quality should be given far greater emphasis.

We recommend that attention to be given to the way in which new homes are planned for, built and supported. In particular, we believe that community- based initiatives can help to create sustainable neighbourhoods. It will also be important to ensure better coordination across mayoral strategies and the GLA Group to ensure that its investment and programmes, and those of the Homes and Communities Agency, secure the maximum benefit.

OUTER LONDON COMMISSION

## The potential for growth in different economic sectors

4.21 We have identified four main growth sectors for the outer London economy: office-based work (including the public sector); knowledge-based industries; leisure, tourism and culture; and retail. Each of these will require a particular set of approaches, which we will outline below.

4.22 For offices, **we recommend a realistic and proactive approach to development where there is scope to increase economic potential** - the focus needs to be on the most competitive locations for future growth complemented by recognition that **structural change** in parts of the outer London office market looks set to continue. We have provided more detailed suggestions on how the **release of surplus office provision** might be managed, taking into account the continuing need for some **lower cost accommodation**, the significance of **phasing** in this process, the importance of an **attractive business environment as part of a broader mix of uses, a sensitive approach to car parking** and the role of **re-positioning and re-branding** the most competitive elements of outer London's office offer. We have been mindful that some (but not all) of the relatively few recent proposals for office development in London beyond CAZ/Canary Wharf have come forward in out-of-centre, or at best, edge of centre locations. With this in mind, we note that, while local and environmental concerns are important, so are the strategic economic needs of the sub-region and the London economy as a whole and each of these aspects should be weighed carefully – in considering them, particular attention should be paid to maximising public transport use. Further use of tools like **mixed-use 'swaps'** in competitive locations; allowing developers to negotiate with local authorities so that they can provide more or less office space as appropriate in any particular development would help support the kind of focus on the most competitive locations for future growth.

4.23 We have heard much about the potential of "knowledge-based industries". The problem with this term is that there is no universally-agreed definition, and **we feel that the debate around the contribution that could be made by the kind of economic sector commonly brought under this heading would be greatly advanced if such a definition could be developed and adopted.** We consider that there is scope to develop the various activities which are based on knowledge, the media and creative-based work, including aspects of what has become known as the environmental or "green collar" sectors (concepts which also suffer from imprecise definition, and to which our earlier recommendations equally apply). Looking at these sectors raises the urgent question of whether outer London lacks information and communications technology infrastructure and whether the public sector or effective planning can help address this is also required. Taking this further, **there may be scope to encourage home (or near-home) working, with new forms of infrastructure or locally-based business support services (local ICT "hubs" giving SMEs and individual workers access to the kind of sophisticated ICT that they could not economically afford to buy themselves).** It has been suggested that public libraries or 'out offices' for large, centrally based firms might have a role in this. It has also been suggested that Boroughs could take a more proactive approach to **extending fibre optic cable** to enhance capacity to serve such centres – the LCCI would be happy to work in partnership to progress this.

4.24 **There may be a case for public sector intervention to support the provision of innovation parks** so that similar, related small or medium-sized businesses can cluster together in a distinct, attractive business environment, and this might require active public intervention. These need to be considered carefully and on a case-by-case basis, to see if there is a suitable market for their services, and we would recommend that there is active brand management of any such centres. We know from past experience that without ongoing interest in such centres, they can easily become moribund and unattractive, and we recognise that funding specialist buildings can pose particular challenges.

4.25 **Outer London should also be promoted as a cost-effective place for government and other public sector functions**, such as health, judicial and education functions of greater than sub- regional importance, whilst including links to existing central London institutions and to local labour markets. The potential here is to use higher education institutions and hospitals as a focus of regeneration. Putting HE and FE institutions (or satellites of institutions based elsewhere) in outer London has the further benefit of developing the local labour market by helping people to improve their skills and employability.

4.26 In our view, **there is considerable potential for growth in the leisure and retail sectors**, both of which have an important role to play in outer London. In the first category we need to consider a wide range of activities, including arts and culture, tourism and local leisure activities. These both make outer London an attractive, 'liveable' place for Londoners, as well as offering potential for a visitor economy – and are usually cheaper than in central London.

4.27 We have been struck by the imbalance between the number of cultural facilities in outer London (some 3,500) and the amount of public funding available (most of which in the capital goes to central London). **We think this imbalance should be reviewed**. We recognise that this is not something that is likely to change quickly, however, and we recommend a more positive marketing of outer London's distinct attractions, particularly where clustering occurs, as it does in several town centres. The Strategic Cultural Areas already identify the strategically most important clusters but there is scope to realise the potential of others, possibly by branding and marketing them as grouped attractions. More local regeneration can be prompted in outer London through a more proactive approach to the **'cultural quarter'** concept (which supports coordinated approaches to planning for and managing important clusters of cultural assets and related uses); these can also provide inputs to more effective strategic and local coordination and marketing of attractions in outer London.

4.28 The possibility of **large scale commercial leisure** with possible international significance could also be explored. At the other end of the scale, we believe there is scope for the rejuvenation of many of outer London's **medium-sized theatres**, and their use for purposes such as art house cinemas.

4.29 Some parts of outer London have seen a rapid growth in the night time economy. It is important to remember, though, that **areas with a night time economy require effective management and promotion** to ensure that they remain attractive and safe, and that potential negative impacts on local residents and businesses are managed effectively.

OUTER LONDON COMMISSION

4.30 **Consumer spending** will be a vital economic driver in outer London, and this underscores the future importance of retail here. New retail should be focused on town centres and should be provided in ways that seek to preserve their distinct characteristics – there is no reason why even a centre with a large number of national stores should be a "clone town", and places with a distinct feel and character are likely to be those that will thrive. At neighbourhood and more local centre level there is scope to integrate new retail provision into larger, predominantly residential developments to support place shaping as well as providing essential services.

4.31 We believe the evidence is clear that **efficient management of town centres is vital**- particularly when combined with targeted investment and regeneration of particular centres (and **the London Development Agency has a particular role to play both in helping support the extension of models like Business Improvement Districts and more directly through supporting site assembly**). Transport issues need to be given particular emphasis, especially encouraging access to and within centres by walking and cycling.

**4.32 There is a need to understand and build upon the distinctive character and role of different types of centre**, ranging from the Metropolitan centres, with their particular transport needs, through to smaller District and Neighbourhood centres. **Each** has an important role to play, and maintaining the kind of **network** that has been one of outer London's real strengths will require careful and realistic planning. Consideration should be given as to how they can become more **distinct destinations** not just for retailing but also for business, leisure, civic, social and **wider functions**, complemented by **environmental improvements** which play to their particular strengths and characters. The tools that could be used to achieve this include policies to encourage a diverse and vibrant retail mix across centres, such as encouraging the provision of **affordable shop units**, and **promoting street markets** to enhance vitality of town centres. Greater encouragement of walking as a more environmentally sound and healthier means of getting into and going around town centres is also an essential aspect of this development. Safety considerations are a key part of this.

4.33 A strong, vibrant and diverse retail sector is a key component of successful and effective town centres. It will help to attract other employment, which will in turn help drive retail footfall. When managed well, a lively retail and leisure sector in Metropolitan town centres can contribute to the vitality and viability of the whole area and complement the more local offer of smaller centres.

**Recommendation 3- Economy:**

a) We recommend that particular attention should be given to four key employment sectors in outer London:

- office-based employment and "knowledge industries"
- the public sector
- leisure arts and culture
- retail

b) There should be a focus on the most competitive locations for future growth in the office-based sectors and some development should be allowed where increased economic potential exists. There is a need for an agreed definition of "knowledge industries", and there may be a case for public sector support for science/innovation parks. More widely, attention should be given to the extent of ICT infrastructure in outer London and to the scope of new business support services to support home or near-home working. Outer London should be promoted as a cost-effective place for the public sector to do business.

More attention should be given to the role of leisure, culture and arts in outer London – and to the funding they receive. The effective marketing of cultural assets in outer London and a more positive approach to the 'cultural quarter' concept should be adopted. Opportunities to attract large-scale leisure uses, and to rejuvenate medium-sized theatres should be pursued.

A vibrant and diverse retail sector in a range of centres should be encouraged in outer London. There is a need for effective town centre management to complement investment and improvement

## Transport

4.34 Transport is a huge issue for outer London. We will summarise our considerations for different aspects in turn: rail (including both TfL and NR-provided services); cycling and walking; buses and the role of private car transport and parking policy. Before doing this, however, there are some general principles we have agreed upon which inform our detailed recommendations.

4.35 **Most importantly, we have taken seriously the need to ensure that our recommendations have to be realistic**. This is especially important at a time when public resources are tight, with the prospect of matters becoming tighter over the next few years. With this in mind, we have recognised that Transport for London cannot (and should not) commit investment without a strong business case. In outer London this will mean consideration of issues including the extent of benefits that investment will bring (such as how much time will be saved by how many people) or the size of the development and regeneration dividend. These assessments will in turn be affected by the sale, massing, distribution and density of different parts of the area. We have also had to bear in mind that TfL have to plan across the city-region as a whole.

4.36 That said, **it is essential that investment specific to outer London, its unique character and distinctive needs is not neglected**. We recognise, however, that outer London benefits from pan-London and radial improvements, and that these should not be seen as polar opposites locked in a zero-sum game (see Fig 4.2).

4.37 These are the considerations that have led us to accept that a high-speed, contiguous orbital public transport system is unlikely to address outer London's needs, and that **our variant on the "star and cluster**" model offers a more effective and practical approach to meet the needs of the **constellation of centres and employment locations** outlined in this report. We recommend that in addition to **making the most of existing links**, **strategic interchanges** are used to both relieve pressure on central London and facilitate **more orbital movements** in outer London (see Figure 4.2).

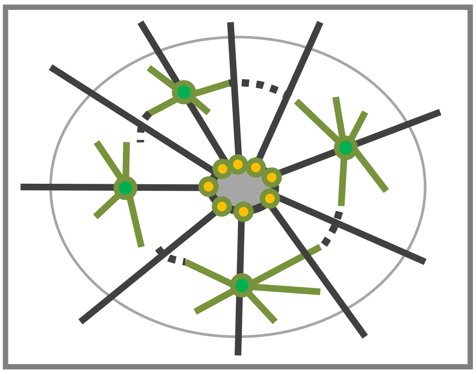


**Figure 4.2 : "Star and cluster" structure enhancing existing links and strategic interchanges (yellow)**

4.38 **Rail has a proportionately greater significance for outer London** compared to inner and central parts of the Capital. Particularly in south outer London, there is less Tube coverage and more public transport journeys use National Rail or TfL

Overground services. With this in mind, and taking account of the likely shortage of funding for new infrastructure available in the short-term, **we recommend that there is an emphasis placed on making the current system operate more effectively**. This should include a focus on improved connectivity and interchange between rail and other services such as buses and cycling. We welcome the integration of Oyster cards into the National Rail network and the new emphasis on promotion of the system as an overall network – after all, passengers are more concerned with completing their journey than who provides the service. This must be extended to those parts of the system which are still not covered. **We would still like to see more improvements made to the quality of stations**, which can at present be variable. This should include improvements which help travellers feel more secure, such as better lighting and security in and around stations, improved information (not just in terms of timetabling but also of using the suburban rail system more effectively as an integrated network), and more effective coordination with other modes including buses and cycling.

4.39 There is a case for medium-scale investment (such as upgrading/building strategic interchanges (see above) which can provide significant benefits for relatively modest levels of investment. We also need to ensure there is the scope for further new infrastructure in the future by considering whether unused rail alignments and infrastructure can be safeguarded.

4.40 **Buses will continue to be a vital component of public transport in outer London**. As we have already said, there must be a better integration with rail services so that passengers can complete the whole journey by public transport. Both buses and coaches could be used to improve orbital connectivity in outer London, including the possible provision of coaches or express services where there is sufficient demand. We would like to see the opportunity for strategic coach hubs investigated further. Some people are put off using buses by uncertainty about timetables and reliability, and we would like to see measures to address this, such as **better information provision and marketing of the services available**. TfL has explored the initial suggestion that there may be scope for more limited stop and express service bus services – while these cannot be justified in its own budget, other providers may wish to develop their potential.

4.41 The Mayor has made very plain his enthusiasm for **cycling and walking**. We share this and particularly advocate that opportunities to increase cycling and walking in outer London are identified and taken up. There are clear synergies between this and our advocacy for a liveable public realm and easy access to local services, and we think that these more healthy and sustainable modes are brought within the mainstream of transport and spatial planning and so not seen as "nice to have" add-ons. **We particularly see potential to encourage cycling and walking to and within town centres**. There are of course additional health benefits of promoting active modes like cycling and walking, and these must be promoted as modes of choice. They are also cheap and have minimal negative environmental impacts. There is a role for local authorities to take a lead in outer London, developing cycle hubs in and promoting local cycling. We would like to see a combination of incentives and investment to encourage these sustainable modes and give people a real choice not to use their cars. We have noted the success of Smarter Travel programmes in Richmond and Sutton and hope that these can be used more widely.

4.42 That said, we do recognise that within outer London **the car is likely to remain a key mode for many trips.** Given this fact, we would like to see more effective road management and collaboration between local authorities to address congestion pressures on our roads. This should include measures to improve the efficiency of **freight** and servicing movements, as well as those which will reduce the need for **'school runs'**. We would also like to see the **approvals process for highways projects where appropriate speeded up**. There is an opportunity to reduce local traffic by having more local retail centres (which, as we have seen, have other benefits), and more use of **freight consolidation centres**. There would seem to be to be scope for **some local enhancements to road capacity** to address particular points of congestion - and which should not compromise the overall thrust of the emerging Transport Strategy. Alongside this, we do see a role for some **demand management measures**, potentially including **road user charging in the longer term**. Naturally this would need much greater consideration, especially with regard to local circumstances, than we are able to provide here. However we would like to note in principle our support for a consideration of such measures. These could take a very wide range of forms. Consideration should also be given to a more effective way of **managing road works**, especially those occasioned by utility providers.

4.43 **Car parking policy in outer London needs to be developed on an individual and local basis** - a "one size fits all" approach is not appropriate here. Our view is that a balance needs to be struck between promoting new development (which is good for the economy) and preventing excessive car parking provision (that can discourage cycling, walking and public transport and increase congestion). Adopting a **flexible approach** to car parking in outer London is required so that a level of accessibility is maintained whilst being consistent with the overall balance of the transport system at the local level.

4.44 We know that some of our respondents often view the lack of **onsite car parking for offices** in outer London as a disincentive to develop offices here, and this is not desirable from an economic point of view. We also know that parking policies in outer London can often put them at a **disadvantage compared to centres outside London**. In **town centres where regeneration is needed**, there may be justification for some liberalisation. **There is a case for *selective* review of parking policies**, which in cases **outside London** may necessitate central government involvement. We reiterate that a balance needs to be achieved so that development is encouraged without prompting unacceptable levels of congestion and pollution.

4.45 The use of **Park and Ride schemes** in outer London is supported where it can be shown they will lead to overall reductions in congestion and journey times. We would also ask TfL and the boroughs to examine the capacity to **incentivise lower CO2 emitting vehicles,** and also promote **car sharing and car clubs**.

4.46 Increases in the density of **commercial activity** across London, including outer London, will require logistics premises to support the associated demand in **freight** and servicing vehicles. This may include the need for **consolidation centres**, but the case for them still needs to be understood further. In addition to managing **congestion** at key locations in outer London, increasing the role of **rail and river** in freight movements will relieve some of the pressures on the road network. However, it is essential to take realistic account of the **primary role of road transport** in sustaining

London's industrial and other business locations so that they can realise their potential contributions to the wider metropolitan economy.

4.47 Finally, the question of **fare affordability** cropped up throughout our discussions. There is a view that travel in outer London, necessitating as it often does considerable distance and 'changing' of services and modes, is disproportionately expensive. We would like to see an exploration of ticketing measures, for instance based on Oyster type products, to address this.

**Recommendation 4- Transport:**
We do not consider that a single, high-speed orbital public transport system is likely to address outer London's needs. Rather we support a "hub and spoke" approach. Improved connectivity and interchange and better integration between bus and rail services is needed, in order to enable orbital and local travel in outer London.

Better marketing and information relating to public transport should be accompanied by active encouragement of cycling and walking, especially to and within town centres.

For cars, we advocate both more effective road traffic management and a consideration of demand management measures. There is a case for selective review of local parking policies.

## London's Labour Market

4.48 Over the past thirty years or so, many Londoners have **prospered**. At the same time, too many have not. The reasons for this **disparity and its persistence** have much to do with how different groups and individuals fare in the labour market. London as a whole faces the challenge of ensuring its workforce has the necessary **skills** to participate fully in the economy and enjoy its success, particularly as the economy **continues to change towards one based on services demanding higher skill levels**.

4.49 There is already a **firm foundation in outer London** for this. In terms of school-age education, **outer London out performs inner** London; outer London residents have **higher rates of employment** and **lower rates of worklessness** than inner London residents. Additionally, younger, **higher-skilled workers from the rest of the UK and abroad are attracted to live and work in London**. One of the often forgotten facts about the outer London labour market is that it contains significantly more economically active people than that in inner London – partly because it has a large, albeit slowly growing employment base of its own, and partly because it is home to many Londoners who work elsewhere, especially in inner London.

4.50 To build on this success, it is vital that the **distinctive skills needs of outer London** are addressed. **Public sector investment in skills is targeted on *need* not geography,** and this tends to result in broad-brush approaches tackling broad-based areas of need. **Outer London should not be overlooked** - to give an example, even though Crossrail is essentially an inner London scheme, we would anticipate that it would draw its skilled workers from across London. We recommend that the **LDA should adopt an approach to commissioning training and skills** provision which will provide further opportunities for locally driven responses to the delivery of strategic outcomes.

**Recommendation 5- Labour Market:**

Ensure appropriate skills are attained by London's workforce for successful involvement in the economy. The LDA's commissioning should take account of the distinctive skills needs of outer London's people and economy, and should focus on ensuring that there are opportunities for locally driven responses to the delivery of strategic outcomes.

## Institutional Changes

4.51 It will be more than apparent by now that we recommend that the **London Development Agency (LDA) and TfL give greater recognition to outer London as a spatial priority**.

4.52 The LDA in particular should provide support for **local partnerships** by, for example, working to facilitate **land assembly**, helping to create capacity for **town centre management** and identifying distinct outer London **skill needs**. It will also have a role in supporting the Mayor in leading **inter-regional discussions** and working.

4.53 Some of the initiatives we would like to see would require a **legislative change**. We would like to see a **streamlining of the development process** to reduce the time spent on the planning permissions process and to speed up the production of local development frameworks. **Boroughs should be able to retain part of the revenue from the national non-domestic rates** paid by businesses in their areas, and consideration should be given to permitting **local authorities to borrow against future Council tax income.** There is also scope for **changes to government practice** – in speeding up the identification and **disposal of surplus public land**, for example.

**Recommendation 6- Institutional:**

The recognition of outer London as a spatial priority is essential. Support for local partnerships working to facilitate land assembly, town centre management and outer London skill needs is required. Streamlining of planning permissions and other processes should be explored, with the case made for appropriate changes to legislation.

OUTER LONDON COMMISSION

## Quality of Life

4.54 As we have seen, **maintaining and improving the quality of life** available to those living and working in outer London is a **vital consideration for its overall success**. In fact, a sound approach to the quality of life here will improve the whole of London and the south east more generally. This report advocates **further development** in outer London, and we recognise how important it is to ensure growth can be **harnessed and influenced in ways that improve the quality of places** in outer London and the quality of life of those living there.

4.55 Taking a practical approach to these issues ties back to many of the questions discussed earlier with regard to outer London's spatial structure. **We consider that a neighbourhood- based approach is essential to promote and support local functions**. The London Plan needs to support and enable this local approach; its role here is to **facilitate local development happening in line with local needs while recognising that, cumulatively, this development contributes to the strategic** needs of the whole city region. Part of this is ensuring there is sufficient **access to services** across the various centres of outer London.

4.56 Our interim report recommended that the London Plan should place greater emphasis on the concept of '**place making'** as well as on **town centres** being the focus for neighbourhoods and the importance of **'life time neighbourhoods'** that can meet the needs of a population growing at either end of the age range. We are glad to see that the Mayor has responded to these in the draft replacement London Plan.

4.57 Of course, a balance needs to be struck between providing appropriate **local social infrastructure** (e.g. schools, healthcare – see proposed benchmarks in Annex 6A and 6B) whilst accommodating the **necessary economic growth**. An emphasis should be placed on London's **'Green Suburbs'** whilst enhancing the **semi-public realm** and securing its maintenance. There must be a general **presumption against back garden development** where this is a problem and the continued and vigorous protection of **open spaces** in order to preserve the quality of life in outer London.

4.58 There is room for **further work** on these issues at a strategic level. The previous Mayor issued a **"Toolkit for Tomorrow's Suburbs**" to support the London Plan. This was well-received, and we think it would be worthwhile to produce an updated version reflecting changes since 2004 and the approaches we have recommended in this report. In particular, there is a need to develop thinking on ways of enabling greater **community identity and cohesion** as a first step in encouraging a sense of **ownership and empowerment** in taking decisions about growth and development. This will require borough implementation of national policy to facilitate and encourage **public participation**.

4.59 In Chapter 2, the Commission noted how it found itself in agreement with many of Robin Thompson's views on the importance of quality of life in outer London[1], which informed the 2008 London Plan. Where the Commission would have some reservations with him is in fully accepting the status quo over the distribution of **historic investment to address deprivation** in London because "inner London still has far more people and places with more serious problems than those of outer London. This is

[1] Thompson R. outer London: issues for the London Plan. GLA, 2007

reflected in national (and European) policy and funding, which is strongly oriented towards inner cities."

4.60 In response, the Commission would note firstly that **a more fine grained approach to identifying neighbourhood deprivation** shows that it is much more dispersed than the 'blockier' methodology use in the 2008 Plan, which concealed some chronic, if more localised concentrations of deprivation in outer London. Secondly, and partly as a reflection of the Commission's wider remit to enable outer London to realize its potential contribution to London as a whole, it would question the orthodoxy of placing such a high priority on focusing social/community regeneration funding in the areas with the most acute need (which for the most part, it is acknowledged, lie in inner London). Instead, it would ask whether there may be benefit for the capital in reconsidering the re-allocation of some (but by no means all) **social and local renewal to realize the potential of those who are still disadvantaged but not to the extent of those in most acute need.** This is perhaps a philosophical question for the LDA and its emerging Economic Development Strategy.

4.61 As Thompson notes, "many of the problems relating to the social and physical infrastructure of outer London require **'soft' measures** such as **re-skilling** and the **regular improvement and maintenance of the very local environment** …. They need **detailed, local, day to day attention** spread over very wide areas, which will generally need to be done at the **local rather than the strategic level** …... there are real challenges in **funding** development and infrastructure in outer London, where national programs such as the Neighbourhood Renewal Fund are generally not available and where some market drivers (other than residential) are weak and where most local authorities may have less access to networks of developers and funding bodies."

4.62 Where the Commission perhaps disagrees with Thompson is in his views on more directly realising the potential of the outer London <u>economy</u> and his suggestion that this potential is "not readily addressed by big infrastructure measures or by targeting priority areas". As is clear from the preceding sections of this report, the Commission recognizes that **financial constraints** do of course limit the potential for major infrastructure investment, **but** that does not mean that in some areas it is not required, nor that **innovative solutions** cannot be found to address some of these constraints.

**Recommendation 7- Quality of Life:**

A good quality of life is vital to both outer London's residents and its businesses. We recommend a neighbourhood based approach to help strike a balance between social infrastructure provisions and necessary growth, retaining an emphasis on 'place making' and 'life time neighbourhoods'.

## The Future

4.63 While this report marks the end of the formal task the Mayor gave us, our work has left us with a number of overwhelming impressions. Outer London is **hugely diverse**, and is becoming ever more so. It has seen huge **changes** over the past century, and again this looks **set to continue**. It is fortunate in having very many **talented people** in its local authorities, businesses, voluntary organisations and communities who have a wealth of experience and ideas about how their area can make its full contribution to London's success and in doing so improve the prosperity and well-being of those living and working there.

4.64 Against this background, a report of this kind can only be a **partial view at a particular point in time**. We are conscious that while we have addressed the **core economic issues** identified in our terms of reference, there are others which bear on them which merit **further investigation**. Among these, aspects of **quality of life**, **institutional arrangements** (especially in terms of **cross border working**), what **climate change** may mean for outer London and, in particular, the **resources** available to help realise its economic potential, and the way **London's spatial strategy** could add value beyond its conventional land use remit by **more effectively coordinating** these to develop relevant aspects of **'localness agenda' at the city region level**. There are also some more specific economic points which require further analysis, especially the **definition of 'knowledge based' and 'green'** industries.

4.65 We have deliberately made the report **action-oriented**, dealing with questions of implementation as well as ideas and policy proposals. We believe the Mayor was right to set the Commission up, to bring a focus on outer London that was missing before. For the same reasons, there is room for the **continued existence** of a forum for outer London to advise on the **implementation** of the recommendations in this report, and, perhaps separately, to provide the basis for high level engagement with the key stakeholders in the outer London economy to identify **emerging strategic challenges and opportunities.**

We have enjoyed the process of research and consultation that have led to this report, and commend our recommendations to the Mayor – and to London.