

Lambeth First's

Local Economic Assessment

2011 Report

Volume 1: Main Report

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Foreword

Events over the past two years have seen dramatic changes to the economy at all levels; locally, regionally, nationally and globally. We have experienced a major recession on a global scale, which has brought to an end a decade of constant growth. The current political climate is driven by this change. Austerity is the buzzword amongst many EU member states and the coalition government is dedicated to reducing the public deficit, whilst hoping that the private sector will continue to grow. However, most economic forecasters predict slow growth through 2011 that will pick-up in 2012 with London taking the lead. 2010 saw London's economic growth running ahead of the UK but at the same time employment levels in London were falling by more than in the UK as a whole.

Within all of this our borough's situation is interesting. Whilst we're a central London borough our geography and history means we're mostly residential and have a relatively small business base - so most of our workers commute out of the borough every day. Lambeth residents are a key part of the London labour force and this, coupled with our small business base, means our fortunes are tied to the wider London economy.

As with most London boroughs we have a mix of young, highly skilled, and well paid residents in some parts of the borough whilst others have high levels of deprivation, high economic inactivity, low skills and are more likely to suffer from health problems. Whilst our employment levels have risen strongly in recent years there are geographic disparities: in our most deprived areas almost one in four residents receive some kind of government benefit. Tackling worklessness in these areas is key to unlocking even greater economic potential and this remains one of our priorities.

A major threat to the prospects of our residents and businesses is that we are much more reliant on the broad public sector than other central London boroughs. With current cuts and an uncertain medium term outlook for public sector budgets this is something we need to consider in more depth as we develop our plans for a co-operative council. We may actually be able to turn this threat into an opportunity as we shape the changing role of the state, the social sector and how communities take more control of their destiny.

The LEA shows that to date our workers have been fairly resilient in the job market: our employment rate has continued to grow through the recession and weak recovery, which is completely at odds with other central London boroughs. Also our new businesses survival rates have held up in the face of the 2008/09 recession with 90% still in business after a year; again this is higher than in other central London boroughs. This, coupled with evidence of growth in key employment sectors and good confidence amongst local businesses, are amongst the many positive signs for us.

With the evidence we've gathered and the analysis we've undertaken, we are clear about the challenges we face and we accept that the only certainty is change. We will need to shape and facilitate local economic growth, support our residents to compete and access the wider London jobs market and spread the economic benefits of London's global economy throughout our borough. Above all we will need to be more responsive and co-operative in order to deliver a sustainable and prosperous place in which to live, work and thrive.

Cllr. Jackie Meldrum

Deputy Leader Lambeth Council / Cabinet Member Economic Development

Executive Summary

Introduction

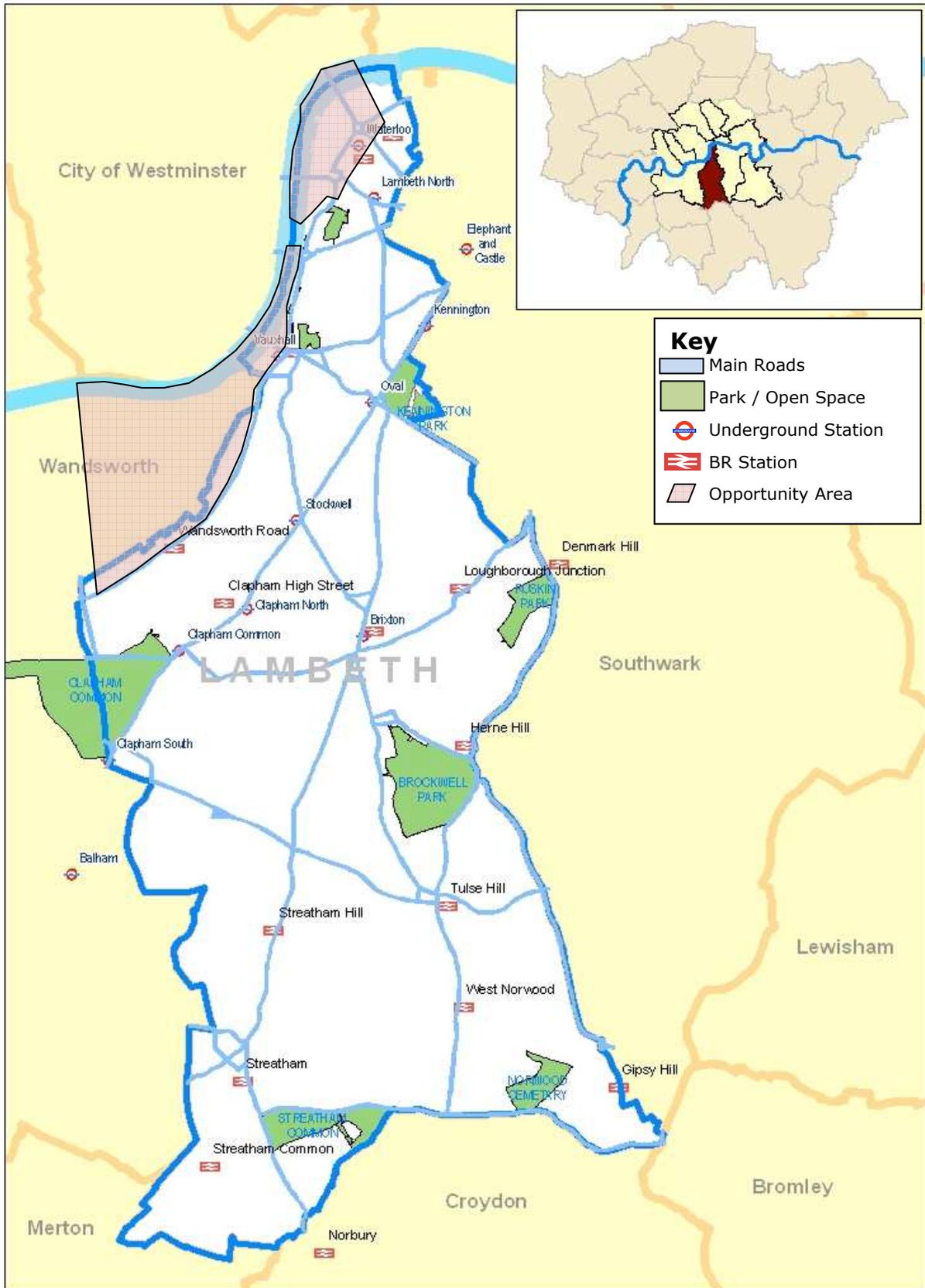
The Lambeth Local Economic Assessment ('LEA') provides an economic story of place. The document draws on analysis of a range of relevant national and local datasets and findings from specialist reports. As Lambeth is a central London borough, data comparisons have been made with other similar central London boroughs, the central London average and the London average where data permits.

The full LEA document provides a picture of the current economic situation in Lambeth and its trends, alongside factors that will impact upon London and the borough in the future - under the themes of place, people and the local economy. This picture is then subjected to a strengths, weaknesses, opportunities and threats (SWOTs) analysis to produce a set of key considerations for future policy development.

This Executive Summary draws together a set of key points from each theme, followed by a single set of key drivers of change, an overarching SWOT analysis and then finally key considerations.

Figure 1 identifies the key features in Lambeth including Main Roads, Parks/Open Spaces, Underground Stations, Overground Stations and the borough's two Opportunity Areas at Waterloo and Vauxhall/Nine Elms/Battersea (VNEB).

Figure 1 - Diagram of key features in Lambeth¹



¹ State of the Borough, Lambeth First, 2010

Place: the economic geography of Lambeth

Key points

- Lambeth has a mixed pattern of development as a result of its history and its narrow geography spreading from central to outer London. The north of the borough borders the Thames and has many of the characteristics of a central London borough. The Mayor's London Plan (June 2010) recognises that "the economic geography of inner London takes little notice of political boundaries" and instead defines an area known as the Central Activities Zone (CAZ) including all or parts of ten local authorities including Lambeth.
- While the south of the borough is predominantly residential, areas in the north fall within the CAZ. The north of the borough also includes parts of two Opportunity Areas identified in the London Plan, South Bank / Waterloo and Vauxhall, Nine Elms and Battersea (VNEB). According to London Plan projections (which have subsequently been revised upwards), the two areas together will provide 5,000 homes and 23,000 jobs over the period 2001-2026².
- There is no Metropolitan Centre in Lambeth; Brixton and Streatham are the two largest town centres and categorised as Major Centres. Vacancy rates across the six biggest Town Centres/districts (Brixton, Streatham, Clapham, Stockwell, West Norwood and South Bank / Waterloo & VNEB) averaged around 8% in the period 2002-2009, although there have been significant fluctuations on an annual basis³.
- Lambeth is therefore characterised as an inner London borough and has a mixture of high value business services in the CAZ and also a more suburban economy with largely local service activities.
- Future Lambeth, the borough's development and capital investment programme, remains robust despite pressure on public sector funds. Future Brixton (Masterplan) and Future Streatham combined are seeing 1,250 homes and 2,100 jobs created through a range of mixed use developments⁴.
- Transport connections in the borough are generally very strong and service is excellent in the Town Centre areas, although poorer in residential areas and in the south. The main public transport investment in coming years will be the completion of the London Overground link between Clapham Junction and Croydon in May 2012 – linking the borough directly with Canary Wharf.

People: employment, worklessness and skills

Key points

- In recent years, Lambeth has had the highest working age population of the Central London First (CLF) boroughs (211,000 in 2009). Whilst it remains the highest, other boroughs are catching up. For example, Southwark's working age population was 210,000 in 2009, almost as high as Lambeth's, despite being 169,000 in 1999 (when Lambeth's was 188,000)⁵.
- Lambeth's key employment statistics are listed below. The employment rate is higher than both the CLF and London averages. The rate of economically inactive people is also lower than both comparator areas. The unemployment rate is the same.

Indicator	Lambeth	CLF average	London
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² The London Plan (Consolidated with Alterations), GLA, 2004

³ GOAD, LB Lambeth website (2002-2009), accessed February 2011

⁴ Future Brixton Masterplan and Streatham Masterplan, both LB Lambeth, 2009

⁵ LSEB Observatory, February 2011

Employment rate (% , June 2010)	74%	65.2%	68.1%
Rates of economically inactive people (% , June 2010)	18%	29.3%	25.2%
Unemployment rate (% , June 2010)	9%	9%	9%

- Despite the positive figures above, Lambeth's large population means there is a significant gross workless population in the borough. Further, this population is geographically concentrated in certain areas (closely correlated with the areas of deprivation) and also amongst certain groups of the population – disproportionately female and non-white ethnic groups⁶.
- Lambeth has a low live-and-work ratio (only 28% live and work in the borough). 19% of residents commute to Westminster, slightly more than neighbours Southwark and Wandsworth, but only 7% commute into the City, compared to 10% of Wandsworth residents⁷.
- Resident occupations are concentrated in the higher skilled professions (approximately 62% in managers, senior professionals etc), and the rate has been increasing in the last year or so (period to June 2010)⁸.
- Skills levels in the borough mirror this employment trend, with the proportion of people with no qualifications falling and the rate of people with NVQ levels 1, 2 and 3 increasing over the past 5 years. However, skills levels remain polarised with disproportionately high levels of residents having no skills but a disproportionate amount having level 4 skills⁹.
- Lambeth has the second highest ratio of young people who are not in education, employment or training (NEET) of CLF boroughs (Southwark 9.9%, Lambeth 8.3%)¹⁰. The rate for male NEETs in Lambeth is also slightly higher, which follows the London trend.
- 17% of Lambeth's working age population are benefit claimants; against 15% across London. However, in the worst performing neighbourhood, Coldharbour ward, a quarter (24%) are claimants¹¹.
- The borough contains some significant pockets of deprivation with 15% of the borough's small areas (LSOAs) in the 10% most deprived in the country¹². There are significant concentrations of deprivation in certain areas – in particular covering most of Coldharbour ward and extending northwards in Vassall ward and east into some of Ferndale ward. A significant concentration lies in the south-east of the borough (Knight's Hill and Gipsy Hill wards).
- 50% of the total Lambeth population are White British¹³, although only 24% of JSA claimants are so¹⁴, a ratio of 2:1. In contrast, 12% of the population is Black-Caribbean, although 25% of JSA claimants are so, a ratio of 1:2.

The local economy: Lambeth businesses and jobs

Key points

- For a central London borough, Lambeth has a relatively small business base of 11,360 active enterprises. Business density is also low at 54 businesses per 1,000 working age

⁶ ibid

⁷ Destinations 2020, Mayor of London, August 2010

⁸ Annual Population Survey, Nomis, accessed February 2011

⁹ ibid

¹⁰ ibid

¹¹ ibid

¹² State of the Borough Report, Lambeth First, 2010

¹³ ONS, 2001

¹⁴ Annual Population Survey, Nomis, accessed February 2001

residents¹⁵ – this partly reflects the residential nature of the southern part of the borough. There is also a low proportion of self-employed resident workers in the borough.

- Most businesses are small: 87% employ 1-9 workers, which is in line with the London average but five percentage points lower than the Central London average. The borough has only 60 larger businesses employing over 250 workers each but these 60 still account for 28% of all jobs in the borough¹⁶.
- The key sectors in terms of numbers of businesses for Lambeth are: the broad general business activities group that includes finance and IT; retail, hotels and restaurants. Compared to the central London boroughs Lambeth has a higher proportion of public, education, health and social sectors and lower proportions of the broad general business activities group¹⁷. This is reflected in the number of jobs in the borough but the proportion in the public, education and health sector is higher still, especially in the health and social care sub-sector¹⁸.
- Lambeth's main business clusters are: business information, management services and support; architecture, engineering and technical services (predominantly engineering and technical services); and hospitality and events¹⁹. There are other smaller clusters that offer future opportunities for expansion.
- Businesses in Lambeth employ over 126,000 workers; this is 7,300 more than in 2002 – a rise of 6.1%. This rise is about the same as the London average but lags behind the central London borough jobs growth of 7.2%²⁰.
- In line with comparable locations, the borough's business structure has changed with lower proportions of jobs in manufacturing, construction and transport sectors and higher proportions in the broad public sector category and a slight rise in other services. The proportion of finance, IT and other business activities has fluctuated but not risen as in other boroughs, however due to overall jobs growth there are over 7,000 more jobs in that sector in Lambeth²¹.
- The UK Competitiveness Index 2010 ranks Lambeth 11th in the UK, a rise from 18th in 2005²². However, although each of the other central London boroughs are ranked higher, they have been static over the same period. The borough's economic competitiveness has therefore increased in relative terms very significantly over that period.
- Lambeth contributes about the same proportion of Gross Value Added (a measure of productivity) to the London economy as employee jobs – it is balanced²³. Camden, Westminster and the City all contribute more GVA than jobs so are more productive on the basis of this measurement.
- Lambeth performs well compared to CLF boroughs in terms of the proportion of new business formation to existing business base, but this has tailed off significantly due to the recession. The borough performs in line with London and CLF average on three-year business survival rates but better on one-year survival since 2008²⁴.

¹⁵ ONS Business Demography 2009 and ONS Mid-Year Population Estimates 2009

¹⁶ Annual Business Inquiry Workplace Analysis 2008, using mid-value figure from employee ranges, apart from 1,000+ where 1000 is used.

¹⁷ Total business stock: PAYE Units/VAT registrations by industry 2008, ONS/Dept BIS

¹⁸ Annual Business Inquiry, employee jobs by industry, Nomis, 2008

¹⁹ *ibid*

²⁰ Annual Business Inquiry, employee jobs by industry, Nomis, 2008

²¹ *ibid*

²² UK Competitiveness Index 2010 – Centre for International Competitiveness, University of Wales, Cardiff

²³ Borough level GVA estimates are produced by apportioning NUTS 3 London: inner east to the smaller local areas. Estimates were calculated by multiplying NUTS 3 productivity (expressed as output per worker) by the number of workers within an area then creating a percentage based on the CLF borough total.

²⁴ Business Demography 2009

- There has been relatively little Foreign Direct Investment in Lambeth compared to other CLF boroughs in recent years. Inward Investment research shows that most Foreign Direct Investment (FDI) projects into London have been small scale investments with the few larger projects going to City of London or Westminster.
- However, Lambeth has major regeneration programmes, with two Opportunity Areas in Vauxhall Nine Elms and Waterloo and the Future Lambeth programme, with build out at Streatham Hub imminent, with all of the contingent investment opportunities that this involves

Drivers of change

Based on the review of a range of reports and forecasts produced that cover London and Lambeth the main factors that will impact on the regional and local economy have been identified below.

- Lambeth's population is projected to continue to grow by 12.2% between 2011 and 2031²⁵. This will place further pressure on transport connections to manage the number of passengers moving through and within Lambeth but will also bring opportunities for the borough in terms of demand for services. Population growth and the need for housing will increase pressure on the already limited amount of land available in the borough, be it for residential or commercial use.
- There is an opportunity for Lambeth to replicate the recent strong performance of the City Fringe through the opportunity areas covering Waterloo and Vauxhall. Already some key clusters are developing in the north of the borough: Business Information, Management and Support; Information and Communications technology; Architecture and technical; Media and creative; and Hospitality, Events and Tourism.
- The extension of the East London Line from Surrey Quays to Clapham Junction by May 2012, with a station at Clapham High Street in Lambeth, will improve the connectivity to important jobs markets east towards Canary Wharf and west towards Shepherd's Bush. The increased capacity of South West Trains will also provide more opportunities for access to and from the borough in a north-south direction.
- There are significant regeneration programmes ongoing within the borough – the two London Plan Opportunity Areas and the Future Lambeth programme. These developments will change the dynamics of the local economy by delivering more jobs and housing in the borough.
- The identified growth sectors of business services, retail, hotels and restaurants, health and education and 'other' services, in tandem with developments in the CAZ, will shape the skills requirements for Lambeth residents.
- The new Work Programme and Welfare Reform more generally will introduce new policies and delivery frameworks that will impact on the borough's control over programmes to address worklessness, as well as on social housing, as the effects of the cap on benefits begins to bite.
- Local regeneration initiatives offer employment opportunities for local people provided they have the appropriate skills base in demand. Development and improvement around Brixton is particularly important given the large area of multiple deprivation in surrounding neighbourhoods.
- The shrinkage of the public sector is another key driver and there is an expectation that existing businesses or social enterprises will grow, or new businesses will form, as they take on some of the functions currently provided by the state. In this context Lambeth's Co-operative Council is seen as a principal driver in supporting and expanding the borough's business and social enterprise sector.

²⁵ Population and Migration, GLA, 2010

SWOT Analysis

The summary SWOT analysis brings together the current and future issues across the report's themes.

<p>Strengths</p> <p>Excellent transport accessibility around town centres</p> <p>Some successful and resilient town centres</p> <p>South Bank / Waterloo within the CAZ will result in an expansion in office-based business services sector, and more jobs in retail and leisure.</p> <p>VNEB will create 25,000 jobs and 16,000 homes by 2026</p> <p>High levels of employment and skills</p> <p>Key regeneration areas identified with viable regeneration plans</p> <p>A relatively enterprising borough in terms of business start ups</p>	<p>Weaknesses</p> <p>Transport is over-capacity and poor connectivity for some areas</p> <p>Reliance on future transport improvements</p> <p>Pockets of worklessness, significant deprivation and lower skilled residents</p> <p>High numbers of workless residents and NEETs</p> <p>Relatively small business base, predominance of small businesses and few large businesses</p> <p>Over-reliance on broad public sector industries for local businesses, local jobs and resident jobs</p> <p>Perception amongst local businesses that Council is not business friendly</p> <p>Some town centres are in need of improvement</p>
<p>Opportunities</p> <p>Successful town centres can lead growth</p> <p>Improved transport infrastructure offers opportunities for further development</p> <p>Making the most of Lambeth's CAZ through a distinct offer of local and strategic uses.</p> <p>Two major opportunity areas in the borough that will create local jobs and other local economic benefits</p> <p>Projected job growth across London and access to other employment areas (Canary Wharf) from infrastructure improvements, especially the London Overground extension that will stop at Clapham North</p> <p>Potential for social sector businesses to grow in the borough and employ local staff</p> <p>Diversity of population offers potential for niche and culture-based retail and service industries with scope for bespoke and targeted employer led brokerage.</p>	<p>Threats</p> <p>Competition from adjacent borough town centres</p> <p>Lack of clarity about exactly how some of the government's policies and Spending Review commitments will translate into delivery</p> <p>High house prices in some areas threaten key worker accessibility</p> <p>Competing pressure for land between residential and commercial uses</p> <p>Ability to provide the right type of business premises in the right places with competitive rents</p> <p>Work Programme may not focus on those most in need of support into employment which has important implications for the most deprived parts of the borough</p> <p>An uneven economic recovery creates less certainty in London in general</p> <p>Matching supply with demand to drive social sector growth and resilience of social sector to survive the next 2-3 years</p> <p>Competition from boroughs perceived to be more business friendly</p> <p>Small business base means fewer opportunities to place apprentices and clients from employment programmes</p>

Key considerations

The LEA acts as the economic baseline for decisions the borough will need to make about skills, regeneration and economic development. To support those decisions a set of key considerations are set out below.

- The extent to which the borough can influence Jobcentre Plus, the Work Programme prime and sub contractors will be key if good practice from past worklessness programmes is to be capitalised upon.
- To maximise potential benefit to residents from expanding growth sectors, such as business activities, in London's key employment areas Lambeth First will need to make sure it has the structures and relationships with partners to co-ordinate training and skills provision to match sector requirements.
- Just as with the wider London growth sectors, Lambeth First will need to assess how best to maximise the benefit for residents of the regeneration opportunities, particularly jobs provision, of the two Opportunity Area areas and the town centre regeneration programmes. These areas offer significant potential to drive economic growth in the borough but there will be competition for those benefits from elsewhere.
- Improvements to transport infrastructure, particularly the East London Line extension, offer an opportunity for local partners to consider more of London's key employment areas within easy reach of Lambeth residents. Again, consideration will need to be given to the skills demands of the main sectors present in Canary Wharf and match local provision to those.
- The 'Co-operative Council' is an emerging but important development, as it offers the potential for growth in terms of local businesses and employee jobs, particularly in the health and social care sector, as the state shrinks and the social sector expands. This is important because of the borough's reliance on public sector jobs; if those residents are displaced from the job market with no viable alternatives the broader economic impact on the borough could be significant.
- The borough should support agencies seeking to achieve higher levels of inward investment and attracting more large businesses into the borough. There are numerous benefits to having larger businesses located in the borough and an important one for Lambeth is that they are more likely to take on apprentices or engage with programmes supporting those furthest from employment back into the job market.
- The borough needs to understand what the Work Programme will and will not deliver as there is a risk that the most deprived will not benefit. This is an issue for Lambeth given the polarisation between the well-skilled workers and those that are furthest from employment.
- Alongside the Work Programme the National Apprenticeship Service is one of the only schemes that the government is providing significant funding for: £1.4bn for 2011/12. London boroughs have traditionally been poor at engaging with apprenticeship schemes and Lambeth will need to plan for how best to benefit from this opportunity.
- The borough's business demography (mostly small firms), reliance on the public sector, and receipt of little inward investment coupled with results of recent business surveys in the borough suggest there should be a consideration of the approach to business support, including what sectors and size of businesses are supported and targeted, the methods used and what the communications strategy should be.
- Lambeth has the potential to spread the benefits experienced in the north of the borough and its proximity to central London to other areas through improved transport links and ensuring skills provision matches skills requirements in the key growth sectors. These areas offer massive potential to drive economic growth in the borough but there will be competition for those benefits from elsewhere.
- The introduction of Universal Credit has been designed to create one single income benefit for working age claimants and forms the crux of the Coalition Governments' Welfare Reform Bill. Universal Credit is intended to support people both in and out of work,

replacing a range of working age benefits including income support and housing benefit. However as evidenced in a recent report²⁶ when Universal Credit is introduced, all household types in London will have lower gains from working than in the rest of the country when moving into low paid work.

- Further, changes to the local housing allowance will result in a situation where 3 in 10 properties for rent in an area will be affordable to people on housing benefit rather than 5 in 10 properties as before. Whilst more detailed modelling will need to be undertaken to assess the impact of these changes, it is anticipated housing benefit claimants will be squeezed into poorer quality properties and greater numbers of people will move out of inner London seeking cheaper, more affordable rental properties in outer London/the Home Counties.

²⁶ Making work pay in London under Universal Credit, A report for London Councils, Centre for Economic and Social Inclusion, June 2011

1. Introduction

- 1.1 Local Economic Assessments (LEAs) are a key part of the evidence base used to make strategic and delivery decisions in a local authority. They provide an economic baseline and as such are not a new approach - most local authorities have developed economic and socio-economic baseline reports to inform development of strategies or statutory planning documents for years – the documents simply had a different title. The Lambeth LEA sits alongside the Joint Strategic Needs Assessment, Child Poverty Assessment, Safer Lambeth Strategic Assessment and the State of the Borough Report 2010 to provide a comprehensive set of baseline information for decision-makers.
- 1.2 The Lambeth LEA provides an economic story of place. The document draws on analysis of a range of relevant national and local datasets and findings from specialist reports. All sources have been referenced and where extracts from research reports have been used this is clearly indicated. It should be noted that where different studies use similar datasets there can sometime be discrepancies due to rounding or aggregation.
- 1.3 The data analysis in the LEA is based, where possible, on the most recently available figures. It should be noted that some datasets have a significant time lag before their release and that in some instances older datasets have been used to enable comparisons with other areas. Most data used is from 2007 and later with the exception of the Skill for Life Survey 2003. The data used that pre-dates 2008 will, in most instances, not show the full effects of the recession.
- 1.4 Lambeth is a central London borough so data comparisons have been made with those boroughs, the central London average and the London average where data permits. Due to the nature of the City of London (very few residents and a large number of businesses) it has been excluded from some comparisons. To supplement analysis of key datasets, a number of research reports were commissioned including Basic Skills, Business Perceptions, Low Carbon Economy and Sector Skills. Research findings are included throughout this document.
- 1.5 Following the Executive Summary the full document begins by placing the LEA in a wider context. The next three chapters cover the key socio-economic features under the titles of Place, People and the Local Economy – each chapter is structured as:
 - Where we are now – a description of the current situation, comparison with Central London boroughs and relevant past trends;
 - Drivers of change – the factors that will impact on London and the borough therefore presenting important opportunities and threats;
 - A SWOT analysis that draws together the previous two sections;
 - A set of key considerations for the borough based on the SWOT analysis.
- 1.6 The LEA's intended audience is policy makers within the Lambeth First Partnership and Lambeth Council. The document structure aims, where relevant and appropriate, to inform future policy direction for the borough by identifying key considerations based on the current and emerging economic situation in the borough. However for detailed policy recommendations it is advisable to read the LEA in conjunction with more detailed issue-specific studies that are identified throughout this document.
- 1.7 To ensure the LEA remains relevant and is used to support evidence and analysis of a wide range of plans, strategies and business uses, regular updates and refreshes of the LEA will take place to ensure the LEA remains fit for purpose. The first significant refresh of the Lambeth LEA is expected to take place in 2013 once the 2011 census data becomes fully available.

2. Placing the LEA in a wider context

Introduction

- 2.1 This section places the LEA within a wider political and economic context. The report has been developed during a time of **political change** with the new Coalition Government taking office in May 2010 following 13 years of a Labour Government. A series of new policies have been introduced but the full effects of these are yet to be seen.
- 2.2 This LEA briefly summarises this wider political context through three umbrella themes of 'Tackling the deficit', 'Localism and the Big Society' and 'Business growth and Employment'.
- 2.3 The national economy has only emerged from **recession** (which totalled six quarters of GDP shrinkage) in quarter four 2009. Since then a range of economic forecasts have been released and those produced around the time of the budget in June 2010 for 2011 have since been revised down from an average of 2.2% GDP growth to 1.9%²⁷.
- 2.4 The International Monetary Fund, Organisation for Economic Co-operation and Development, HM Treasury and the Office for Budget Responsibility all predicted a slow recovery from recession and have all revised their growth forecasts down for 2011 - suggesting an even slower recovery²⁸. Within this context, this LEA introduces the structure of *London's* economy, analyses its current performance, looks at its future prospects and identifies challenges for the future.
- 2.5 The new Coalition Government has identified the reduction of the national debt as its number one priority.²⁹ A key effect of this is major budget cuts across government departments. Alongside this, the introduction of the Big Society will see the gradual devolution of power to local communities - although there is current uncertainty as to how these plans will be translated into changes in service delivery and what the effects will be for Councils and their communities. It is suggested there will be greater reliance on private and social enterprise to fill the void left by the contraction of the public sector.

London's Economy

- 2.6 London's economy is based on the services sector. Specialisms such as finance/banking have helped London grow into one of the leading economic centres in the world. However, given the current economic climate, London is vulnerable to external factors and at risk of further structural readjustment.
- 2.7 Whilst there has been a recent recovery in the London economy, caution remains the byword. The consultation draft of the replacement London Plan predicts a cyclical recovery³⁰ meaning that there will be periods of growth and decline as part of a longer-term pattern of overall growth. Retail performance, public transport usage and GDP growth all show positive signs. However consumption is generally slow and there are fears that public sector cuts and the VAT increase will threaten a prolonged recovery – a notion supported by the contraction of the UK economy prior to Christmas 2010. Public sector

²⁷ Office for Budget Responsibility, economic and fiscal outlook, November 2010

²⁸ HM Treasury, Forecasts for the UK economy: a comparison of independent forecasts, May 2010 and Feb 2011.

²⁹ The Coalition: Our Programme for Government, HM Treasury, 2010

³⁰ Consultation draft Replacement London Plan, The Mayor of London, 2009 (updated 2010)

cuts will continue to have an effect on employment, especially in Lambeth where currently 26.4% of the population are employed in the public sector³¹.

- 2.8 Despite official positive projections from the Mayor's Economic Development Strategy (EDS), significant challenges remain for London that include promoting innovation to remain competitive, creating a low carbon economy, addressing employment shortages and managing population and demographic change.

Politics and policy

Tackling the deficit

- 2.9 As part of the Coalition Government's policy to tackle national debt, the Comprehensive Spending Review (October 2010) introduced a series of budget cuts across almost all government departments. Some of the cuts to programme and administrative budgets by 2014/15 as compared to 2010/11, excluding capital budgets, were: Home Office, -30%; the Communities and Local Government local government settlement -27%, CLG's own budget, -33%; and Business, Innovation and Skills (BIS), -25%.
- 2.10 The Department of Education received a lower reduction of --3.4% whilst the Departments of Health and Work and Pensions saw slight rises over the same period. The departments' capital budgets faced even heavier cuts by 2014/15, those hit hardest were: Education, -60%; CLG, -74%; BIS, -52%; and the Home Office, -49%³².

There are a number of key issues for Lambeth:

- Reform of the welfare system is a key strand of the Coalition Government's spending plans and is intended to deliver £7bn a year in savings by 2014-15 on top of the £11bn of cuts announced in the June budget. Given that one third of households in Lambeth rely on some kind of benefit, the welfare reforms will have a significant impact in the borough, particularly residents' spending power, as well as on social housing.
- The cuts to BIS will impact upon funding for training and skills schemes. 'Train to Gain' has been axed and its funding switched to the National Apprenticeship Scheme whilst the Further Education budget was reduced by 25%.
- The cuts in public sector employment will have a profound impact on Lambeth, as the public sector is the borough's largest employer.
- As a result of the significant cut to CLG's budget many programmes are ending, including the Working Neighbourhood Fund and Growth Area Funding. These programmes are unlikely to be replaced. However, the department will be devolving over £1.6 billion to local government.
- The massive cuts to capital funding across all departments present a key issue. The government's approach is to prioritise capital investment for areas of greatest economic value, such as high value local transport.
- In future iterations of the Lambeth LEA, modelling and testing of assumptions and gauging of how a number of key issues will play out i.e. impact of university tuition fees and possible worsening social inequality; change of population/migration and impact on local services will be considered.

Localism and the Big Society

- 2.11 Localism is about devolving power to the local level. The Localism Bill (December 2010) proposed increased powers for local government around planning and housing, with devolution of some other powers direct to communities, new rules around standards &

³¹ ONS, 2008

³² Spending Review, HM Treasury, 2010

transparency and greater financial autonomy. This bill has three important implications for Lambeth:

- It will devolve the currently centralised Housing Revenue Account Subsidy System (HRA SS) and replace it with a new self financing arrangement. Local authorities will be allowed to keep the income from their rents to fund housing maintenance.
- It allows local councils to grant discretionary business rate discounts and make small business tax breaks easier.
- It will increase the ability of communities to take control of local services and have a greater say in how neighbourhoods are developed, through the Community Right to Buy and Community Right to Challenge schemes, Neighbourhood Development Plans and Neighbourhood Development Orders.

2.12 The Coalition Government's Big Society agenda builds on the localism approach and focuses on a commitment by central government to devolve more power to the local level, either to local public sector agencies or to community groups and citizens such as social enterprises, co-operatives and mutuals.

2.13 In Lambeth the Council is developing an approach to service delivery called the Co-operative Council, which explores how Lambeth citizens and the local public sector can improve public services together. Lambeth First is pursuing a complementary initiative called the Co-operative Borough. This policy context offers great opportunity for small and medium enterprises (SMEs) in Lambeth, more of which is covered in the local economy chapter.

Business Growth and Employment

2.14 The Coalition Government envisages that the private sector (with its projected growth) will help fill the gaps in the economy left by reductions in public spending and the consequent impact on available jobs. This represents a major re-balancing of the economy and will create a new set of needs and opportunities in Lambeth.

2.15 Policies with important economic implications for Lambeth include:

- The creation of a London-wide Local Enterprise Partnership (LEP)
- Ending the ban on social tenants starting a business in their own homes
- Supporting small and medium enterprises (SMEs) and small business procurement as these will form a core part of the Cooperative Borough initiative
- Committing extra funding to the National Apprenticeship Scheme
- Establishment of the Growth and Innovation Fund to support new initiatives that increase the contributions skills make to enterprise, jobs and growth
- Creating a single Work Programme to support people back into work
- The development of a new Green Investment Bank
- Introducing a range of financial mechanisms to support social enterprises and build capacity in the voluntary and community sector.

2.16 There will be many opportunities from these initiatives and it will be important for Lambeth First to understand what it wants to achieve and use these mechanisms to achieve them rather than risk an approach based on 'chasing the money'.

London's Economy

The structure of London's economy³³

- 2.17 The London Mayor's Economic Development Strategy provides a good summary of the London economy which has been used in this subsection. London's economy continues to be dominated by the service sector and to move away from manufacturing. Over the past 20 years, the business services sectors have dominated employment growth, providing an ever more diverse and specialised set of services tailored to the global economy. Business services' share of economic output (as measured by GVA) has increased from 22 per cent in 1998 to 27 per cent in 2008. Over the same period, there have been employment increases in certain sectors, including hotels and restaurants and financial services.
- 2.18 Business service sector specialisms (including securities broking/fund management, media activities, cultural services and advertising) have enabled London's economy to expand and develop international trading links. Despite the financial crisis, London remains the European leader for inward investment with an annual £52 billion foreign direct investment. GLA Economics estimates that London's total exports of goods and services totalled £66.4bn in 2008 with London accounting for one third of all UK exports of services. Its main service exports are: fund management and securities broking, monetary finance, and business and leisure tourism.

Current performance

- 2.19 Recent economic indicators show there has been a modest recovery in the London economy. High street sales are increasing (2010 compared to 2009). Public transport usage, a good indicator of economic recovery, is slowly picking up after a steep decline in 2008/09 and GDP growth in the capital was stronger than expected in 2010³⁴.
- 2.20 However the economy is still fragile. Consumption is recovering slowly and there are fears that the public sector cuts and rises in VAT could threaten the rate of growth. Contrary to predictions, in quarter 4 of 2010 the London economy actually contracted by 0.5% as the bad weather took its toll on Christmas sales. The fragility of the London economy impacts upon people particularly through commodity prices and employment. The beginning of 2011 has seen an increase in commodity prices (oil being a high profile example) and along with VAT increases households will find themselves spending more on everyday goods.³⁵
- 2.21 Public sector cuts will have a significant effect on employment as redundancies become widespread. Lambeth will feel the impact of the public sector cuts particularly keenly, with 35.1% of Lambeth's workers employed in public administration, education and health jobs³⁶ (the highest proportion of all central London boroughs). However, London has seen a small positive increase in its employment rate of 0.3% in 2010, which has been more pronounced in Lambeth. Despite this, there will need to be a significant increase in available jobs in the capital to offset the loss of jobs from the public sector³⁷.
- 2.22 Despite these issues, and with private sector dynamism strong within London, the capital's economy is expected to benefit from an expanding world economy led by rapid growth in emerging market countries such as China and India. London's tourism industry especially

³³ The Mayor's Economic Development Strategy, 2010

³⁴ London's Economy Today, GLA Economics, 2010 and 2011

³⁵ Ibid

³⁶ Annual Business Inquiry, employee jobs by industry 2008, NOMIS, accessed February 2011

³⁷ London's Economy Today, GLA Economics, January 2011

should continue to gain from the large depreciation of sterling that has occurred over the last few years³⁸.

London's future prospects

- 2.23 The relatively modest reduction in employment during this recession, helped initially by stable and rising public sector employment, is predicted to be followed by a number of years of stagnant employment levels - the so-called 'jobless' recovery. This is partly because, whilst the private sector recovers, this will coincide with expected public sector job cuts.
- 2.24 Despite London's global strength in the key sectors identified, in the short to medium term the business services sector faces significant readjustment and structural change which could impact negatively on London's economy. Recent projections suggest that opportunities for growth in some sectors, such as finance, could be curtailed and this may well spread to other associated parts of the economy. There are other sectors in which economic activity is projected to increase, including higher and business education, tourism, creative industries and legal services³⁹.
- 2.25 Overall the economic analysis underpinning the Mayor's Economic Development Strategy (EDS) describes London's economy as resilient. Whilst the economic recession has been significant in terms of stifling business and employment growth, the analysis presented shows the economic slowdown as part of an economic cycle of peaks and troughs and not part of any major restructuring to the economy. However, London's economy is projected to move out of a period of decline into growth at 2008 levels by 2015. Employment growth is projected to be driven primarily by the businesses services sector but sector growth will also be achieved in media, recreation and leisure services⁴⁰.

Challenges for London⁴¹

- 2.26 The Mayor's Economic Development Strategy identifies a number of challenges for London:
- **Competition and innovation.** London will need to pursue innovation and further develop the capacity to innovate in order to generate new economic opportunities as competitors seek to match its current strengths.
 - **Towards A Low Carbon Economy.** Alongside the challenge to transform London to a low carbon economy and achieve the ambitious target of a 60 per cent reduction in London's CO2 emissions by 2025, the Mayor's EDS also recognises the economic value of the low carbon market and suggests it could be worth at least an additional £368 billion per annum⁴².
 - **Labour Market and Skills.** The number of jobs in London increased from 4.29m in 1989 to 4.68m in 2007. However, between December 2008 and September 2009 the number of jobs fell by 98,000. Despite this fall, employment levels are expected to surpass the peak seen in 2008 by 2015.

³⁸ London's Economy Today, GLA Economics, February 2011

³⁹ Destinations 2020, Employment Projections Across Sectors and Occupations, Oxford Economics and LDA, August 2010

⁴⁰ Ibid

⁴¹ The Mayor's Economic Development Strategy, GLA, 2010

⁴² Ibid

- **Unemployment.** By contrast, the unemployment rate in London is 8.9% compared with a national figure of 8%. London has the lowest employment rate of any of the nine English regions; over 30% of working age Londoners are not employed and 600,000 working age Londoners have no qualifications.
- **Housing, regeneration and infrastructure.** The rise in population and household numbers in London and the fall in average household size have continued in the years since 2001 and are expected to carry on into the future. As a result, one person households are now the most common household type, accounting for 36% of households in 2006 and an expected 42% in 2026. There are currently estimated to be around 7.75 million people and around 3.3 million households living in London⁴³.

2.27 Over 350,000 households are on local authority waiting lists in London, up from 195,000 ten years ago. Over half have some priority due to issues such as homelessness, overcrowding or poor housing conditions. Lettings to social housing (excluding housing association transfers) in 2008/09 fell to below 40,000 from over 64,000 a decade earlier.

⁴³ Housing in London, GLA, 2010

3. Place: Economic Geography of Lambeth

Introduction

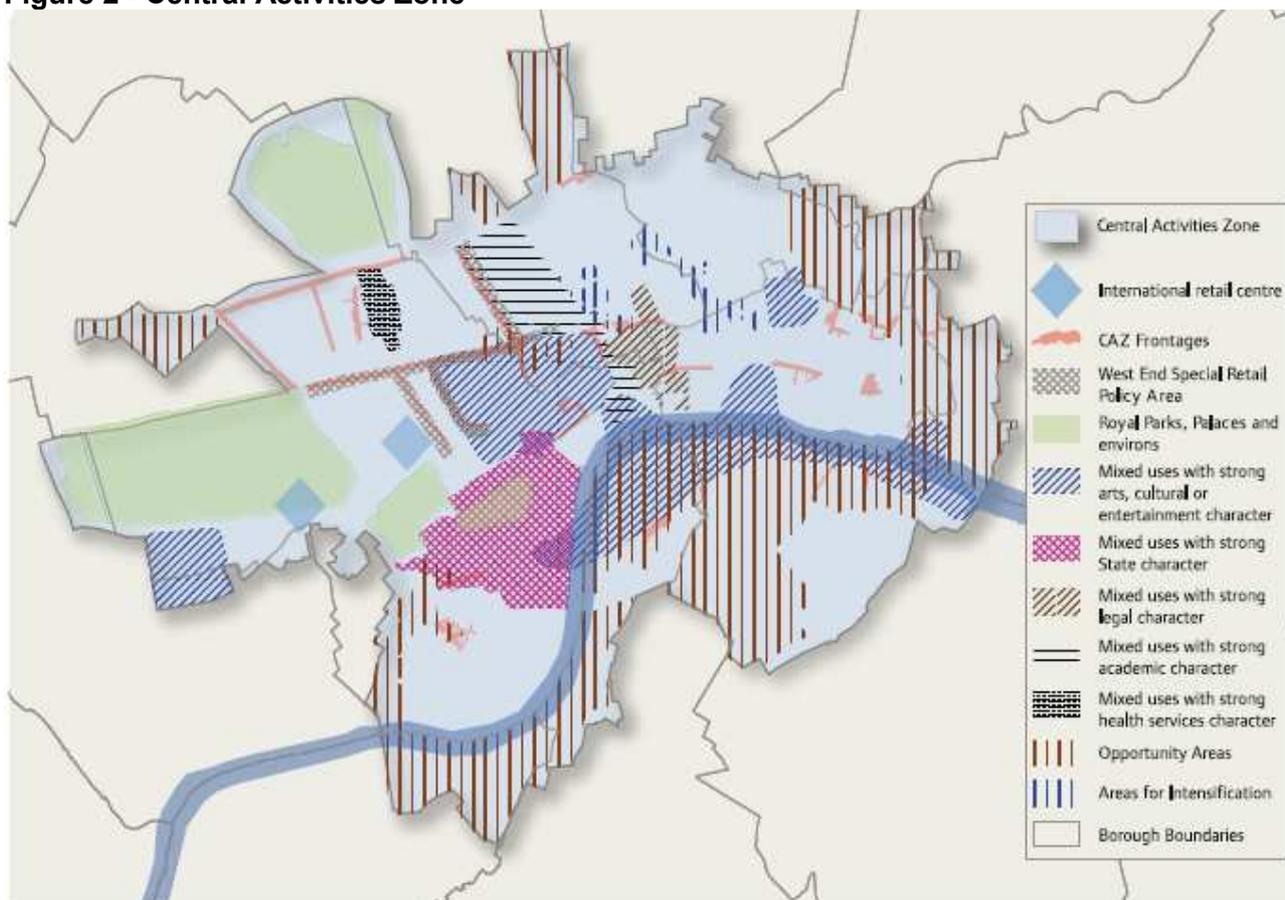
- 3.1 The London borough of Lambeth is located south of the river Thames in central London, between the boroughs of Wandsworth and Southwark. This location and its narrow geography means it is characterised by a diverse range of places, each with a particular feel and with some different economic functions. The northern edge, bordering the Thames, shows many of the characteristics of a central London borough with high levels of economic activity. In contrast the south is predominantly residential and has a much more outer London feel. There are some vibrant town centres that mirror London's cultural diversity.
- 3.2 In this section Lambeth is placed within the context of its wider economic geography – namely the **central London economy**. Following this, **Lambeth as a place** is described with reference to its history and the nature of its population, and in particular its diversity.
- 3.3 Following reference to the importance of the **retail sector** to the borough, Lambeth's six main **Town and District Centres** are discussed. For each there is a brief analysis of the local population/catchment, a brief summary of the type of retail offer and a list of its strengths and weaknesses.
- 3.4 There are a number of **regeneration** programmes in Lambeth. There are two Opportunity Areas in the north – Waterloo and Vauxhall/Nine Elms/Battersea – both of which are bringing significant change (and opportunities) to the local area. In addition, both the key industrial areas and the Future Lambeth programme are discussed, identifying performance and future developments.
- 3.5 Finally, Lambeth's **transport** network and its connectivity is discussed with reference to the Mayor's Transport Strategy and the Draft Lambeth Transport Plan. An analysis of Lambeth's economy needs to be seen in the context of a wider functional economic geography, in particular Central London which comprises Southwark, Westminster, Camden, the City, Islington and Kensington and Chelsea. This group of seven boroughs make up the Central London Forward (CLF) sub-regional strategic group, whose stated aims are to:
 - influence policy on major issues affecting Central London
 - promote the strategic importance and needs of Central London
 - identify and facilitate coordinated working on areas of mutual interest to partners

The central London economy⁴⁴

- 3.6 Key to understanding the success of Central London's economy is 'agglomeration': how a critical mass of skills, knowledge, inputs and markets encourages growth and innovation. The Central Business District (CBD), comprising the Central Activities Zone (CAZ) plus Canary Wharf, supplies one-third of London's employment (around 1.5 million jobs) in just 2% of London's land space. The CAZ is also home to 275,000 Londoners. Over one third of the population of England is within commuting distance of the CAZ and areas immediately around it have developed similar functions. Between 1996 and 2005 employment in the City fringes (north and east of the City and in Southwark) grew by 20%, compared with 7% in the CAZ and 8% in all London. Employment clusters are shown in
- 3.7 Figure 2.

⁴⁴ Central London Forward LEA, CLF, 2010

Figure 2 - Central Activities Zone⁴⁵



Source: Mayor London's Plan 2011 GLA 2009 © Crown copyright. All rights reserved. Greater London Authority 100032379 (2009) [SM]

- 3.8 Traditional business activities (such as finance and business activities) that have traditionally been concentrated in the City of London are expanding and can now be found across the CBD, including south of the river. Creative and cultural clusters, long associated with Soho and the West End, have sprung up throughout Central London but especially to the north of the City (Clerkenwell; Shoreditch/Hoxton) and to the south of the river (Bankside; Bermondsey and Waterloo). The opening up of river frontages, with new and iconic attractions, has changed how visitors experience the city but the CAZ remains the focus of visitor spend, especially the West End/Covent Garden. Central London has five of the UK's top ten research universities and three academic health science centres complemented by the Centre of Medical Research and Innovation, employing 1,500 at St Pancras⁴⁶.
- 3.9 The success of Central London depends on its relationships with the rest of the world and on complementary activities performed elsewhere. Information technology, communications and the creative sector are fields where Central London's strength is shared with, perhaps underpinned by, other parts of London and the Greater South-East. Businesses that provide a supportive role, such as catering, cleaning, logistics and security, usually operate from less expensive areas but remain as close to their customers as practicable. Large organisations tend to locate back office activities outside the centre and off-shoring is the latest manifestation of this.
- 3.10 Lambeth has a long history, with riverside areas dating back to the Domesday Book of 1086. The opening of Westminster Bridge in 1750, followed by Blackfriars and Vauxhall, saw the first period of major development of the borough as residents moved away from the poor condition of the inner city. The coming of the railways in the mid-19th century heralded the

⁴⁵ GLA 2009 Greater London Authority 100032379 (2009)

⁴⁶ Central London Forward LEA, CLF, 2010

next period of major expansion which continued until the 1930s. This expansion was predominately residential for Lambeth with the borough providing homes for London's workers and families, a role that continues for the majority of the borough today. After the Second World War a period of reconstruction and slum clearance resulted in large social housing programmes which continued up to the 1970s. All of this has contributed to a very diverse borough in terms of communities, ethnicities, relative prosperity and deprivation.

- 3.11 In common with the rest of inner London, Lambeth's population has grown rapidly in recent years, expanding from a quarter of a million in the 1990s to 283,000 in 2009. The population is projected to grow to 337,000 by 2031⁴⁷. Lambeth is among the most densely populated areas in the country, with over 99 people per hectare compared to nearly 46 per hectare across London as a whole⁴⁸.
- 3.12 Lambeth has an even more ethnically diverse population than the rest of the capital, with migrant communities continuing to settle in the borough. The largest group between 2002 and 2006 was from Poland, with 3,550 new National Insurance registrations⁴⁹. Lambeth also has a growing Black African population (15% growth predicted over the next 25 years) and a growing Asian population (26% growth predicted). There is also a large Portuguese-speaking community.

Housing – Public, Private and Rented Sectors

- 3.13 There are around 130,000 households in Lambeth. Just fewer than 38% of these rent from social landlords with a further 25% renting from private landlords. The remaining 37% are owner occupiers. These figures are estimates; there is evidence to suggest that there is a significant number of hidden households.
- 3.14 Tenure mix varies dramatically across the borough with socially rented housing dominating some neighbourhoods, private rented housing dominating others and some areas mainly owner occupied. Tenure mix has generally improved over recent years as the result of the large numbers of local authority homes being sold to sitting tenants.
- 3.15 However the resulting reduction in the level of affordable homes has exacerbated the problem of demand exceeding supply. Lambeth's Housing Needs Survey in 2007 indicated a need for new homes far in excess of what is reasonably practical to produce. There are 17,000 households on the borough's housing register. The number of those in temporary accommodation remains high at 1,651 (January 2010) and Lambeth will struggle to meet its 2010 temporary accommodation target despite a very successful programme of homelessness prevention and improved housing options service. In common with London there is a flow of people on, and off, the streets and during 2008/09 a total of 323 people were seen sleeping rough in Lambeth and a further 143 people were contacted by outreach teams.⁵⁰
- 3.16 As with other inner London boroughs, overcrowding is a significant problem in the rented sector, both public and private, with BME residents most affected. At the same time, 28,000 households are under occupying.
- 3.17 Lambeth's house prices reached a peak in 2008 when the average price was £355,029 and a low in July 2009 at £298,386 (Land Registry). Over the last few months there has been a recovery in prices to £325,373. The recent upturn is in contrast to most commentators' predictions. It is based on a low level of transactions, and unprecedentedly low interest rates which cannot continue forever. There is a significant concern that there will be a 'double-dip'

⁴⁷ Population and Migration, GLA, 2010

⁴⁸ Lambeth LDF Core Strategy, LB Lambeth, 2011

⁴⁹ Lambeth LDF Core Strategy, LB Lambeth, 2011

⁵⁰ Lambeth Rough Sleepers and Street Population Strategy 2009-2012

in house prices. In any event, the situation with the financial markets has meant that the decrease in purchase price has not improved affordability for first time buyers as prohibitively high deposits are now required.

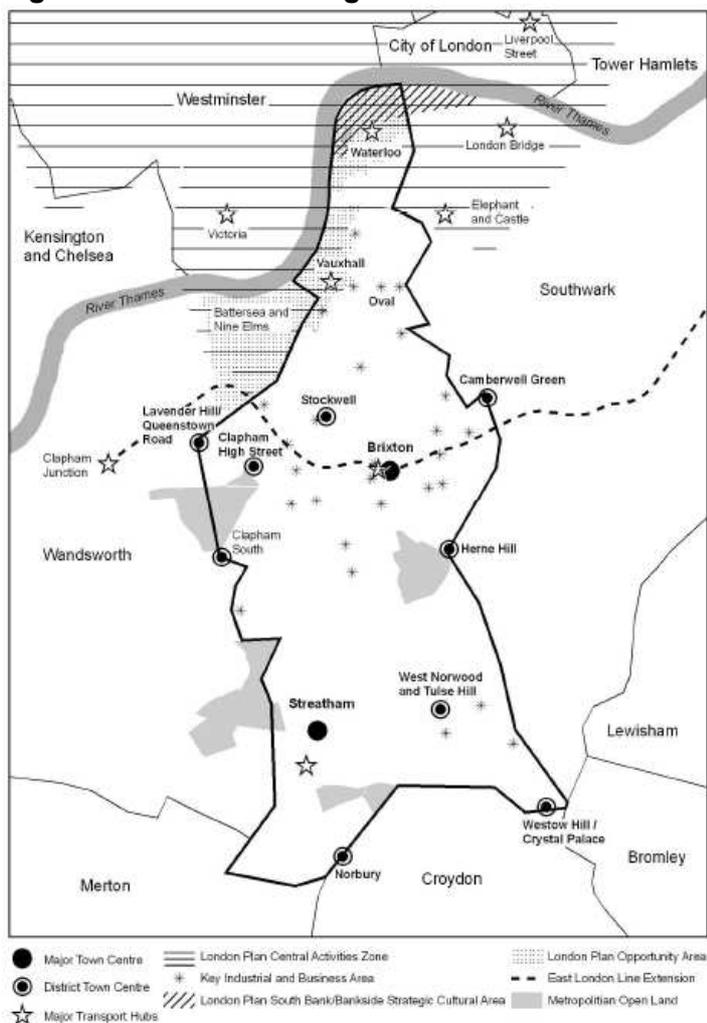
3.18 As the borough develops it needs to be done in a sustainable way, in terms of environmental sustainability, but also ensuring that communities are mixed to avoid creating concentrations of deprivation. There needs to be a range of housing options available that are suitable for our residents' means and situations, including intermediate products and market housing for ownership and rent.

Town Centres

3.19 Lambeth's town and district centres, business districts and neighbourhood centres provide a range of business, commercial, shopping, leisure and entertainment uses. This section of the LEA presents the economic profile of each of the borough's key centres. Note, the term town centre has been used to cover both business district and retail town centres.

3.20 Figure 3 is taken from the recently adopted Core Strategy for the borough and shows the key Town Centres in the borough in relation to its neighbours in central London.

Figure 3 - London borough of Lambeth ⁵¹



⁵¹ LB Lambeth Core Strategy Development Plan Document, LB Lambeth, 2011

Retail in Lambeth

3.21 Retail is the third largest service sector employer in the UK, employing around 3 million people in full time employment. The sector is predominantly composed of a younger workforce (mainly between 16-24 years of age) which supports the view that retail can be a gateway to other jobs. Retail led regeneration is increasingly seen as an important mechanism to revitalise struggling areas by providing jobs, promoting economic growth and creating attractive places to draw people into an area. It also has an important role to play in place making as an element of wider urban regeneration.

3.22 The proportion of businesses in the borough that are retail, whilst below the London average, is in line with the CLF average.

Lambeth's main town centres

3.23 The following Town Centre analysis is taken primarily from the Lambeth Retail Study (Nathaniel Lichfield, 2008). Further information on town centres can be found in the State of the Borough report from 2010, produced by Lambeth First.

3.24 Figure 4 is only indicative of some key statistics for each Town Centre, from this study, and based on quantitative analysis using Experian's GOAD data. The table shows both gross units in each (an indicator of size) and the proportions of each type of unit (an indicator of the nature of the retail offer). A4 Bars/ Public Houses have been excluded from this study.

Figure 4 - Lambeth Town Centre statistics⁵²

Units	National average	Brixton	Clapham	Stockwell	Waterloo And South Bank ⁵³	Streatham	West Norwood
Total (gross) ⁵⁴	n/a	476	298	56	133	547	269
Type of unit	Proportion of total number of units (%)						
Comparison retail	45.4	40.3	20.5	20	32.1	26.4	23.2
Convenience retail	9.1	18	10	20	10.2	15.1	15.8
A1 services	10.6	10.8	20.5	22.9	8.8	18.7	18.7
A2 services	9.6	8.8	13.8	17.1	5.8	12.2	10.8
A3 and A5	14.3	11	26.2	17.1	32.8	19.4	20.7
Vacant	11	11	9	2.9	10.2	8.2	10.8

**excludes Non-Retail Class A uses

⁵² Total units (gross) is taken from GOAD data, LB Lambeth website, 2009. The proportion of total number of units is taken from Lambeth Retail Study, Nathaniel Lichfield, 2008.

⁵³ Data taken for Waterloo Opportunity Area

⁵⁴ excludes Non-Retail Class A uses

Key

A1: A shop – broadly defined

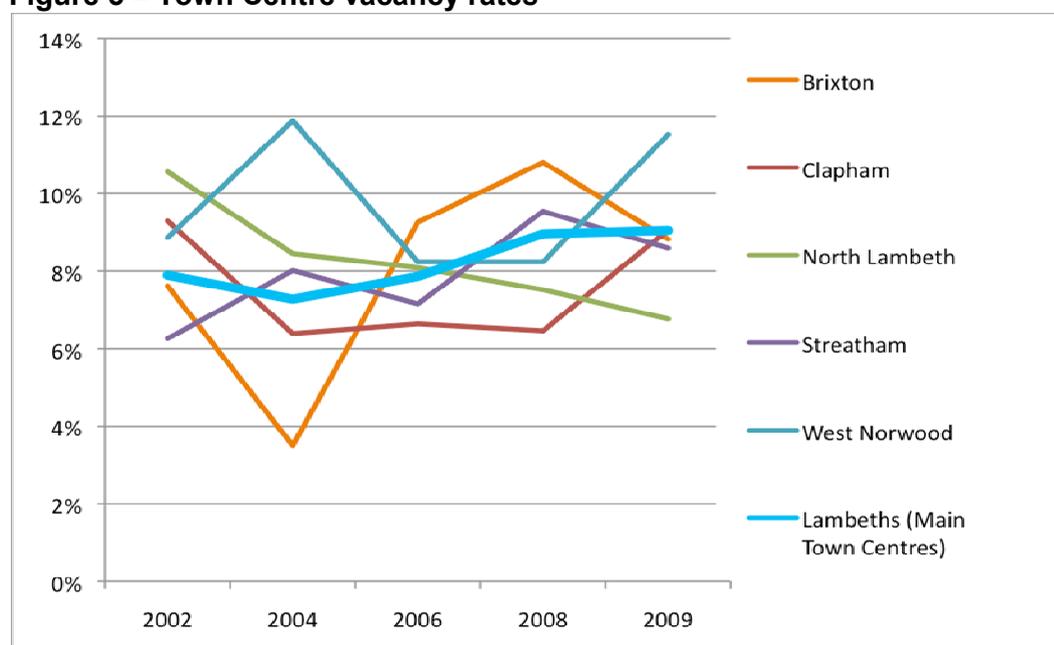
A2: Financial and professional services

A3 & A5: restaurants, cafes and drinking establishments

3.25 As reflected in the London Plan hierarchy, Brixton (476) and Streatham (547) are the largest Town Centres in Lambeth, as measured by number of units. Whilst the number of units in Streatham has fallen slightly in the period 2002 to 2009, Brixton has seen a sharp increase, in particular between 2008 and 2009 with the addition of 31 additional units. Clapham, North Lambeth and West Norwood have remained broadly constant over the same period.⁵⁵

3.26 Vacancy rates identified in Figure 4 relate to data from 2006. However, Figure 5 shows the town centre vacancy rates for Lambeth's 5 main Town Centres between 2002 and 2009 (Data for Stockwell is only available for 2009). Across the borough, vacancy rates have fluctuated during this period⁵⁶ although there has been a small increase since 2002. The rate as of 2009 was 9.1%. In 2009 vacancy rates for retail outlets across London was 8.5%, compared to the national average of just over 10%⁵⁷.

Figure 5 – Town Centre vacancy rates⁵⁸



Town Centre Profiles

3.27 This section provides a brief summary of Lambeth's six main town centres, by providing data on population demographics, economic performance and an assessment of the strengths and weaknesses of each.

1. Brixton

3.28 The most heavily populated area of the borough, Brixton is known as the heart of Lambeth's black community. Currently home to 70,000 residents, it is the most populous area in Lambeth and is projected to grow by 10% to 78,000 by 2025⁵⁹.

⁵⁵ GOAD, LB Lambeth website, 2002-2009

⁵⁶ GOAD, LB Lambeth website, 2002-2009

⁵⁷ London Town Centre Health Check Analysis Report, Mayor of London, 2009

⁵⁸ GOAD, LB Lambeth website, 2002-2009. Note that data was only available for Stockwell for 2009 (9% vacancy rate). This is contributed to the Lambeth average for 2009.

3.29 Brixton is designated as a Major Town Centre in the London Plan and attracts a high number of visitors from across London. Whilst retail is an important sector for the town centre, Brixton rates considerably higher as a leisure and hospitality destination than it does as a retail destination⁶⁰. This perspective is also borne out in recent street surveys as part of the town centres evening economy/Purple Flag Award which shows more than four out of five survey respondents agreed Brixton had a good variety of independent pubs and restaurants and nearly two thirds of respondents said that they felt safe in the town centre⁶¹.

3.30 Brixton Town Centre has a large number of small businesses which reflects the trend across the borough. It does however have a slightly higher proportion of businesses with 11-99 employees (14.7% compared to 12.9% across Lambeth)

3.31 Over the 2002-2009 period, Brixton's vacancy rate fell to a low of 4% in 2004 and peaked at 11% in 2008. The 2009 rate is 9% in line with the borough average.

3.32 Brixton is regarded as a key location for small businesses including those within niche and growth sectors such as the creative and cultural industries. Demand for business premises is significantly outstripping supply and this is likely to continue to be the case with the forecast growth in small businesses. This was showcased recently by the successful Brixton Village project run by Space Makers Agency that brought 20 vacant shop units into temporary use through creative community-orientated temporary schemes. There are now long term tenants in each of the 20 units.

3.33 *Strengths*

- Brixton's town centre has changed considerably over the past ten years. An integrated effort between police, council and local business has elevated the quality of the town centre and in particular, its evening economy makes it a popular night out with many Londoners.⁶²
- There are more than 2 million people moving through Brixton town centre on an annual basis and an increasing number of high value multiples moving into the town centre.
- Brixton has a significantly higher than average proportion of convenience units, many of which are specialist independent units, offering a unique range of specialist ethnic and Afro/Caribbean goods. The centre also contains a Tesco supermarket and Sainsbury's Local and Iceland stores.
- Brixton has unique multi-cultural markets, which give the centre a feeling of vibrancy, act as a focal point for the community and draw in shoppers from across London.
- The town centre provides a good range of leisure uses including restaurants, cafes and takeaways, bars, pubs, clubs, a cinema, music venues, sports hall, a library and a theatre.
- Brixton has excellent public transport links with the train and tube station, and buses providing convenient means of getting to and from the centre.
- There are a number of national multiple retailers including Marks & Spencer and Morley's department store.

3.34 *Weaknesses*

- Brixton town centre has a lower than average proportion of comparison shops, which are predominantly specialist independent units.
- Although the centre contains some attractive historic buildings, there are many poorly maintained buildings and shop fronts, particularly at upper floors.
- The market areas are poorly maintained in places, which adversely reflects on the centre, given the market is one of the key draws for visitors to the centre.
- There is limited car parking within Brixton, countered by very good public transport links.

⁵⁹ State of the Borough Report, Lambeth First, 2010

⁶⁰ Skillsmart Retail - Location Model Brixton Town Centre, January 2011

⁶¹ Skillsmart Retail - Location Model Brixton Town Centre, January 2011

⁶² Skillsmart Retail - Location Model Brixton Town Centre, January 2011

- The heavy road traffic through the centre detracts from the environment and acts as a barrier to free pedestrian movement.

2. Clapham

- 3.35 Clapham combines some of the borough's most affluent parts with some deprived areas. Some of Lambeth's most expensive housing is found in Clapham Town and Clapham Common wards. In Clapham Common ward, more than one in five residents earns over £60,000 a year. However, Clapham also contains large areas of social housing and pockets of deprivation.
- 3.36 Home to an estimated 42,000 residents, Clapham has long been popular with young professionals, drawn by its good transport connections to central London and its vibrant night time economy. The High Street's restaurants, pubs and clubs attract visitors from across London, as do sport and live music events on Clapham Common. Clapham's population is projected to grow by around 4% to just under 44,000 in 2025, although Clapham Common ward is projected to decrease by 5%.⁶³
- 3.37 Clapham High Street is a linear shopping centre extending approximately 1 kilometre north west to south east. Clapham High Street is identified as a District Centre in the London Plan and fulfils a predominantly local shopping role for shoppers from a reasonably wide catchment area.
- 3.38 Clapham Common and to a lesser extent Clapham Town have very high levels of micro businesses at 80.5 and 74.1%% compared to 74.2% across the town centre. With 14.4% of firms with 11-99 employees, Clapham Town has the highest number of employees of the town centre⁶⁴.
- 3.39 Clapham's retail vacancy rate was 9% in 2002. It then fell to 6% in 2004-2008, before recently increasing again to 9% in 2009.
- 3.40 Clapham's main business profile consists of the creative and hospitality sectors (at 23%) and this is even more the case when the adjoining area is taken into account. Clapham is regarded as a preferred location for larger SMEs⁶⁵.
- 3.41 *Strengths*
- Clapham High Street District Centre has a good selection of national multiple and independent retailers providing a range of goods and services.
 - The centre has two supermarkets (Sainsbury's and Iceland) which are complemented by a Tesco Express, a Sainsbury's Local and a Budgens Express ensuring convenience shopping provision in the town centre is suitable for both main and top up food shopping.
 - The town centre provides a good range of evening uses including a good provision of restaurants, cafes and takeaways and bars and pubs, as well as a cinema, a theatre and two nightclubs.
 - The vacancy rate is slightly lower than the national average which suggests demand for premises is reasonably strong.
 - The centre has good quality pavements, which provide a pleasant shopping environment for customers. Most areas within the centre are well maintained and clean. The provision of street furniture throughout the centre is good.
 - Clapham High Street has excellent public transport links with the train and tube stations, and buses providing convenient means of getting to and from the centre.

⁶³ State of the Borough Report, Lambeth First, 2010

⁶⁴ Ancer Spa, 2010

⁶⁵ Ancer Spa, 2010

3.42 *Weaknesses*

- The heavy traffic through the centre detracts from the environment and acts as a barrier to free pedestrian movement.
- There is limited car parking provision within the centre, however, this is countered by the excellent public transport links.
- There is a very limited national multiple retailer presence and the proportion of comparison shops is well below the national average.
- There are significantly lower proportions of clothing and footwear shops and banks and other financial services in Clapham High Street when compared with the national averages.

3. **Stockwell**

3.43 Stockwell is an ethnically and socially mixed area. It is becoming known locally as 'Little Portugal' due to its increasing Portuguese speaking community. Many black African and east African people also live in the area. Given this, it is not surprising that the proportion of Stockwell residents born outside the UK is higher than the Lambeth average. The local population is just over 44,000, and population density is high. The GLA estimates the population will grow by around 11% by 2025 to just under 50,000⁶⁶.

3.44 Stockwell is a relatively small District Centre, characterised by small basic shops and services with the majority of the retail provision being on Clapham Road. Stockwell is defined as a District Centre in the London Plan, fulfilling a predominantly local shopping role.

3.45 Most residents travel out of the area for employment, with employment centres having progressively disappeared since 2000. Stockwell has seen some decline as major employers have progressively moved out of the borough (i.e. Freemans, Trumans bottling factory and the Southbank University which is now being redeveloped for residential use).

3.46 The vacancy rate in 2009 (the only period with available data) was 9%, which is in line with the borough average.

3.47 Stockwell is segregated by fast flowing arterial highways serving as transport corridors for Greater London. This hinders pedestrian movement and limits the potential for a cohesive community. Coupled with the loss of major employers, the area is sometimes perceived as an unsafe, anti-pedestrian area and there is a need to reassert Stockwell's identity as a vibrant district centre.

3.48 *Strengths*

- Stockwell District Centre has a good selection of budget convenience shops
- The centre has a reasonably good range of service provision with all categories represented. It provides several key local services including a bank, Post Office, hairdressers, launderette and dry cleaners.
- The vacancy rate is substantially lower than the national average which suggests demand for premises is reasonably strong.
- The centre has good quality, wide pavements, which provide a pleasant shopping environment for customers. Most areas within the centre are well maintained and clean. The provision of street furniture throughout the centre is good.
- Stockwell has good public transport links with both the underground station and buses providing convenient means of getting to and from the centre.

3.49 *Weaknesses*

- Stockwell District Centre has a low rate of comparison retail offer, with a number of categories of goods not represented within the centre.
- The heavy traffic through the centre detracts from the environment and acts as a barrier to free pedestrian movement.

⁶⁶ State of the Borough Report, Lambeth First, 2010

- There is limited car parking provision within the centre, however, this is countered by the excellent public transport links.
- There are a significantly lower proportion of restaurants, cafes and takeaways and estate agents in Stockwell when compared with the national average.

4. South Bank / Waterloo and Vauxhall (North Lambeth)

3.50 This area contains a mix of land uses and activities linked to the world-city functions of London, including the largest concentration of arts and cultural facilities in Europe. It is also strategically located adjacent to Bankside and the Elephant and Castle in Southwark and the Nine Elms / Battersea corridor in Wandsworth.

3.51 The north of the borough is a collection of areas rather than a coherent town centre, with distinct but mainly non-residential neighbourhoods such as Vauxhall and Waterloo, and deprived residential areas separated from the riverside by stations, viaducts and busy roads. The population is expected to grow by 25% to 45,800 by 2025⁶⁷, the biggest predicted rate of growth for any of the town centre areas.

3.52 The South Bank / Waterloo area boasts a vibrant global cultural quarter containing Lambeth Palace, the Royal Festival Hall, the National Theatre, the Old and Young Vic theatres, the British Film Institute and the London Eye. It is one of central London's leading business districts, home to international companies such as Shell and ITV.

3.53 The area is the main location for the borough's larger employers (200+ employees) but also has high concentrations of small and medium sized businesses. It already accommodates 61,500 jobs⁶⁸, just under half the borough's total. It is also a gateway to the south of England through major transport interchanges at Waterloo and Vauxhall and is home to the iconic Oval cricket ground.

3.54 Conversely, the area has the exceptionally low proportions of micro businesses though at 71% Princes and Vassall wards are closer to the borough average.

3.55 The retail vacancy rate in the North Lambeth area has fallen steadily over the period from 10% in 2002 to 7% in 2009.

3.56 The opportunities created by Vauxhall developments – as set out in the Opportunity Area Planning Framework for Vauxhall, Nine Elms and Battersea - will make significant contributions to the Lambeth economy, providing jobs, business growth and meeting local needs.

3.57 *Strengths*

- Waterloo has a good number of convenience shops, with a number of independent retailers supporting the Iceland and Sainsbury's Local stores.
- The area has a good range of evening uses including the provision of a high number of restaurants as well as a reasonable proportion of bars and pubs, a cinema and two theatres.
- The centre has a long established market.
- The centre has good quality, wide pavements, which provide a spacious shopping environment for customers. Most areas within the centre are well maintained and clean.
- Although less popular than it has been previously, Lower Marsh market is still a significant shopping attraction of Waterloo. It gives the centre a distinctive character and enhances its vitality. The Council and partners are currently engaged in commissioning the Lower Marsh Regeneration Project to transform the public realm and provide an improved street market in the area.
- Waterloo has excellent public transport accessibility.

⁶⁷ State of the Borough Report, Lambeth First, 2010

⁶⁸ *ibid*

- The green public space provides an attractive environment for residents and workers in the area, with public seating and landscaping.
- The South Bank Employers' Group (SBEG) is a partnership of seventeen of the major organisations in South Bank, Waterloo and Blackfriars with a long-term commitment to improving the everyday experience of the area for employees, visitors and residents alike. SBEG and South Bank Partnership's contribution to the development of the South Bank area has been of substantial benefit to the Lambeth economy.
- The area boasts Lambeth's first Business Improvement District (BID) – Waterloo Quarter – a business-led organisation, committed to improving the area of Waterloo. Waterloo Quarter works with and for businesses, securing funding to deliver a range of projects in the local area to improve economic performance and the physical environment, as well as acting as a voice for businesses to speak directly to organisations such as the Council, Transport for London and the Police.⁶⁹ The recent renewal of the Waterloo BID is expected to generate a further £2.69million through BID levies to be invested into the area between 2011-2016⁷⁰.
- Proposals for the development of a Vauxhall BID are well developed and it is anticipated a BID ballot will take place in February 2012. If the BID is approved, the BID levy could generate between £587K - £880K over a five year period to support a range of activities including Street wardens / ranger services, Increased promotional activity for Vauxhall, improved greening / planting, improved lighting, improved street cleaning etc.⁷¹.

3.58 Weaknesses

- The centre's comparison shopping role is relatively limited and it lacks many national multiple comparison retailers which might draw customers to the centre from a wider area.
- The overall layout of the centre is relatively poor and does not encourage customers to visit all parts of the centre.
- The centre contains only one of the high street banks/building societies, which is located at the far south western end of the centre.
- The range of service uses within the centre is limited, and largely made up of restaurants, cafés and takeaways.
- The quality of some of the buildings along Westminster Bridge Road is poor and detracts from the overall appearance of the centre.

5. Streatham

3.59 Streatham has had the fastest population growth of any of Lambeth's town centres over the past decade. This growth is set to stabilise and the GLA projects a net decline of around 1.5% between 2010 and 2025⁷². It is the only town centre with a projected net decrease in population.

3.60 Recent population growth has increased the diversity of the area, with a large Somali community in Streatham South and a Polish community in Streatham Vale. Streatham is home to the largest concentration of Asian residents in the borough with a particular concentration in Streatham South (16% compared with 4% across Lambeth⁷³).

3.61 Streatham is relatively affluent compared with other areas of the borough; population density and deprivation are both lower than average. It is best known for its residential areas and its High Road.

3.62 The Town Centre is actually known as three separate areas – Streatham Village, Streatham Hill and Streatham Central. This section runs for more than two kilometres along Streatham Hill and Streatham High Road, between Telford Avenue in the north and just below

⁶⁹ www.waterlooquarter.org

⁷⁰ www.waterlooquarter.org

⁷¹ www.vauxhallbid.co.uk

⁷² State of the Borough report, Lambeth First, 2010

⁷³ *ibid*

Streatham Station in the south. The centre is defined as a Major Centre in the London Plan and therefore fulfils a mixed role with convenience and comparison shopping as well as having cultural and entertainment facilities.

- 3.63 Streatham's vacancy rate was the lowest of the borough's town centres in 2002 at 6%. Since then it steadily increased to 10% in 2008, although it subsequently fell to 9% in 2009.
- 3.64 Micro businesses (1-4 employees) represent 79% of the local area's total business base which is a very high concentration. There is a marginally lower proportion of businesses with 11-99 employees (9.1%) compared to 74% and 12.9% across the borough. Like Norwood, Streatham has suffered loss of office stock to other uses such as hotels, retail and housing.
- 3.65 There are plans for a major private sector development: the Streatham Hub. This is a £128m mixed use development which will include a new leisure centre, swimming pool, international standard ice pad with 1000 seat arena, 250 residential units (60 of which will be affordable), 10,000 sqm retail space, public plaza, car-parking and a new TfL transport interchange. It is anticipated that up to 600 new retail jobs will be created.

Strengths

Proposals for the development of Streatham Business Improvement District are currently being explored with early indications within the business community of strong support. An early focus of the BID is to make the High Street more attractive for businesses and to give local businesses incentives and support.⁷⁴ If successful, it is envisaged a Streatham Business Improvement District will be established by April 2012.

- Streatham Town Centre has a good selection of convenience retail shops, with several supermarkets, supported by a number of independent convenience stores. The centre also benefits from a wide range of services including banks, estate agents, travel agents, hairdressers, laundries and dry cleaners.
- The town centre provides a very good range of evening uses including restaurants, cafes and takeaways, pubs/bars, nightclubs and a cinema. The centre also has a good provision of leisure and community uses, including an ice rink, a library and a swimming pool.
- The vacancy rate is below the national average which suggests demand for premises is relatively strong.
- The architectural quality of buildings is generally very good. The historic buildings are an attractive feature and there are a few iconic buildings within the centre.
- Streatham has very good public transport links with both the stations and buses providing convenient means of getting to and from the centre.
- Streatham Green is a small, but important, public space, which is attractive and benefits the south end of the centre.
- Recent public realm improvements including planting, pavements and removal of central reservation barriers

Weaknesses

- The centre has a low proportion of comparison retailers compared with the national average and significantly, for a centre of its size, only has a limited number of national multiple comparison retailers; nor does it have a department store. Despite this, most types of comparison goods are catered for by the existing retail offer.
- The heavy traffic through the centre and dominance of the A23 significantly detracts from the environment. The traffic and proliferation of railings along the road acts as a barrier to free pedestrian movement and appears to divorce the two sides of the road and there are plans for phased improvements to the central reservations, building upon the first phase of work in 2010
- There is limited car parking provision within the centre, however, this is countered by the good public transport links and the parking available on nearby residential streets, subject to restrictions.

⁷⁴ Streatham Business Board – April 2011

6. West Norwood

- 3.66 Norwood is a mainly residential area with good quality housing and relatively quiet streets. It also contains the borough's only remaining major industrial area. Just over 41,500 people are estimated to live in Norwood and this is projected to grow to around 44,000 by 2025⁷⁵. Although Norwood does not have the wide ranges of income and deprivation found elsewhere in Lambeth, it does have some areas where poverty is an issue.
- 3.67 West Norwood District Centre is a linear centre located in the south east of the borough. West Norwood District Centre stretches along Norwood Road from Tulse Hill in the north and includes the northern ends of Knights Hill and Norwood High Street. West Norwood is identified as a District Centre in the London Plan and fulfils a predominantly local shopping role.
- 3.68 West Norwood's vacancy rate peaked at 12% in 2004, fell to 8% in 2006 and then rose again to 12% by 2009, the highest of all the main Centres analysed.
- 3.69 West Norwood Town Centre has a very high concentration of micro businesses at 79% compared to 74% across the borough and lower proportions of medium and large businesses (11-200+) compared to Lambeth as a whole. This pattern is similar across all three wards within the Town Centre with the exception of Gipsy Hill which has a high proportion (16%) compared to 12% in the town centre and 11% across the borough.
- 3.70 *Strengths*
- West Norwood District Centre has a good selection of independent traders providing for a range of shopping goods and services.
 - The centre has a number of mid range convenience shops.
 - The centre has a good range of community and leisure uses with two theatres, a library, a Salvation Army community hall and several places of worship.
 - The centre has a number of landmark buildings and has a good provision of open space, creating a pleasant environment. Most areas within the centre are well maintained and clean.
 - West Norwood has good public transport links with the train stations and buses providing convenient means of getting to and from central London.

3.71 *Weaknesses*

- There is a very limited national multiple retailer presence in the District Centre and the number of comparison retailers in the centre is also limited.
- The centre only has a limited amount of off-street public car parking, though this is countered by the good transport links.
- The pedestrian flowcounts suggests the linear nature of the centre significantly reduces footfall at the north and south peripheries, with retailing opportunities in these areas more limited.
- The centre suffers from a lack of restaurants, cafes and public houses.

Regeneration in Lambeth

- 3.72 The borough's major capital regeneration schemes aim to improve the public realm, build new schools, improve transport infrastructure and bring into use, refurbish or develop housing or community, health and leisure facilities. In addition to providing much needed facilities/infrastructure, physical regeneration schemes (either led by the Council or by private groups) generate a raft of local economic benefits such as local business opportunities

⁷⁵ State of the Borough Report, Lambeth First, 2010

through sub-contracting, job creation, improving labour supply and skills, and broader outcomes including reductions in crime, improvements to community organisations, increases in local incomes and employment. Securing the indirect benefits of such capital projects is essential to ensuring that Lambeth maximises the return on capital investment made.

3.73 This section provides a description and brief overview of the wider economic contributions of the borough's current major regeneration programmes and those planned for the medium term.

Opportunity areas

3.74 The London Plan identifies key Opportunity Areas in London ideal for large scale development to provide substantial numbers of new employment and housing. These are typically more than 5,000 jobs and/or 2,500 homes per area, with a mixed and intensive use of land and assisted by good public transport accessibility. Figure 6 summarises the Mayor's figures of the impact on homes and jobs in Lambeth's two opportunity areas at Vauxhall and Waterloo.

Figure 6 - Lambeth's Opportunity Areas ⁷⁶

Opportunity Area	Minimum Homes (2001 – 2026)	Indicative employment capacity (2001 – 2026)
Vauxhall, Nine Elms & Battersea	16,000	25,000
Waterloo	1,500	22,000

1. *Vauxhall, Nine Elms & Battersea(VNEB)*

Opportunity areas

3.75 The Vauxhall Nine Elms Battersea opportunity area is the most centrally located regeneration opportunity in London - a district far larger than Hyde Park on the south bank of the River Thames, situated a mile upstream from the Houses of Parliament. VNEB provides 67 large regeneration opportunities, in particular at Battersea Power Station, the consolidation and release of surplus land at New Covent Garden Market and other sites in industrial and commercial use in Lambeth and Wandsworth. The Mayor's planning framework for the area anticipates up to 16,000 new homes and 25,000 new jobs will be created as this prime site is transformed into a world class residential and business quarter.

3.76 Whilst public transport capacity is limited an estimated £1bn of new infrastructure will support the area's growth. This includes a proposed two station extension of the Northern Line linking the new district to the capital's underground network. The planning process for this new tube line is underway with a formal application expected towards the end of 2011.

3.77 An Opportunity Area Planning Framework, led by the Mayor together with Wandsworth and Lambeth Councils with the involvement of various stakeholders provides an overall framework to guide the scale and development/regeneration.

Waterloo Opportunity Area

3.78 The Waterloo neighbourhood is a key part of Central London, with strong movement and activity relationships with adjoining areas across and along the river in adjoining boroughs. It

⁷⁶ The London Plan (Consolidated with Alterations), GLA, 2004

is a major office location, one of the capital's most successful tourist areas, an international centre for culture and the arts and one of London's most important transport hubs. It already contains more than half of Lambeth's jobs and the London Plan identifies the potential for 15,000 new jobs in the area. There is an existing residential population in Bishop's ward of 9,190 people (4,594 households) (2001 Census) with potential identified in the London Plan for an additional 1,500 dwellings during the period 2001 to 2026.

- 3.79 An Opportunity Area Planning Framework for Waterloo was prepared jointly by the GLA and Lambeth Council in 2007. The South Bank Partnership has produced a Manifesto for Action which reflects the ambitions of the major organisations in the area, including Lambeth Council. The Council has also produced a Waterloo Area Supplementary Planning Document (2008) to supplement the Unitary Development Plan policy.
- 3.80 The Framework's Vision is "To give Waterloo a new 'Town Square' that also serves as a public transport interchange space; to improve permeability to and within the area and provide new development principally in the area around and above Waterloo Station.
- 3.81 Objectives have been set out for meeting the vision including: redeveloping and redefining Waterloo Station so that it becomes a new centre for the area; removing general traffic from Waterloo Road and giving priority to pedestrians, cyclists and public transport. The projected numbers of jobs and homes generated through these major developments are set out in Figure 7.
- 3.82 Waterloo has its own Business Improvement District (BID) – Waterloo Quarter – a business-led organisation, committed to improving the area of Waterloo. Waterloo Quarter works with and for businesses, securing funding to deliver a range of projects in the local area to improve economic performance and the physical environment, as well as acting as a voice for businesses to speak directly to organisations such as the Council, Transport for London and the Police.⁷⁷

Figure 7 - Projected jobs and homes within the Waterloo Opportunity Area⁷⁸

Development	Jobs	Homes
Known development figures without station redevelopment	10,282 - 10,582	1,303
Estimates for station redevelopment and other possible development sites	12,000 - 13,000	200
Total	22,282 - 23,582	1503

Spatial Development and Land Use

- 3.83 A Local Development Framework (LDF) is a strategic planning document used to guide spatial development. The LDF is a statutory requirement under the Planning and Compulsory Purchase Act 2004. The Lambeth LDF Core Strategy (adopted January 2011) sets out the spatial strategy, vision, strategic objectives and policies for the borough. These are supported by an extensive evidence base. The LEA draws on, adds to and updates the Core Strategy evidence base.

The economic contribution of the borough's LDF is crucial in terms of its key objectives and policies to manage the supply of land and premises for businesses.

⁷⁷ www.waterlooquarter.org

⁷⁸ Waterloo Opportunity Area Planning Framework, Mayor of London, 2007

The Core Strategy's specific economic objectives are to:

- Support the growth of key economic sectors through the development of new shops, offices and visitor accommodation, by maintaining a varied supply of business premises and through plans for town centre regeneration.
- Increase the number and variety of job opportunities for local people by protecting land for commercial use within neighbourhoods and seeking contributions to employment and skills support programmes.

The key strategic policy for economic development is Core Strategy Policy S3 which states that the council will:

- Safeguard KIBAs for business, industrial, storage and waste management uses, including green industries, and other compatible commercial uses, excluding large scale retail.
- Maintain a stock of other sites and premises (not in KIBAs) in commercial use across the borough subject to the suitability of the site and location.
- Support the vitality and viability of Lambeth's hierarchy of major, district and local town centres, including the VNEB and Waterloo London Plan OAs for retail, service, leisure, recreation and other appropriate uses (based on 'town centre first' policy in PPS4).
- Deliver the regeneration of Lambeth's town centres.
- Protect markets and other areas of specialist shopping.
- Safeguard and improve leisure, recreation, arts and cultural facilities where they meet local and wider needs, especially in town centres.
- Support the location of, and investment in, major office developments (over 1,000 m²), large hotels and apart-hotels, major leisure and cultural activities, other tourist attractions and retail development in the CAZ, OAs and major town centres.
- Support other visitor accommodation elsewhere in the borough where public transport accessibility levels are 'good' or above, in accordance with London Plan policy.
- Support employment and training schemes to maximise local employment opportunities and help to address skills deficits in the local population.

The Core Strategy's policies for Places and Neighbourhoods set out how this strategic approach to economic development will be applied in Waterloo, Vauxhall, Brixton, Streatham, Clapham, Stockwell, Oval, West Norwood/Tulse Hill and Herne Hill, based on the various council and community led master-plans, Opportunity Area Planning Frameworks and area Supplementary Planning Documents for these areas.

Business Premises and Key Industrial Business Areas

3.84 DTZ's most recent analysis of economic growth forecasts for Lambeth, based on GLA data produced in 2010, shows a requirement for 122,100 sq m of B1a floor space over the period 2011-2031⁷⁹.

3.85 Completed developments of business floorspace

Grid of Completed 'B' Class Floorspace 2005-2009⁸⁰			
Year	Existing	Gross	Net
2005/06	7415	10959	3544
2006/07	21027	31967	10940
2007/08	48931	50868	1937
2008/09	19187	24109	7922

⁷⁹ Lambeth Business Perceptions Survey – DTZ, 2010

⁸⁰ Lambeth Commercial Development Pipeline Report 2009/10

2009/10	41795	30584	-11211
Total	138355	148487	13133

Note, all measurements are of internal floorspace in metres squared (m²)

- 3.86 The grid above outlines completed developments of business class floorspace over a 5 year period. The overall trend shows a mixed picture with a peak occurring in 2007/08 and a tailing off in 2008/09 and an overall negative position in 2009/10. Whilst there was a substantial reduction in the amount of completed business floorspace in 2009/10, the overall trend shows an increase in the rate of business floorspace over the 5 year period. A more detailed examination of the B uses in decline shows unsurprisingly, B2 – general industry experiencing the highest rate of decline with B1c, light industry also experiencing some decline over the period. B8, storage and distribution, although experiencing the highest rate of completions did experience a substantial dip in 2009-10 but overall, the rate of business use completions has been highest in this particular use class.
- 3.87 Lambeth’s Key Industrial Business Areas (KIBAs) represent the borough’s strategic reservoirs of land for business use and are Lambeth’s Locally Significant Industrial Sites as defined in the London Plan.
- 3.88 The protection of KIBAs has been strengthened in the core strategy through the removal of the ‘mixed used employment area’ designation in the UDP 2007. There are 27 KIBAs and they range in size from 0.13 hectares (Brighton House) to 10.19 hectares (West Norwood Commercial Area).
- 3.89 The 2010 KIBA Survey shows a low vacancy rate of only 6.5% of total commercial floorspace. Further, despite the recent recession, demand for employment and premises (specifically B class uses) remains strong in Lambeth, with continued pressure on supply⁸¹
- 3.90 Figure 8 shows the total built-on or ‘occupied’ industrial land in Lambeth and its neighbours in the South West sub-region (using 2008 London Plan sub-regional designations) in 2010. It shows that Lambeth has the second highest amount of industrial land of the CLF boroughs with 81.5ha, behind Southwark with 122.8ha.
- 3.91 Its vacancy rates (both as a % of Core and Core + Wider uses) are higher than Southwark’s at c.2.5% compared with Southwark’s around 1%. Lambeth’s vacancy rates are also higher than Camden’s but lower than Islington’s – the other two CLF boroughs with any significant industrial land. CLG have estimated that the property market will always need a certain level of vacancies in each sector to reflect natural churn and that a vacancy rate of around 5% would achieve this.

Figure 8 - Total Built-on Industrial and Vacant Land (ha) in London in 2010⁸²

Area	Core industrial use			Vacant land	Vacant as % of core industrial use	Wider industrial uses (ha)	+ Total (Core Wider)	Vacant as % of Core + Wider stock	Total industrial land
	Industrial	Warehouse	Sub-total						
Lambeth	59.5	21.9	81.5	2.3	2.7%	12.1	93.6	2.4%	95.8
Camden	32	21.2	53.2	0.3	0.6%	7.8	61	0.6%	61.3

⁸¹ Lambeth Local Development Framework Core Strategy Examination Hearing – Key Industrial Business Areas - February 2011

⁸² London’s Industrial Land Baseline, URS & DTZ, 2010

Islington	39.3	14.4	53.8	2.4	4%	14.2	68	3.4%	70.4
Westminster	5.2	6.5	11.7	-	-	8%	20.1	0%	20.1
City of London	-	-	-	-	-	5.3	5.3	-	5.3
Southwark	66.9	55.9	122.8	1.3	1.1%	42.9	165.7	1%	167
K&C	10.3	4.1	14.4	0.8	5.4%	12.4	26.8	3%	27.6

Note: Core industrial uses include: Industry (general industry; and light industry) and warehouses (warehouses, self storage, and open storage). The wider definition of industrial uses includes: Wholesale markets, waste management and recycling facilities, utilities, land for rail, land for buses, airport related land, other industrial land and land with vacant buildings. Vacant industrial land is counted separately from core and wider industrial uses.

3.92 Reduced vacancy rates provide a positive view of the business areas but this does not address the increasing need for business premises by those looking to start-up and businesses hoping to grow.

3.93 Given the current and projected demand for commercial business premises, the LDF includes policies to safeguard employment land. Policy S3⁸³ sets out the Council's objectives to safeguard KIBAs for business, industrial, storage and waste management uses, including green industries and other compatible commercial uses, excluding large scale retail.

3.94 Outside of 'B' business space uses, floor space demand is concentrated in the following key sectors - Retail, 500; Hotels & Restaurants, 4,400; Financial Services, 100; Business Services, 100,200; Public Admin, 11,900; Health & Education, 5,900; Other Services, 24,500; Total, 122,100 sq m.

Future Lambeth programme

3.95 The Future Lambeth programme combines major public sector regeneration initiatives into a single scheme. It aims to develop and deliver major investment projects that will encourage physical, social and economic improvements in the borough. There are schemes in each of the borough's five town centres described below.

4 Future Brixton

3.96 The Future Brixton masterplan, adopted by Lambeth Council Cabinet in July 2009, has a strong business focus, and at the heart of the plan's approach are the twin concepts of sustainability and ensuring that the unique character of Brixton is retained and supported. It proposes a range of interventions to provide sustainable regeneration of the town centre including the creation of 1,500 new jobs and 1,000 new homes.

3.97 The plan proposes a new transport interchange between public transport points and a new public space (in addition to the newly developed Windrush Square) at the heart of the town centre, providing an area for events, visiting markets and performance. It also identifies the need to bring residential properties back to the town centre and revive the upper floors of vacant buildings.

3.98 There will be new health and cultural facilities for the Town Hall area; further improvements to Brixton's historic streets and markets, celebrating its unique character, and the adoption of One Planet Living sustainability principles to guide development.

⁸³ LB Lambeth Core Strategy Development Plan Document, LB Lambeth, 2011

5 Future Clapham

3.99 The Future Clapham scheme involves the redevelopment of two key sites in Clapham: Mary Seacole House, which will be rebuilt to provide a new community library, healthcare centre and new homes; and the existing leisure centre and depot site will be redeveloped to create a new leisure centre.

6 Future Norwood

3.100 West Norwood is a town centre in the south of Lambeth known for its Victorian cemetery and historic church. The West Norwood masterplan, adopted by Lambeth Council Cabinet in June 2009, has at its centre a number of key proposals that are aimed to provide the town centre with the regeneration that it needs and that local people would like to have.

3.101 The key proposals include: new mixed use gateway development at Tulse Hill; new and improved retail town centre on Norwood Road; a refurbished or redeveloped West Norwood library; a new joint service centre (including a leisure centre and health centre); a new primary school; a new ecological park; improvements to the public realm across the town centre; new residential developments across a number of locations.

7 Future Streatham

3.102 Adopted in July 2009, the masterplan covers the area of the High Road from Streatham Hill station to Streatham station. The plan focuses on creating a sustainable town centre that can attract new investment, more businesses and more customers to maintain it. The aim is to make Streatham a more attractive place to live, work and visit, looking at measures to break up what was previously seen as a long continuous high street into a series of distinctive quarters. The plan focuses in particular on three areas of Streatham: Streatham Hill, Streatham Central and Streatham Village.

3.103 In addition, there are plans for a major private sector development: the Streatham Hub. This is a £128m mixed use development which will include a new leisure centre, 25 metre swimming pool, international standard ice rink with 1,000 seat arena, 250 residential units (60 of which will be affordable), 10,000 sqm retail space, public plaza, car-parking and a new TfL transport interchange. It is anticipated that up to 600 new retail jobs will be created.

8 Future Kennington

3.104 Development and implementation of a regeneration programme including a community hub at the former Lilian Baylis school site, Lollard Street, Kennington. Made up of distinctive two and three storey blocks, with courtyards in between, the site is grade II listed. It was made vacant in 2005 when the Lilian Baylis Technology School moved to its new home on Kennington Lane. Since then North Southwark and North Lambeth Sport Action Zone (SAZ) has used the site to run sports activities for all ages, from physical activity to healthy living.

Tourism

3.105 In 2007 overseas visitors spent £8.2 billion in London. This amount was up 5% on the previous year and the fifth consecutive annual rise in expenditure. Of the 32.8 million international tourists that the UK received in 2007 almost half (15.3 million) visited London. In 2000 overseas visitor spending stood at £6.9 billion in London and £5.9 billion in the rest of the UK. In 2001 and 2002, however, levels of international tourism fell sharply. The decline followed an outbreak of foot and mouth disease in the UK and was reinforced by the September 11 terrorist attacks. Analysis of IPS data indicates that from 2005 to 2007 the largest numbers of overseas visitors to London were from the USA, France and Germany.

3.106 Lambeth received an estimated total of £645 million in tourism spending in 2007. As was the case in other London boroughs, domestic staying visitors provided the smallest amount

of income (£65 million). A good measure of the relative importance of tourism to a borough's economy is the proportion of its total employment in tourism related jobs. Tourism is of marginally greater importance to Lambeth than to the ten 'Tier 3' tourism boroughs that received the highest estimates of tourism expenditure after Westminster, Kensington and Chelsea, and Camden⁸⁴

Transport and connectivity

3.107 A reliable, comprehensive and sustainable transport network underpins a successful local economy. The transport network allows workers and clients to access commercial opportunities and also links businesses to other areas which facilitate economic activity and growth. An unreliable and infrequent service is a deterrent to potential investment and economic activities, especially in a large urban area like London where there is high transport coverage and significant competition from other boroughs' economic activities. Lambeth needs (to retain) a high level of connectivity to ensure it remains competitive with its neighbours.

London's transport network

3.108 The Mayor's Transport Strategy (MTS) was published in May 2010 and outlines the Mayor's vision for London for the period up to 2031:

"London's transport system should excel among those of global cities, providing access to opportunities for all its people and enterprises, achieving the highest environmental standards and leading the world in its approach to tackling urban transport challenges of the 21st century."

3.109 A range of measures or interventions will be needed to deliver this vision, such as investing in the transport network to provide more capacity and better connectivity, managing and influencing the demand for travel, and introduction of new technology to reduce emissions. Different areas have differing requirements in terms of transport needs and a balanced approach will be required across London.

3.110 In order to develop an integrated approach to sub-regional transport development and land use planning, London has been split into five sub-regions (central, north, south, east and west). Lambeth is part of the Central Sub-region which also includes the Southwark, Camden, Islington, the Royal Borough of Kensington and Chelsea, the City of London and the City of Westminster. However, due to boundaries with the South, TfL are also engaging with Lambeth and Southwark regarding strategic issues in the South London sub-region.

Transport Infrastructure in Lambeth

3.111 There are 14 overground railway stations evenly spread throughout the borough and nine underground stations albeit predominantly in the north. There are many bus routes, with major interchanges at Waterloo, Vauxhall and Brixton.

3.112 Public transport accessibility is good in north and central Lambeth. However, residents in Streatham and Norwood (south) are without direct access to the underground and are dependent on rail and bus connections for their needs. In addition, these links tend to be focussed on the main north-south radial routes into central London rather than east-west orbital routes. Therefore some housing estates continue to have low levels of public transport accessibility. Despite this, each of the six town centres covered within this LEA have a Public Transport Accessibility Level (PTAL) rating of 6 or above⁸⁵. PTAL considers distance to the nearest transport node and the service frequency at these nodes on a range of 1a (low) to 6b

⁸⁴ LOCAL AREA TOURISM IMPACT MODEL - Lambeth borough report - LDA - July 2009

⁸⁵ Lambeth Retail Study, Nathaniel Lichfield, 2008

(high). Lambeth centres and main transport nodes and routes are shown in Figure 100 but without the PTAL scores.

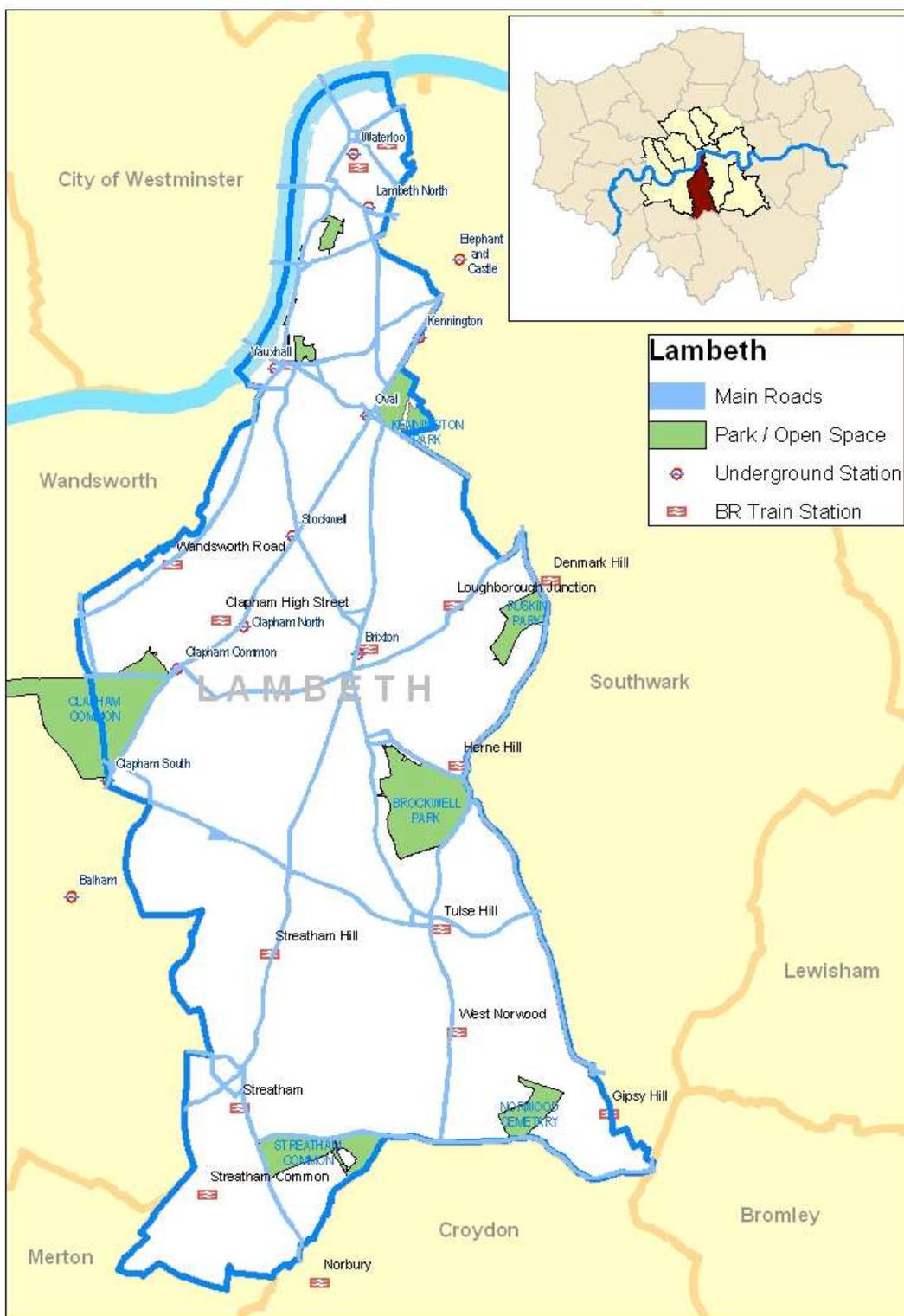
3.113 The Draft Lambeth Transport Strategy (2010) outlines a number of key transport statistics and issues in the borough:

- In 2001, approximately 90,000 people travelled out of Lambeth to work every day and another 61,500 travelled into Lambeth from other parts of London (2001 Census). Nearly 60% of Lambeth workers travel to work by public transport, compared to 14% nationally.
- Journey times on buses have improved significantly in the borough over the last five years. Bus speeds have increased or remained stable across the AM-peak, Interpeak and PM-peak period, unlike other central London boroughs where speeds have decreased. Excess Wait Time (EWT) has reduced by 49% from 2.34 minutes (1999/00) to 1.18 mins (2008/09). Half of households in the borough do not have access to a car, one of the highest proportions in the country. Car ownership is however greater in the south of the borough (2001 Census).
- Much of Lambeth's public transport infrastructure is currently at or over capacity during peak hours. This situation will worsen with increasing living and working populations. Ultimately this will impact on access to jobs, Lambeth's economic wellbeing and the attractiveness of the borough to investors.

3.114 Population and employment growth will increase demand on the transport network. This needs to be addressed by balancing increased public transport capacity and/or reducing the need to travel. The TfL Business Plan identifies a number of planned infrastructure improvements within Lambeth, which will partly address the need for further public transport capacity. These include:

- Extension of the East London Line from Surrey Quays to Clapham Junction by May 2012. This will provide four trains per hour from Wandsworth Road and Clapham High Street to Clapham Junction in the west and Denmark Hill, Peckham Rye and on to East London in the east. The extension will complete a new orbital route in the Capital. Whilst Crossrail does not affect public transport provision in Lambeth *directly*, it will allow a more convenient interchange for travel around London by allowing interchange from Thameslink services (if they run through Blackfriars) at Farringdon. Lambeth is currently lobbying Network Rail for a solution to the Wimbledon Loop line services through the core section of Thameslink, including the interchanges at St Pancras for international services and in the future at Farringdon for Crossrail.

Figure 9 - Lambeth main transport nodes and routes ⁸⁶



⁸⁶ State of the Borough Report, Lambeth First, 2010

Summary of key points

Key issue/statistic	Further context and implication
Lambeth has a unique narrow geography spreading from central to outer London.	The north of the borough borders the Thames and has many of the characteristics of a central London borough whilst the south is predominantly residential and has a much more outer London feel.
Brixton and Streatham are the two largest Major Town Centres in the borough. There is no Metropolitan Centre in Lambeth.	Vacancy rates across the six biggest Town Centres (Brixton, Streatham, Clapham, Stockwell, West Norwood and North Lambeth) averaged around 8% in the period 2002-2009, although there were significant annual fluctuations.
There are two London Plan Opportunity Areas in the borough – Waterloo and Vauxhall/Nine Elms and Battersea (VNEB). According to the latest draft London Plan projections they will together provide 17,500 homes and 47,000 jobs over the period 2001-2026.	These OAs bring with them great opportunities for Lambeth residents and businesses. However a more detailed economic impact assessment of VNEB in particular is required to understand the immediate and medium-longer term benefits arising from this major regeneration scheme.
The Future Lambeth programme remains robust despite pressure on public sector funds.	Future Brixton (masterplan) and Future Streatham are seeing combined 1,250 homes and 2,100 jobs created through a range of mixed-use developments.
Transport connections in the borough are generally very good and service is excellent at the Town Centres. Connectivity is however poorer in residential areas away from town centres and also in the south where there are no London Underground stations.	The main change will be the completion of the Overground link between Clapham Junction and Surrey Quays in May 2012 – linking the borough directly with Canary Wharf.

4. People: Worklessness, Skills and Employment

Introduction

- 4.1 This chapter covers the range of factors relating to the employment of Lambeth residents. There is a distinction to be made between this group and the jobs that exist in Lambeth. This is because Lambeth residents may not necessarily work within the borough, and jobs in Lambeth may not necessarily be filled by Lambeth residents. The latter is examined in the Local Economy section of this LEA.
- 4.2 For the purposes of this LEA the London Skills & Employment Board (LSEB) Observatory has been adopted as the primary measure of labour market performance in the borough, unless stated otherwise. This is due to the variety of data available that also allows for extensive comparison with other boroughs.
- 4.3 The analysis of residents' **employment** compares Lambeth against similar boroughs in the sub region, identifying performance over recent years as measured by the size of the working age population, employment rates, rates of economic inactivity and unemployment rates. Further, Lambeth residents' work location (borough), type of occupation and employment sector is analysed.
- 4.4 Building on the employment analysis, **worklessness** amongst Lambeth residents is considered. Worklessness is the key priority for the Lambeth First Partnership and as such its incidence based on age, ethnicity, gender and geography is presented here. The associated barriers to employment – specifically skills and health – are also analysed. Consideration is also given to the indices of multiple **deprivation** (IMD); identifying performance against the key IMD measures and the geographical spread of deprivation within the borough.
- 4.5 Finally **skills** levels in the borough and presented. Overall skills levels are compared against comparator boroughs. Consulting InPlace produced a Basic Skills analysis for the borough addressing incidence of literacy, numeracy and ESOL across Lambeth. These results are summarised here also.

Where we are now

Employment

Lambeth resident employment levels

4.6 Resident employment levels are analysed by looking at a number of distinct areas:

- The working age population
- Employment rates
- Rates of economically inactive people
- Unemployment rates

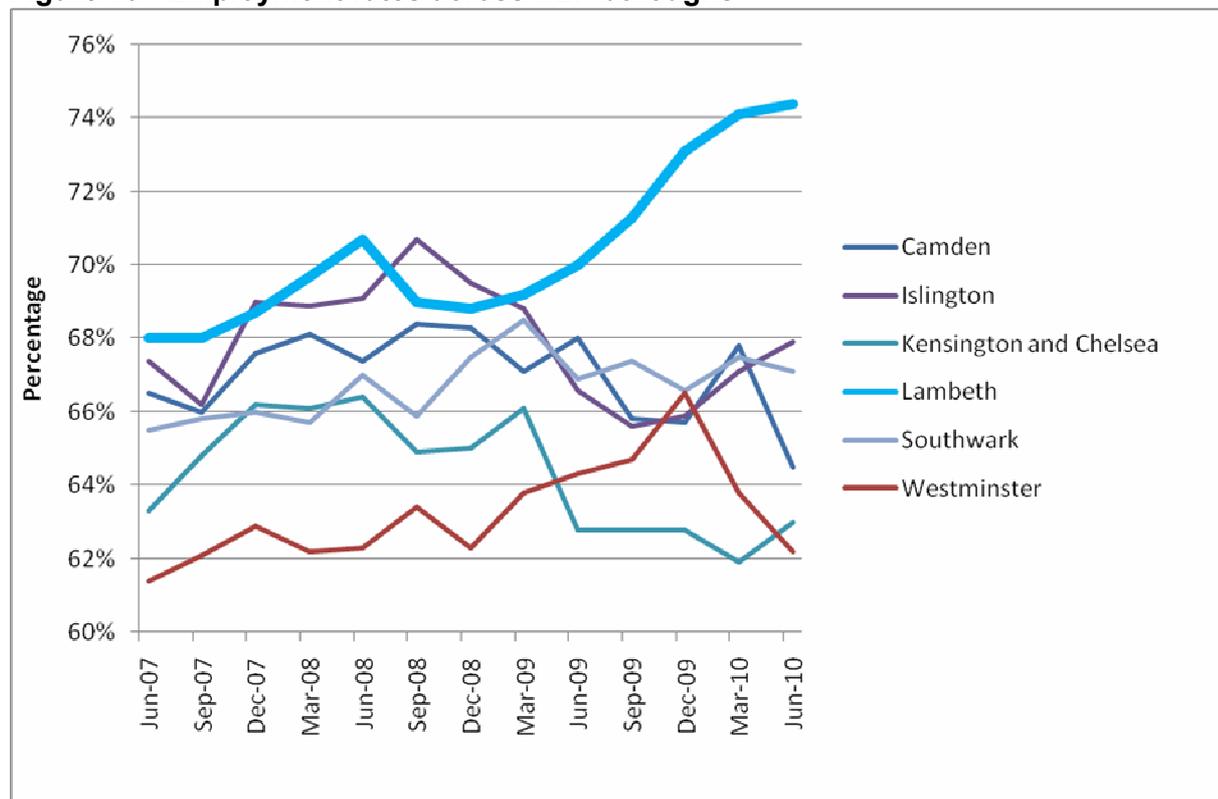
The working age population

4.7 The working age population is defined as those who are aged 16-64. Lambeth has had the highest working age population of the CLF boroughs in recent years (it was 211,000 in 2009). Whilst it remains the highest, other boroughs are catching up. For example, Southwark's working age population was 210,000 in 2009, almost as high as Lambeth's, despite being 169,000 in 1999 (when Lambeth's was 188,000).

Employment rates

- 4.8 The employment rate captures the number of people in employment expressed as a percentage of working age people (aged 16-64). Lambeth's employment rate is the highest (74% as of June 2010) of all the CLF boroughs, having seen a significant increase of 5 percentage points in the previous 18 months.
- 4.9 The London rate for the same period is 68.1%, representing a fall of 1.6% percentage points over the past 3 years. This suggests that on average Lambeth's residents have been more resilient during the economic slump than average Londoner.

Figure 10 - Employment rates across CLF boroughs⁸⁷



4.10 The increase in Lambeth's employment rate seen in Figure 10 can be attributed to a significant rise of 6,400 more residents getting jobs in the finance and other business activities sector and a 5,800 rise in the public admin, education and health sector. This outweighs the fall of 4,000 in 'other' services employment. The issues around fully understanding this trend are complex:

- Employment rate data is taken from the Annual Population Survey, which is available six months after collection. Data on sector based expansion (number of businesses and associated jobs) is not available until 2/3 years after collection so this data cannot be analysed to consider the impact on employment rate.
- A bespoke specialist study would be required to take account of replacement demand (existing job turnover as opposed to newly created jobs) for this particular period within the current economic cycle.
- No statistics cover borough migration (in and out flow of residents) and whether or not those people are employed.
- It is most likely that the rising trend is a result of a number of factors that would include, but not limited to, new homes being occupied by workers, public sector expansion between 2008 and 2009, the reported rebound of the City-based financial and other business

⁸⁷ LSEB Observatory, February 2011

activities sector in 2009 and 2010; higher skilled Lambeth residents being competitive in the job market.

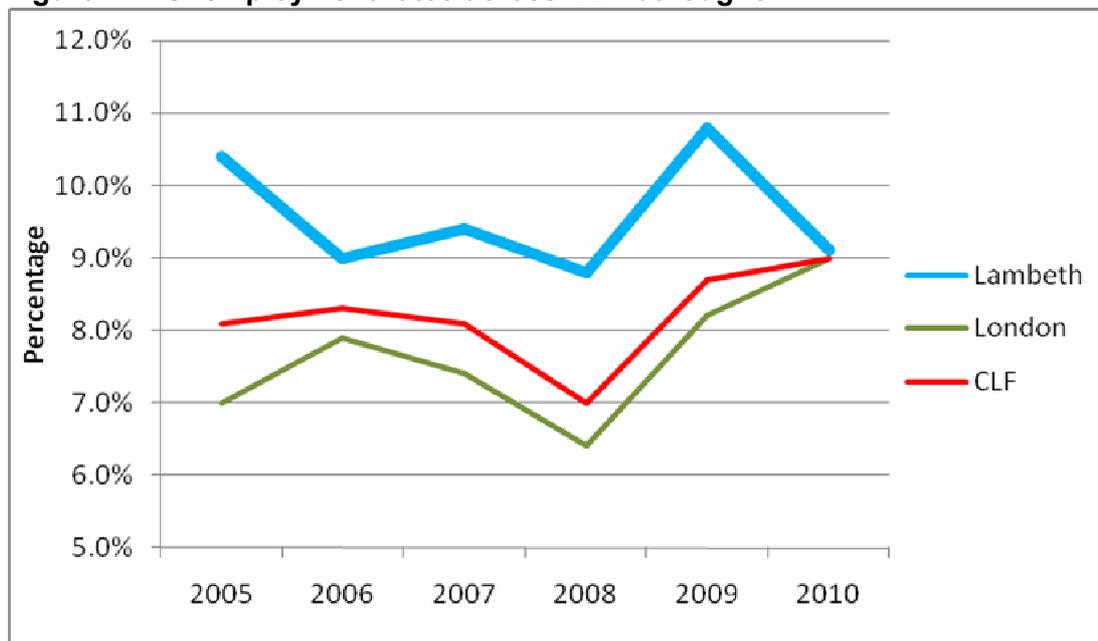
Rates of economically inactive people

4.11 The economically inactive are defined as those without a job, who have not actively sought work in the last four weeks and/or are not available to start work in the next two weeks. This can include people who are unpaid carers, full-time students or retired. The rate of economically inactive people in Lambeth is significantly lower than the CLF boroughs, falling from a high of 25% in June 2007 to 18% in June 2010. In contrast the rate in other CFL boroughs has remained between 23% and 33% during the same period. Data for the City of London has not been included due to the small residential population in the borough and consequent data gaps.

Unemployment rates

4.12 The unemployment rate is calculated as a percentage of the economically active population. In Lambeth, the unemployment rate is currently 9% (during the 12 month period to June 2010). Over the past 3 years Lambeth has had a slightly higher unemployment rate than the CLF average, although they have converged most recently, as shown in Figure 15. The City of London data has been excluded because data was not available for much of the period.

Figure 11 - Unemployment rates across CLF boroughs⁸⁸



4.13 The most up to date indicator of the unemployment rate is the Jobseekers Allowance (JSA) data, since this measure lags by only one month. According to the December 2010 Labour Market Bulletin produced by Jobcentre Plus District Office for Lambeth, Southwark and Wandsworth, the JSA claimant count was 10,812, or 5.1%⁸⁹ of the working age population. This represents a 5.3% decrease over the previous 12 months. However, the large population in Lambeth means that this is a significantly higher volume of JSA claimants. Using the May 2010 data to enable comparisons with other London boroughs Lambeth has the highest volume of claimants at 10,700, followed by Tower Hamlets with 9,730.

Figure 12 summarises Lambeth's resident employment levels using data from the LSEB Observatory.

⁸⁸ LSEB Observatory, February 2011

⁸⁹ Lambeth Labour Market Bulletin, JCP, December 2010

Figure 12 - Lambeth resident employment levels⁹⁰

Indicator	Lambeth	CLF average ⁹¹	London
Working age population (Gross, 2009)	211,000	n/a	n/a
Employment rate (% , June 2010)	74%	65.2%	68.1%
Rates of economically inactive people (% , June 2010)	18%	29.3%	25.2%
Unemployment rate (% , June 2010)	9%	9%	9%

Where Lambeth residents work

- 4.14 London is a single large employment market. As a result, residents of particular boroughs are not confined to work in the borough in which they live, especially as for most transport accessibility into central London is very good. It is important to know the areas Lambeth residents commute to work so as to assist with analysis of the types of jobs that Lambeth residents have and what skills they may need to compete for jobs in the future or to access different employment areas.
- 4.15 Comparisons on this measure are made in particular with Lambeth's immediate neighbours - Southwark and Wandsworth to reflect the particular features of London boroughs with northern borders on the Thames.
- 4.16 Lambeth has a low proportion of residents that live and work in the borough at 28%. 19% of Lambeth residents commute to Westminster to work, slightly more than neighbours Southwark and Wandsworth. 10% of Wandsworth residents commute to the City, whereas only 7% of Lambeth's do. Other major borough destinations for Lambeth residents include Camden, Southwark and Wandsworth (6% each). This information is reflected in Figure 17.

Figure 13 – Percentage of commuting within London boroughs (%)⁹²

Work in	Resident in					
	Camden	City	Lambeth	Southwark	Wandsworth	Westminster
Camden	40	8	6	6	5	8
City	10	48	7	8	10	11
Lambeth	1	1	28	8	4	2
Southwark	2	2	6	34	3	2
Wandsworth	1	0	6	2	29	1
Westminster	21	14	19	15	17	52

Resident occupation types

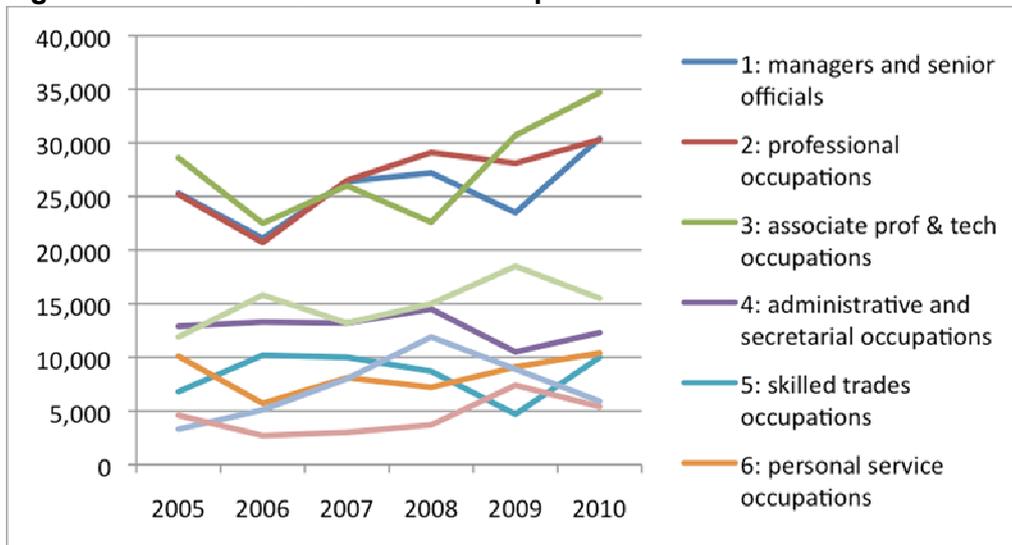
⁹⁰ LSEB Observatory, February 2011

⁹¹ The CLF averages are calculated as an average of individual borough rates, not an aggregated rate for the CLF area

⁹² Destinations 2020, Mayor of London, August 2010

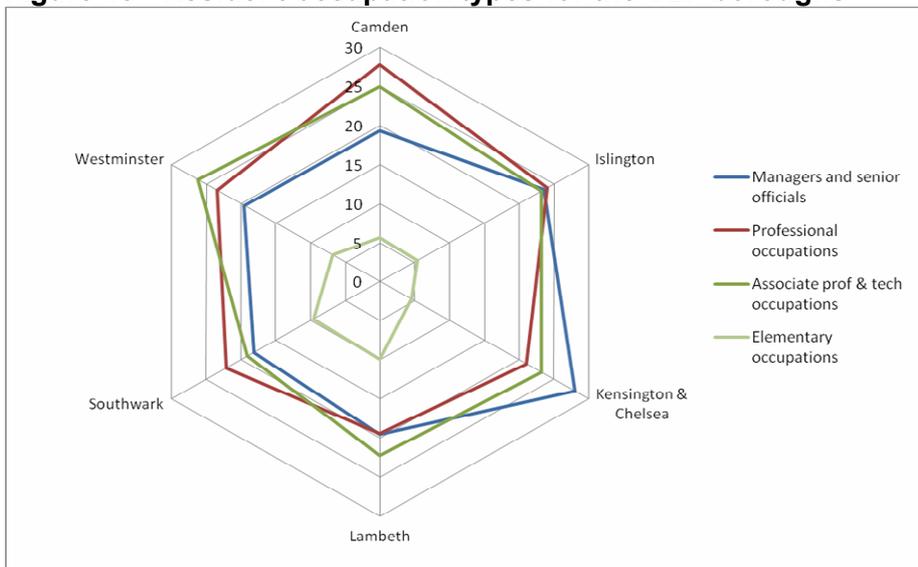
4.17 Occupation classifications are split into nine broad categories that reflect the type of skills levels they require. For example Type 1 refers to managers and senior professionals, whereas Type 9 covers elementary occupations. The proportion of Lambeth's residents in each level has remained broadly consistent between 2005 and 2010, albeit with some fluctuations. However, as reflected in Figure 18 there has been a clear increase in gross numbers of most occupation types, in particular the higher skilled professions.

Figure 14 - Lambeth's residents' occupations⁹³



4.18 The type of jobs that Lambeth residents do is very similar to that of the CLF boroughs (excluding the City of London which is dominated by managers, senior officials and professionals). Figure 15 shows the distribution amongst the 3 highest occupation types (1, 2 and 3) and elementary occupations (9) for the CLF boroughs. Lambeth has a slightly higher proportion of residents employed in elementary occupation types than the other CLF boroughs (with the exception of Southwark which is the same at 10%).

Figure 15 - Resident occupation types for the CLF boroughs⁹⁴



Resident employment sectors

4.19 Currently Lambeth's residents are over represented in the broad public sector category compared to the CLF average (excluding the City of London) and the London average.

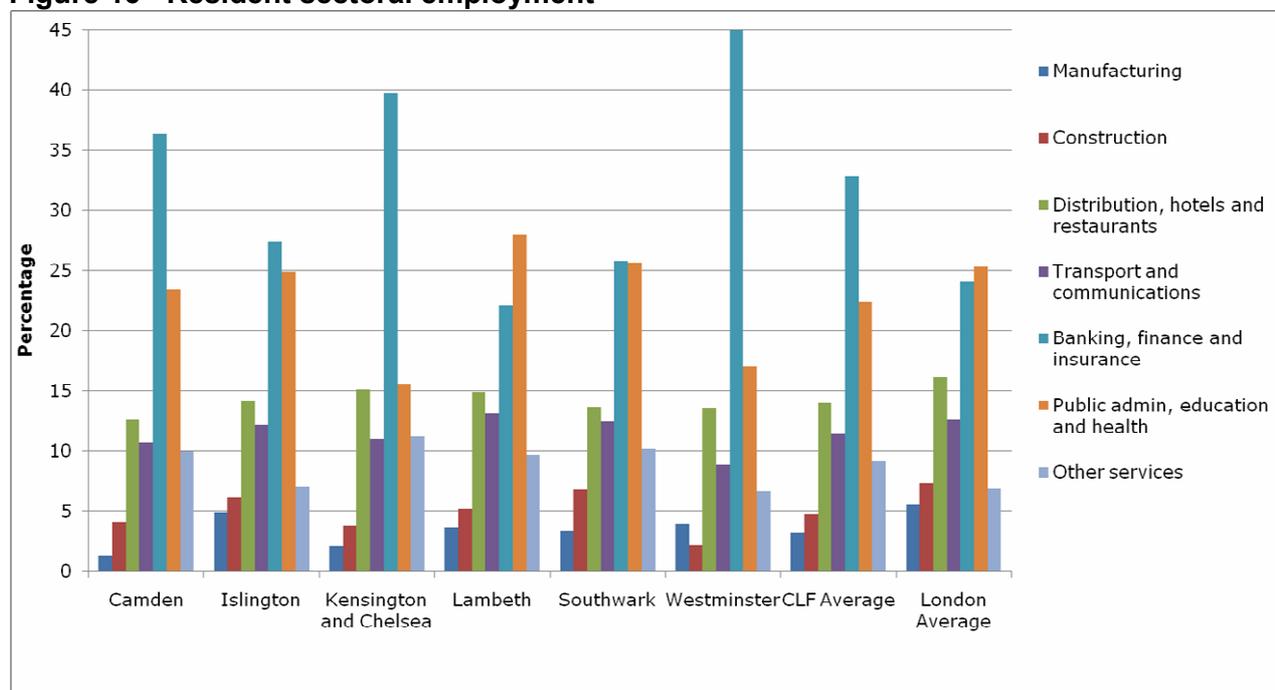
⁹³ Annual Population Survey, Nomis, accessed February 2011

⁹⁴ Annual Population Survey, Nomis, accessed February 2010

Conversely the borough is under represented in the broad financial and business services category and especially so in comparison to the CLF average.

Figure 16 shows resident employment by sector, expressed as a percentage of all employment within a specified borough.

Figure 16 - Resident sectoral employment⁹⁵



Worklessness

Overview of worklessness

- 4.20 Worklessness is defined as the combination of those who are unemployed (not working but available for and seeking work) and those who are economically inactive (not working and not available for or seeking work). Of those who are economically inactive, some may have left the labour market due to care responsibilities, early retirement or full-time education. Others in this group may be people who want to work but require support to enter the labour market: people with disabilities, for example, or lone parents.
- 4.21 Worklessness is a major problem in London with nearly a quarter of working age residents not in employment, more than anywhere else in the UK. In the three months to July 2010, 24.8% of all working age Londoners were economically inactive - equivalent to 1.34 million people. This inactivity rate was 1.6 percentage points higher than the UK rate⁹⁶.
- 4.22 Central London is more adversely affected by worklessness than the rest of London. The area continues to have a relatively low employment rate (66.9%) compared to Rest of London (69.7%) and Great Britain (73.3%). This means that one third (33.1%) of the working age population is workless, with larger proportions of women, some ethnic minorities and people with long-term disabilities⁹⁷.
- 4.23 The worklessness rate in Lambeth is 25.6%⁹⁸ which is lower than the other CLF boroughs, whose rates range from 32.1% (Islington) to 37.8% (Westminster). The trend of worklessness rates for CLF boroughs over recent years is shown in Figure 21.

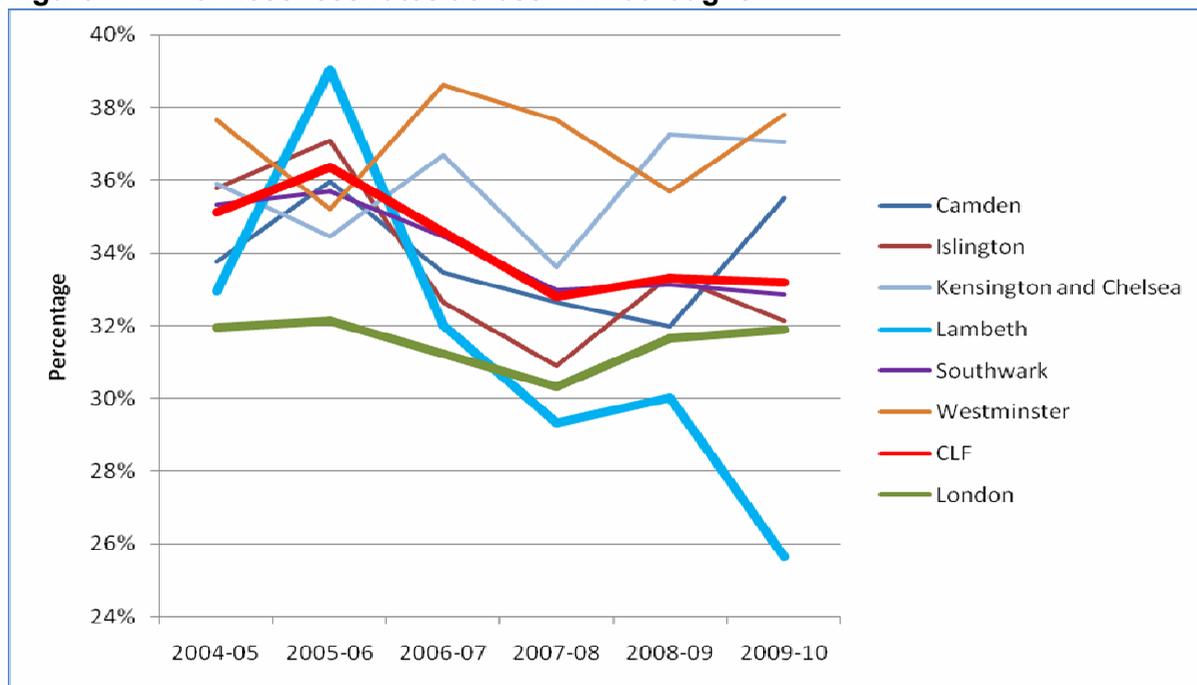
⁹⁵ Annual Population Survey, Nomis, 2008

⁹⁶ LSEB Observatory, February 2011

⁹⁷ LSEB Observatory, February 2011

⁹⁸ LSEB Observatory, February 2011

Figure 17 - Worklessness rates across CLF boroughs⁹⁹



4.24 Despite this positive trend the fact that Lambeth is the most populous of the Central London boroughs means there is actually a large number of workless residents. In addition, as is shown in the next section, there are significant geographic pockets of deprivation which generally align with areas of higher worklessness.

Multiple deprivation in Lambeth

4.25 The 2007 Index of Multiple Deprivation (IMD) places Lambeth as the 5th most deprived borough in London and 19th most deprived in England¹⁰⁰. This is less deprived than Hackney and Tower Hamlets, which are the 2nd and 3rd most deprived nationally and similar to boroughs like Southwark (26th), Greenwich (24th) and Haringey (18th).

4.26 However, the borough's overall rank has worsened since 2004, which is probably due to faster relative improvements in other boroughs and declines in Lambeth in two domains measured by the IMD: (1) living environment deprivation and (2) access to housing and barriers to services. Lambeth has 177 lower layer super output areas (LSOAs), each with on average 1,500 residents. In 2007, 26 (15%) of these areas were in the 10% most deprived in the country compared to 20 (11%) in 2004.

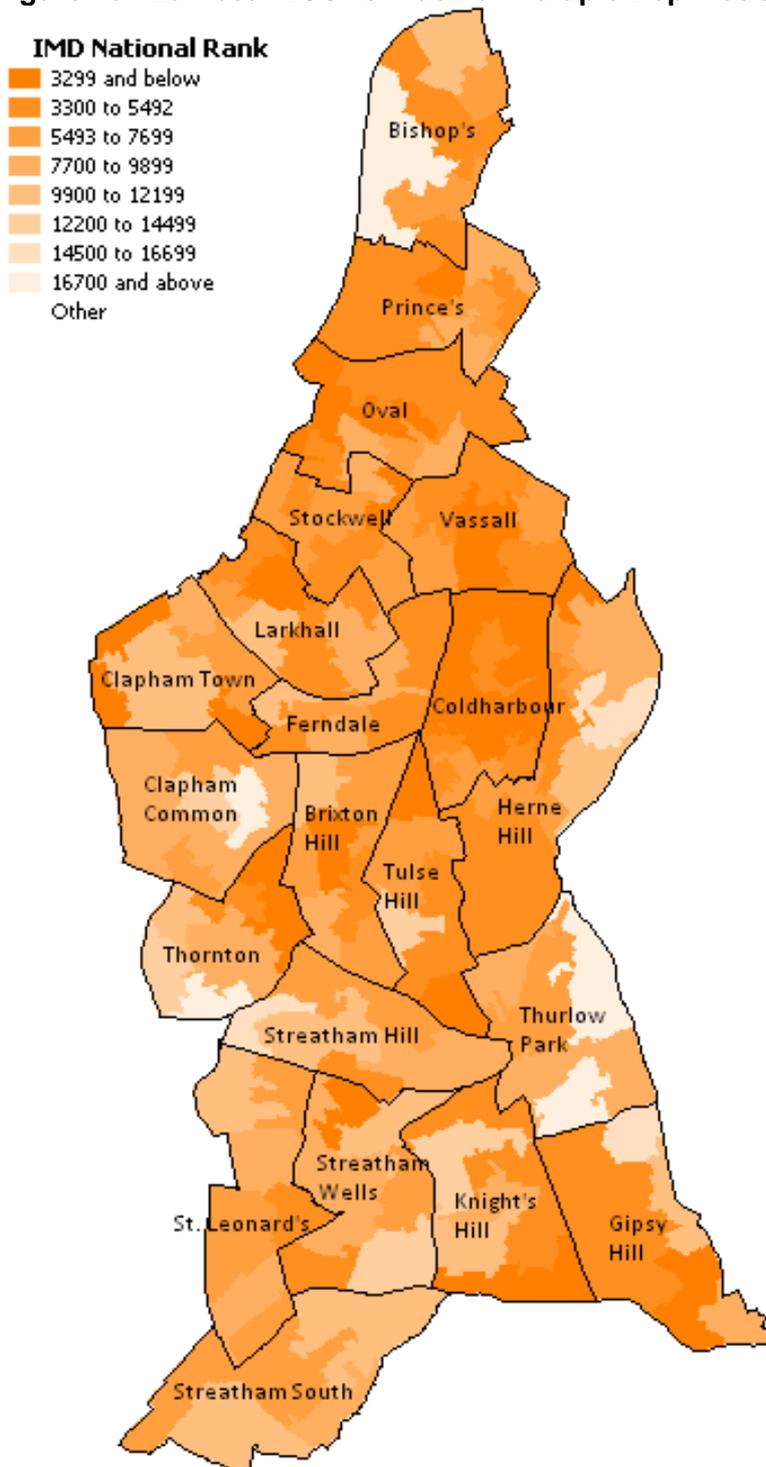
4.27 In Lambeth many of the most deprived 10% of areas are concentrated together, as shown in Figure 13. The main grouping of these small areas covers most of Coldharbour ward and extends northwards in Vassal ward and east into some of Ferndale¹⁰¹. These groupings have a worse effect than when there is less concentration and the deprived areas are adjacent to less deprived areas. Significant numbers of deprived residents with low levels of disposable income will prevent nearby town centres, such as Brixton, from achieving their full potential.

⁹⁹ Annual Population Survey, Nomis, accessed March 2011

¹⁰⁰ The Index of Multiple Deprivation, 2007

¹⁰¹ State of the Borough Report, Lambeth First, 2010

Figure 18 - Lambeth LSOAs Index of Multiple Deprivation 2007¹⁰²



Addressing Worklessness in Lambeth

- 4.28 The Lambeth Sustainable Communities Strategy (SCS) identified worklessness as the borough's key priority. It set out why tackling worklessness by increasing employment would meet the needs of the borough in the areas of economic, social and environmental wellbeing.
- 4.29 In response to the SCS in March 2010 Lambeth produced its Worklessness Review. The Review looked at the extent to which tackling worklessness was embedded in the three themed partnerships within Lambeth First: Health and Well-being, Children and Young People and Safer Lambeth. The Review also produced a framework for tackling

¹⁰² Lambeth Basic Skills report, Consulting InPlace, 2011

worklessness based on a mapping of current activity and incorporation good practice evidence from other areas. Four key target groups were identified in the review:

1. Adults who need extra help to tackle practical constraints to work
2. People with disabilities and chronic health problems
3. Local people who can be employed, trained or supported by the public sector and partners
4. Parents who require access to flexible, affordable, good quality childcare

Schemes and initiatives to support people into employment and self employment

National Schemes

- 4.30 DWP describes The Work Programme as ‘a step change for Welfare to Work in this country, creating a structure that treats people as individuals and allows providers greater freedom to tailor the right support to the individual needs of each customer and will replace existing programmes for unemployed people’. The Work Programme has been in place nationally from since summer 2011.
- 4.31 Outside of the new Work Programme, there are a number of other new initiatives to support people into work including Work Clubs which encourage people who are out of work to share skills and experience.
- 4.32 Volunteering, work experience, mentoring and apprenticeships which act as a stepping stone for many people into employment has been embraced by DWP and a new scheme, Work Together, aims to encourage unemployed people to consider volunteering as a way of improving their employment prospects while they are looking for work.
- 4.33 Sector-based work academies are a new initiative which will be rolled out in Spring 2012 and will offer sector-based pre-employment training and work placements.
- 4.34 The New Enterprise Allowance scheme is aimed at supporting unemployed people who want to start their own business. It is envisaged Enterprise Allowance schemes will be delivered by privately contracted organizations by March 2012. Other self employed related schemes include Enterprise Clubs which focus on locally-led networks targeted at unemployed people interested in self-employment.
- 4.35 DWP also offer a range of initiatives to support disabled people including Work Choice described as ‘A new programme to support disabled people with complex disability-related barriers to help them find and stay in suitable employment’. It includes support for those who wish to move into self-employment. Residential Training is a pan-disability DWP programme that delivers vocational training to unemployed disabled adults whose needs cannot be met through any other government funded programmes. Other support for disabled people include Access to Work schemes which funds costs faced by disabled people in work, where this goes beyond what would be reasonable for an employer to meet.

Local Schemes

- 4.36 Across the borough, there are a range of locally delivered employment and training schemes providing an array of employment support and training services. Lambeth Employment and Training Providers Network is a key repository of information of local provision showing details and funding arrangements of local providers.

Benefit claimants and economic inactivity

- 4.37 A broad picture of benefit claimants in Lambeth goes some way towards indicating the scale of worklessness in Lambeth. Of the Lambeth adult population, 17% are benefit claimants compared to 15% of adults in London; but in the area with the highest

proportion of claimants, Coldharbour Ward, almost a quarter are claimants. Overall, 34,865 people were claiming some type of benefit in February 2010¹⁰³.

4.38 Over the 12 month period to July 2010, 18% of Lambeth residents were economically inactive¹⁰⁴. This was lower than London rate of 25%. However, the overall rate masks some of the differences in employment rates based on age, gender, ethnicity and disability.

Age

4.39 The percentage of workless population within specific age groups is shown in Figure 19. The rates for Lambeth are not significantly different from the CLF or London averages.

Figure 19 - Percentage of workless population within each age group¹⁰⁵

Age range	16-24	25 - 49	50 - retirement
Lambeth	29%	47%	24%
CLF average*	31%	48%	21%
London	30%	46%	23%

4.40 *Young People who are Not in Education Employment or Training¹⁰⁶*

Of all the CLF boroughs, as of October 2010, the rate of Young People (16-18) who were NEET (Not in Education, Employment or Training) was highest in Southwark at 9.9%. Lambeth was second highest with a rate at 8.3%. Westminster's rate was the lowest at 5.5% (analysis excludes The City, whose rate was 0.1%). There were 324 young people (16-18) who were NEET in Lambeth as of October 2010.

Ethnicity¹⁰⁷

4.41 Key conclusions from cross referencing JSA claimants by ethnicity, with the overall breakdown of ethnicity in Lambeth, are:

- 50% of the borough population are White-British, whereas only 24% of the JSA-claimant population are White-British.
- 12% of the borough population are Black or Black British of Caribbean origin, yet 25% (more than double the rate of the population) of this group are JSA claimants.
- Approximately 10% of JSA claimants either preferred not to disclose their ethnic origin, or it is unknown. However, this information is unlikely to significantly affect the trends identified in the above conclusions.

Gender¹⁰⁸

4.42 The rate for female worklessness at 30.4% is higher than the borough rate of 25.6% than that for males rate at 21.4%. This trend closely mirrors the CLF boroughs. This gender trend in worklessness also mirrors the Lambeth employment rate gender trend. The employment rate for the whole population as of June 2010 was 74.4%. The rate for males was higher at 78.8%, whereas the female rate was lower at 69.6%.

Geographic concentrations of worklessness

A number of wards in Lambeth have a significantly higher rate of claimant (all benefits) than the Lambeth average of 17% (see

¹⁰³ Nomis, accessed February 2011

¹⁰⁴ ONS, accessed February 2011

¹⁰⁵ LSEB Observatory, February 2011. Note The City is excluded due to data unavailability

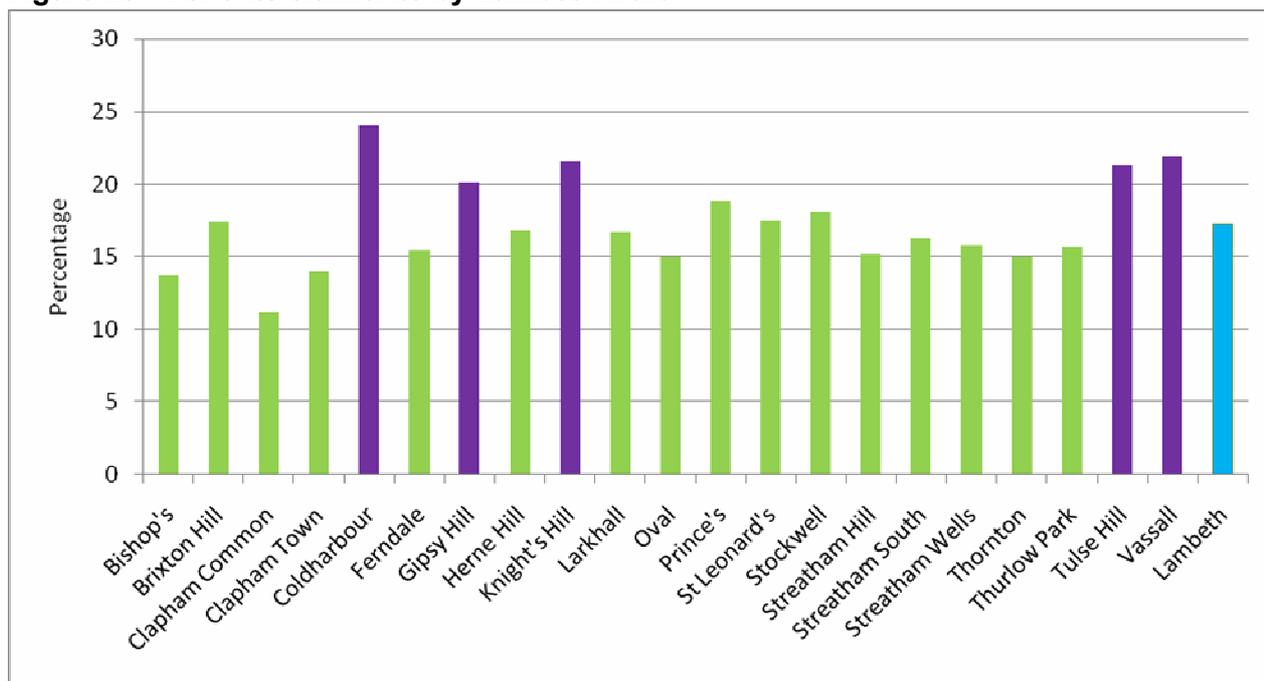
¹⁰⁶ LSEB Observatory, February 2011. Note The City is excluded due to data unavailability

¹⁰⁷ ONS, 2001 Census and LSEB Observatory, February 2011

¹⁰⁸ *ibid*

Figure 20). For example Coldharbour ward has a rate of 24%. This indicates that there are certain neighbourhoods within the borough that are experiencing disproportionate levels of worklessness.

Figure 20 - Benefits claimants by Lambeth ward¹⁰⁹



Barriers to employment

1. Skills¹¹⁰

4.43 A number of barriers prevent some young local people from moving into training or employment:

- Skills gaps in literacy, numeracy and practical skills, required within the workplace.
- Poor educational achievement preventing access to or aspirations towards traditional learning.
- Confidence due to a lack of exposure to either a workplace or a college or university.
- A lack of employer contacts and placement opportunities through schools.
- A lack of structure and consistency amongst initiatives within different schools.
- A lack of role models and/or little parental encouragement, due to insufficient time, motivation or knowledge as to the possibilities and benefits.
- Travel arrangements presenting problems in accessing training or work.

4.44 Many of these issues need to be addressed through either schools, further education institutions or higher education institutions. The future provision of a programme to link these institutions to each other and to employers to provide opportunities for young people to understand and experience progression between them is uncertain.

4.45 In terms of links between schools or FE colleges and employers neighbouring boroughs have made progress. The following being relevant examples:

- Croydon College's 'Skills and Enterprise College'
- 'The Skills People' at Lewisham College
- South Thames College's Business Development Unit
- Westminster Kingsway's 'Employer Training Solutions'
- Ravensbourne's 'Enterprise and Innovation' faculty

¹⁰⁹ Nomis, accessed February 2011

¹¹⁰ Ancer Spa, 2010

4.46 Lambeth College has a track record of working with employers through its Business Development Unit and generates approximately 7% of its income from employer engagement activities, primarily through provision to the health and social care, construction, engineering, and security sectors. However, significant challenges remain in the culture shift to 'employer responsive' learning, and in identifying and engaging SMEs. In 2011-12 FE colleges will be given more flexibility and freedom to shape provision to the skill needs of the existing workforce and help employers with local recruitment. The College is keen for a consolidated and consistent approach by working more closely with the Council to provide a central point of contact for employers. Further, enhanced partnership working between the two organisations will allow the College to benefit from the Council's links with Lambeth businesses and subcontractors.

2. Health

4.47 In addition to skills barriers a number of Lambeth's residents are unable to access employment due to a series of health challenges.

4.48 As of May 2010 there were 13,540 people in Lambeth who were in receipt of Employment and Support Allowance (ESA) or incapacity benefit¹¹¹. This was 6.4% of the working age population, above the London average of 5.9%. Around 80% of applications for ESA are turned down, so it is likely that there will be many claimants on Job Seekers Allowance, JSA, who perceive that they have a health need that impacts on their ability to work.

4.49 Health barriers, be they real or perceived, have been a major factor in this country's large and persistent workless population. Whilst the payment of ESA, and prior to that Incapacity Benefit, is not a direct cost to the local authority, the local public sector is affected through the demand for the range of support services ESA claimants seek. Also the fact that they are workless acts as a drag on the local economy as the workless have lower disposable incomes. In Lambeth over 50% of IB claimants have mental and behavioural disorders and 11% of IB claimants had diseases of the musculoskeletal system and connective tissue¹¹².

4.50 Barriers to return to work are health related, psychological and socioeconomic, labour related and associated to the welfare system rather than the severity of the pathology or impairment. Perceived barriers for people returning to work with long term conditions share common similarities. However, the condition itself will often pose specific barriers. On top of this many people receiving disability related benefits have multiple disadvantages and face multiple barriers returning to work: older age, distance from the labour market, low skills, high local unemployment rates and employer discrimination. These complex needs require co-ordinated solutions delivered either from a range of services or a holistic service offer. As the public sector contracts many of these services will be at risk but there may be potential for the social sector to grow and fill the gap.

4.51 NHS Lambeth commissions a range of employment support services to provide people with severe mental illness (SMI) to become work-ready/access and enter employment. For example, Status Employment is a registered charity that aims to assist people with learning, physical and sensory disabilities and people with mental health issues in finding and retaining paid employment. Another example is the Lambeth Improving Access to Psychological Therapy (IAPT) service which provides therapeutic interventions based on cognitive behavioural approaches to support people with common mental disorder including depression, anxiety, phobias and obsessive compulsive disorders. It is recognised these disorders are a major factor in sickness absence and unemployment.

4.52 NHS Lambeth also commissions the Vocational Matrix which is a group of 18 small specialist providers who are training and employment support providers for people with mental health problems.

¹¹¹ Lambeth Labour Market Profile, Nomis (May 2010), accessed March 2011

¹¹² Lambeth PCT Employment Research

Skills

Overview of resident skill levels

4.53 The level of skills in the borough has improved significantly in recent years. As shown in Figure 21 (generated with information from the Annual Population Survey) there has been an average improvement of approximately 10% in all the key levels of educational achievement between 2005 and 2009. This mirrors the trend across London and the CLF boroughs. Despite these improvements, Lambeth is still behind the CLF average on the above skill level measures. There are also sections of the population with very low levels of basic skills in geographical locations that correlate with the indices of multiple deprivation analysis. The Leitch Review of Skills (2006) also set NVQ Level 3 as the target level for the intermediate standard for skills¹¹³. Currently 38% of the Lambeth population do not reach this level.

Figure 21 - Lambeth resident's skills levels¹¹⁴

Level	2005			2007			2009		
	Lambeth	CLF	London	Lambeth	CLF	London	Lambeth	CLF	London
No quals	19.7	15.4	14.2	14.8	12.4	12.9	9.4	9.5	11.8
NVQ 1+	68.6	70	70.6	72.0	76.0	72.6	75.9	77.6	74
NVQ 2+	61.4	64	60.1	65.7	69.8	63.0	68.6	70.8	64.5
NVQ 3+	50.2	54	48.6	57.1	60.6	51.5	61.2	62.3	53.2
NVQ4 +	40.0	43	33.8	46.1	48.0	37.3	50.5	52.0	39.7

Basic skills analysis¹¹⁵

4.54 Consultants, Consulting InPlace, were commissioned to deliver research that provides robust evidence regarding Lambeth residents lacking level 2 literacy, numeracy and/or English for Speakers of Other Languages (ESOL) skills. The research methodology included a survey of residents to support other referenced datasets, particularly the Skills for Life survey (2003). This analysis is based on the results of this research project.

1. Literacy

4.55 An individual's self-assessment of their English language abilities is often in marked contrast to the real-world application of these skills. Of those identified as having basic (or no) qualifications through the resident survey, less than 2% felt their ability to speak English was of a poor standard. Similarly, less than 5% of this group rated their ability to read or write English as poor. Yet, when asked whether their English skills had been a limitation in obtaining employment, over a third felt this was either definitely, or quite likely. Almost half could not be definite that their command of English was not a factor.

4.56 The results of the borough's 2003 Skills for Life survey estimated that for literacy, 12% of Lambeth residents were classified as Entry Level, and just over half were classified at Level 2 or above.

4.57 Furthermore, according to the resident survey, at least:

- 11% of residents do not feel comfortable completing an official form in English
- 10% of residents do not feel comfortable writing a letter in English
- 10% of residents do not feel comfortable writing a greetings card in English

¹¹³ Leitch Review of Skills, HMSO, 2006

¹¹⁴ Annual Population Survey, Nomis, accessed February 2011

¹¹⁵ Lambeth Basic Skills Analysis, Consulting InPlace, 2011

- 8% of residents do not feel comfortable reading a book (and 6% a newspaper) in English

Key conclusions on Literacy

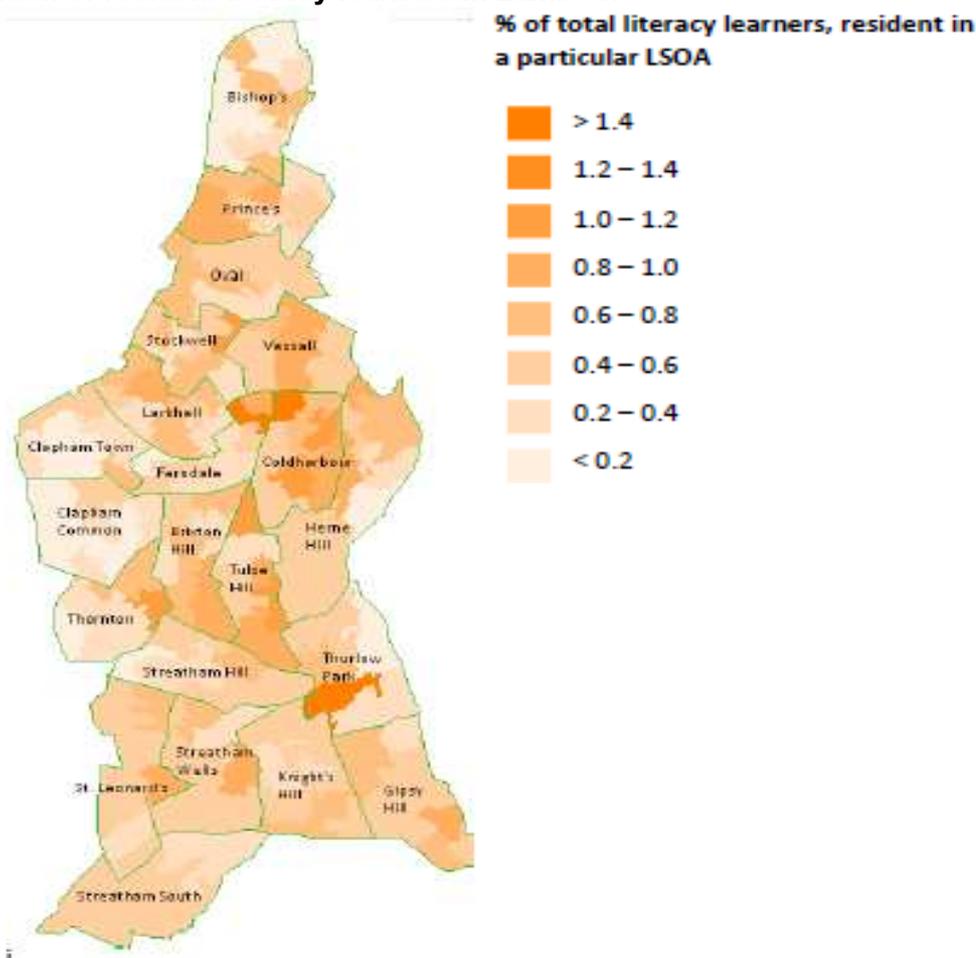
Age and gender

- The proportion of learners aged between 16 and 24 is three times higher than the proportion of this age group within the Lambeth population – the difference is most significant in the Brixton, Stockwell and Norwood areas.
- Those aged 25 and above are under represented (relative to population size) on literacy courses – this is even more the case for those aged 45 and over.
- The gender balance of literacy learners is relatively proportionate to the Borough’s gender mix – this is also consistent across most wards, although men are a little more likely to be underrepresented.

Ethnicity

- Participation by those of Black African, Black Other and Other/Chinese heritage is significantly boosted, relative to other BAME groups.
- Participation by those of Asian and White Other heritage is relatively representative of population size – although Asian participation is under represented across the Norwood area and within Streatham South (the ward with the largest Asian population).

Figure 22 - Concentration of resident literacy learners in Lambeth¹¹⁶



4.58 On the basis of participation, demand for literacy is more evenly distributed across the borough than ESOL, although there are still concentrations of learners in the Brixton and Stockwell areas – accounting for 47% of all learners.

¹¹⁶ Lambeth Basic Skills report, Consulting InPlace, 2011

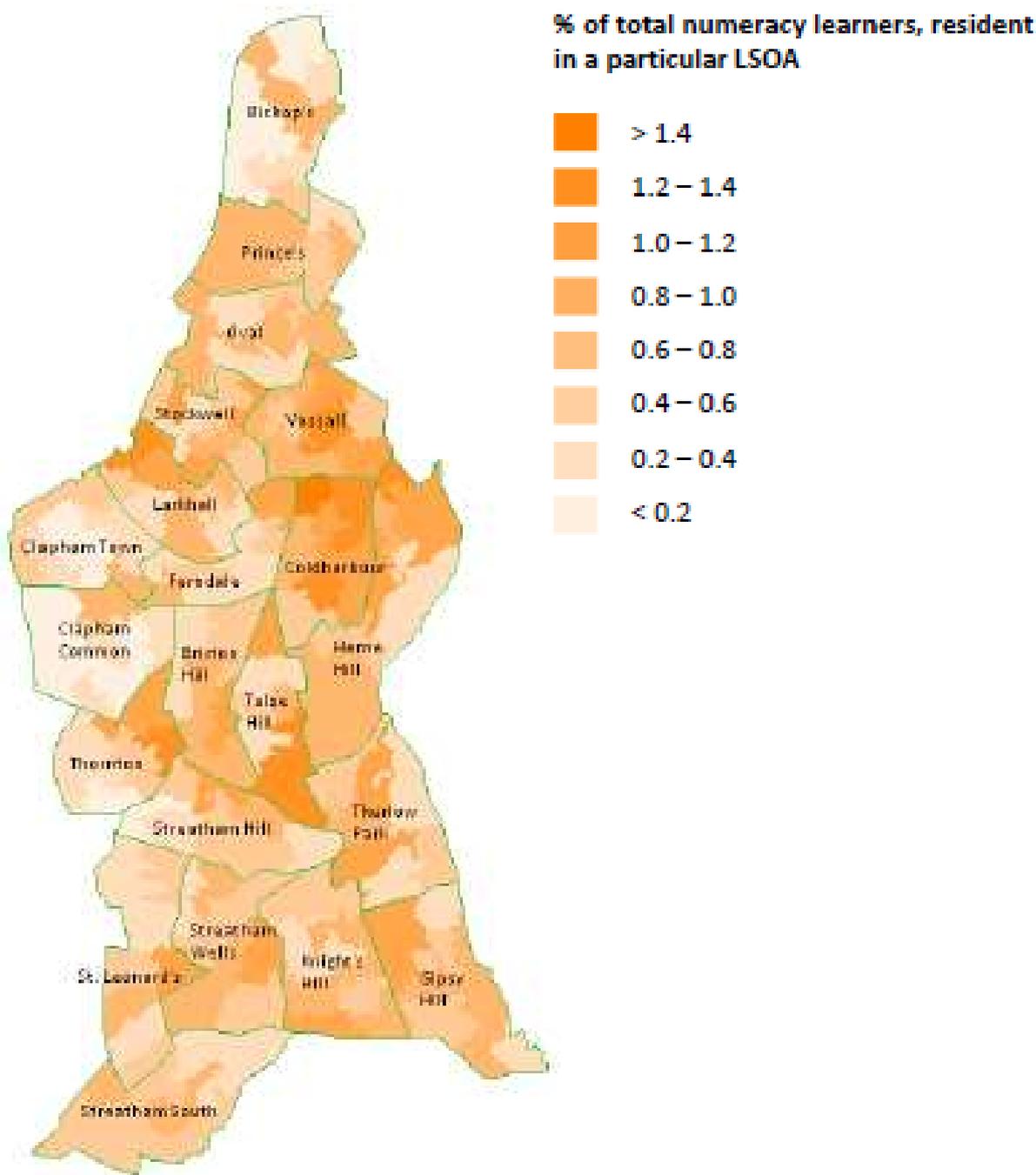
2. Numeracy

- 4.59 When Lambeth residents were asked to rate their ability at numerical tasks needed in daily life, 87% assessed themselves as possessing very good or good numerical skills. These results contrast significantly with the findings of the 2003 Skills for Life survey in the borough, which found that half of all respondents only had Entry level numeracy skills. The survey responses are however consistent with anecdotal evidence that many people simply do not perceive they have a need for better numerical skills.
- 4.60 Furthermore, many training providers have noted that individuals are often reluctant to engage in numeracy training. However, a significant amount of this is now embedded in other forms of learning. The learner numbers for numeracy training are actually not far short of those for literacy and significantly higher than ESOL in levels 1 and 2. Providers have indicated that there has been an increasing demand for numeracy courses in recent years.

Key conclusions on numeracy

- 4.61 Age and gender
- The proportion of learners aged between 16 and 24 is between three and four times higher than the proportion of this age group within the local population.
 - Those aged 25 and above are under represented (relative to population size) on numeracy courses – with the population size under represented by a half.
 - The gender balance of literacy learners is very proportionate to populations across most wards – men are a little more likely to be underrepresented but this is marginal.
- 4.62 Ethnicity
- Participation by White British and White Irish learners is significantly lower relative to resident population sizes across all wards.
 - Participation by those of all Black ethnic groups is significantly boosted. Relative to other ethnicities, the Black Caribbean proportion of learners is low in the Brixton area.
 - Participation by those of Asian and White Other heritage is relatively representative of population size – although Asian participation is under represented across most of the Streatham area (where there is the largest Asian population). In this area, a particular high proportion of learning has been undertaken by those of Black Other heritage.

Figure 23 - Concentration of resident numeracy learners in Lambeth¹¹⁷



4.63 On the basis of participation, demand for numeracy is much more concentrated within parts of the borough than literacy.

4.64 There is a particularly large concentration of learners within the Coldharbour and Vassall wards (15% of total). The Stockwell and Brixton town centre areas accounted for 48% of all numeracy learners. The distribution of the numeracy learners is relatively consistent with the areas of most likely need.

3. ESOL

4.65 At a borough level, 27% of survey respondents stated that English was not their first language. This is consistent with findings from the Skills for Life survey (in 2003) which identified that almost a third of respondents were classified as ESOL population.

¹¹⁷ Lambeth Basic Skills report, Consulting InPlace, 2011

- 4.66 A very significant proportion of the residents surveyed were speakers of a wide variety of European languages. This reflects three things. Firstly, there is a large and settled Portuguese community in Lambeth, which is particularly identified with the Stockwell area and its surrounds. Secondly, many stakeholders commented on the fact the borough has witnessed a significant influx of Spanish speaking individuals during the last decade – both from Spain and various parts of Latin America. This community is also anecdotally identified to have settled predominantly within the Stockwell and Brixton areas. Thirdly, the immigration of many Eastern Europeans following expansion of European Union membership has been reflected (both locally and nationally) by a large settlement of new communities, such as the Polish in particular.
- 4.67 There has also been a significant immigration of new African communities during the last decade as well. Whilst West African communities are well established within Lambeth (speaking languages such as Yoruba and Twi), increasing diversity in African communities (in particular from Eastern Africa) has been identified across the borough, in particular in the Stockwell, Brixton and Streatham areas. For example, the Somali community is now recognised to be established within the borough, with the Stockwell, Brixton and Streatham areas noted as key concentrations for this community. These findings are supported by the evidence base for strategic planning of ESOL provision across London produced by the (then) Learning and Skills Council in 2005.

Key conclusions

- 4.68 Age and gender
- The proportion of residents accessing ESOL courses in the age ranges 16-24 and 25-44 is quite balanced relative to the size of these residents population by age. This is also consistent across most wards.
 - Those residents aged 45 or over are underrepresented in the ESOL learner numbers. This difference is less pronounced in the North Lambeth town centre area.
 - A significantly disproportionate number of ESOL learners are female.
- 4.69 Ethnicity
- As would be expected, those of White British and White Irish heritage do not participate in ESOL provision (although there are small levels recorded). This is also the case with those of Black Caribbean heritage, as reflected in the small proportion of learners from this portion of the resident population. For all these groups, English
 - ESOL learner figures are concentrated within the remaining BAME ethnicity groups, particularly with those associated with recent migration to the borough, as discussed previously. These include the large numbers falling into the following ethnicity categories: Black African (e.g. Somali); White Other (e.g. Eastern/Western Europeans); or Other/Mixed (e.g. Latin American).
- 4.70 The take up of ESOL provision is significantly concentrated with residents in the north of the borough, covering the town centre areas of Stockwell, Brixton and North Lambeth. In addition, there are lesser concentrations in Brixton Hill and Streatham Wells ward areas.
- 4.71 This distribution of ESOL learners closely mirrors the estimates made during the Skills for Life survey with the exception of participation in the Bishop's and Knight's Hill wards, which appear less pronounced on the basis of learner enrolments. The Clapham and Norwood town centre areas have relatively low levels of ESOL participation.

Summary of basic skills analysis¹¹⁸

- 4.72 Each year between 7,500 and 11,500 Lambeth residents are recorded as completing SFA funded/co-funded Skills for Life accreditations towards Level 2 standard. There is nearly an equal split in the residents undertaking learning in ESOL, literacy and numeracy. Reflecting the well-established needs in the area, almost half of all basic skills training is

¹¹⁸ Lambeth Basic Skills analysis, Consulting InPlace, 2011

undertaken by residents from the Stockwell and Brixton town centre areas (50% for ESOL, 47% for literacy and 48% for numeracy). Within each of the town centre areas, residents are accessing at least half of their basic skills training provision outside the borough.

- 4.73 Furthermore, over 80% of all basic skills training is undertaken by BAME residents. Relative to population share, there are very high levels of learning for those aged under 25, and low levels for those aged 45-64. Women make up the largest proportion of learners, and this is particularly the case with ESOL, where just 3 in 10 ESOL learners are male. Furthermore, men are much more likely to withdraw from their ESOL training without gaining any accreditation.
- 4.74 ESOL and literacy skills are critical for individuals integrating into British society, enabling them to participate within the community. For example, 10% of Lambeth residents don't feel confident completing an official application form in English – nor writing a letter.
- 4.75 Research has identified that there are a number of over-arching resident groups who possess needs for one or more of the basic skills: ESOL, literacy, numeracy and computing. These groupings are not mutually exclusive but are presented here as follows:
- Highly disconnected foreign nationals with no English skills, who are not integrated into the local community due to language (and some cultural) barriers. In some cases these individuals may have a very limited history of formal education from their home country, especially if asylum seekers, refugees or economic migrants from less developed countries.
 - Foreign nationals who have elementary ESOL skills but are still some distance from the labour market – aside from elementary positions. In many instances, especially for mothers, employment may not be the immediate objective but rather integration within the community.
 - Vulnerable individuals who suffer multiple personal barriers to engaging in mainstream services (e.g. mental health, disability, low self-esteem, substance dependency) requiring personalised assistance and support. Engagement and nurturing rather than employability is the focus for support.
 - Individuals (either in or out of work) who may not recognise they possess particular skills needs to secure greater personal opportunities, or who have disengaged from the process of learning.
 - Individuals who are ready to enter the labour market but require some assistance through an element of upskilling.
- 4.76 The Lambeth Basic Skills analysis report (Consulting InPace, 2011) provides more details on barriers facing these identified groups, as well as recommendations to address the identified issues in the provision of basic skills throughout the borough.

Summary of key points

Key issue/statistic	Further context and implication
Lambeth contains some significant pockets of deprivation with 15% of the borough's small areas (LSOAs) in the 10% most deprived in the country.	One particular problem for Lambeth is the grouping of these small areas together into quite a large area covering most of Coldharbour ward and extending northwards in Vassal ward and east into some of Ferndale. Another significant concentration lies in the south east of the borough across Knight's Hill and Gipsy Hill wards.
Lambeth has the highest working population of the CLF boroughs (211,000 in 2009).	Other borough populations are rising faster than Lambeth's. For example Southwark's 2009 population was 210,000, an increase of 24%, whereas over the same period Lambeth's rose only 18%.
The Lambeth employment rate is 74%.	The Lambeth employment rate is higher than both the CLF and London averages.
18% of the Lambeth population are economically inactive.	The Lambeth rate of economically inactive people is lower than both the CLF and London averages.
The Lambeth unemployment rate is 9%.	The Lambeth unemployment rate is the same as both the CLF and London averages.
Despite the relatively positive employment figures, due to Lambeth having a large population, there is a significant number of workless people in the borough.	The Lambeth workless population is geographically concentrated in certain areas (correlated with the areas of deprivation) and also amongst certain groups of the population – disproportionately more female and non-white ethnic groups.
Lambeth has a lowest <i>live-and-work</i> ratio in London (only 28% live and work in the borough).	Most residents commute to CLF or neighbouring boroughs: 19% commute to Westminster and 6% to Camden, Southwark and Wandsworth. However, only 7% commute to the City compared to 10% of Wandsworth's residents and 8% of Southwark's.
Resident occupations are concentrated in the higher skilled occupations (approx. 62% in managers, senior professionals, assoc. professionals and technical)	The trend towards a greater proportion of higher skilled occupations in the borough has been evident between 2006 and 2010.
Skills levels in the borough mirror the employment trend, with the proportion of people with no qualifications falling and the rate of people with NVQ levels 1, 2 and 3 increasing over the past 5 years.	However, skills levels remain polarised with some geographical areas and sections of the population having disproportionately low skills levels. This is exemplified through basic skills provision (numeracy, literacy and ESOL), which is geographically concentrated in some areas and amongst non-White ethnic groups (perhaps unsurprisingly). These conclusions also mirror the results of the indices of multiple deprivation conclusions.
Lambeth has the second highest ratio of young people who are not in education, employment or training (NEET) of CLF boroughs (Southwark	The rate for male NEETs in Lambeth is also slightly higher, which follows the London trend

Key issue/statistic	Further context and implication
9.9%, Lambeth 8.3%).	
16% of Lambeth's working age population are benefit claimants; compared to 14% across London.	However, in Coldharbour ward, the area with the highest proportion of claimants, almost a quarter of working age residents are claimants.
The largest ethnic group of White British represents 50% of the borough's population, yet only 24% of JSA claimants – a 2:1 ratio.	In contrast, 12% of the population is Black-Caribbean, and 25% of JSA claimants are from this group, which is the reverse ratio of 1:2.

Drivers of change

Regional employment structure change

4.77 Sectoral employment projections based on Oxford Economics (2010) analysis show current projections are likely to continue with London's employment growth in the decade ahead forecast to be around 540,000 new jobs and dominated by continued expansion of the business services sector. Other sectors predicted to contribute positively to overall expansion demand are creative & cultural industries, financial services, hotel & restaurants, retail (but less so wholesale activities) and transport & communications. Manufacturing employment is predicted to continue contracting and education and health employment will be relatively unchanged by 2020 compared to current levels (due to the constrained public spending environment).¹¹⁹

Changing skills requirements

4.78 The growth sectors and occupation levels will define the skills requirements that Lambeth residents will need to compete in the London job market. Projections suggest a strong expansion of managerial and professional occupations; moderate expansion of personal service and sales & customer service, and elementary service occupations; and net contraction of administrative & secretarial, skilled trade and process, plant & machine operative occupations.

Improved transport links

4.79 The extension of the East London Line from Surrey Quays to Clapham Junction by May 2012, including a station in the borough at Clapham High Street, will improve the connectivity, and access to important jobs markets, east towards Canary Wharf and west towards Shepherd's Bush. The increased capacity of South West Trains will also provide more opportunities for access to central London and southwards towards Croydon.

Government policy

4.80 Government policy for employment and skills seems to be to only direct substantial funding to the Work Programme and the National Apprenticeship Service and there will be significantly less funding available to local authorities to devise and deliver their own employment programmes.

4.81 There will be smaller Government programmes to tackle other issues. One such example is the Growth and Innovation Fund, which is making £25 Million available to be bid for 2011/12 with the funding pot potentially rising from 2013/14. The Growth and Innovation Fund (GIF) has been set up to support new initiatives to increase the contribution skills make to enterprise, jobs and growth. However, the fund is restricted to employer-led skills solutions so the Council will have to work closely with local businesses if there's a decision to make an application.

¹¹⁹ Destinations 2020 – Employment projections across sectors and occupations in London, Oxford Economics and LDA, August 2010

SWOT analysis

<p>Strengths</p> <p>High levels of employment and skills</p> <p>Good location and access to central London for some areas</p> <p>Lambeth residents have been competitive in the job market in recent years</p>	<p>Weaknesses</p> <p>Pockets of worklessness, deprivation and lower skilled residents</p> <p>Relatively high proportion of NEETs</p> <p>Small business base and predominance of small businesses means fewer opportunities to place apprentices and clients from employment programmes</p> <p>Poor connectivity for some areas</p> <p>High proportion of population employed in the public sector</p>
<p>Opportunities</p> <p>Two major opportunity areas (Waterloo and Vauxhall) in the borough that will create local jobs</p> <p>Projected job growth across London and access to other employment areas (Canary Wharf) from infrastructure improvements</p> <p>Potential for social sector businesses to grow in the borough and employ local staff</p>	<p>Threats</p> <p>Effects of changes to welfare system will affect most vulnerable residents</p> <p>The Work Programme may not support those furthest from employment</p> <p>Increasing competition in the job market based on demand for higher or specialist skills</p> <p>An uneven economic recovery creates less certainty in London in general</p> <p>Growth in social sector is achieved by businesses from outside the borough or businesses not employing Lambeth residents</p> <p>Uncertainty about how government policy will translate into delivery</p>

Key considerations

- 4.82 It will be important for Lambeth First partners to match education and skills provision to both the projected growth sectors and projected occupation types. This will ensure that Lambeth residents have the necessary skills to meet future employer demand across all occupation types, which can cover a range of skills requirements. Further, it will be important to think about how to address the mismatch, and progression issues, between basic skills and adult learning provision and the demand from employers for skills at higher level. Achieving either of these aims will be particularly challenging in the face of funding cuts to the further education colleges and other skills training providers. Targeting scarce resources geographically or by cohorts may be an option but partnership working between colleges and employers will become of even greater importance.
- 4.83 Deprivation and worklessness are geographically concentrated in certain neighbourhoods. These neighbourhoods have suffered relative deprivation for a number of years and some will have received targeted government regeneration funding in the past. In the absence of significant government regeneration schemes a consideration of these neighbourhoods and their issues should still be considered when formulating strategies/policies. This approach could link with the emerging opportunities of the social economy (discussed further in the Local Economy section of this LEA) and initiatives such as the Co-operative Council.
- 4.84 Just as with the wider London growth sectors the Council needs to consider how best to maximise the benefit for residents of the regeneration opportunities around the two Opportunity Areas and the Future Lambeth programme. This is about both job provision and linking employers to training and skills programmes for residents.
- 4.85 The expanding and improving transport infrastructure in Lambeth has the potential to have a significant impact on the Lambeth economy. The borough needs to understand what opportunities may arise from this and how best to exploit them for the benefits of its residents and businesses.
- 4.86 The borough needs to understand what the Work Programme will and will not deliver as there is a risk that the most deprived will not benefit. This is an issue for Lambeth due to its polarisation between the well-skilled workers and those that are furthest from employment.
- 4.87 Alongside the Work Programme the National Apprenticeship Service is one of the only schemes that the government is providing significant additional funding for: £1.4bn for 2011/12. London boroughs have traditionally been poor at engaging with apprenticeship schemes and Lambeth will need to plan for how to best benefit from this opportunity.
- 4.88 The borough needs to be prepared for the effects of a faltering London economy and the effect it may have on its residents. Whilst employment levels are relatively high, Lambeth residents work outside their home borough relatively more than the residents of neighbouring boroughs do.

5. The local economy: businesses and jobs

Introduction

- 5.1 This chapter explores the key features of the borough's businesses by reflecting on dynamics of the local economy and comparisons with neighbouring boroughs.
- 5.2 First, the Lambeth **business demography** is outlined, looking at the number, density, size and sectors. Further there is an analysis of the business profile from an equalities perspective. This is followed by an analysis of **business locations** and clusters. The **jobs** in Lambeth are then analysed looking at numbers, sectors and historical trends.
- 5.3 Lambeth business **productivity** is analysed using the Gross Value Added (GVA) approach. Lambeth's **competitiveness** is also assessed using data from the UK Competitiveness Index and an assessment of Lambeth business resilience. The level of **innovation** is also addressed, with specific attention paid to the knowledge economy. Finally, the level of **inward investment** and the **perception** by local businesses of Lambeth as a place to operate is analysed. The *Drivers for Change* section considers the potential for both the social economy and the low carbon economy is discussed using results from dedicated research projects.

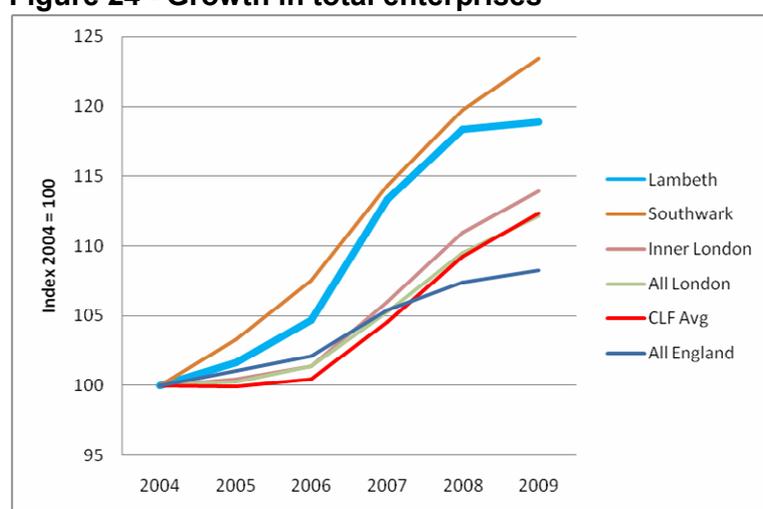
Where we are now

Businesses demography

Number and density of businesses

- 5.4 There were approximately 11,360 active enterprises operating in the borough in 2009, which was 19% more than in 2004. However, Lambeth still has the smallest business stock of all the central London boroughs and a relatively low business density at 54 enterprises per 1,000 working-age population¹²⁰. This is unsurprising as the borough is one of the most residential in London¹²¹.
- 5.5 Lambeth's growth in business stock of 19% is strong compared to the central London, London and England averages (see Figure 28). Only neighbouring Southwark and the City (not shown in the graph due to different nature of the area) saw more growth.

Figure 24 - Growth in total enterprises¹²²



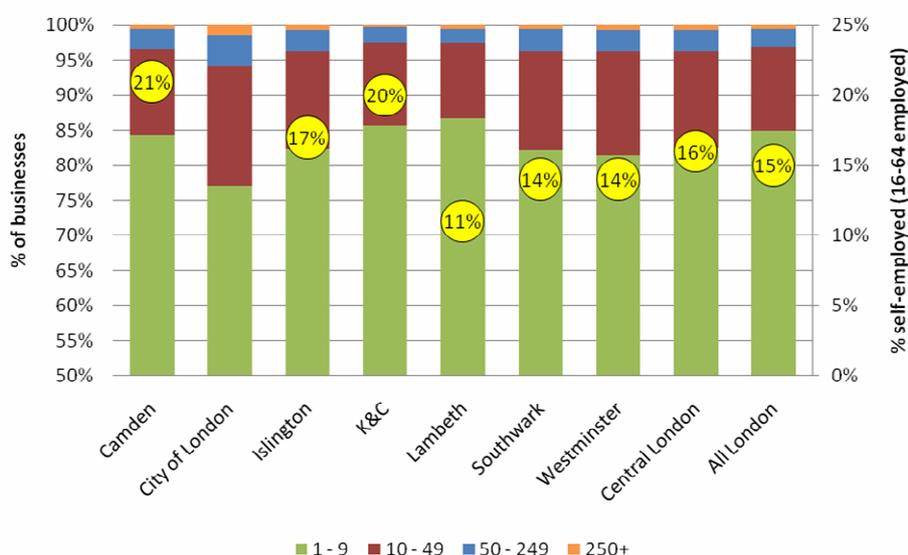
¹²⁰ ONS Business Demography 2009 and ONS Mid-Year Population Estimates 2009

¹²¹ Generalised Land-Use Database, Generalised Land-Use Statistics 2005

¹²² ONS Business Demography 2009

- 5.6 To consider the longer term trend of business growth a dataset that ceased to be collected from 2007 can be used. That data recorded only VAT registered businesses but showed a similar picture to that shown above: Lambeth performing strongly in terms of relative growth and only being outperformed by Southwark.
- 5.7 The resilience of Lambeth businesses, measured by survival rates as part of this dataset, is considered as part of the competitiveness section.
- 5.8 **Size of businesses** - Figure 25 shows the percentage of all businesses within each area as measured by number of employees (left hand axis). Lambeth's businesses are mostly small, with 87% employing 1-9 workers¹²³. This is broadly comparable with the London average of 86% but five percentage points higher than the central London borough average. The figure also shows the % of self-employed workers (circled and right hand axis). Out of the central London boroughs Lambeth has the lowest proportion of self-employed workers at 11%, compared to next lowest in Southwark of 13.5% and the London average of 15%.

Figure 25 - Business size by numbers employed¹²⁴



- 5.9 There are 60 businesses in the borough that employ over 250 workers: a proportion of 0.5% which is slightly lower than the central London average but the same as London. Lambeth's 60 larger businesses provide an estimated 28% of the jobs in the borough¹²⁵, a proportion which is comparable to the central London average. This is important in terms of business retention as losing a small number of large businesses would have a significant impact on the overall number of jobs provided in the borough. Another key feature of larger businesses is that they are more likely to be involved in apprenticeships, training opportunities or other aspects of worklessness programmes where placements are required.
- 5.10 Whilst larger businesses are crucial in supporting local employment, there is increasing recognition of the contribution of micro businesses and SMEs to support job creation, retention and progression routes. Further, local SMEs provide a valuable contribution to the local economy driving local supply chains and stimulating local multipliers.

¹²³ Annual Business Inquiry Workplace Analysis 2008

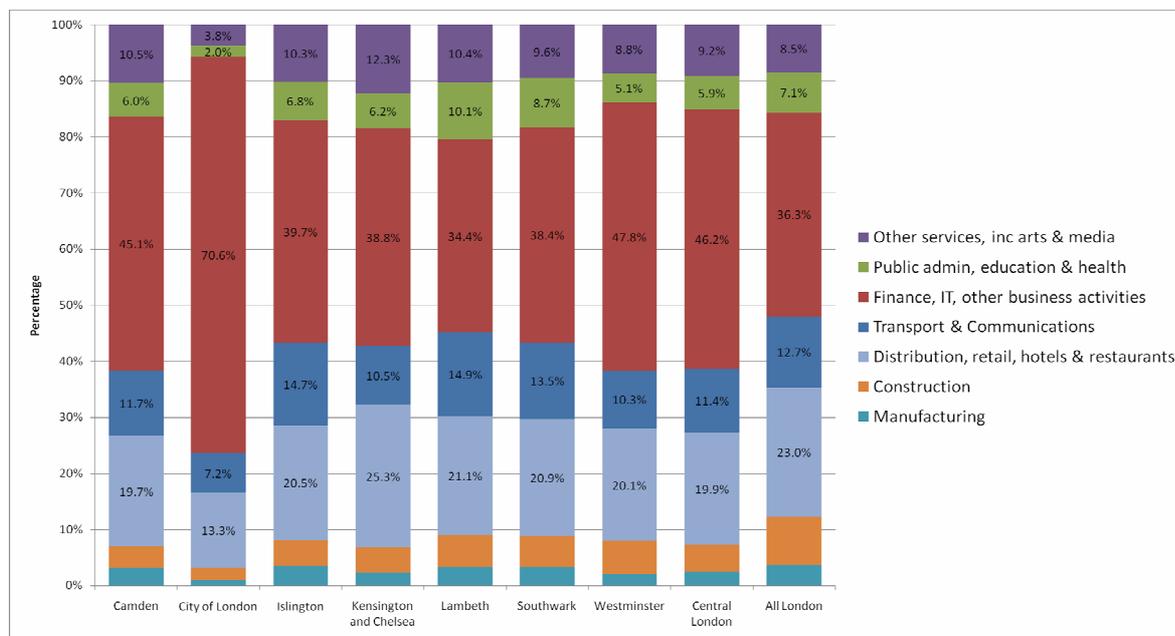
¹²⁴ Ibid.

¹²⁵ Annual Business Inquiry Workplace Analysis 2008, using mid-value figure from employee number ranges, apart from 1,000+ where 1,000 is used

Business sectors

5.11 The key sectors in terms of numbers of businesses for Lambeth are: the broad general business activities group that includes finance and IT; retail, hotels and restaurants¹²⁶. The current position, based on the most up-to-date data from 2008, is that Lambeth has a much higher proportion of public, education, health and social sector businesses and lower proportions of the broad general business activities group compared to the central London boroughs, which can be seen in Figure 30.

Figure 26 - Lambeth business base - proportion by main sectors¹²⁷



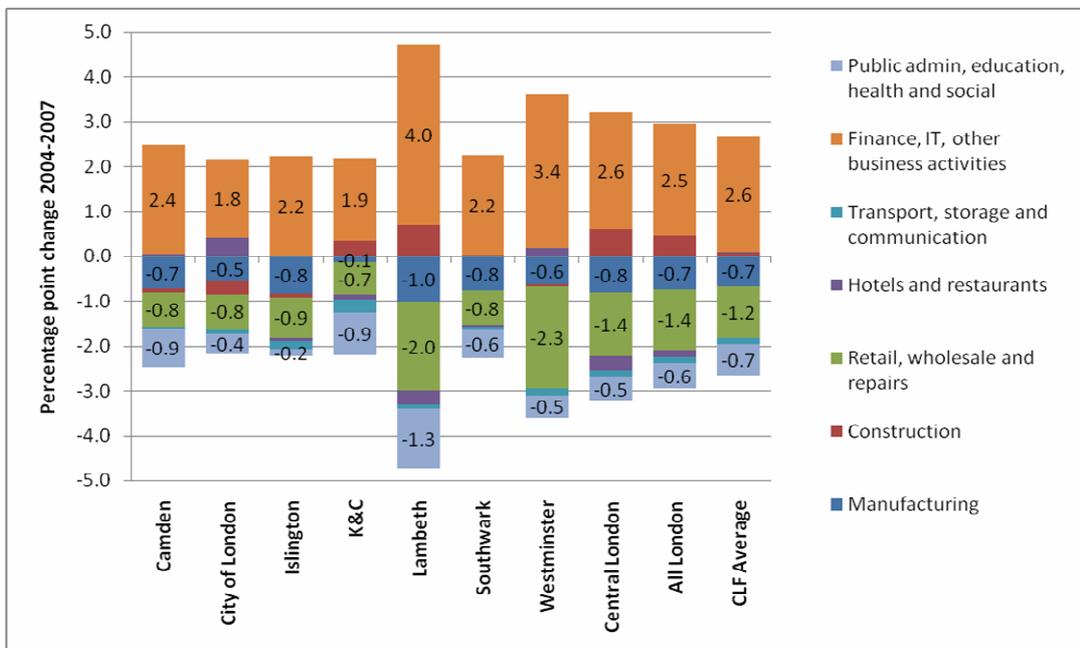
5.12 For the purposes of this report data on businesses and sectors was only available for the periods of 2004 and 2007. Between that time some change can be noted especially in the rising prominence of the Finance, IT and other business activities grouping, as seen in Figure 31, but data spanning between 1998 and 2008 would be required to fully show the contraction of manufacturing sector businesses in a similar way to how Figure 31 shows the contraction in jobs.

Figure 27 - Percentage point change in sectors as a proportion of the local business base 2004 - 2007¹²⁸

¹²⁶ Total business stock: PAYE Units/VAT registrations by industry 2008, ONS/Dept BIS

¹²⁷ Ibid

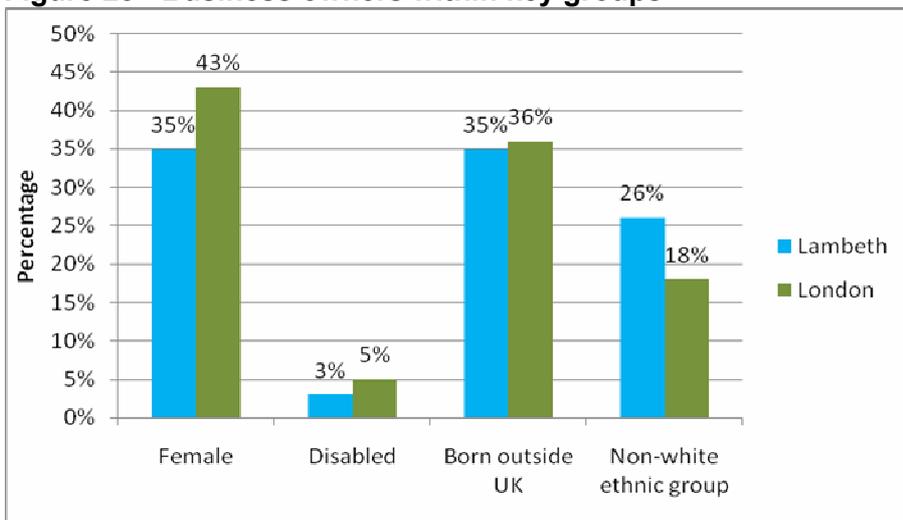
¹²⁸ Annual Business Inquiry Workplace Analysis 2004 and 2007



Businesses and equalities

5.13 Lambeth's diverse population consisting of a wide range of ethnicities and communities is reflected in the make-up of the borough's businesses. The Lambeth Business Survey 2010 provides an overview of Lambeth's businesses by sector, size, employment and business owners within key equality groups as shown below.

Figure 28 - Business owners within key groups¹²⁹



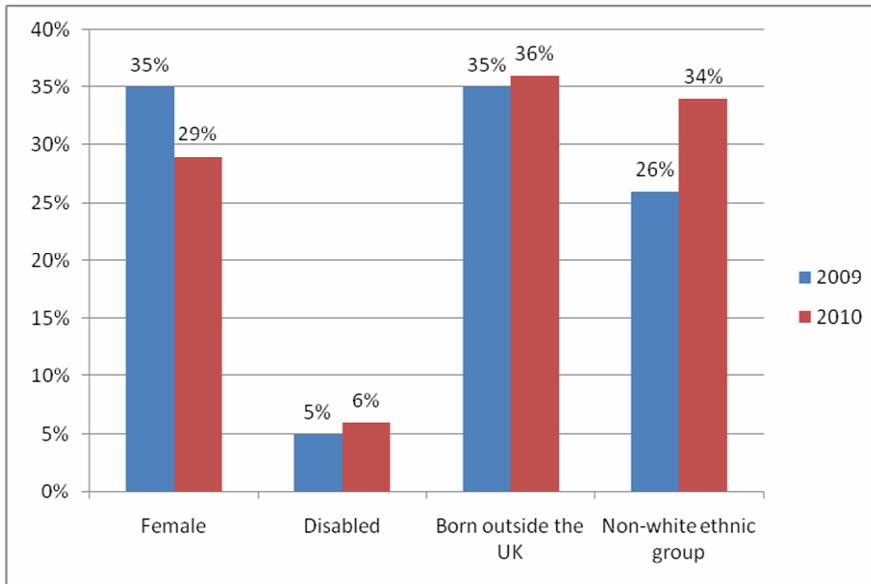
5.14 Lambeth's profile is similar to that of London for business owners that are disabled or not born in the UK. However there is a lower proportion of female business owners and a higher one for non-white owners in Lambeth when compared to London.

5.15 Lambeth Business Survey 2010 reveals some 34% of the businesses had 50% or more owners that were from non-white ethnic groups, with this proportion having risen slightly from that recorded in 2009. Some 29% of businesses claimed 50% of more of their owners to be female, with this a slightly lower proportion to that recorded in 2009. This information is shown in Figure 33.

Figure 29 - Proportions of businesses with owners in key groups¹³⁰

¹²⁹ Lambeth Business Survey 2010

¹³⁰ Lambeth Business Survey 2010, base = 403; Lambeth Business Survey 2009, base = 338



Female owned businesses

5.16 Lambeth appears to have a lower proportion of female business owners than the London average. However, it is interesting to note that the proportion of Lambeth businesses with majority female management (i.e. with women accounting for more than 50% of all owners) is in line with the London-wide figure (18% compared with 16%). Non-white ethnic groups account for a greater proportion of all entrepreneurs in Lambeth than across London as a whole (26% compared with 18%)¹³¹.

Age profile

5.17 Lambeth had 8% of under 25's compared to 7% for rest for rest of London Central and 9% for Rest of London. Lambeth had a higher incidence of 25-29 year olds setting up businesses, 23% compared to 19% for London Central and 14% for rest of London.

5.18 In comparison with London Central, London Central had a higher percentage of 30-39 year olds setting up at 39% compared to Lambeth with 28% and rest of London 36%. However this is the age group in Lambeth with a higher percentage setting up businesses than other age groups.

5.19 In the age category 40-49, Lambeth had higher percentage with 27% similar to rest of London at 26%, and there was a lower percentage for rest of London central 17%.

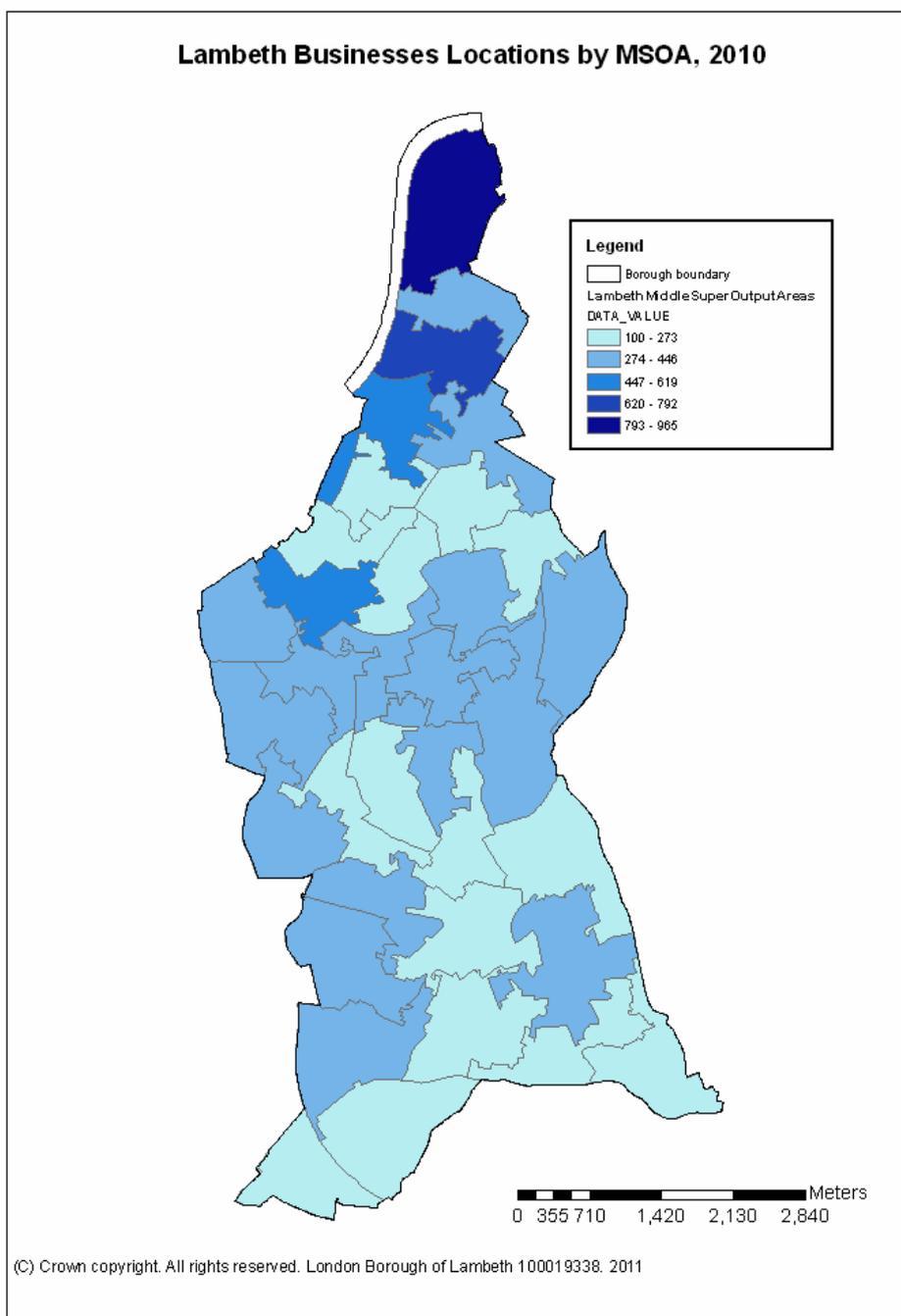
5.20 For 50-64 year olds, this was 14% for the rest of London central and rest of London, with Lambeth having a slightly lower percentage for this age group, 11%, which is not surprising given Lambeth's low age profile, with 72% of the population of working age.

Business locations and key clusters

Business locations

5.21 As evidenced in the town centre sections of the LEA, the geographical spread of businesses is predominantly in the north of the borough with a core of the small business base in the central, eastern side of the borough. Business density is lower in the southern parts of the borough reflecting greater residential uses.

¹³¹ Lambeth Business Survey 2009 p4

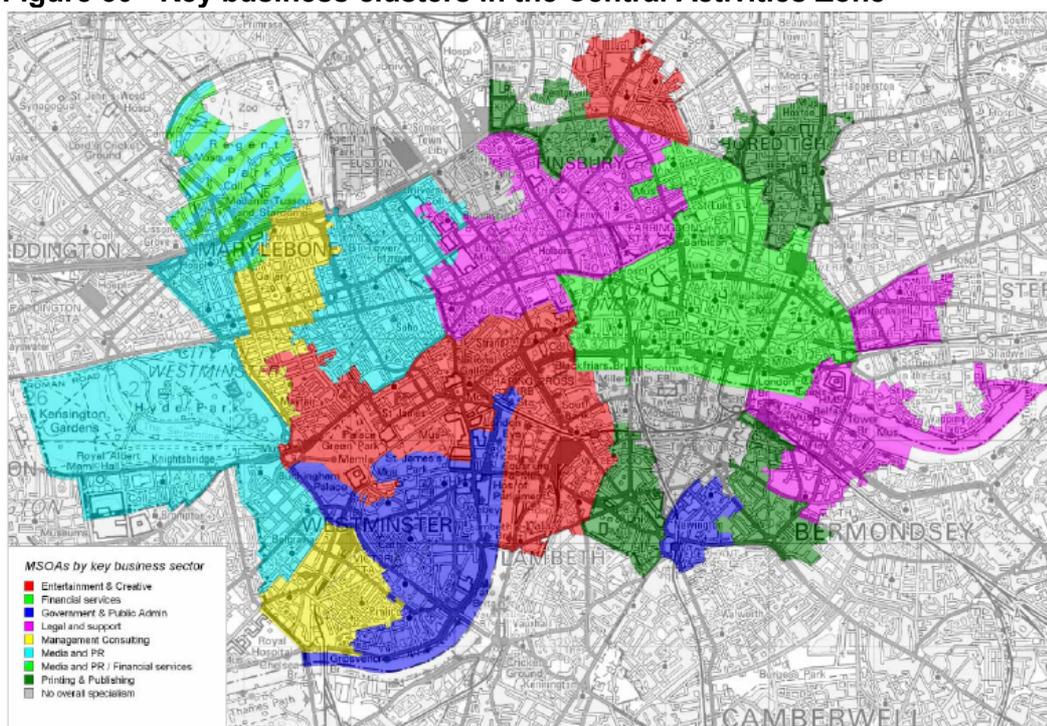


Business clusters

Recent work commissioned by London Councils identified the key business clusters in central London and this section draws on that work¹³². The key clusters are set out in Figure 30.

¹³² Supporting London Business Clusters, Colin Buchanan, Aug 2010

Figure 30 - Key business clusters in the Central Activities Zone ¹³³



The approach used draws on the approach used by the Department of Business and Innovation using employment location quotient analysis. The main agglomerations for Lambeth are set out in Figure 31.

Figure 31 - Main Lambeth clusters of sector in agglomerations ¹³⁴

Clustered sectors	Areas	Number of businesses
Food manufacturing, processing and distribution	1	80-140
	2	45-90
Business information, management services and support	1	100-115
Auxilliary services to finance	1	62-119
Information and communications technology	1	66-100
	2	66-100
	3	50-65
Architecture, engineering and technical services	1	201-554
	2	71-101
Media and creative services	1	70-89
	2	30-69
	3	70-89
Hospitality and events management/business tourism	1	50-156

¹³³ Ibid

¹³⁴ Ibid, full maps are shown in the original report

5.22 The key recommendations in the report for boroughs with existing or emerging clusters is to co-ordinate support and provision of services to ensure it is specific to the particular clusters. It is also important to maintain information about clusters to identify emerging ones and to make links with other areas of work such as employment programmes linked to particular industries.

Job numbers and sectors

Numbers and density of jobs

5.23 Businesses located in Lambeth employ over 126,000 workers with an employee job density of 0.6 jobs per resident of employment age¹³⁵ which is slightly below the London average of 0.8 and is the lowest of all the central London boroughs.

5.24 Since 1998 Lambeth has seen a high relative growth in number of jobs, which at 22.3% is well above the London and CLF average but there are still fewer jobs than in every CLF borough, apart from Kensington and Chelsea, as shown in Figure 32.

Figure 32 - Change in employee jobs over time¹³⁶

Borough	1998	2008	Gross Change	% Change
Camden	237,200	275,800	38,600	16.3%
City of London	288,400	311,800	23,400	8.1%
Islington	137,100	187,700	50,600	36.9%
Kensington and Chelsea	113,000	110,400	-2,600	-2.3%
Lambeth	103,218	126,283	23,065	22.3%
Southwark	144,200	172,200	28,000	19.4%
Westminster	533,900	596,200	62,300	11.7%
Central London	1,557,018	1,780,383	223,365	14.3%
All London	3,763,200	4,167,900	404,700	10.8%

Where Lambeth's workforce commute from

5.25 The People chapter identified that most Lambeth residents leave the borough to work and that they mostly go to Westminster (19%), followed by the City of London (7%) and Southwark, Wandsworth and Camden (all 6%). Lambeth's workforce is drawn from every single London borough, which is line with its Central London profile but only Lewisham and Southwark provide more than 5% of the work force with 5% and 8% respectively.

Business sectors

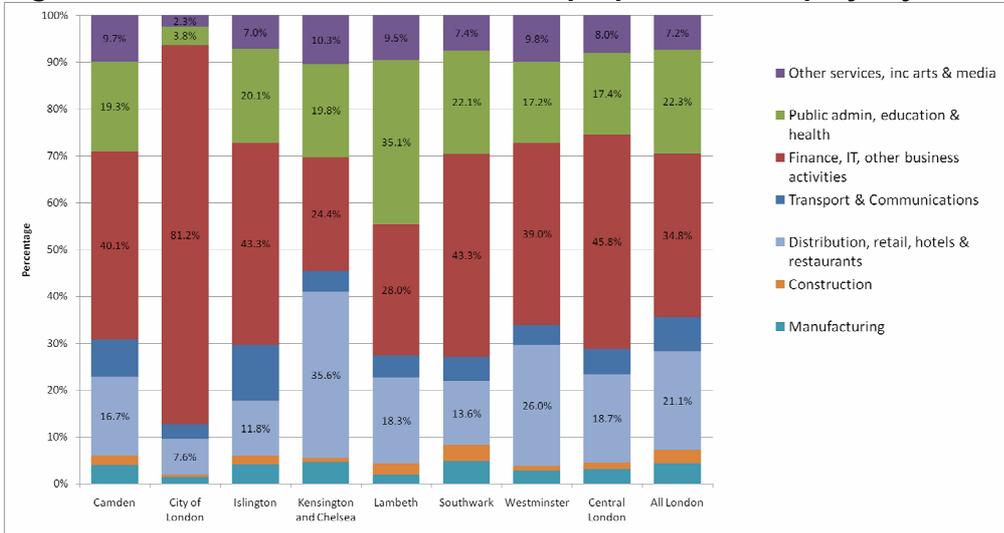
5.26 The key sectors in terms of numbers of jobs in Lambeth mirror to some extent the range of business sectors: the broad finance and general business activities group; the broad public administration and social group; hotels, restaurants and distribution; and retail as

¹³⁵ Annual Business Inquiry Workplace Analysis 2008 and ONS Mid-Year Population Estimates 2009, calculation excludes self-employed jobs

¹³⁶ Annual Business Inquiry, Workplace Analysis 2008, NOMIS

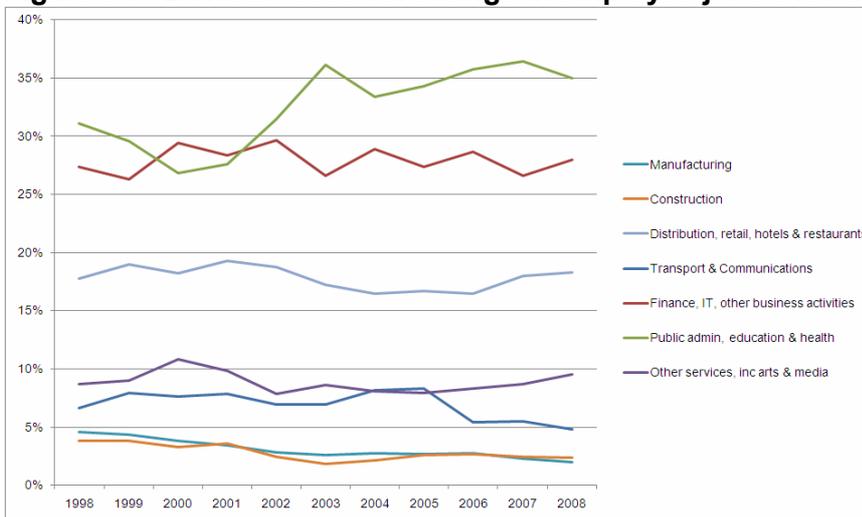
part of other services¹³⁷. Compared to the central London boroughs Lambeth has a much higher proportion of jobs in the public, education and health category and lower proportions in the broad finance and general business activities group, which can be seen in Figure 33. The higher proportion employed in the health sector is most likely due to the presence of St Thomas' Hospital and perhaps an associated local supply chain. This would need to be further investigated through a supply chain study.

Figure 33 - Lambeth business sectors – proportion of employee jobs¹³⁸



- 5.27 The change in Lambeth's business structure in terms of jobs provided can be seen in
- 5.28 Figure 34 where the shrinking of jobs in manufacturing and transport are set against rising proportions of the broad public sector category and the distribution, retail, hotels and restaurants category¹³⁹.

Figure 34 - Lambeth sectoral change in employee jobs over time¹⁴⁰



The change in jobs provided by key sectors is perhaps most starkly shown in Figure 35.

Figure 35 - Lambeth sectoral change in employee jobs over time¹⁴¹

Sector	1998-2008

¹³⁷ Annual Business Inquiry, employee jobs by industry 2008, NOMIS

¹³⁸ Annual Business Inquiry, employee jobs by industry 2008, NOMIS

¹³⁹ Ibid.

¹⁴⁰ Annual Business Inquiry, employee jobs by industry 2008, NOMIS

¹⁴¹ Ibid.

	Gross change	% change
Manufacturing	-2,181	-46.4%
Construction	-939	-23.6%
Distribution, retail, hotels & restaurants	4,775	26.0%
Transport & Communications	-843	-12.2%
Finance, IT, other business activities	7,115	25.2%
Public admin, education & health	12,124	37.8%
Other services, inc arts & media	3,014	33.5%
All employee jobs (exc self-employed)	23,065	22.3%

Historic employment growth sectors¹⁴²

- 5.29 The broad public sector category saw the most growth over the last ten years, which was fuelled by increases in public sector budgets by the last government. It should be noted that whilst the large organisations such as local authorities and the national health service (previously Primary Care Trusts) employ many people there are many other businesses in the area that fulfil a wide range of contracts to deliver local services such as social care or training provision. Lambeth has a very high proportion of employee jobs in the health and social care business category at 16% of all jobs compared to only 4.9% in neighbouring Southwark
- 5.30 After the public sector, finance, IT and other business activities has been the next main sector for Lambeth but it is the key sector across London as a whole. The 'other business activities' component covers a wide range of jobs from architectural and engineering activities, advertising, legal services, to accounting, photography, computing, industrial cleaning and real estate. The sector provides almost 35% of London jobs, which equates to 1.4 million positions. For the Central London boroughs this equates to 812,000 jobs, all within easy reach of Lambeth residents. Even though Lambeth has a relatively low proportion of jobs in this sector, it still provides over 35,000 jobs in the borough after growing by 25% over ten years.
- 5.31 The Creative and Cultural Industries (CCI) account for 122,000 jobs across Lambeth and its surrounding boroughs, of which 8,200 are in Lambeth. The largest areas for employment within the sector are: film production and sound recording (2,240); creative arts and entertainment (2,242); and advertising media and market research (1,761).¹⁴³ Despite representing a relatively small proportion of the local business base, CCIs are an important part of the local economy. Creative Block?: The future of the UK creative industries (Work Foundation, December 2010) illustrates the significance of the creative industries and the knowledge economy to drive local economic development and whilst recognizing the impact of the economic downturn on overall rates of business growth and future challenges i.e. internationalization, digital media and poor investment in research and development, the report demonstrates the sector has the capacity to drive growth and innovation for the sector itself and the broader UK economy.

¹⁴² Annual Business Inquiry, employee jobs by industry 2008, NOMIS and 'Lambeth Sector Based Skills Needs Study 2011-11', Ancer Spa

¹⁴³ 'Lambeth Sector Based Skills Needs Study 2011-11', Ancer Spa

Competitiveness and innovation

Competitiveness

- 5.32 There are a number of measures of competitiveness that together create a picture of how well Lambeth's economy competes within London and the UK. This report will consider:
- The UK Competitiveness Index
 - New business formations
 - Business survival rates
- 5.33 The UK Competitiveness Index (UKCI)¹⁴⁴ uses a basket of indicators and creates an integrated measurement of competitiveness focusing on both the development and sustainability of businesses and the economic welfare of individuals. The UK's regions and localities are then ranked. Competitiveness is defined within this measurement as the capability of an economy to attract and maintain firms with stable or rising market shares in an activity.
- 5.34 London and the South East are unsurprisingly ranked highest. In terms of localities entering the top 25 between 1997 and 2010, Lambeth ranks 21st out of 379 with both Wandsworth (8) and Southwark (11) ranked higher. However, over time Lambeth is the only CLF borough to have made any significant improvement in its ranking within London in recent years as shown in Figure 36.

Figure 36 - UK Competitiveness Index Rankings for CLF boroughs¹⁴⁵

CLF borough	London UKCI Rank				
	2005	2006	2008	2009	2010
Camden	3	3	3	3	3
City of London	1	1	1	1	1
Islington	4	4	4	5	4
Kensington and Chelsea	6	6	6	7	7
Lambeth	18	14	12	11	11
Southwark	10	10	10	10	9
Westminster	2	2	2	2	2

- 5.35 It should be noted that the UKCI 2010 index is based on data releases that range between 2007 and 2009.

New business formations and resilience

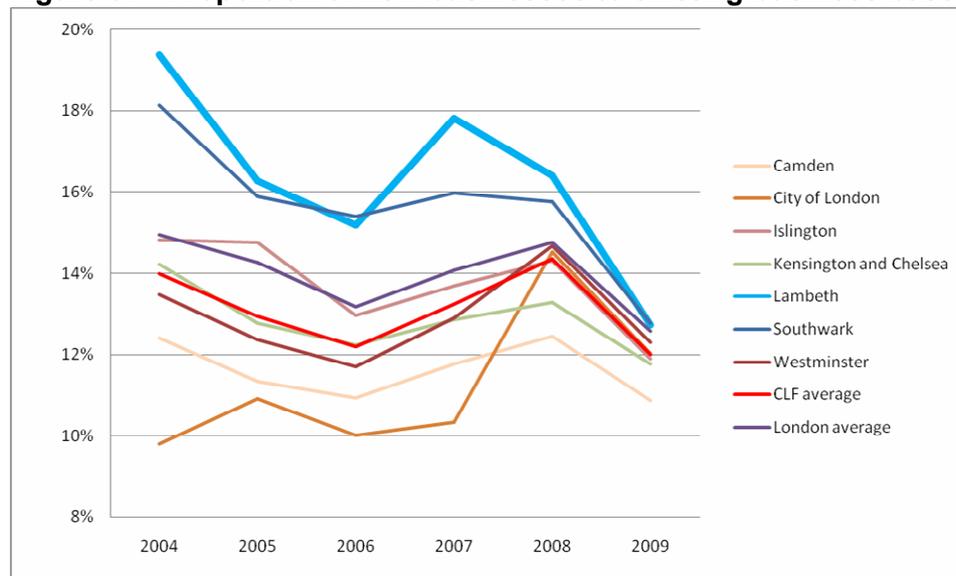
- 5.36 Another key indicator of competitiveness is the measure of business start-up, failure and survival rates. In terms of start-ups some areas simply have a much larger business base and therefore are more likely to attract new businesses. To even this out we can create a proportion of new businesses against the existing business base as a way of thinking about relative entrepreneurialism. Lambeth performed strongly in this respect until the impact of the recession that lasted from Q2 2008 – Q3 2009 where all CLF boroughs

¹⁴⁴ UK Competitiveness Index 2010 – Centre for International Competitiveness, University of Wales, Cardiff

¹⁴⁵ UK Competitiveness Index 2010 – Centre for International Competitiveness, University of Wales, Cardiff

converged to a similar level. As a result of this it can be seen that relative entrepreneurial activity in Lambeth was hit hard by the recession. Figure 37 shows this information.

Figure 37 - Proportion of new businesses to existing business base ¹⁴⁶



5.37 The resilience of the borough's businesses is an important feature and will be more so in the future. Apart from Camden all CLF boroughs saw an improvement in the proportion of businesses started between 2004 and 2006 that are still in business after three years, as shown in Figure 38.

Figure 38 - Three year survival rates by business start date ¹⁴⁷

Area	2004	2005	2006	Change 2004-06
Camden	63.7%	63.2%	63.2%	-0.6pp
City of London	67.7%	65.1%	70.2%	+2.5pp
Islington	59.9%	64.6%	65.9%	+6.0pp
Kensington and Chelsea	62.0%	64.4%	67.1%	+5.1pp
Lambeth	58.4%	60.1%	62.2%	+3.8pp
Southwark	59.6%	63.4%	62.8%	+3.2pp
Westminster	61.5%	62.2%	65.3%	+3.7pp
CLF Average	61.8%	63.3%	65.2%	+3.4pp
London Average	60.0%	61.2%	63.7%	+3.7pp

5.38 However the impact of the recession has really been felt by businesses starting up in 2008 where much lower proportions of businesses survive one year in comparison to recent trends. Figure 45 shows that Lambeth compares relatively well to Westminster, the City and Camden but it must be remembered that the borough has a much smaller business base with historically fewer business start-ups.

¹⁴⁶ ONS Business Demography 2009

¹⁴⁷ Business Demography 2009

Figure 39 - New businesses one year survival rate by start date¹⁴⁸

Area	2004-07 average	2008	Change
Camden	95.9%	85.3%	-10.5pp
City of London	94.4%	63.6%	-30.8pp
Islington	95.4%	87.6%	-7.8pp
Kensington and Chelsea	94.3%	89.4%	-5.0pp
Lambeth	94.7%	88.9%	-5.8pp
Southwark	94.5%	88.4%	-6.2pp
Westminster	93.7%	80.7%	-13.1pp
CLF Average	94.7%	83.4%	-11.3pp
London Average	94.9%	88.5%	-6.4pp

Innovation

5.39 The use of innovation in either new processes, products or services is considered to be important in stimulating economic development, business growth and survival. London's record on innovation is weaker than in the rest of the Greater South East in terms of inputs into innovation, such as levels of research and development. The London Annual Business Survey (LABS) indicators have measured that London's businesses have low levels of productivity and innovation. Dr. John Beacham's 2006 report to the DTI, *Succeeding through Innovation*¹⁴⁹, highlights the fact that there are motivational and proficiency barriers that prevent SMEs from the adoption of innovative practices.

5.40 The 2007 UK Innovation Survey (UKIS)¹⁵⁰ asked businesses about the potential constraints on innovation. The most cited constraint (10%) was the high costs of innovation. According to the UKIS 2007, UK businesses spend about £40 billion a year on innovation. Of this only a third is spent on research and development. The Department for Innovation Universities and Skill study of 2008, *Business Investment in the UK*¹⁵¹, shows that UK businesses are not research intensive compared with other developed countries. The UK ranks fifth in the G7 in terms of the share of national income invested in research and development and below the average for all OECD countries¹⁵².

5.41 In terms of innovation in local firms, the Lambeth Business Survey 2010 reveals the level of business innovation currently present in the local economy. From a sample of 403 businesses, over 41% of respondents felt their business was highly innovative. Respondents from the retail sector were less likely than others to consider their business as innovative. Nearly half (47%) of respondents overall said that they had introduced new products, services or processes to their business in the last two years.

5.42 The impact and use of innovation by local firms is striking. Of those who had introduced new products, services or processes, 84% felt that it had a positive impact on their business performance i.e. through increased trade, more business and increased

¹⁴⁸ Ibid

¹⁴⁹ 2007 UK Innovation Survey

¹⁵⁰ 2007 UK Innovation Survey

¹⁵¹ Ibid

¹⁵² Ibid

turnover, improved service to customers, diversification into new areas and the business customer base having increased.

Knowledge economy

- 5.43 The former Department of Trade and Industry defined the knowledge economy as “one in which the generation and exploitation of knowledge has come to play the predominant part in the creation of wealth. It is not simply about pushing back the frontiers of knowledge; it is also about the most effective use and exploitation of all types of knowledge in all manner of economic activity”¹⁵³.
- 5.44 Innovation and the knowledge economy are intrinsically linked and their interaction is marked by rising levels of innovation, technology, creative entrepreneurship and a more highly skilled workforce. In 2003, only 23% of employees in Lambeth were in knowledge driven sectors compared to 36% in London and 35% in Southwark.
- 5.45 In terms of the number of knowledge based businesses present in the borough, 30.5% of businesses are described as knowledge based, ranking Lambeth 30th out of 390 boroughs. This is an increase compared to 2007 (previously 27% and ranked 47). Comparatively, Lambeth’s ranking is higher than Lewisham’s (75 and 25.3%) but lower than Wandsworth (33.5 and 13) and Southwark’s (31.9 and 21)¹⁵⁴.

Potential of the social economy

- 5.46 The social economy refers to economic activity taking place in what has previously been referred to as the ‘third sector’ between the private and public sectors. In particular, social enterprises have the potential to create significant economic value while pursuing social and environmental objectives. The borough commissioned a technical study by Mutual Advantage¹⁵⁵ to review the social enterprise sector in the borough, which involved fieldwork with forty local social enterprises and a survey of business support organisations. The key findings and issues from that report are set out below.
- 5.47 The project took a broad view of the definition of social enterprise, with co-operatives and other forms of social or democratic business being included. The government defines social enterprises as “businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.”
- 5.48 Lambeth’s Co-operative Council programme will play a key role in supporting organisations within the social economy and enabling their development. As part of the Council’s commitment to a new type of public service delivery, it will be exploring the ways in which the third sector, including social enterprises (of varying forms including: co-operatives, development trusts and community enterprises) can deliver some services innovatively and more effectively.
- 5.49 In certain sectors there are well-established social enterprises in Lambeth with the potential to expand their services, a track record in delivering public sector services and working in partnership with a range of public sector agencies. However, the demand side research indicates limited synchronicity between the active existing social enterprise economy in the borough, and the potential opportunities for social enterprises’ delivery of public sector services. Typically, in sectors where opportunities have been identified, there may be a small number of or no existing social enterprises in the borough.
- 5.50 A number of barriers were also identified, the main ones being: bureaucratic public sector procurement processes; lack of formal recognition of environmental and social value

¹⁵³ DTI (1998) Competitiveness White Paper

¹⁵⁴ Need clear references from Lambeth for this data – cannot source it.

¹⁵⁵ Mutual Advantage, Public Sector Social Enterprise Strategy for Lambeth, 2011

within regulations; access to finance; appropriate business advice and support; access to markets and the and the sourcing funding to remain in business after March 2011.

Potential of the low carbon economy

- 5.51 The London Mayor's Economic Development Strategy cites the importance of the low carbon economy and the need to maximise potential economic growth and environmental benefits for London¹⁵⁶.
- 5.52 The 2009 report 'Low Carbon Environmental Goods & Services (LCEGS) – an Industry Analysis'¹⁵⁷ estimated that the value of the green sector in London in 2007/08 was worth £20.9 billion, employing 155,900 people and made up of 9,976 companies. It should be noted that the sector value in the report includes about 48% of non-specialist supply-chain activity, which is basically any business that the green sector specialists use as part of their contracts.
- 5.53 The LDA commissioned a report 'Green Expectations: London's low carbon job prospects'¹⁵⁸ in 2010, which estimated the value of the London low carbon economy at £22 billion in 2008/09 but pointed out that if low carbon finance is removed then the value is much lower at £13.4 billion. That report suggested that growth rates in the region's low carbon sector (excluding low carbon finance) is expected to be strong with jobs growth of 18% between 2008/09 and 2012/13 from a base of 10,000. The report sets out a number of initiatives for London that will receive investment but it is unclear whether any of these have been affected by the CSR 2010 and the LDA's functions shifting to within the GLA.
- 5.54 In 2010 Lambeth Council commissioned consultants Ekosgen to create a baseline of the local low carbon economy and understand future growth prospects. The research used the Department of Business Innovation and Skills (BIS) 2009 definition of the low carbon environmental goods and services sector, which divides it into three top-line sectors; environmental, renewables and emerging low carbon. The report found that Lambeth had a moderately sized low carbon business base when set against the comparator areas used in the study as shown in Figure 49.

Figure 40 - Low carbon companies and overall business base¹⁵⁹

Area	Number of low carbon companies	% of business base
Camden	576	2.3%
Islington	351	2.5%
Lambeth Innovas	204	1.8%
Lambeth Ekosgen	195	1.7%
Wandsworth	162	1.1%
Southwark	126	1.0%
Barking and Dagenham	85	2.2%
Merton	44	0.5%
Comparator areas average	218	1.6%

¹⁵⁶ The Mayor's Economic Development Strategy for London, LDA 2010

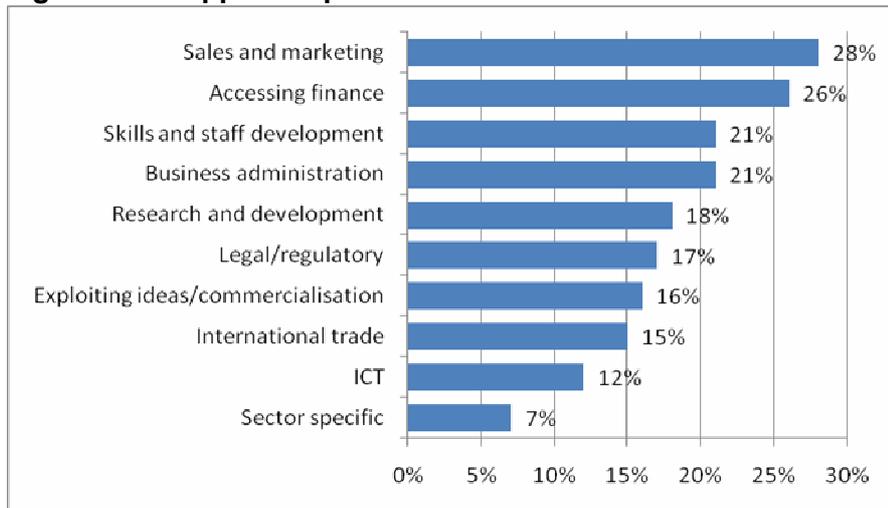
¹⁵⁷ Low Carbon and Environmental Goods and Services: an industry analysis. BERR. 2009

¹⁵⁸ Green Expectations: London's low carbon job prospects, Labour Market Research Series 3, 2010

¹⁵⁹ Mapping the Low Carbon Economy, Ekosgen, 2011

The Ekosgen report painted a positive picture of the future growth potential for the sector which was based on a combination of interviews with low carbon business representatives and past growth. The report identified the main areas of support requirements as set out in Figure 50.

Figure 41 - Support requirements for Lambeth's low carbon businesses¹⁶⁰



5.55 At this stage it is important for Lambeth to further develop their thinking about the carbon economy sub-sectors and whether targeting support to those where London sub-sector growth is forecast to be largest. It should also be noted that the estimate of low carbon companies as a proportion of the total is 1.7% for both London and Lambeth, which based on the same estimates translates to the sector providing 0.2% of London jobs and 0.1% of Lambeth jobs. This is currently a small sector and even with the predicted strong percentage growth will remain small for a number of years.

Inward investment

5.56 Attracting and retaining domestic and foreign companies to an area is an important driver of supporting local economic development, stimulating local spin offs, creating spread effects of extending local supply chains and supporting local job growth.

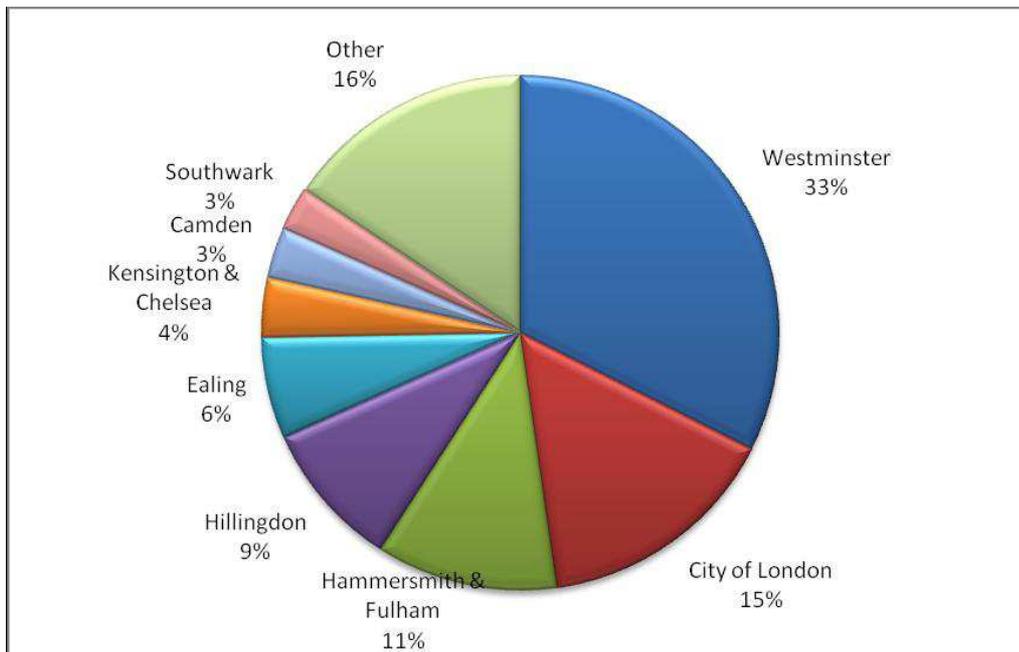
5.57 Lambeth commissioned DTZ in 2010 to produce a research report on business perceptions. The report also covered inward investment based on consultations and analysis of Think London¹⁶¹ data from 2009/10. The report considered Lambeth's attractiveness as part of understanding competition for Foreign Direct Investment (FDI). In 2009/10 a little under half of all FDI jobs created in London were in Westminster and the City of London. The remaining jobs are divided unevenly between the other 31 boroughs. Figure 46 shows this in terms of the actual geographical spread across London and Lambeth only attracted 1% of FDI jobs into London, from a single project, so is grouped in the 'Other' category in the pie-chart.

Figure 42 - FDI jobs into London 2009/2010 by destination borough¹⁶²

¹⁶⁰ Ibid

¹⁶¹ Think London operates as the main agency to assist overseas businesses locate to London.

¹⁶² DTZ, Research into Business Perceptions of Lambeth, October 2010



5.58 Attracting 1% of all jobs is low when compared to neighbouring Southwark which achieved 3% and offers similar opportunities to investors. The research report looks in depth at the potential reasons for Lambeth's underperformance, which are summarised in the following two paragraphs.

5.59 Respondents to the business survey gave more negative feedback than positive with the most common weaknesses identified as:

- Traffic congestion
- Non business friendly Council
- Lack of business support available

5.60 The report states that all the above were seen to be more of an issue in Lambeth than other boroughs. The priority areas for improvement included:

- More parking facilities
- Reduced business rates
- Increased business support
- Increased security including police patrols

5.61 A key and significant factor of weak performance identified by the DTZ Research showed the limited availability of employment land and premises which was seen as a key constraint in stimulating new investment.

5.62 Critically, whilst inward investment has been limited to date, new strategies to support investment need to be drawn up to define the borough's comparative advantage, key strengths and its distinctive role in the London economy showing its location and other characteristics to ensure the borough fully exploits its key advantages.

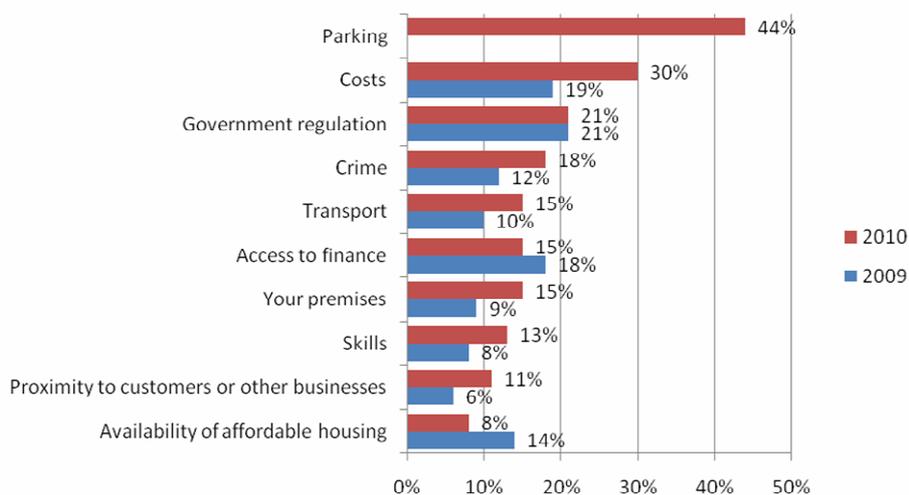
Business perceptions

5.63 A number of surveys have been commissioned to assess both business needs and business perceptions of Lambeth as a place to do business. The Annual Lambeth Business Survey was last conducted in 2010 and sampled business owners about a range of issues affecting businesses. Unfortunately the London Annual Business Survey by the LDA was last conducted in 2007 so we will use the Confederation of British Industry commissioned London Business Survey, December 2010 to make broad comparisons¹⁶³.

¹⁶³ Only broad comparisons can be made due to the different approach to the survey questions.

- 5.64 Lambeth business respondents considered that the most significant challenge was still parking, with 34% of respondents citing it as the number one issue they face. The same proportion of businesses also consider parking to be more of an issue than 12 months ago. There was no parking question in the reference London-wide survey.
- 5.65 The next most significant concern identified was costs, primarily business rates and rent levels, with 19% seeing it as a challenge and 23% seeing it as more of a challenge than 12 months ago. However, this compares favourably to the broader question on operating costs in the London survey where 67% of respondents saw it as a significant weakness.
- 5.66 The third most significant issue was crime, which was seen as much more of a problem than 12 months ago by 17% of respondents. The issues identified from the in-depth interviews were shop theft, burglary, criminal damage and anti-social behaviour, but alongside these there was some acceptance that these were 'par for the course'.
- 5.67 Government regulations are also seen as much more of a problem than 12 months ago with 10 of respondents raising that issue. Figure 43 provides a summary of the key challenges and changes in business perception over the last two years, apart from parking, which was not surveyed in 2009.

Figure 43 - Proportion of respondents rating issues and key challenges¹⁶⁴



¹⁶⁴ Annual Lambeth Business Survey, 2009 and 2010

Summary of key points

Key issue/statistic	Further context and implication
For a central London borough, Lambeth has a relatively small business base of 11,360 active enterprises and a low business density at 54 per 1,000 working age residents.	These figures reflect the residential nature of the southern part of the borough. There is also a low proportion of self-employed resident workers in the borough.
Most Lambeth businesses are small: 87% employ 1-9 workers. This is in line with the London average but five percentage points higher than the Central London average.	The borough has only 60 larger businesses that employ over 250 workers but these 60 still account for 28% of all jobs in the borough.
The two key sectors in terms of numbers of businesses for Lambeth are: the broad general business activities group that includes finance and IT; and retail, hotels and restaurants.	Compared to the central London boroughs Lambeth has a much higher proportion of public, education, health and social sector businesses and lower proportions of the broad general businesses. This is reflected in the number of jobs in the borough but the proportion of jobs in the public, education and health sector is higher still, especially in the health and social care sub-sector.
Lambeth's main business clusters are: business information, management services and support; architecture, engineering and technical services; and hospitality and events.	These are generally located in the north of the borough. There are also other smaller clusters that offer future opportunities to expand.
Businesses in Lambeth employ over 126,000 workers, this is 7,300 more than 2002 – a rise of 6.1%.	The rise in jobs in Lambeth about the same as the London average but lags behind central London borough jobs growth of 7.2%.
In line with comparable locations, the borough's business structure has changed with lower proportions of jobs in manufacturing, construction and transport sectors and higher proportions in the broad public sector category.	The proportion of finance, IT and other business activities has fluctuated but not risen as in other boroughs, however due to overall jobs growth there were still over 7,000 more jobs in that sector in Lambeth in 2008 compared to 1998.
The UK Competitiveness Index 2010 ranks Lambeth at 11 th in UK, a rise from 18 th in 2005.	All the other central London boroughs are ranked higher than Lambeth but have been static over the same period. Lambeth can be seen to be catching up.
Lambeth contributes about the same proportion of GVA to the London economy as employee jobs.	Camden, Westminster and the City all contribute more GVA than jobs so are more productive on the basis of this measurement.
Lambeth performs well compared to CLF boroughs in terms of the proportion of new business formation to existing business base, but due to recession this has tailed off significantly.	The borough performs in line with the London and CLF average on three year business survival rates but better on one-year survival since 2008.
There has been little Foreign Direct Investment in Lambeth compared to other	Most large scale Foreign Direct Investment has been in Westminster and the City of London.

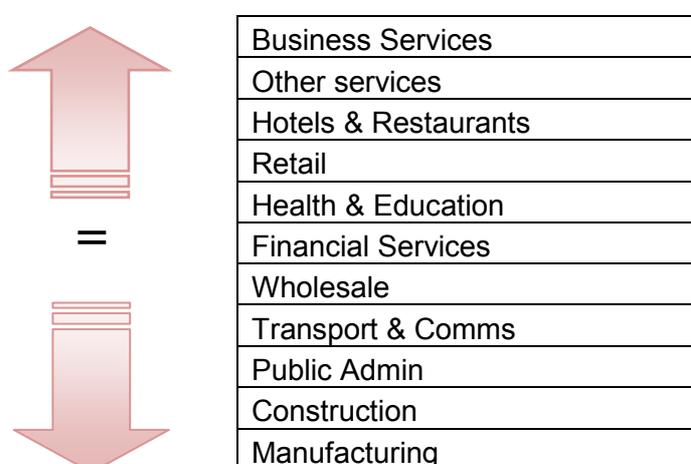
Key issue/statistic	Further context and implication
CLF boroughs.	<p>Lambeth has significant other investment opportunities due to Opportunity Areas and other regeneration programmes.</p> <p>However, Local business surveys raise some concerns (traffic, parking, non-business friendly Council, high business rates and lack of business support) which may also affect Lambeth's ability to attract inward investment.</p>

Drivers of change

Economic restructuring and growth

5.68 The continuing re-structuring of the economy during and after this period of sluggish and inconsistent growth will be a key factor for businesses already located in, or thinking of locating in the borough. The most up-to-date sectoral projections, whilst based on employment rather than businesses, were produced by the GLA in November 2009 and based on GVA growth of 2.5% per annum which would result in an increase in employment of 0.7% per annum. The most recent GVA data is from 2007-08 and shows that London GVA growth at 2.3%. However, the data is not available for 2009 and 2010 where other economic indicators such as numbers of benefit claimants suggest that GVA in London may not achieve the 2.5% required to support the employment growth projections. Due to this uncertainty about growth the figure below shows the broad changes expected for London's key sectors.

Figure 44 - London sectoral employment forecasts 2010-20 ¹⁶⁵



5.69 The shrinkage of the public sector is another key driver and there is an expectation that existing businesses or social enterprises will grow, or new businesses will form, as they take on some of the functions of what is currently provided by the state. The borough's approach to addressing the conclusions of a recent report into the potential of the social sector in the borough is very important in the context of the commitment to a Co-operative Council. The conclusions from the report¹⁶⁶ are:

- The timing of policy changes and budget reduction still in progress makes clarity difficult.
- The relative size and scale of potential service transitions from public to social enterprise, against potential growth in existing social enterprises, make the former area a priority.
- There is no automatic synchronicity between potential opportunities and existing capacity in the sector.
- There continues to be demand from existing social enterprises for support, and the predicted reduction in free business advice can only increase this.
- To be effective there needs to be a co-ordinated approach between, policy functions, service departments, social enterprise specialist support and business development.

¹⁶⁵ GLA Economics Employment Projections for London by Sector and trend-Based Projections by Borough, Working Paper 38, 2010

¹⁶⁶ A Public Sector Social Enterprise Strategy for Lambeth – Summary Report, Mutual Advantage 2011

- 5.70 Whilst the economic recovery is currently sluggish, it is widely accepted that London as an international city will return to growth ahead of the rest of the UK¹⁶⁷. This will create opportunities to market the borough to larger employers and attempt to attract more into the borough. It is important to maximise the potential of large employers locating in the borough as they are key in helping residents back into employment. The scale of large employers means they can offer a range of jobs from entry level to managerial which potentially offers more chance of career progression, in-house training and development. These factors are all important as other means of providing them will be limited by public sector contraction.

Sub-regional regeneration and growth

- 5.71 There is an opportunity for Lambeth to replicate, through the opportunity areas around Waterloo and Vauxhall, the recent strong performance of the City Fringe (north and east of the City and across the Thames in Southwark) which has seen substantial economic growth between 1996 and 2005. Already some key clusters are developing in the north of the borough: business information, management and support; Information and Communications technology; Architecture and technical; Media and creative; and Hospitality, events and tourism.

Competing demands for available land

- 5.72 The GLA demographic projections suggest Lambeth will experience a significant rise in population of 9% up to 2021 and a rise of 17% by 2031. Both are higher than the London average of 7% and 9% over the same periods and are expected to place significant pressure on land for residential use. Lambeth has around the average proportion of land available for commercial and other uses¹⁶⁸ and there is competition between these two demands.
- 5.73 The Core Strategy states that demand for premises to support projected business growth will vary enormously. It is likely to include everything from larger office developments to support inward investment by major national and international companies, to small office and light industrial space, a range of visitor accommodation, large and small retail units, street markets, new and improved educational, training, policing and health facilities, new waste facilities, and space for those working or running a business from home (including 'live-work' accommodation and 'meeting hubs'). The affordability of business premises is an issue for some sectors and types of business, such as parts of the creative sector and social enterprises. In addition, there are spatial variations across the borough in demand for types and affordability of premises (Small Business Premises Study 2007).

Infrastructure improvements

- 5.74 There are a range of factors that influence a business' decision to locate in a certain area. Transport connectivity to customers, resources and skills is always considered and the transport improvements to the East London Line and South West are a driver that could bring change if other factors are also addressed. Some businesses will also consider the attractiveness and/or safety of the business location so the planned regeneration of the OAPF and town centre areas are also positive drivers.

¹⁶⁷ Oxford Economics and LDA, Destinations 2020, Employment Projections Across Sectors and Occupations, August 2010

¹⁶⁸ Generalised Land-Use Database, Generalised Land-Use Statistics, 2005

SWOT analysis

<p>Strengths</p> <p>Borough has a history of a high proportion of business start-ups compared to business base</p> <p>Good location and access to central London for some areas</p> <p>Cultural diversity supports niche markets</p>	<p>Weaknesses</p> <p>Relatively small business base</p> <p>High proportion of small businesses</p> <p>Small number of large employers</p> <p>Over-reliance on broad public sector</p> <p>Poor connectivity for some areas</p> <p>Perception of existing businesses that Council is not business friendly</p> <p>Capacity of public transport on main routes</p> <p>Little inward investment (FDI) achieved to date</p>
<p>Opportunities</p> <p>Two major opportunity areas (Waterloo and Vauxhall) for regeneration</p> <p>Demographic change: more diversity and larger culture-based market</p> <p>Potential for social sector businesses to grow and fill gap left by public sector contraction</p> <p>Potential for low carbon sub-sectors growth from a moderate base</p>	<p>Threats</p> <p>Local agencies less able to support smaller businesses and growing complexity of business support across sectors</p> <p>Competition from boroughs perceived to be more business friendly and large developments nearby (Battersea and Elephant & Castle)</p> <p>Ability to provide the right type and affordable businesses premises in the right places</p>

6. Conclusions

- 6.1 This LEA provides a detailed evidence base of the borough's economy and explores its place in Central London. The key features, assets and weaknesses have been considered alongside the potential opportunities and challenges ahead. Our approach creates a story of place through considering the three key components of place (economic geography), people (workforce and residents) and the local economy (business and jobs). The main conclusions are set out in the following paragraphs.
- 6.2 Lambeth's history is as a residential borough providing the workforce for London. Our economy has and will continue to be closely tied to the economy of central London and requires us to make the most out of London's new employment areas, such as Canary Wharf, that will be more accessible in the future and key growth sectors. Looking to more local drivers of growth, the major regeneration opportunities presented in Vauxhall, Nine Elms, Battersea and Waterloo, will, once take off occurs be the main driver of growth for Lambeth and it is anticipated further opportunities will coalesce around these major areas of regeneration. Crucially, these opportunities will need to be realised by spreading the benefits experienced in the north of the borough to the rest of Lambeth through improved transport links and ensuring skills provision matches skills requirements in the opportunities arising from these developments.
- 6.3 Whilst the LEA demonstrates positive growth and a relatively resilient labour force, significant challenges exist. Deprivation and worklessness are geographically concentrated in certain neighbourhoods and in the absence of significant government regeneration schemes a consideration of these neighbourhoods and their issues should be considered when formulating strategies/policies.
- 6.4 Further, it will be important to think about how to address the mismatch, and progression issues, between basic skills and adult learning provision and the demand from employers for skills at higher level. Achieving either of these aims will be particularly challenging in the face of funding cuts to the further education colleges and other skills training providers. Targeting scarce resources geographically or by cohorts may be an option but partnership working between providers and employers will continue to be of great importance.
- 6.5 Although the downturn has impacted on all aspects of the local economy, the level of business activity and strength of the private sector suggests that whilst the size of the boroughs' business base is the smallest of the CLF boroughs, it remains more resilient experiencing marginally higher rates of recent growth than other CLF boroughs and has been agile in its capacity to adapt to changing economic circumstances.
- 6.6 It should also be noted that the estimate of low carbon companies is 1.7% of the business base for both London and Lambeth, which based on the same estimates translates to the sector providing 0.2% of London jobs and 0.1% of Lambeth jobs. Whilst its contribution is relatively small compared to other key growth sectors, it nevertheless remains significant in terms of its influence and crossover into other sectors.
- 6.7 There are numerous benefits to having larger businesses located in the borough and an important one for Lambeth is their ability to take on apprentices or engage with programmes supporting those furthest from employment back into the job market.
- 6.8 The 'Co-operative Council' is an emerging but important development, as it offers the potential for growth in terms of local businesses and employee jobs, particularly in the health and social care sector, as the state shrinks and the social sector expands. This is important because of the borough's reliance on public sector jobs.

6.9 The LEA analysis has been undertaken against a backdrop of a changing and uncertain economic, policy and planning context which whilst at the time of writing is unclear, nevertheless presents Lambeth with a robust and thorough analysis of local economic conditions.

6.10 It is acknowledged future iterations of the LEA will need to:

- Better clarify and show the distinction between town centres, neighbourhoods and districts demonstrating how the local economies in each of these districts operate
- Consider local supply chains i.e. how they operate to stimulate and enhance local multipliers including the relationship between important and key growth sectors
- Update to work on supply, demand and quality issues of commercial premises across the borough
- Use specialist research to keep the broader LEA evidence base up to date over the medium term to ensure the impact of the various drivers of change are reflected in future decisions and our approach to strategy and policy making is predicated on a thorough understanding of local conditions and a clear understanding of local priorities.

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