Putting the Community First

BARNET LONDON BOROUGH

Barnet Economic Insight 2011

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Version Control

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Executive Summary

In 2011 local authorities were given a statutory duty to undertake an assessment of the economic conditions of their area. These assessments are referred to as 'Local Economic Assessments' (LEAs). Barnet's LEA has been re-titled as the Barnet Economic Insight (BEI). It is intended that the BEI be reviewed annually and revised every three years.

The BEI complements the Council's 'State of the Borough' report, providing an in-depth narrative of Barnet's economy, and identifying future opportunities and challenges. It will be used as a primary source of up-to-date economic data, and an insight into how Barnet's economy functions.

Headline Findings from the Barnet Economic Insight

- Barnet is London's most populous borough, with 349,800 residents in 2011. This is predicted to increase to around 378,883 in 2020 and 394,308 by 2031. 66 per cent of Barnet's population is of working age (16 to 64)[3].

- Barnet is a prosperous borough with a well qualified population, high employment rates and high earners.

  - In 2010, 74 per cent of Barnet's working age population were economically active i.e. working or looking for work.

  - Barnet has a low percentage of NEET young people (those aged 16-18 not in education, employment or training) compared to London overall, and the level of NEETs has been declining since 2005. However, due to the large population in the borough, this equates to 319 young people and accounts for nearly 1 in 25 young people aged 16-18.

  - 42.4 per cent of Barnet's residents have an NVQ level 4 or above compared to London as a whole (39.7 per cent) and the British average (29.9 per cent). The borough also performs well when the qualifications of the available workforce are compared with employers' demands for skills.

  - Over half (58 per cent) of Barnet's residents are employed as either managers or senior officials or employed in professional or associate professional and technical occupations compared with 54.7 per cent for London as a whole.

- Barnet has not escaped the effects of the recession. In the year to September 2010, 7.4% of the local population was believed to be unemployed – below the London average (8.9%) but up from the equivalent period in 2005, when local unemployment stood at 6.7%.[4]

- Barnet's general affluence masks pockets of significant deprivation in the borough. These areas have persistent levels of worklessness and low skills which reduce the capacity of the workforce.

[3] ONS mid-year population estimates
[4] NOMIS,

- Barnet has twelve super output areas that are within the top 20 per cent most deprived in the country

- There is a difference in median annual household income of around £17,000 between the most affluent (Garden Suburb) and poorest areas (Burnt Oak).

- Within Barnet's most deprived ward of Burnt Oak, 46 per cent of the population has low or no qualifications[5].

- Around one sixth of the working age populations of Burnt Oak and Colindale claiming "key out of work" benefits[6].

- Barnet contributes to the region's economy through its competitive business base, desirable location and an attractive residential offer for skilled workers working across London's economy:

  - A significant proportion (41 per cent) of Barnet's residents work within the borough.

  - 32 per cent of residents commute into central London to work and 16 per cent work in neighbouring boroughs.

  - From 2008 to 2009, Barnet's total number of employees dropped by just 2.3% compared to the London average of a drop of 4.5%[7] and the third lowest drop of the 32 London boroughs.

- Barnet has a history of entrepreneurialism and enterprise:

  - In 2009-10, 15.9 per cent of Barnet's working age population (39,400 people) were self-employed. This is the highest level of self-employment in London after Brent (16 per cent) and considerably higher than the London average (10.8 per cent).

  - Over 91 per cent of Barnet's businesses employ fewer than 10 people and almost 7 per cent employ between 10 and 49 people.

  - Barnet has the third highest number of businesses in London after Camden and Westminster - 17,934 in 2008 and Barnet's businesses provided employment for 110,747 employees during the same year.

- Although there are relatively few large businesses in the borough, those employing over 200 people provide just over one fifth (21.3 per cent) of the total number of jobs in the borough.

- Barnet has a large number of service sector businesses with 92.5 per cent of those working in the borough employed in the service industry. Key sectors in

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[5] Census 2001 (proportion of residents with no qualifications and level 1 qualifications)
[6] ONS claimant count (April 2010); DWP benefit claimants – working age client group (August 2011)
[7] Office for National Statistics, Annual Employment Change by London Borough, 2008-09

Barnet include the public sector (public administration, education and health) and retail which accounts for 35.4 per cent and 15 per cent of all employee jobs respectively.

- Although Barnet residents are employed across a relatively broad range of sectors, nearly 1 in 4 (23.5 per cent) of the borough's working residents are in public sector positions. While Barnet's residents are not as dependent on public sector employment as neighbouring boroughs such as Enfield, this sector is considered particularly vulnerable over the next few years, as national policy measures put forward to reduce the budget deficit result in a reduction in the level of public sector employment, leading to a number of challenges for the borough.

- Some of Barnet's town centres have been significantly affected by the recession, with a particular rise in retail vacancies in Edgware, Brent Street (Hendon) and New Barnet (2003-10).[8]

- Barnet's economy is growing:

  - The GLA forecasts growth in Barnet from 136,000 jobs in 2009 to 163,000 new jobs by 2031. Retailing, business services and health are identified as the largest sectors for employment[9].
  - It is forecast that regeneration and development in the borough will generate 22,500 new jobs.

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[8] PHR, Barnet town centre survey analysis, August 2010
[9] GLA forecasts GLA Economics Working Paper 38, Nov 2009

Chapter 1: Introduction and Context

1.1 Introduction and Overview

1.1.1 From 2011 local authorities have a statutory duty to undertake an assessment of the economic conditions of their area. This duty was introduced under Section 69 of the Local Democracy Economic Development and Construction Act. These assessments are referred to as ‘Local Economic Assessments’ (LEAs), the purpose being to provide a common information and evidence base for decision making by local authorities. Barnet’s LEA has been re-titled Barnet Economic Insight.

1.1.2 This document sets out the draft Barnet Economic Insight (BEI from henceforth). The assessment provides a clear narrative on Barnet’s current economic position, while also considering the future opportunities and challenges facing the borough. It complements the Council’s ‘State of the Borough’ report, which draws on a wide range of existing work, as well as original analysis to summarise the strategic risks and opportunities facing Barnet – the organisations, the place and its people – over the coming five years.

1.2 Background and purpose of the BEI

1.2.1 The BEI will be used across the Council and by our external partners as a primary source of up-to-date economic data, and insight into Barnet’s economy. The insight gained from producing this document will provide the evidence base to underpin and inform future policy development, decisions and funding bids. The BEI is particularly relevant as the evidence base for the development of the imminent Skills, Employment and Enterprise Issues Paper, and also in the development of proposals around a shadow Local Enterprise Partnership (see 1.4.1 for more details).

1.2.2 Once completed, it is intended that the BEI be reviewed annually and revised every three years however it may be that the Council choose to update the document on a more regular basis, particularly when the data from the 2011 Census is released. The updating and review process is to be developed by the BEI steering group following this draft.

1.2.3 At a regional level, the BEI will feed into the North London Strategic Alliance sub-regional LEA and discussions with the West London boroughs regarding proposals for a shadow Local Enterprise Partnership (LEP). It will also be used to inform the London Mayor’s strategies including the London Plan and strategies for Economic Development and Transport at a London wide level.

1.2.4 The BEI takes account of the Memorandum of Understanding (MoU) agreed between London Councils and the GLA to ensure consistency of approach across London boroughs. The MoU reflects the Government guidance on the preparation of Local Economic Assessments.

1.3 Format of the BEI

1.3.1 The BEI is split into four main chapters:

- Chapter 1 introduces the BEI by identifying the background and purpose of the document before setting out the policy context within which it was written. The chapter goes on to provide the key facts about Barnet as a place and give a picture of the borough's population and the changes it is experiencing.
- Chapter 2 provides detailed information on Barnet's residents and their positions in the labour market, including the economic inclusion and exclusion of our residents.
- Chapter 3 offers a detailed narrative on the structure of Barnet's economy, areas of economic activity within the borough, and examines the level of future job growth and the variation in growth between sectors.
- Chapter 4 examines the borough's transport offer and links with other local authorities, where our residents work and where those who come into the borough for employment and learning opportunities live.

1.3.2 The key findings for each area of economic insight are summarised at the beginning of each chapter; it is intended that these summaries will provide a quick and easy snap-shot of the current situation in the borough, relating to that topic, with the chapter providing further breakdown and analysis. Each chapter is then concluded with a SWOT (Strength, Weaknesses, Opportunities and Threats) analysis of the issues emerging from the evidence gathered.

1.3.3 In order to give context to Barnet's economic performance, the economic data from a number of neighbouring local authorities is used as a comparator to Barnet's. The Local Authority areas included were chosen due to their geographical proximity/economic linkages to Barnet and/or existing or proposed partnership linkages;

- Barnet is a member of the North London Strategic Alliance, therefore the other NLSA member boroughs are included in this analysis: Enfield, Haringey, Redbridge and Waltham Forest.
- Barnet is also seeking to 'look west' as part of the development of the proposed shadow LEP for the A5/A406 growth corridor; therefore local authority areas that have been shown to have significant links with Barnet around this area are also included: Brent, Harrow, Dacorum. Hertsmere, and Watford.

These two groupings combined are referred to throughout the document as 'the sub-region'. In some cases it has been practical to leave out the non-London local authorities, either where comparisons cannot be drawn, or data is not available.

1.4 Policy Context

The Barnet Economic Insight sits within a suite of useful evidence sources for the Borough, as summarised in the State of the Borough report. A number of policies are being developed which the document will seek to add depth to:

1.4.1 'One Barnet' – a Sustainable Community Strategy for Barnet 2010 – 2020

One Barnet is the Council's major transformational programme. At the heart of the programme is the aim to become a citizen-centric Council to help our residents to lead successful and independent lives. The One Barnet approach focuses on multi agency working to develop a shared understanding and shared solutions to the issues and challenges in Barnet. As such the BEI will be a publicly available document, available to our partner organisations to use and draw common insight from. In an era of reduced resources, the document will provide a common insight on Barnet's economy for shared use across the borough.

1.4.2 The Corporate Plan 2011-12 (draft)

The BEI will seek to contribute to the aims of the draft Corporate Plan 2011-12 by providing the evidence base to support policies and decisions in line with the Council's corporate priorities. The BEI will be of particular relevance in supporting Barnet to 'continue to be a successful, prosperous place where people want to live'. The BEI can provide the in-depth insight of our local economy; its strength and weakness, and linkages outside of the borough boundaries, to inform Council policy decisions.

1.4.3 The Local Development Framework

The Local Development Framework (LDF) will replace the Unitary Development Plan (UDP) (adopted May 2006). The LDF Core Strategy will be adopted during Spring 2012 and will provide the overarching local policy framework for delivering sustainable development in Barnet. The LDF can draw from the evidence supplied in the BEI and make links to the BEI as evidence in support of policy development.

1.4.4 Regeneration Strategy

This emerging strategy will focus on the delivery of Barnet's regeneration schemes, linking the physical elements to the delivery of community benefits, including issues such as deprivation, population growth and a changing economy. The BEI will provide the evidence framework for addressing issues around the more people based regeneration objectives.

1.4.5 Skills, Employment and Enterprise Strategy

The BEI will provide the background for the development of the Skills, Employment and Enterprise Strategy for the Borough. The BEI evidence identifies the challenges of the current economic climate for residents and local businesses. It also looks at the opportunities from economic growth in the borough, reflecting the shift in focus towards capturing the economic and social benefits of regeneration and development, particularly those being created by the flagship development at Brent Cross Cricklewood.

1.4.6 Local Enterprise Partnerships (LEP)

Proposals are being developed for a new partnership structured as a shadow LEP to the formal London LEP, to enable a joined up approach to maximising the opportunities being created along the A5/A406 growth corridor. Closer working relationships with Brent and other west London Boroughs will enable a coordinated approach to the Edgware Road (A5) and North Circular (A406), M1 economic corridors through:

- seeking to secure the economic opportunities of, and meet the challenges arising from, growth, and;
- effectively capture new investment and funding opportunities

1.4.7 Work Programme

In June 2011, as part of the Government's welfare reform, it introduced the 'Work Programme'. The Work Programme brings services together under one major integrated programme of support for the unemployed. It is provided by private contractors, who offer personalised support to people on benefits with a particular aim of assisting longer term benefit customers into work. Many of the current JobCentre Plus customers are being transferred onto the Work Programme. The BEI will be used to provide data intelligence to the Providers in order to tailor provision to the needs of Barnet's residents.

Chapter 2: Barnet's residents in the Labour Market

2.1 Introduction and Overview

This chapter provides detailed information on Barnet's residents in the labour market. It begins with an exploration of their qualifications, before analysis of economic and employment status, working patterns and self-employment, and occupational and earning profiles. The chapter goes on to examine residents who are not engaged in the labour market, focusing on unemployment but also looking at deprivation in the borough.

Key Findings

- Barnet has an above average proportion of working age residents with level 4 qualifications or higher, 42.4 % compared to 39.7% for London
- The number with no qualifications is also lower than London overall, representing only 9.9% of the population aged 16-64 in 2009, just under 2% lower than the average for the capital
- Barnet has a healthy employment rate - 69.2% of its working age population (16 to 64)
- It is an affluent borough with increasing household income and median annual income in the borough is over £1,270 (4%) higher than the average for London
- A large proportion of working residents are employed as managers and senior officials or employed in professional occupations in comparison to neighbouring boroughs
- Barnet shows strong levels of enterprise; having the highest rate of self employed residents in the capital after Brent
- Barnet has a low unemployment rate - 7.4% of its working age population – the 9th lowest of all 33 London boroughs
- Unemployment in Barnet disproportionately affects particular groups – particularly school leavers (16-19) and young adults (20-24)
- 25.9% of the working age population in Barnet are economically inactive. Levels of economic inactivity are not spread evenly throughout the population, as a disproportionately higher amount of ethnic minorities are economically inactive when compared to the borough average
- The proportion of residents receiving key out-of-work benefits in Barnet was 9.9% in August 2010. However, claimant levels vary from 14.9% in Colindale to 4.2% in Garden Suburb
- 61% of JSA claimants in March 2011 were male (4,143 out of 6,817 claimants)
- The majority of people receiving JSA appear to be unemployed for less than 6 months (65.9% in August 2010) indicating that unemployment in the borough is cyclical in nature rather than structural
- Barnet has a relatively low proportion of residents who have been out of work for more than 2 years: 0.9% of the borough's unemployed residents compared to a London average of 2.9%. This currently accounts for 70 people, a number which has decreased considerably since 2006 when it was over 200.

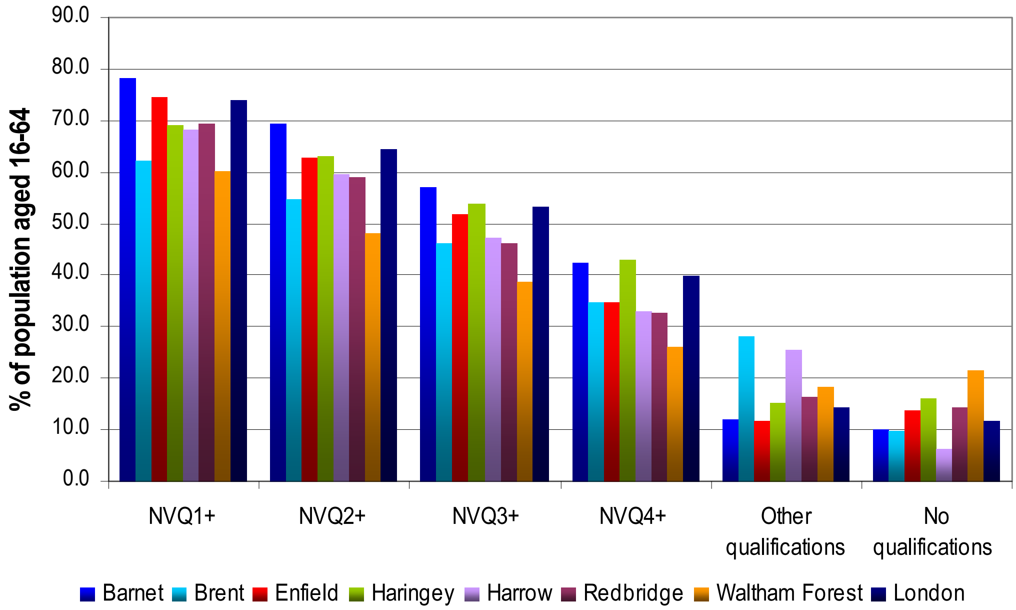
2.2 Qualifications and Skills

2.2.1 It is widely recognised that having a well-skilled, and importantly, an appropriately skilled, workforce is key in aiding business competitiveness. Having the right balance of skills for the needs of businesses and visa versa, can have positive effects on economic growth through directly influencing value added, profitability, operating costs and innovation for example. There are also considerations for individuals' own well-being from possessing appropriate skills to enter the labour market and for people's aspirations for employment, job satisfaction, and career development. See chapter 2.10.9 for details on Barnet's 'skills gap'.

2.2.2 Barnet has an above average proportion of working age residents with level 4 qualifications or higher, 42.6 per cent compared to 39.7 per cent for London[10]. Conversely, the number with no qualifications is also lower than London overall, representing only 9.8 per cent of the population aged 16-64 in 2009, just under 2 per cent lower than the average for the capital[11]. The borough has a more qualified population than the rest of the sub-region, save for Haringey, as figure 2.2a shows.

2.2.3 Similar to the trends seen throughout London and the UK, qualification levels in the borough have been rising steadily over time as can be seen in figure 2.8b, as successive governments' policies and initiatives have encourage a larger uptake of higher education. The proportion of residents with no qualifications has remained steady at around 20,000 people[12] despite a rise in the population over this period; representing a drop in the overall proportion of residents without formal qualifications.

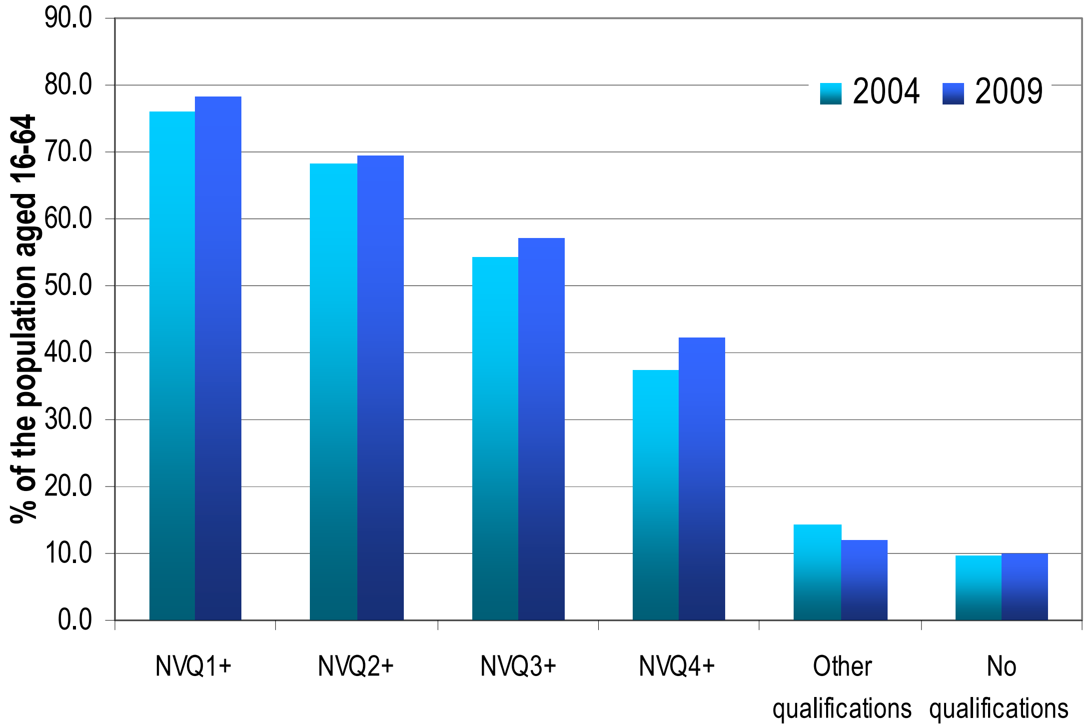
Figure 2.2a Level of Qualifications of residents aged 16-64 across the sub-region Jan 2009-Dec 2009[13]



Source: APS 2010

[10] ONS APS 2010 January 2009-December 2009 data
[11] ONS APS 2010 January 2009-December 2009 data
[12] ONS APS 2010 January 2009-December 2009 data
[13] Qualification data is only available for this period

Figure 2.2b Change in qualification levels of Barnet residents aged 16-64 2004 to 2009[14]



Source: APS 2010

2.2.4 Significant contrasts exist with the borough, with the best performing wards having 20 per cent to nearly 35 per cent more residents with high qualifications in 2001 than the worst performing areas, as figure 2.2c below shows. This inequality is also present in the proportion of working age people with no qualifications, where there is a difference of 21 per cent between Garden Suburb and Burnt Oak.

Figure 2.2c Best and worse performing wards for education

Performance of the wards	% of residents with level 4/5 qualifications (2001)		% of residents with no qualifications (2001)	
Best	Garden Suburb	54.58 %	Garden Suburb	9.00 %
	West Finchley	46.76 %	Finchley Church End	14.07 %
	Childs Hill	45.63 %	Childs Hill	14.83 %
	Colindale	26.94 %	Colindale	25.38 %
	Underhill	23.85 %	Underhill	27.53 %
Worst	Burnt Oak	20.85 %	Burnt Oak	30.81 %

Source: Census 2001

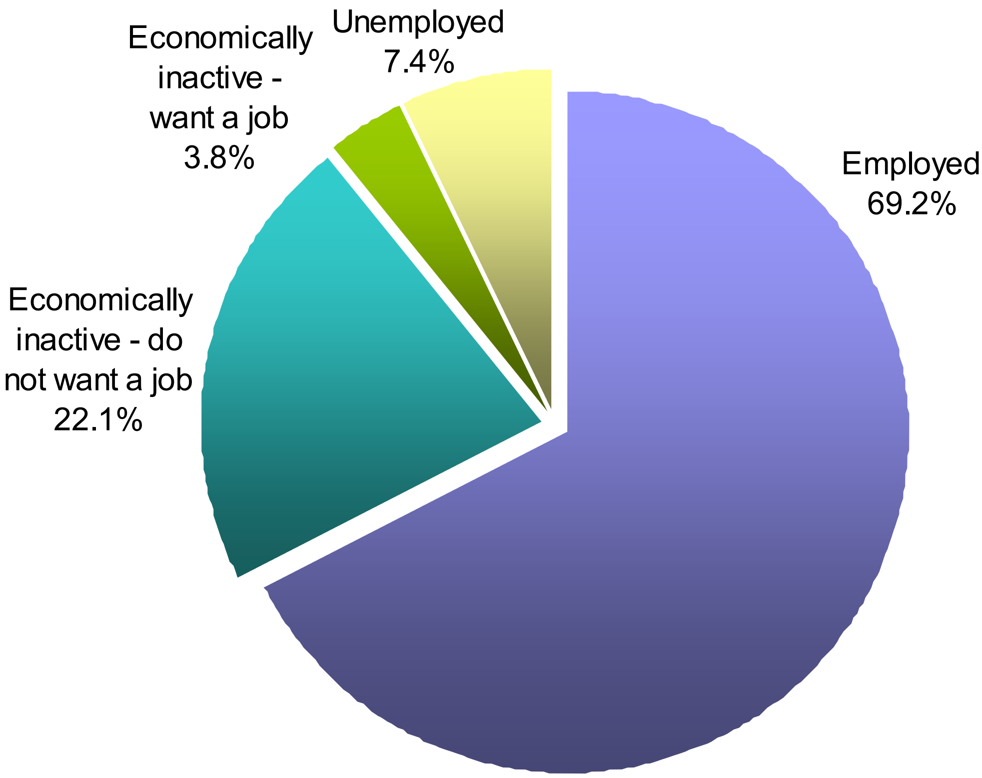
[14] Qualification data is only available for this period

2.3 Economic Status

2.3.1 In 2009, 66 per cent[15] of Barnet's population - 226,400 individuals - were of working age (16 to 64). This is marginally lower than the London average (69.2 per cent) due to the fact that Barnet has a higher proportion of older and younger residents.

2.3.2 Figure 2.3a below shows how Barnet's working age population is split in terms of employed, unemployed (model-based[16]), economically inactive (want a job/do not want a job)[17].

Figure 2.3a Economic Status of Barnet's working age residents October 2009 - September 2010[18]



Source: ONS APS 2010

2.3.3 Figure 2.3b below shows Barnet's labour market economy when compared to the London average and sub-regional neighbours. This shows Barnet has a healthy employment rate, low unemployment and the highest rate of self-employed residents in the capital after Brent.

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[15] Office for National Statistics (ONS) Mid-year Population Estimates via Nomisweb
[16] The ONS has developed a statistical model-based estimate of unemployed as unemployed estimates within local authorities are based on very small samples so for many areas would be unreliable. The model-based estimate is calculated as a proportion of the economically active.
[17] The economically inactive are defined as people who are neither in employment nor unemployed. This group includes, for example, all those who were looking after a home or retired.
[18] It should be noted that percentages do not total 100% due to percentage for model-based unemployment

Figure 2.3b Economic status of the Population compared to London boroughs of the sub-region, October 2009 - September 2010

Status	Barnet	Brent	Enfield	Haringey	Harrow	Redbridge	Waltham Forest	London
Economically Active*	74.1	72.5	70.1	67.9	78.1	71.5	72.9	74.7
Employment rate*	69.2	66.4	63.1	61.6	71.8	65.7	63.6	68.0
Employee*	53.1	50.2	51.2	50.5	59.3	55.3	52.7	56.8
Self Employed*	15.9	16.0	11.0	10.8	12.3	10.3	10.5	10.8
Unemployed **	7.4	9.2	10.5	11.4	7.1	9.0	11.9	8.9
Economically Inactive*	25.9	27.5	29.9	32.1	21.9	28.5	27.1	25.3
* aged 16-64 ** aged 16+; model based								

Source: Annual Population Survey 2010

The Labour Market & Economic Activity

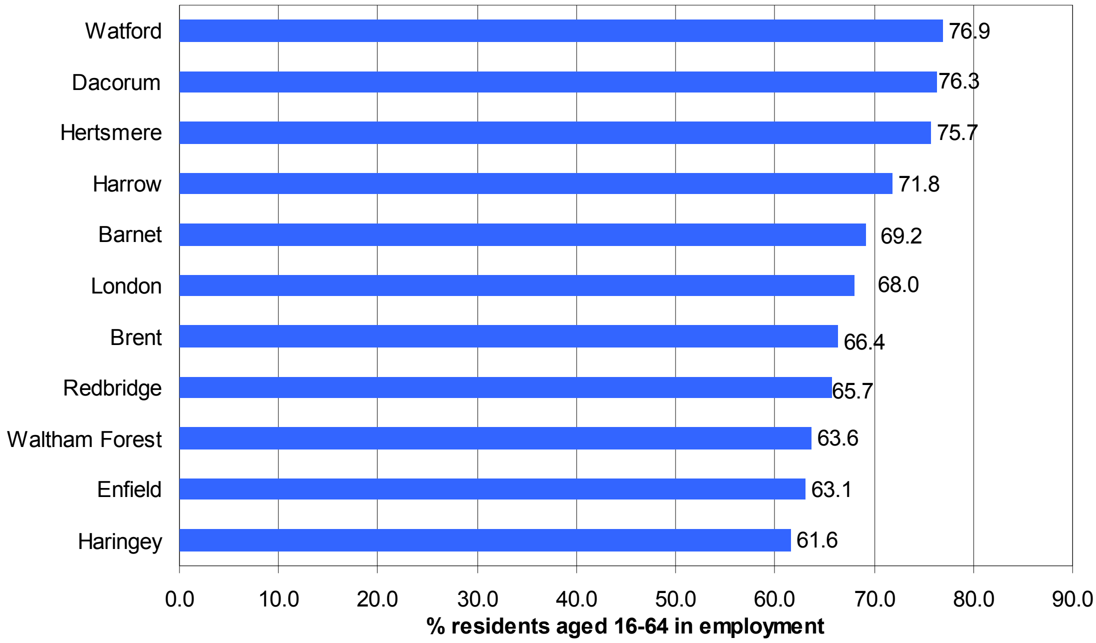
2.4 Employment Rate

2.4.1 In 2009-10, 69.2 per cent[19] of Barnet's working age population – 162,500 individuals – were in employment. This is higher that the employment rate of London as a whole (68 per cent) and most of our sub-regional neighbours with the exception Harrow (71.8 per cent). See figure 3.3a below. Five years earlier, in October 2004- September 2005, employment in Barnet was marginally higher at 70.4%, against 68.4% in London and 72.8% nationally[20].

2.4.2 When looking at employment rate by gender, Barnet has a higher percentage of its female working age population in employment than our sub-regional partners and London as a whole. In 2009-10, 65.4 per cent (approximately 76,500) of Barnet's female working age population were in employment, an increase of over 11 per cent from the previous year[21]. Conversely, Barnet has lower percentages of its male working age population in employment than some of our sub-regional neighbours and London as a whole. In 2009-10, 73.1 per cent (approximately 85,900) of Barnet's male working age population (aged 16-64) were in employment. This is lower than the male rates for Great Britain (75.4 per cent), London (74.7 per cent), Redbridge (75.2 per cent) and Harrow (78.8 per cent)[22].

[19] ONS Annual Population Survey (APS) 2010 via Nomisweb (October 2009 - September 2010 data). The APS is a residence based labour market survey encompassing population, economic activity (employment and unemployment), economic inactivity and qualifications.
[20] ONS Annual Population Survey (APS) 2010 via Nomisweb (October 2009 - September
[21] ONS APS 2010 via Nomisweb (October 2009 - September 2010 and October 2008 – September 2009 data)
[22] ONS APS 2010 via Nomisweb (October 2009 - September 2010 data)

Figure 2.4a Employment Rate, October 2009 - September 2010



Source: APS 2010

2.4.3 The employment rate for ethnic minority working age residents in Barnet was 56.9 per cent in October 2009 – September 2010. This rate has reduced from a high of 66.5 per cent in April 2005-March 2006 and steadily declined from October 2007-September 2008 until April 2009 – March 2010 when the rate has begun to gradually increase again[23].

2.5 Full and Part-time Employment Rates

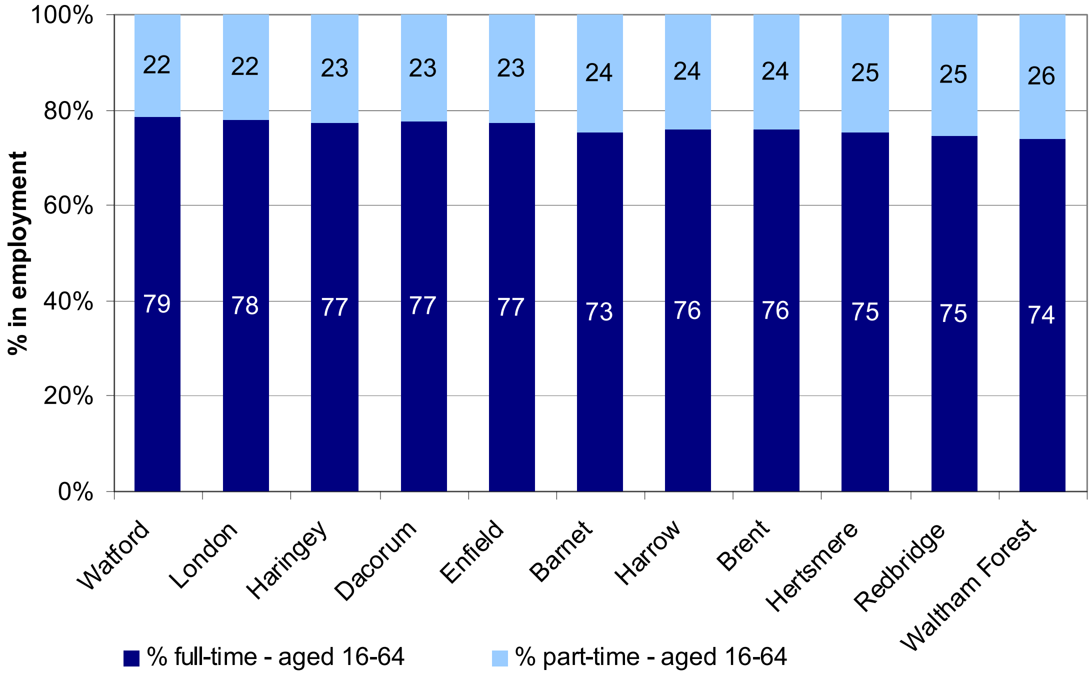
2.5.1 In 2009-10 Barnet had 111,900 full time workers, representing 72.9 per cent of those in employment, the lowest level of the London boroughs after London Borough of Newham[24].

2.5.2 At 23.9 per cent (36,800 people), Barnet has the eleventh highest percentage of part-time workers in London[25] and below the average for Great Britain which stands at 25.8 per cent. Figure 2.5a shows a higher level of part time workers in the borough compared to most of the other boroughs of the sub region.

2.5.3 The proportion of women engaged in part-time employment is significantly higher than that of men across Great Britain, with 42.3 per cent of females versus just 11.3 per cent of males engaged in this type of employment[26]. This disparity is due in part to family commitments demanding more flexible - and therefore often shorter - working hours. This is also true of the vast majority of the London boroughs although to a lesser extent as they tend to have a lower proportion of females in part-time work.

[23] ONS APS 2010 via Nomisweb (April 2005- March 2006 to October 2009 – September 2010 data)
[24] ONS APS 2010 via Nomisweb (October 2009 - September 2010 data)
[25] ONS APS 2010 via Nomisweb (October 2009 - September 2010 data)
[26] ONS APS 2010 (October 2009 - September 2010 data)

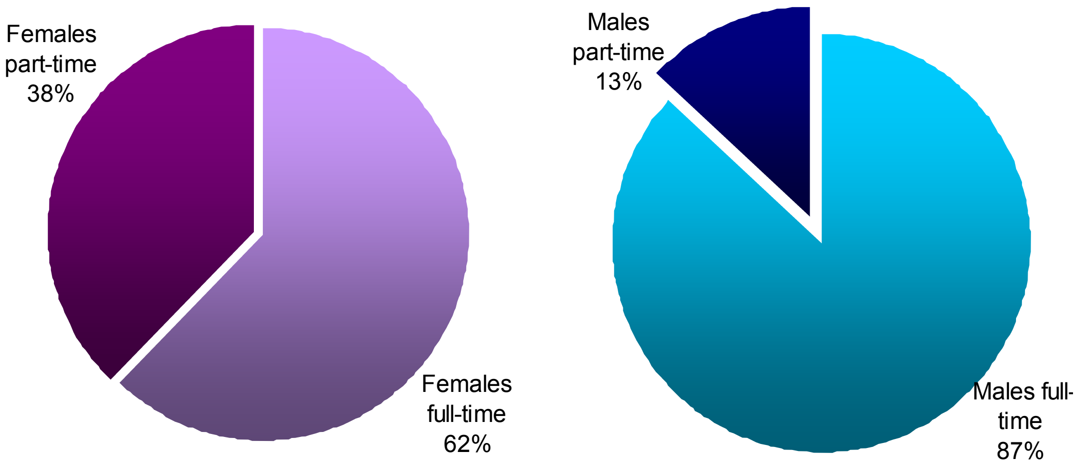
Figure 2.5a Proportion of all in employment aged 16-64 in full or part time work October 2009- September 2010



Source: APS 2010

2.5.4 In London in 2009-10, 33.7 per cent of females were in part-time employment compared with 12.8 per cent of males. During the same period Barnet had slightly higher proportions of females (36.2 per cent - 26,600 females) and males (12.7 per cent - 10,200 males) in part-time employment when compared with London as a whole. Figure 2.5b illustrates the difference in male and female full and part-time working rates for Barnet, while 2.5b highlights the variation between female and male part-time working across the sub-region.

Figure 2.5b Proportion of those in Employment Working Full and Part-time by Gender October 2009- September 2010



Source: APS 2010

2.5.5 The proportion of both males and females in full-time work has seen a decline since a peak of 79.3 per cent in October 2005-September 2006 to 72.9 per cent in October 2009-September 2010, a decline of 5,500, while the proportion of part time workers has risen by 7,100 people to 23.9 per cent from 20.1 per cent over the same time period[27]. However, the borough's overall employment rate increased over this period from 68.6 per cent to 69.2 per cent.

Figure 2.5c Breakdown of Part-time Employment by Gender October 2009 - September 2010

Local Authority	% of females in part-time employment	% of males in part-time employment	Gap between male and female part time working rates
Barnet	36.2	12.7	23.5
Brent	34.6	16.1	18.5
Enfield	32.3	15.4	16.9
Haringey	37.5	13.3	24.2
Harrow	38.5	15.4	23.1
Redbridge	41.4	13.1	28.3
Waltham Forest	42.2	8.1	34.1
Dacorum	41.0	10.0	31.0
Hertsmere	33.4	11.1	22.3
London	42.3	11.3	31.0
Great Britain	36.2	12.7	23.5

Source: APS 2010

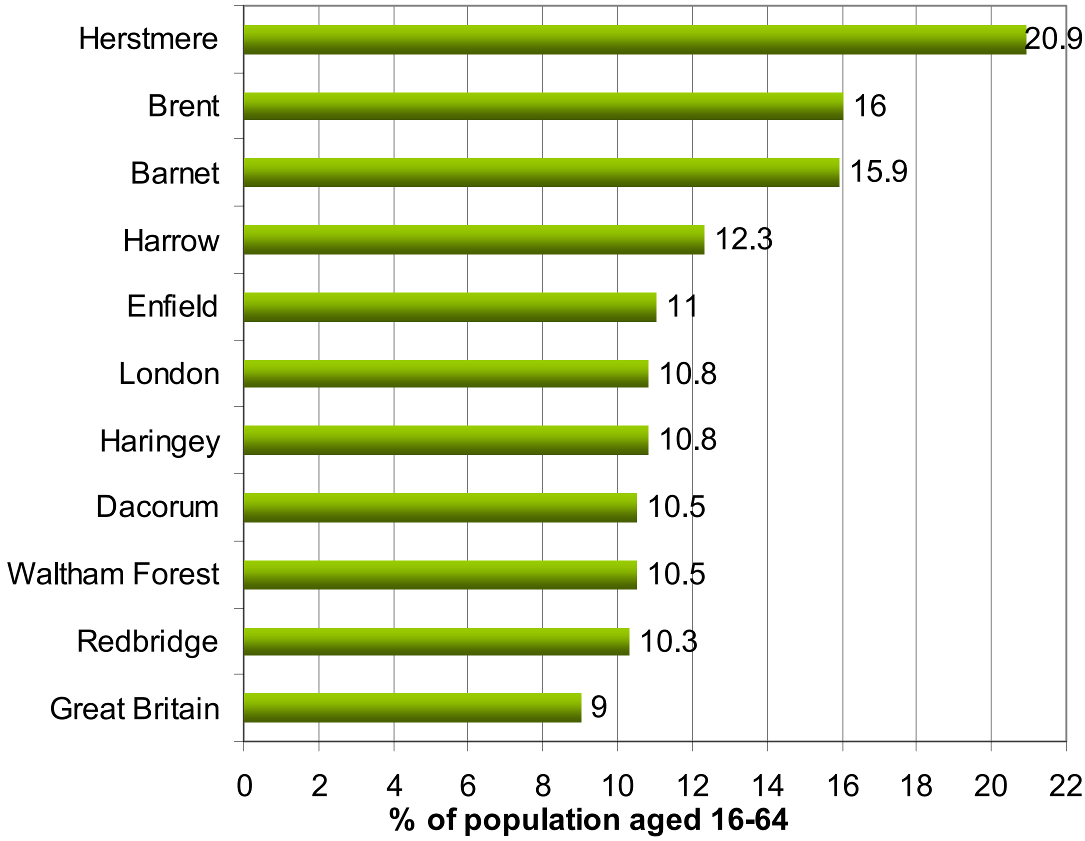
2.6 Self Employment

2.6.1 A key characteristic of the Barnet labour market is its high level of enterprise illustrated through its rate of self-employment. Figure 2.6a below shows the percentage of self employed residents aged 16-64. In 2009-10, 15.9 per cent of Barnet's working age population – 39,400 people – were self-employed. This is highest level of self-employment in London after Brent (16.0 per cent) and considerably higher than the London average (10.8 per cent). However, in the wider sub-region, Hertsmere also performs well with a self-employment rate of 20.9 per cent.

2.6.2 While the self employment rate for the UK has remained stable at between 10-11 per cent since 2004, over the same period self employment levels in Barnet have risen by 2.5 per cent from 13.4 per cent in April 2004-March 2005[28]. However, this figure represents a reduction from a high of 17 per cent in April 2009 - March 2010.

[27] APS 2010
[28] ONS APS 2010 (October 2009 - September 2010 data)

Figure 2.6a Percentage of Self employed residents aged 16-64, October 2009 - September 2010



Source: ONS APS 2010

2.6.3 In line with other London boroughs and the UK, almost double the number of men are self-employed than women in Barnet; 25,900 (20.5 per cent) compared with 13,500 (11.5 per cent) in October 2009 - September 2010[29].

2.6.4 When all individuals over the age of 16 are taken into account the rate of self-employment in Barnet rises to 24.2 per cent representing 39,400 people[30]. The number and proportion of self employed people over 16 rose steadily from 19.9 per cent in 2005-06 to a high of 26.4 per cent in 2009-10 (before falling again), whilst the proportion of self employed persons in London overall has remained stable at between 15-16 per cent over this time period[31]. This suggests an entrepreneurial flair in the borough with potentially a number of individuals post-retirement age seeking or continuing their own businesses. This also links in with the higher than average number of small businesses (0-4 employees) in Barnet; see part 3.4 for further information.

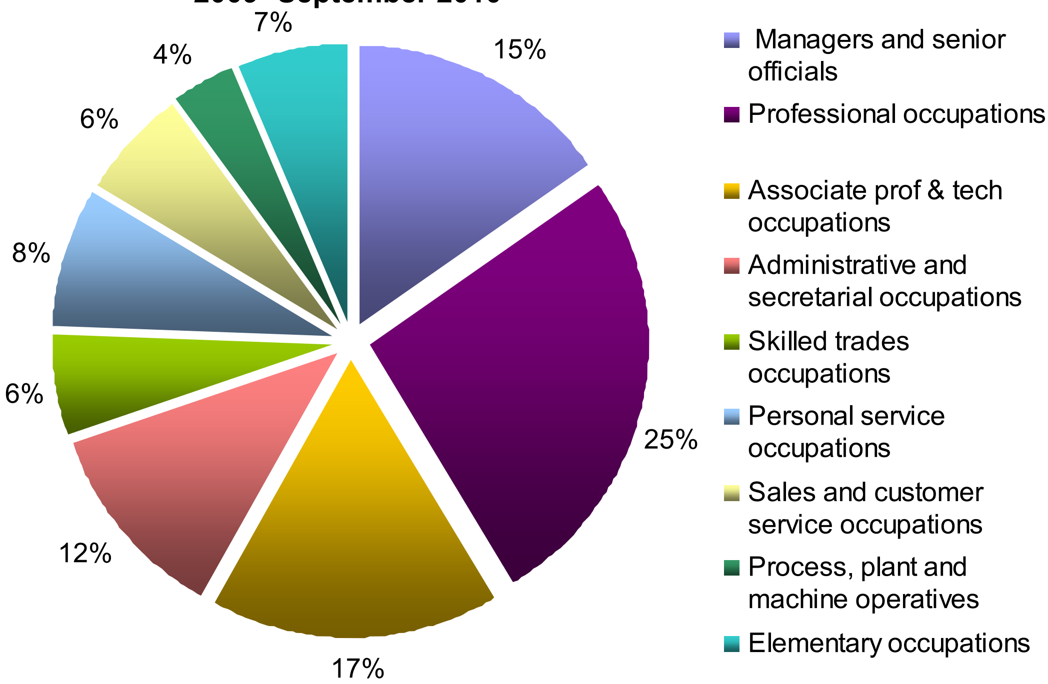
[29] ONS APS 2010 (October 2009 - September 2010 data)
[30] ONS APS 2010
[31] ONS APS 2010

2.7 Occupation Profile of Barnet's Residents

Barnet has relatively high proportions of individuals employed in the top three occupational sectors as professionals. Over half of employed residents (57 per cent) are either managers or senior officials (15.1 per cent) or employed in professional (25.5 per cent) or associate professional & technical (16.4 per cent) occupations. This is above the London average of 54.3 per cent of residents employed in these higher skilled categories, and above the average for the sub-region, however both Haringey and Dacorum are home to a marginally larger proportion of residents in these occupations (57.6 per cent and 58.3 per cent respectively). The proportion of *senior managers and professionals* locally has fallen since 2005 (from 20.6% to 15.1%), but ordinary professionals have seen a corresponding increase from 19.4% in the year to September 2005 to 16.4% in the year to September 2010.19 This shift towards more junior professionals is also reflected in the displacement of affluent senior executives by younger, educated high achievers.

Figure 2.7a below illustrates Barnet's employed residents by occupational sectors.

Figure 2.7a Occupational sectors for employed residents of Barnet October 2009- September 2010

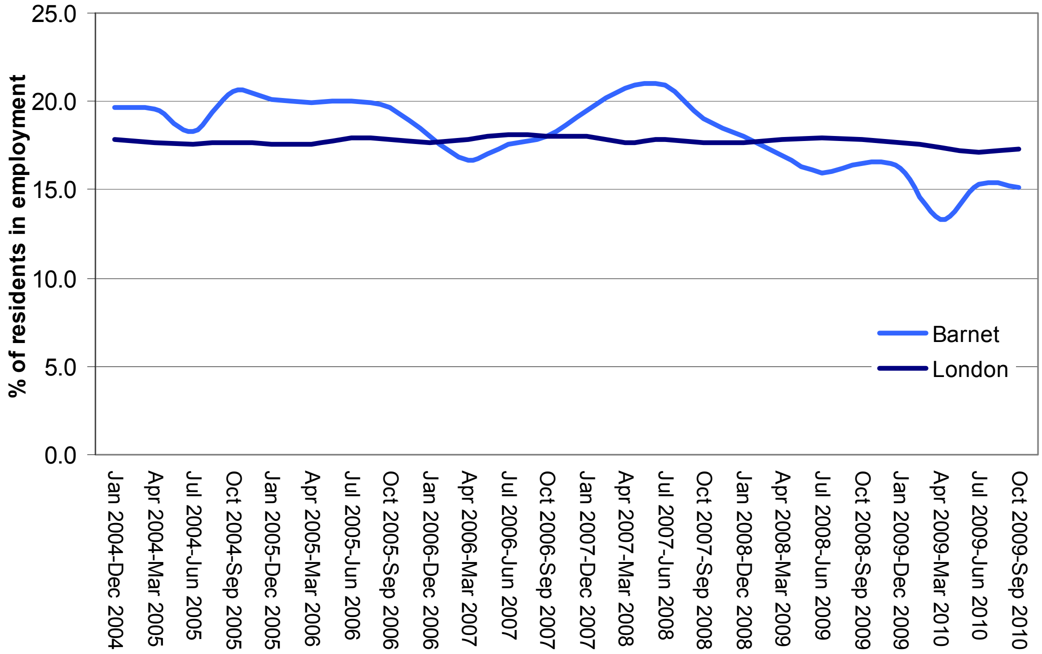


Source: ONS APS 2010

2.7.2 Although Barnet is performing relatively well in the top three occupational sectors, the changes experienced by these sectors over time is noteworthy. Most striking is the peaks and troughs in the percentage of residents employed as managers or senior officials: 20.9 per cent of residents in June 2007 – July 2008 dipped to a low of 13.3 per cent in April 2009-March 2010 before rising again the subsequent quarter[32]. This change over time is shown graphically in figure 2.7b below. However, the proportion of ordinary professionals has seen a corresponding increase from 19.4% in October 2004 to September 2005 to 16.4% in the year to September 2010[33].

[32] ONS APS 2010 via Nomisweb
[33] ONS APS 2010 via Nomisweb

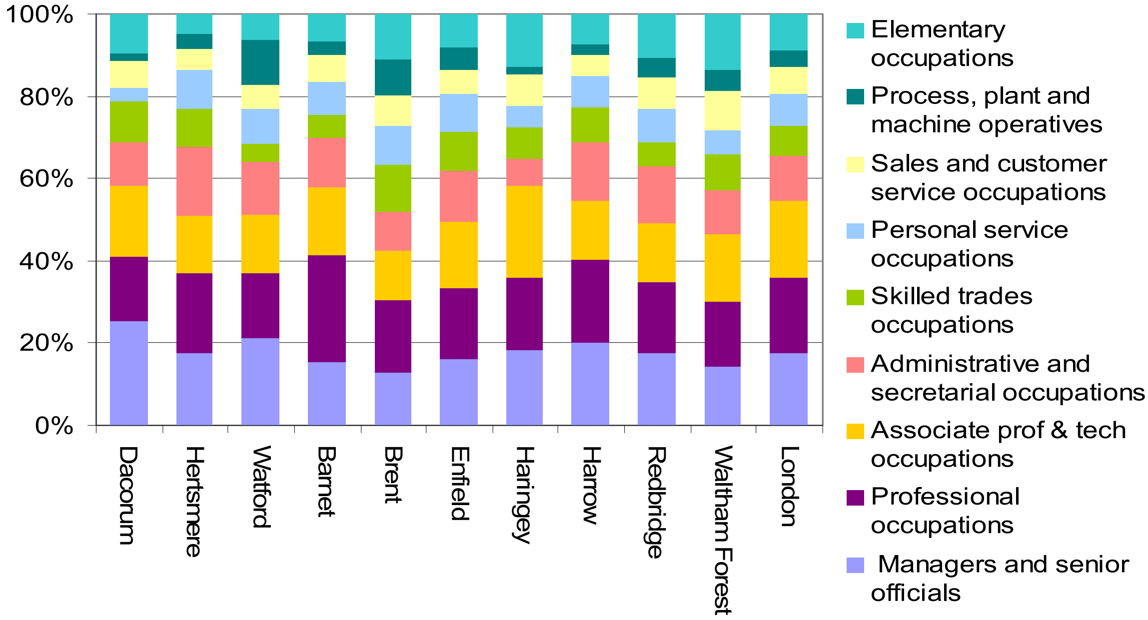
Figure 2.7b Percentage of residents who are employed as Managers or Senior Officials October 2009- September 2010



Source: ONS APS 2010

2.7.3 Barnet has a considerably lower proportion of its residents employed in occupations considered to be lower skilled and lower paid than our neighbours and London as a whole. In 2009-10 9.9 per cent of Barnet's employee population – 16,000 individuals - worked in elementary occupations or were employees process plant and machine operatives; 2.8 per cent less that the proportion in the capital as a whole (12.8 per cent)[34].

Figure 2.7c Occupational sectors for employed residents October 2009- September 2010



Source: ONS APS 2010

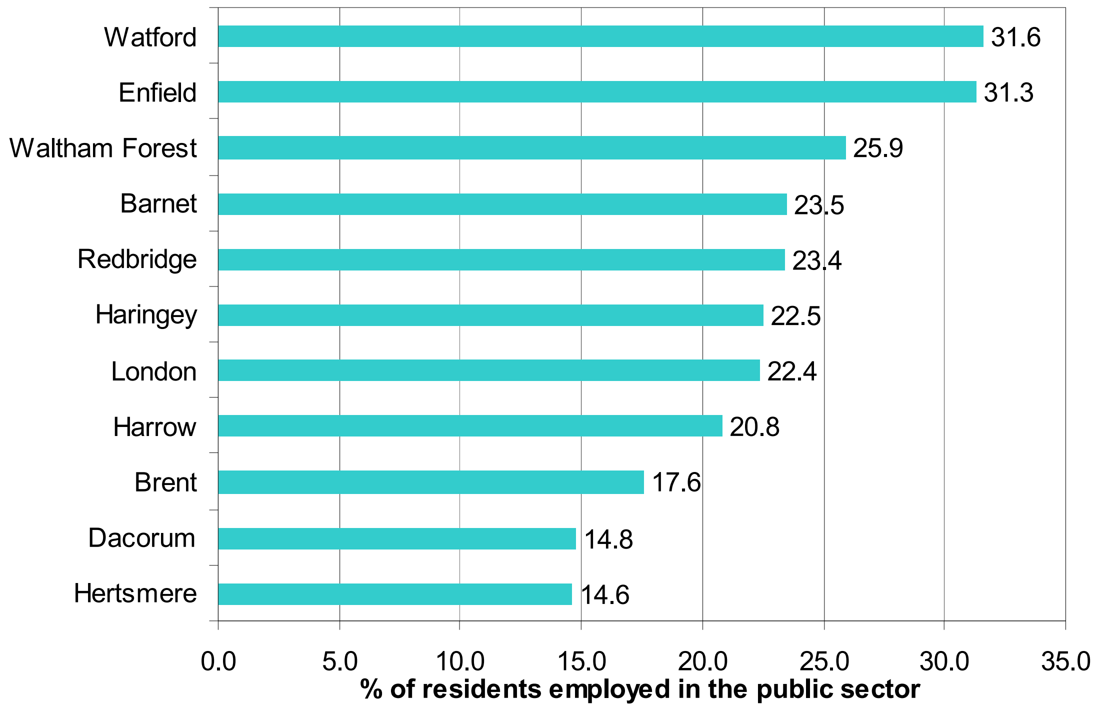
[34] ONS APS 2010 via Nomisweb

2.7.4 Public Sector Employment

2.7.4.1 The level of public sector employment[35] in an area has become a salient issue since the Coalition Government came into power in May 2010. Employment in this sector is considered particularly vulnerable over the next few years, as national policy measures put forward by the Government as part of the move to reduce the budget deficit will result in a reduction in public sector employment.

2.7.4.2 As shown in figure 2.7a above, Barnet residents are employed across a fairly broad range of sectors, however 23.5 per cent of all those in employment (38,500 people) are in public sector positions. This is only slightly higher than London (22.4 per cent) as a whole and around average for the sub-region apart from Waltham Forest (25.9 per cent), Enfield (31.3 per cent)[36] and Watford (31.6 per cent).

Figure 2.7d Public sector employment, October 2009 - September 2010



Source: ONS APS 2010

2.7.4.3 Although Barnet's residents are not as dependent on public sector employment as neighbouring boroughs such as Enfield, this sector still represents nearly 1 in 4 employee jobs, with the Council and the NHS representing two of the largest employers in the borough. The anticipated reduction in employment (both of employee jobs in Barnet and the employment of residents) in this sector over the next few years is likely to lead to a number of challenges for the borough, the implications of which need to be understood, and potentially managed through policy. See chapter 3.7 which considers the areas for future employment growth within the borough.

[35] Refers to employment in the following sectors: Public admin/defence; Education; Health and social work.
[36] ONS APS 2010 via Nomisweb (October 2009 - September 2010 data)

2.7.4.4 The level of public sector employment of Barnet's residents has tended to be just above that of London's, although varying slightly, since 2004. Employment in this area reached a low of 18.7 per cent prior to the recession, in Apr 2007-Mar 2008, when over 9,100 less people (28,100) were employed by the public sector than currently.

2.7.5 Volunteering

2.7.5.1 Although it is hard to quantify in terms of hours or monetary value, the contribution of unpaid volunteers to Barnet's economy needs to be acknowledged.

Barnet's voluntary and community sector comprises 1000 local charities and community groups. On average there are 6 volunteers for each paid staff member in community organisations. It is estimated that 40,000 volunteers are active in Barnet including Trustees, befrienders and advocates. 15 per cent of Barnet's voluntary and community sector have less than 5 paid staff and 85% have only Trustees and volunteers managing the group. Volunteering numbers vary widely; there are well resourced and established organisations like Jewish Care which reported working with 2,000 volunteers, RSVP (Retired and Senior Volunteer Programme) with 600 volunteers; but there are also small groups working effectively with only two or three volunteers like Ayesha Community Education.

The importance of this sector is growing since the Government announced the 'Big Society' initiative, aimed at moving the provision of some public services over to the volunteer sector, and enable and encourage more people to give their time up for worthy causes. It is a reasonable assumption that a noteworthy proportion of Barnet residents who are economically inactive (as detailed in chapter 3.10.6) but do not want a job, spend some of their time with volunteering work.

2.8 Earnings and Income Profile of Barnet's Workforce

2.8.1 Barnet is a prosperous borough, as demonstrated by the above-average household income levels in the area. In 2011 the median[37] annual household income in Barnet was £36,215; nearly £2,800 (4 per cent) higher than that of London (£33,441), which in turn is nearly £5,000 higher than the average for Great Britain (£28,445)[38], as figure 2.8a, demonstrates.

2.8.2 The borough is home to a notably higher level of households with incomes of over £75,000 than London as a whole; with 13.3 per cent of households in this income bracket compared to 11.6 per cent, representing around 18,400 households[39].

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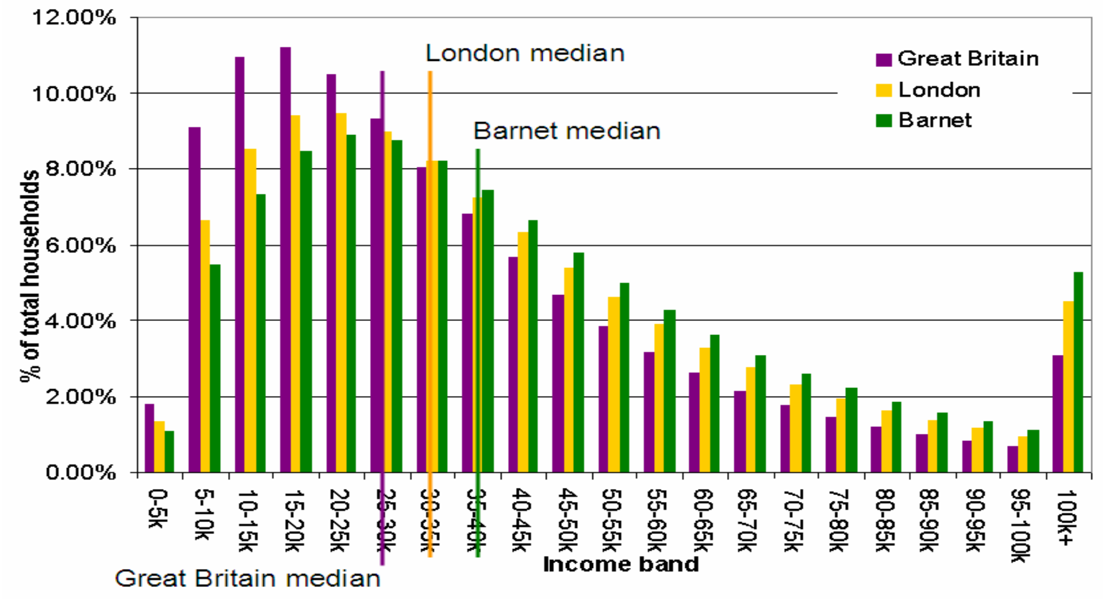
[37] Barnet's mean income is higher than the median (£43,100(however median income values are used instead of mean (average) as because this method of calculation is not dramatically affected by unusually high or low values, is generally considered to give a more statistically accurate picture; however it should be acknowledged that some areas of Barnet do have very high average incomes, as figure 3.7b shows.

[38] CACI Equivalised Paycheck 2011

[39] CACI equivalised Paycheck 2011

Figure 2.8a Median Annual Household Income in Barnet, London and Great Britain 2011



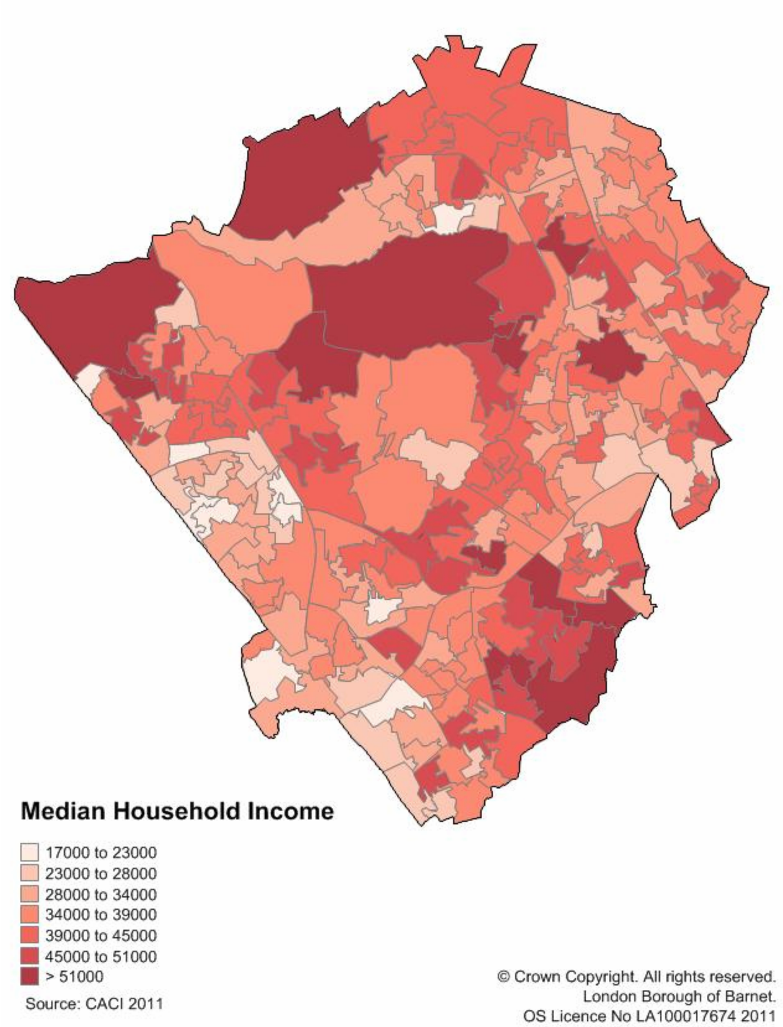
Source: CACI equivalised Paycheck 2011

2.8.3 Barnet also has a smaller proportion of households with an annual income of under £25,000 - 43,000 households - representing 31.3 per cent of total compared with 35.37 per cent in London. However there are just under 66,400 households (47.1 per cent)[40] whose income is lower than the average for London[41].

2.8.4 The spatial variation in household income across Barnet can be seen in figure 2.8b below. The map clearly shows the areas of lowest median household incomes (those in the darkest red) along the western corridor, and pockets in the east (Underhill) and south east (Woodhouse, Coppetts and East Finchley), the majority of which correspond with the areas of greatest deprivation (see part 2.11) and the priority regeneration areas.

[40] Taken as the total households with an income of <£30K
[41] CACI equivalised Paycheck 2011

Figure 2.8b Median Household Income levels in Barnet's Super Output Areas, 2011

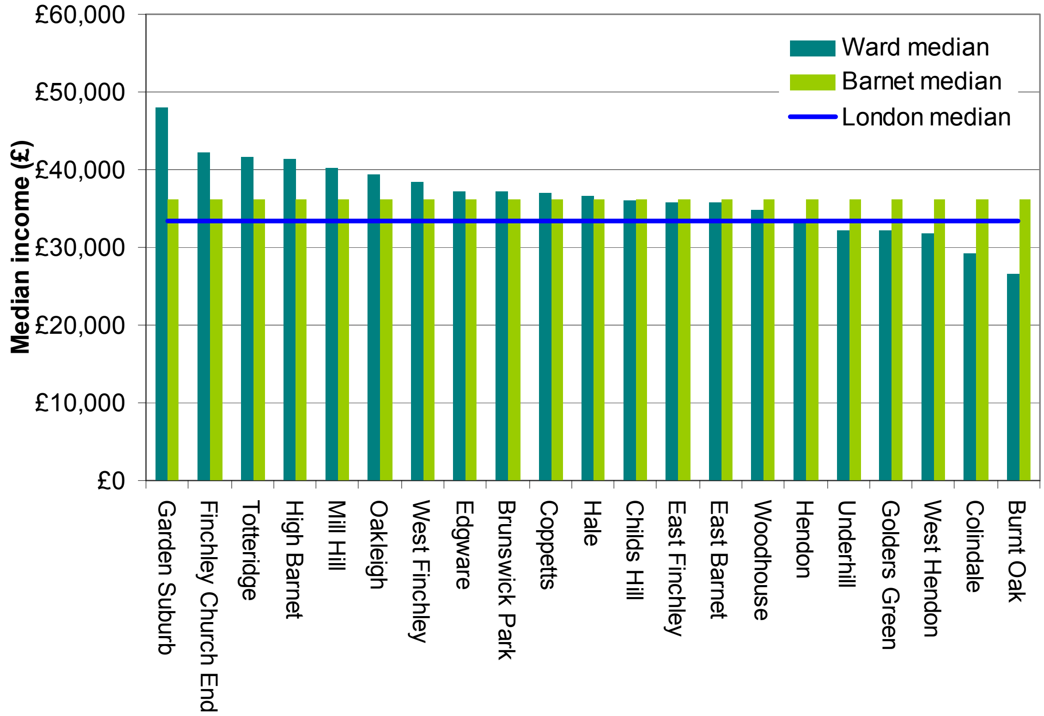


Source: CACI equivalised Paycheck 2011

2.8.5 At a ward level, consistent with those ranking highest for deprivation, Burnt Oak and Colindale have the lowest average incomes with households in these wards earning 26.6 per cent and 19.5 per cent less respectively than the median for the borough[42]. Household income in Finchley Church End on the other hand, is over £6,000 above the borough median (16.6 per cent higher), whilst in Garden Suburb, this figure almost doubles to nearly £12,000 more (32.6 per cent higher than the borough average). The disparity between the household incomes of the poorest and richest wards has remained largely unchanged since 2009.

[42] *CACI equivalised paycheck 2011*

Figure 2.8c Barnet Median Incomes by Ward 2011



Source: CACI Equivalised Paycheck 2011

2.8.6 As can be seen in figure 2.8d, the median income for the borough has increased considerably by 17.7 per cent from 2007 to 2011, well above the increase seen in London of 9.8 per cent, and above, although more in line with, the increase in median income experienced by Outer London boroughs[43].

Figure 2.8d Change in median household income, 2006-2011

	2007	2008	2009	2010	2011	% change 2007-2011
Barnet	£ 30,779	£31,454	£31,554	£32,129	£36,215	17.7%
Inner London	£ 31,564	£31,852	£30,766	£31,379	£32,588	3.2%
Outer London	£ 29,732	£29,665	£29,797	£30,507	£34,036	14.5%
London	£ 30,456	£30,509	£30,168	£30,168	£33,441	9.8%
Great Britain	£ 26,100	£25,486	£26,518	£26,518	£28,445	9.0%

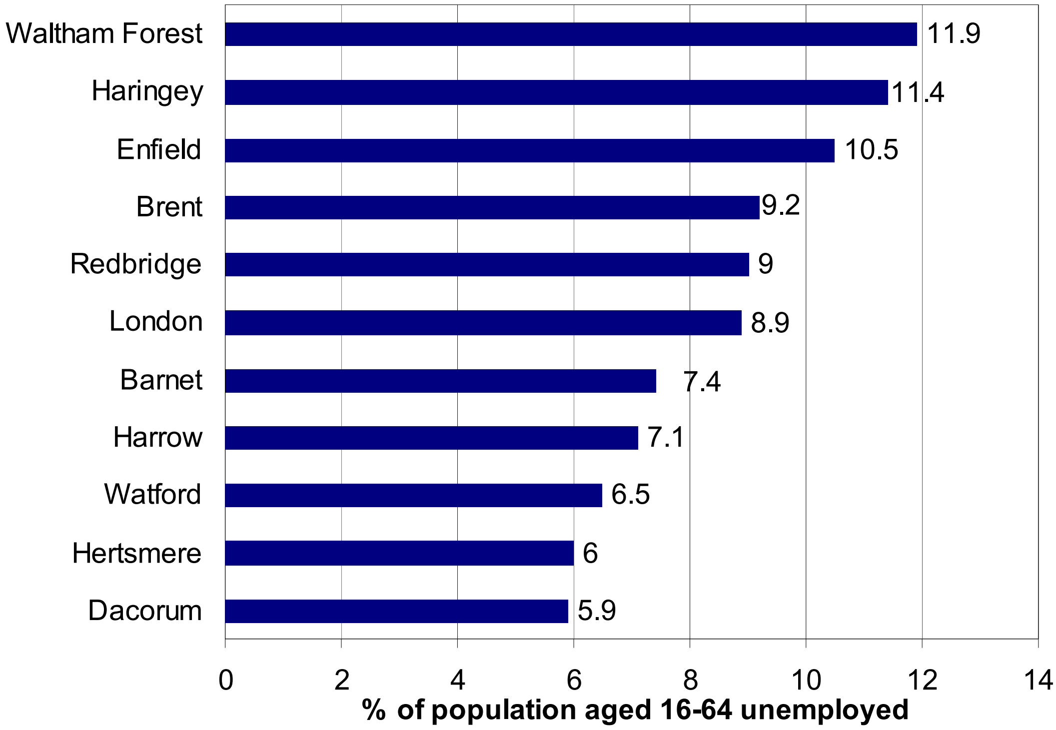
Source: CACI Equivalised Paycheck 2011

43 *CACI Equivalised Paycheck 2011*

2.9 Unemployment and out-of-work benefits

2.9.1 In order to take account of unemployed people who do not claim benefits, the ONS have developed a model which considers unemployment as a proportion of the economically active population 16-64 year olds. The most recent data using this model-based measure show Barnet performing relatively well in terms of the proportion of unemployed persons aged 16-64. In 2009-10, 7.4 per cent of Barnet's working age population – 12,900 individuals - were unemployed [44]. This is lower than that of London (8.9 per cent), Great Britain (7.7 per cent) and our London sub-regional neighbours with the exception of Harrow (7.1 per cent). Barnet has the 9th lowest rate of model-based unemployment of all the 33 London boroughs.

Figure 2.9a Unemployment Rate, October 2009 - September 2010

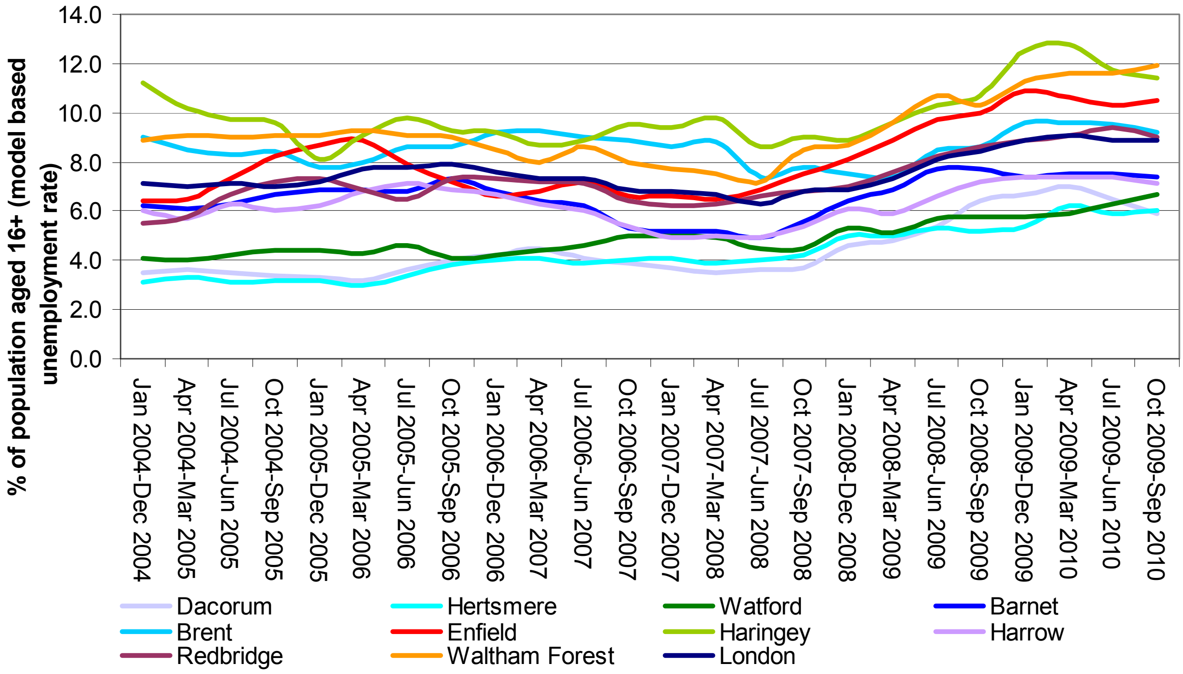


Source: APS 2010 (Model based)

2.9.2 Barnet has traditionally enjoyed a low and stable unemployment rate compared to the London and sub-regional averages. With the impact of the recession being felt across the UK from 2008, Barnet did experience a steep hike in unemployment from a low of 4.9 per cent in July-June 2007-08 to 7.7 per cent a year later (July-June 2008-09)[45]. However unemployment in the borough is still generally lower than our neighbours and our unemployment rate appears to be levelling off at around 7.4/7.5 per cent, whilst the unemployment rate continues to rise in many other London boroughs, as can be seen in figure 2.9b below.

[44] ONS APS 2010 via Nomisweb (October 2009 - September 2010 data). The ONS has developed a statistical model-based estimate of unemployed as unemployed estimates within local authorities are based on very small samples so for many areas would be unreliable. The model-based estimate is calculated as a proportion of the economically active.
[45] ONS APS 2010 via Nomisweb (July 2007-June 2008 and July 2008–June 2009 data)

Figure 2.9b Unemployment Rate from March 2002 to September 2010

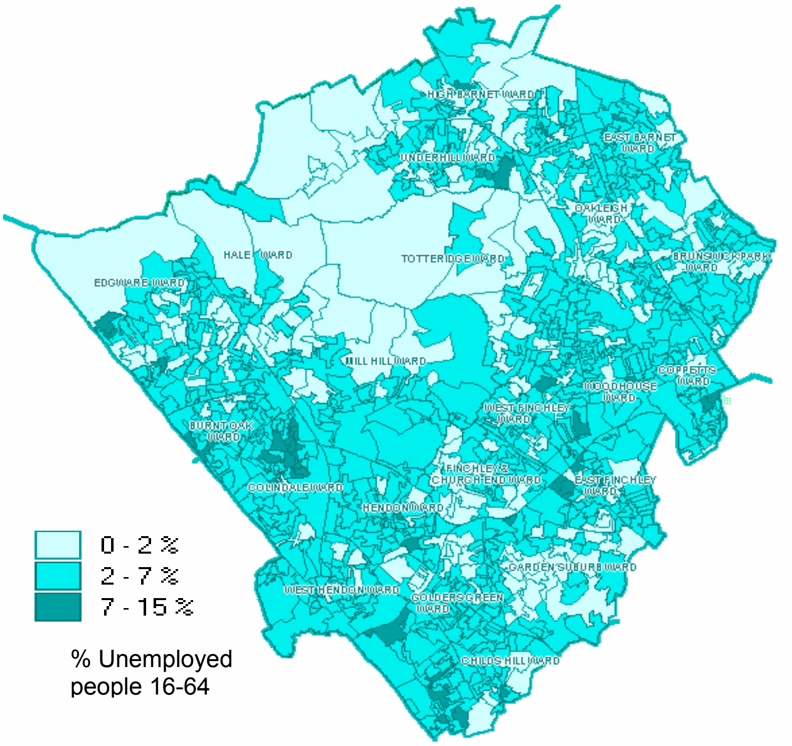


Source: APS 2010 (Model-based)

2.9.3 As can be seen in figure 2.9c, levels of unemployment within the borough vary significantly. Unemployment ‘hotspots’, where around 1 in 10 to 1 in 7 people aged 16-64 are seeking work, are concentrated in the more deprived areas, mainly along the western (A5) corridor, where one fifth of the working age populations of Burnt Oak and Colindale claim “key out of work” benefits[46] and a clustering of hotspots along the west corridor of the borough. Neighbourhoods in Colindale and Edgware also have some of the highest unemployment rates, corresponding with the regeneration estates of Grahame Park and Stonegrove and Spur Road.

[46]“Key out of work” benefits include those in receipt of Job Seekers Allowance (JSA), Employment and Support Allowance (ESA) and incapacity benefits, lone parents and others on income related benefits.

Figure 2.9c Percentage of Unemployed People aged 16-64, 2001



Source: Census 2001

2.9.4 Unemployment by Key Groups

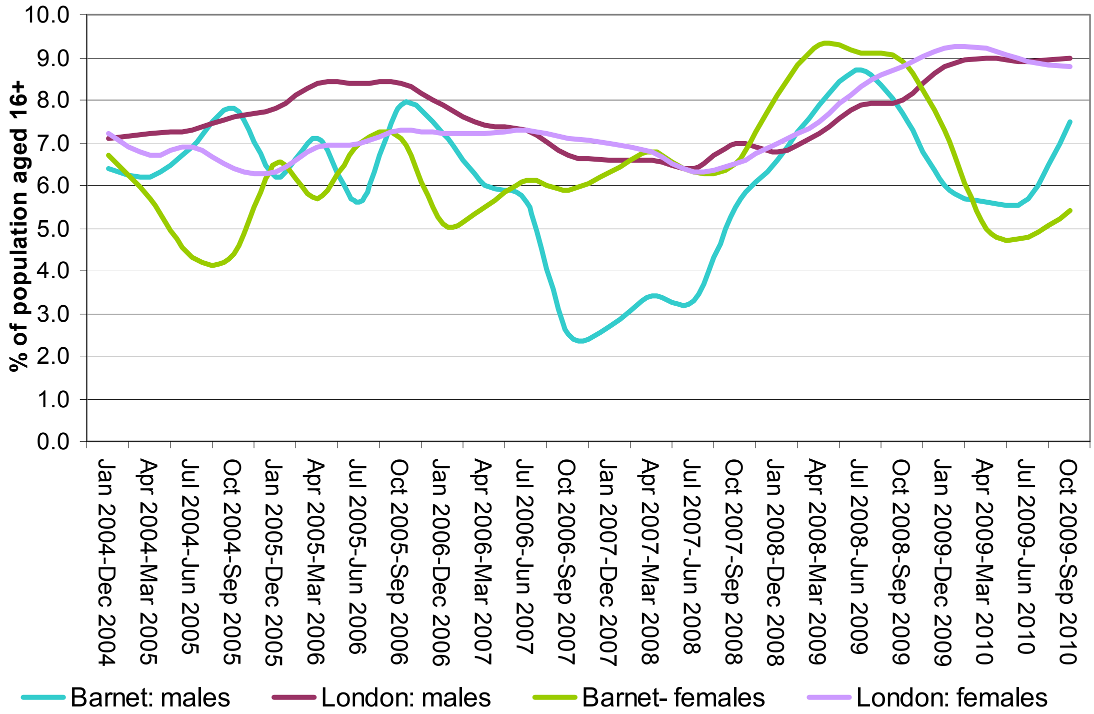
2.9.4.1 When looking at unemployment by key groups, information on non-model based unemployment has to be used as model-based unemployment estimates are not produced for unemployed by gender, age or ethnic minority.

2.9.4.2 In 2009-10, the unemployment rate for males and females of working age stood at 8 per cent (6,900) and 5.1 per cent (4,000) respectively. Male unemployment in Barnet has worsened by two percentage points since April 2009-March 2010 data and has higher male unemployment than Haringey (6.9 per cent), Brent (7.0 per cent), Redbridge (7.3 per cent) and Harrow (7.7 per cent). Conversely, female unemployment in Barnet at this time was the third lowest in London, a dramatic improvement from ranking 10th worst in London the previous year[47].

2.9.4.3 Unemployment rates for both sexes have fluctuated significantly over the last six years. The female unemployment rate was on a steep upward trend from 2006-07 to 2008-09 following three years of stability. For males, levels sharply declined from 2005-06, falling to a historical low of 3.2 per cent in 2007-08, although they rose again above the London average to 8.2 per cent the following year, likely to be the impact of the recession. See figure 2.9d below.

[47] ONS APS 2010 (October 2009 - September 2010 data)

Figure 2.9d Male & Female Unemployment Rates, Barnet & London, January 2004- September 2010



Source: APS 2010

2.9.4.4 2007-08 also saw the largest divergence between the unemployment rates of each sex, with unemployment amongst females more than double that of men (7.0 per cent of females versus 3.2 per cent of males); a significant variance from the London trend[48].

2.9.4.5 When examining unemployment in terms of age, it is clear that school leavers (aged 16-19) and young adults (aged 20-24) are disproportionately affected by unemployment, particularly in the current economic climate. October 2009 – September 2010 data shows that school leavers and young adults had unemployment rates of 30.9 per cent and 11.1 per cent respectively[49].

2.9.4.6 High levels of unemployment within these age cohorts are common-place across the sub-region and London in general. Most noteworthy are Brent and Harrow's rates of unemployment among their 16-19 year olds, which stood at 57.5 per cent and 46.7 per cent respectively[50].

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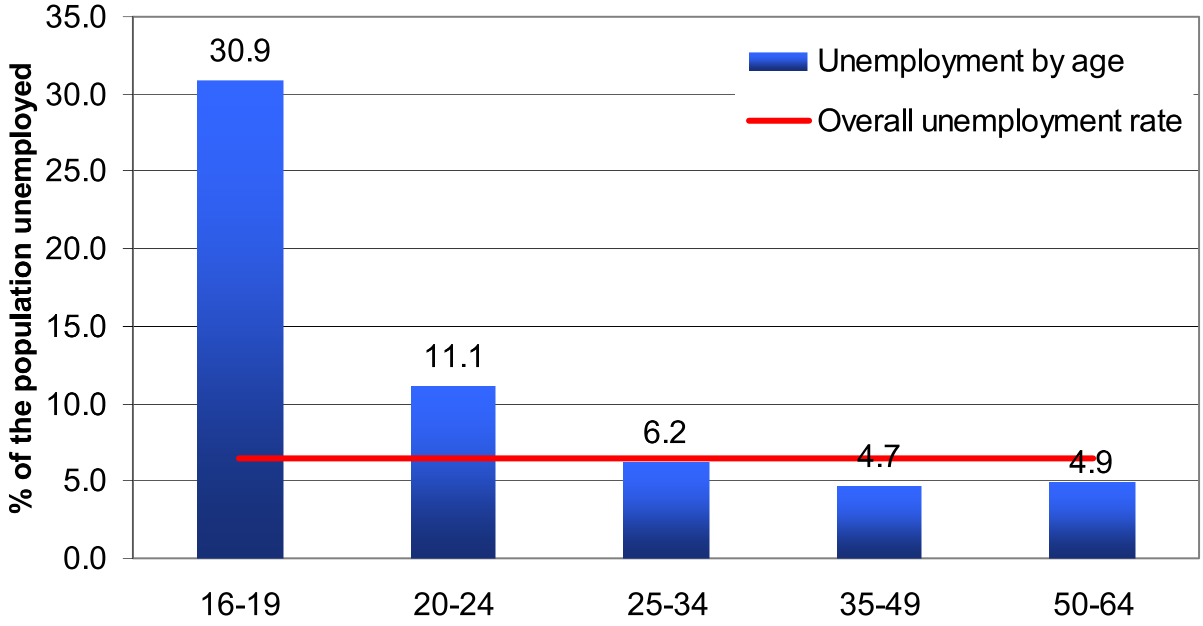
[48] ONS APS 2010 (April 2007-March 2008 data)
[49] ONS APS 2010 (October 2009 - September 2010 data)
[50] ONS APS 2010 (October 2009 - September 2010 data)

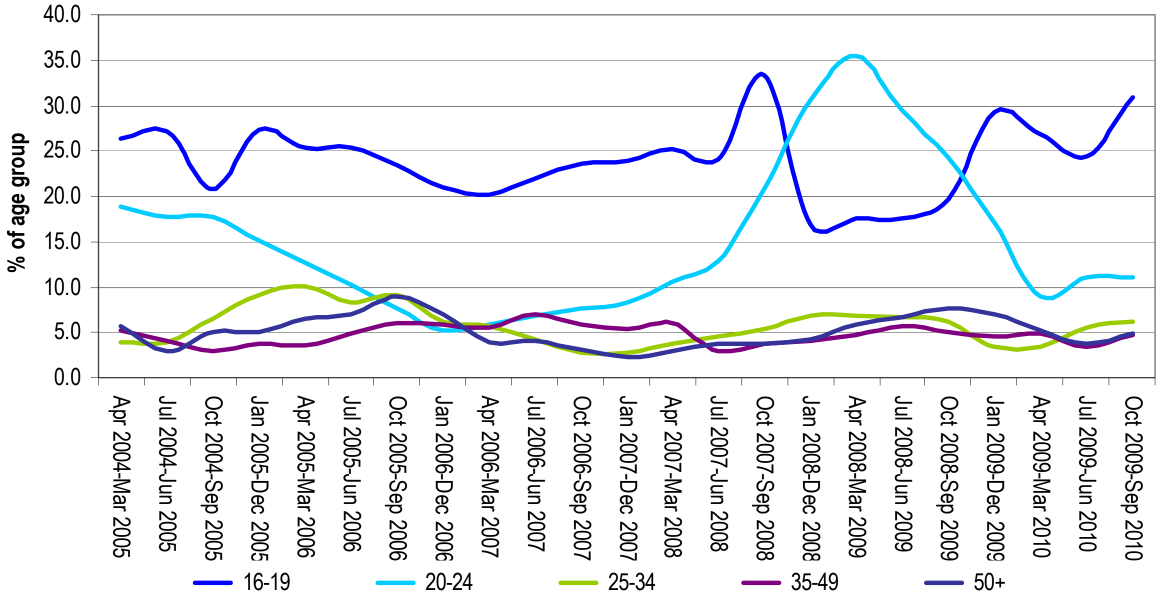
Figure 2.9e Unemployment Rate by Broad Age Group in Barnet; October 2009- September 2010[51]



Source: APS 2010

2.9.4.7 Although the unemployment rate for 16-19 year olds in Barnet is below the London average (37.1 per cent), the rate has been increasing since 2008 as can be seen if figure 3.8f, highlighting the impact of the recession on young people's job opportunities. This has also impacted on the number of young people Not in Employment, Education or Training (NEETs) in the borough, see chapter 3.9.7.

Figure 2.9f Unemployment by Age Group; April 2004-Sep 2010

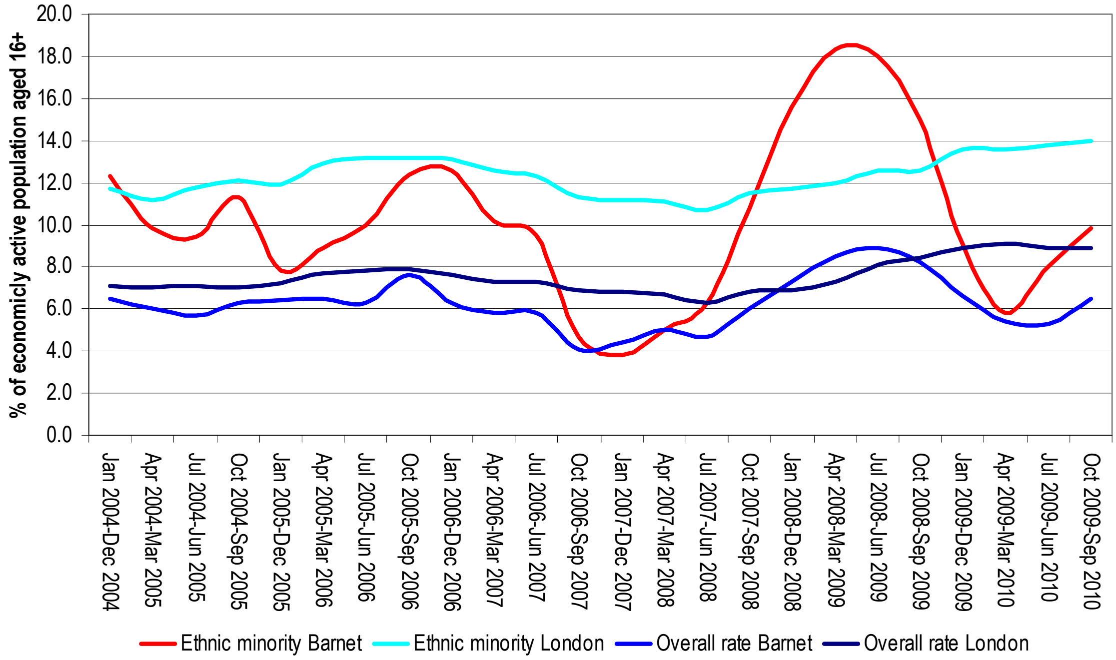


Source: APS 2010

[51] Non-model based unemployment rate. This is lower than the model based figure used more frequently for unemployment however local authority level model- based unemployment by age is not available.

2.9.4.8 The level of unemployment amongst ethnic minority groups has historically, and continues to be, higher than the average for the population overall (3.3 per cent higher than average unemployment in Barnet in October 2009 – September 2010). In Barnet the distinction between the rates has fluctuated significantly over the past six years, from almost being level in October 2006-September 2007 but rising by 13.6 per cent to 18.3 per cent in Apr 2008-Mar 2009[52]. At this point the overall level of unemployment also increased, however not as dramatically, suggesting that employment prospects of ethnic minority groups was disproportionately affected by the recession. However, unemployment amongst ethnic minority groups fell again to 9.8 per cent of the working age population in October 2009-September 2010. See figure 2.9g below.

Figure 2.9g Ethnic Minority Unemployment Rates 16+, Barnet & London, October 2004 – September 2010



Source: APS 2010

2.9.5 Out-of-work benefits

2.9.5.1 Barnet is home to a below-average proportion of key benefit claimants in all benefit statistical groups than the average for London; 11.5 per cent of Barnet's working age population, representing 26,130 individuals, are in receipt of some type of working age benefit compared with 14.5 per cent for London as a whole. See figure 2.9h below.

[52] APS 2010 via Nomisweb (October 2006-September 2007 - October 2008-September 2009 data)

Figure 2.9h Working-age Client Group – Key Benefit Claimants in Barnet, London and Great Britain, August 2010

Statistical group	Numbers in Barnet	Barnet %	London %	Great Britain %
Total claimants	26,130	11.5	14.5	14.7
Job seekers	6,430	2.8	3.9	3.5
ESA and incapacity benefits	10,840	4.8	5.9	6.7
Lone parents	4,070	1.8	2.4	1.7
Carers	1,750	0.8	0.9	1.1
Others on income related benefits	1,010	0.4	0.6	0.5
Disabled	1,630	0.7	0.8	1
Bereaved	390	0.2	0.2	0.2
Key out-of-work benefits†	22,350	**9.9**	12.7	12.3

†Key out-of-work benefits includes the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits
per cent is a proportion of resident population of area aged 16-64

Source: DWP benefit claimants - working age client group

2.9.5.2 The proportion of Barnet's working age population receiving these key benefits has remaining relatively stable for the last decade and substantially below the average for London. Barnet had an average claimant rate of 11.2 per cent from August 2000 to August 2010 compared with a London average of 14.3 per cent[53]. This suggests there may be a cohort of the working age population who have chosen not to work/are unable to work and therefore their economic status in unaffected by fluctuations in the economy.

2.9.5.3 When focusing specifically on key out-of-work benefits, Barnet also has a lower claimant rate than London overall by nearly three per cent, however claimant rates vary widely across the borough. As aforementioned the wards with the highest proportions of out-of-work benefit claimants are clustered in the west of the borough, with Burnt Oak and Colindale having the highest proportions at 15.9 per cent and 14.9 per cent respectively in August 2010. Coppetts, East Finchley, Edgware, Underhill, West Hendon and Woodhouse wards also had higher than the borough-average levels of claimants during the same period. Conversely, Garden Suburb had less than half the borough average claimant count (4.2 per cent). See figure 2.9i below.

[53] DWP benefit claimants - working age client group (August 2000 – August 2010 data)

Figure 2.9i Working-age Client Group – Key Out-of-work Benefit Claimants in Barnet by ward, August 2010

Ward	Population (Mid 2009)	Key out-of-work Benefit Claimant Count (February 2010)	per cent of Working Age Population
Brunswick Park	10957	995	9.1
Burnt Oak	11801	1880	15.9
Childs Hill	12888	1300	10.1
Colindale	10777	1610	14.9
Coppetts	11940	1290	10.8
East Barnet	11798	1105	9.4
East Finchley	9778	1075	11.0
Edgware	10262	1030	10.0
Finchley Church End	8875	655	7.4
Garden Suburb	8738	370	4.2
Golders Green	10306	980	9.5
Hale	11270	1120	9.9
Hendon	11255	1040	9.2
High Barnet	9951	755	7.6
Mill Hill	11971	1015	8.5
Oakleigh	10510	930	8.8
Totteridge	9433	615	6.5
Underhill	11059	1310	11.8
West Finchley	10362	910	8.8
West Hendon	10949	1175	10.7
Woodhouse	11520	1190	10.3
Total	**226,400**	**22,350**	**9.9**

Key
2.5% or more than borough average
2.5% or less than borough average
Equal to or less than borough average

Source: DWP Information Directorate & ONS Ward Population Estimates mid-2009

2.9.6 Job Seekers Allowance (JSA)

2.9.6.1 There were 6,430 claimants on Job Seekers Allowance (JSA) in Barnet in August 2010, accounting for 2.8 per cent of the working age population. This is a lower rate than that of London (3.9 per cent) and Great Britain (3.5 per cent) and the second lowest level in the sub-region, after Harrow (2.8 per cent)[54]. See figure 2.9j below.

2.9.6.2 Barnet experienced a notable increase in the number of JSA claimants from mid-2008 onwards as the effect of the recession was felt on employment; from 3,550 (1.6 per cent of the working age population) in May 2008 to a high of 6,840 (3 per cent of the working age population) in August 2009. However, the London and national rates increased more rapidly during the same period;

[54] ONS via Nomisweb (February 2010 data)

by 1.6 per cent (from 2.4 per cent to 4 per cent) and 1.8 per cent (from 2 per cent to 3.8 per cent) respectively[55].

Figure 2.9j Unemployment, Benefit Claimant and JSA Claimant Rates, October 2009 - September 2010 & August 2010

Area	% Unemployment Rate October 2009 - September 2010	% All key out-of-work Benefits August 2010	% JSA Claimants August 2010
Barnet	7.4	9.9	**2.8**
Brent	9.2	15.7	5.1
Camden	8.2	11.8	3.1
Enfield	10.5	15.6	4.8
Haringey	11.4	17.3	6.0
Harrow	7.1	8.9	2.6
Redbridge	9.0	11.1	3.6
Waltham Forest	11.9	15.7	5.4
London	8.9	12.7	3.9
Great Britain	7.7	12.3	3.5
* per cent is a proportion of economically active ** per cent is a proportion of resident population aged 16-64			

Source: APS ONS 2010 & ONS Claimant Count 2010

2.9.6.3 Similar to the distribution of unemployment within the borough, the highest numbers of JSA claimants are concentrated in the west of the borough. For instance, in August 2010, Burnt Oak and Colindale had JSA claimant rates of 4.1 per cent of their working age populations, almost 1.5 times the borough average (2.8 per cent). Childs Hill, Coppetts, East Barnet, East Finchley, Underhill, West Hendon and Woodhouse wards also had higher than the borough-average levels of claimants during the same period. Conversely, Garden Suburb had less than half the borough average claimant count (1.3 per cent). See figures 2.9k below.

2.9.6.4 The majority of Barnet's JSA claimants appear to be unemployed for less than 6 months (67.3 per cent in January 2011)[56], compared with 65 per cent and 58.9 per cent in Enfield and Haringey respectively. This higher level of short term JSA claimants, is likely to reflect those who have recently been made redundant, although it also indicates that unemployment in the borough is cyclical rather than structural with people moving repeatedly between unemployment and low-paid, temporary work[57]. This suggest that people are facing barriers that make it difficult to find sustainable employment, such as lacking the required employment skills, or facing barriers such as childcare or personal issues.

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[55] ONS via Nomisweb (May 2008 & August 2009 data)
[56] DWP 2011 (January 2011 data)
[57] Joseph Rowntree Foundation Cycles of poverty, unemployment and low pay, Feb 2010

Figure 2.9k JSA Claimants by ward, August 2010

Ward	Population (Mid 2009)	JSA Claimant Count (August 2010)	% of Working Age Population
Brunswick Park	10957	295	2.7
Burnt Oak	11801	480	4.1
Childs Hill	12888	400	3.1
Colindale	10777	440	4.1
Coppetts	11940	360	3.0
East Barnet	11798	355	3.0
East Finchley	9778	290	3.0
Edgware	10262	275	2.7
Finchley Church End	8875	240	2.7
Garden Suburb	8738	115	1.3
Golders Green	10306	290	2.8
Hale	11270	290	2.6
Hendon	11255	295	2.6
High Barnet	9951	220	2.2
Mill Hill	11971	285	2.4
Oakleigh	10510	275	2.6
Totteridge	9433	185	2.0
Underhill	11059	370	3.3
West Finchley	10362	270	2.6
West Hendon	10949	345	3.2
Woodhouse	11520	345	3.0
Total	**226,400**	**6,430**	**2.8**

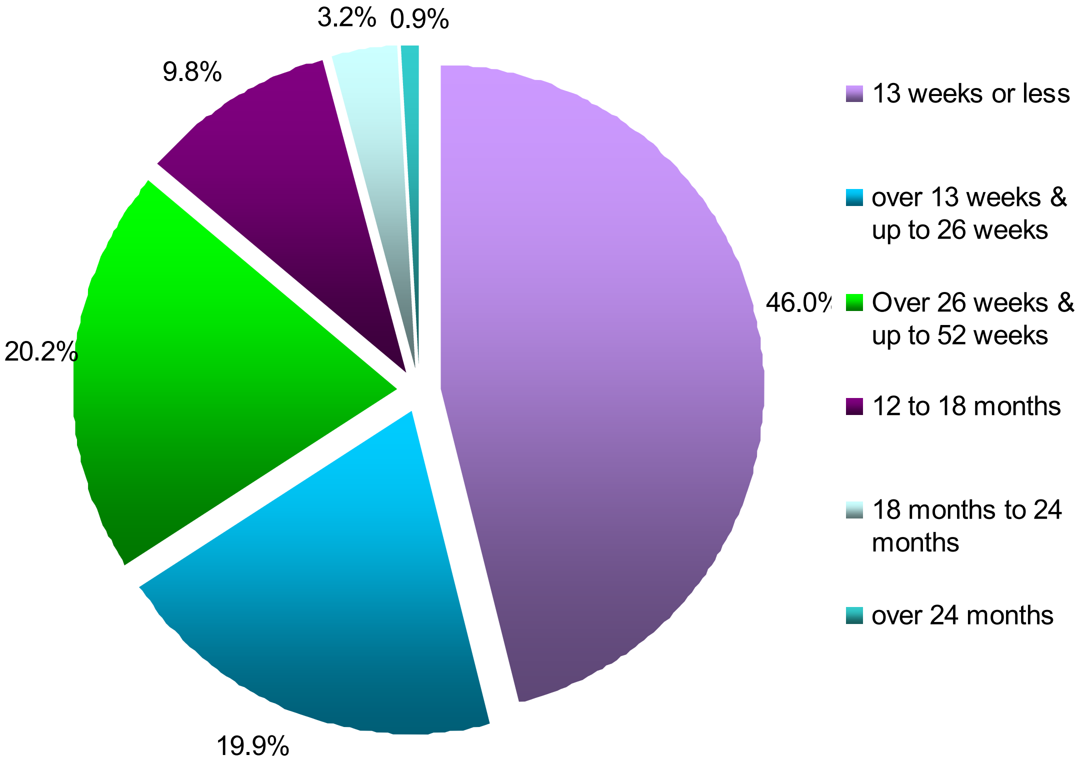
Key
- 1% or more than borough average
- 1% or less than borough average
- Equal to or less than borough average

Source: DWP Information Directorate & ONS Ward Population Estimates mid-2009

2.9.6.5 The overall number of JSA claimant rose from May 2008 to peak in February 2010 at 7,275 people; during this period, the number of people long-term unemployed i.e. for more than 6 months and more than 12 months rose by almost 211 per cent and 173 per cent respectively, however the number of JSA claimants has now fallen 11 per cent to 6,440[58]. The number of people out of work for more than 6 months in Barnet increased from a low point of 555 (14 per cent of all the unemployed) in October 2007 to 2,385 (18.8 per cent of all the unemployed -12,7000) in June 2010. There was a similar trend amongst the longer term unemployed whose numbers increased from a low of 430 in October 2008 to 955 (10.6 per cent of all unemployed) in October 2010[59]; the number of long-term unemployed has remained above 900 since August 2010.

[58] DWP 2011 (January 2011 data)
[59] ONS APS 2010

Figure 2.9l Barnet JSA Claimants by Duration of Claim, January 2011



Source: DWP 2010

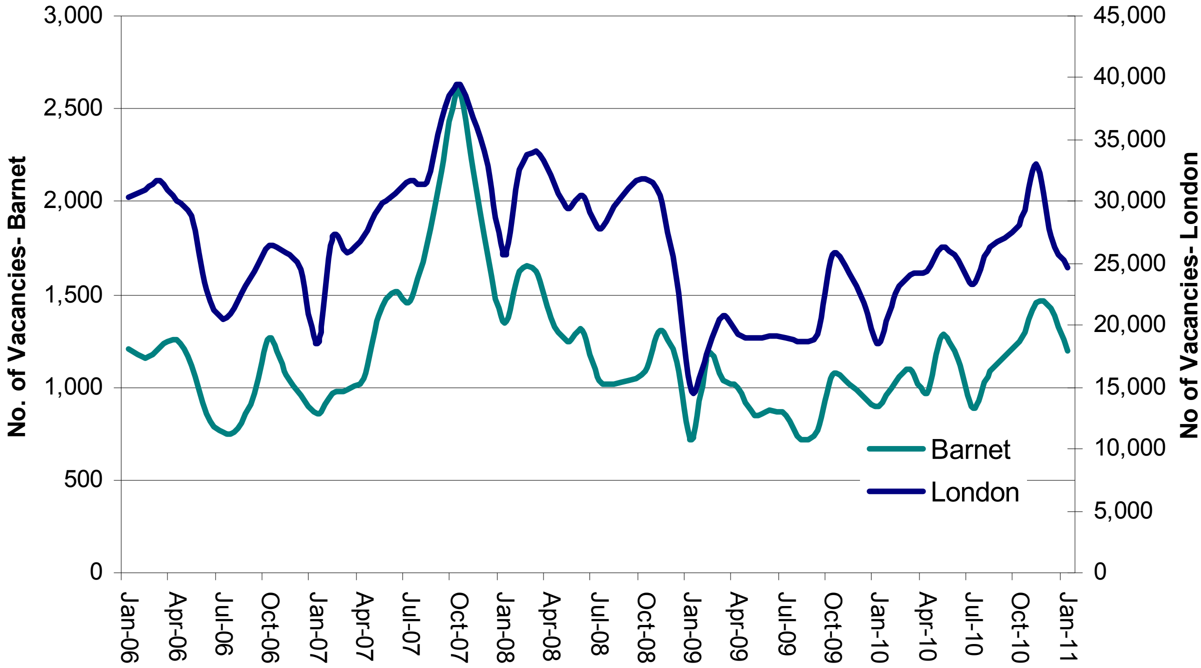
2.9.7 Job Centre Plus (JCP) Vacancies

2.9.7.1 In order to understand the labour market in Barnet, it is helpful to have a handle on the jobs market. Although examining JCP vacancies only includes jobs advertised with them, it nonetheless gives an indication of job prospects in the borough. Despite the economic downturn, JCP advertised 943 live unfilled job vacancies for Barnet companies in March 2011[60]. Although the number of vacancies in Barnet has ebbed and flowed since a peak of 1,303 vacancies in November 2008 to a low of 722 vacancies in January and August 2009, as can be seen in figure 2.9m below, the number of JCP vacancies increased from August 2010 to February 2011 before declining again in August 2011. The level of unfilled vacancies, advertised through JCP, in Barnet has largely been in line with the level in London as figure 2.9m shows.

2.9.7.2 When the number of JSA claimants and the number of JCP unfilled vacancies are examined side by side, Barnet has seen the number of JSA claimants per job vacancy fluctuate from a low of 2.7 claimants per unfilled vacancy in April 2008 to 7.2 per cent in March 2011[61] suggesting that competition for jobs intensified over this period, increasing the likelihood of Barnet unemployed residents experiencing longer periods of unemployment. However, Barnet still had averagely fewer JSA claimants per job vacancy when compared with London and our sub-regional neighbours during this period.

[60] ONS APS 2010
[61] Job Centre Plus Vacancies via Nomisweb (March 2011 data)

Figure 2.9m Job Centre Plus Unfilled Vacancies in Barnet and London; June 2009 – January 2011



Source: ONS

2.9.8 Employers reporting a 'Skills Gap'

2.9,8.1 Skills gaps exist where employers report having employees who are not fully proficient at their job[62]. A strong match between the qualifications of the available workforce and employers' demand for skills is desirable for a strong and sustainable economy. A significant skills gap suggest failure of education and training systems to provide the skills that the market and economy require, thus companies have to search outside of the local area for employees that suit their needs.

2.9.82 Barnet compares favourably with other London boroughs on this measure, and the UK overall, with 15 per cent of employers reporting that their employees did not meet the requirements, the 8th lowest in London where the average is 17 per cent (19 per cent for the UK)[63].

[62] National Employer Skills Survey (NESS) commissioned by the Learning and Skills Council (LSC), Department for Education and Skills (DfES) and Sector Skills Development Agency (SSDA) (National Indicator 174 'Skills gaps in the current workforce reported by employers' collected data until April 2010)

[63] NESS, 2009

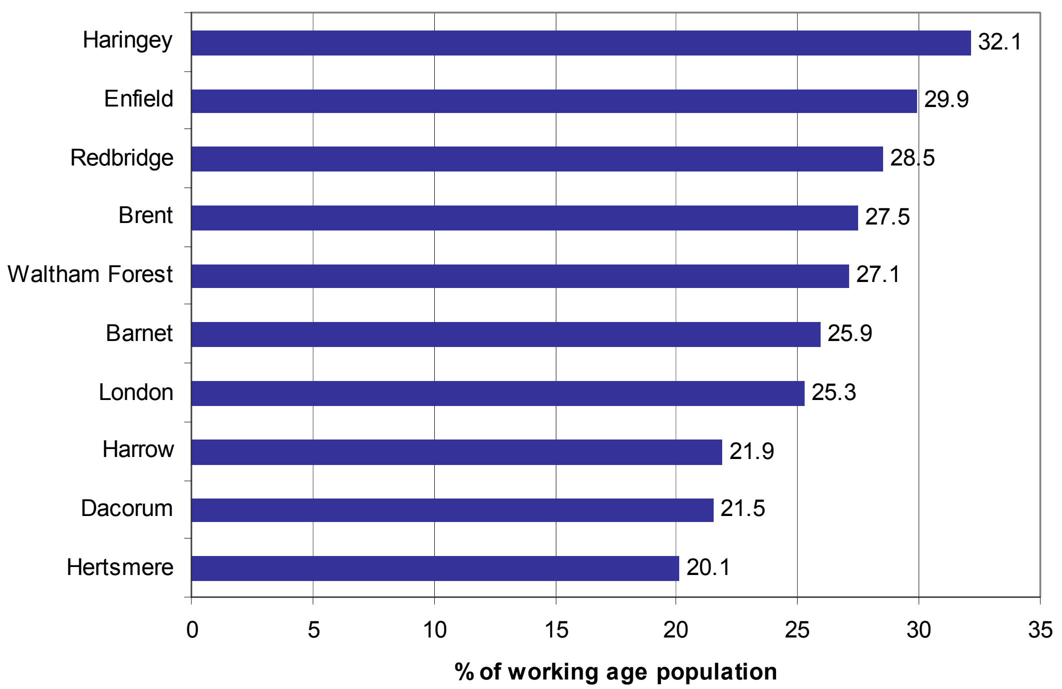
The Labour Market & Economic Inactivity

2.10 Economically Inactive & Worklessness

2.10.1 Worklessness is a less familiar term than unemployment to describe those who are ‘economically inactive’. The economically inactive are people of working age who are not working, not in full-time education or training or are not actively seeking work. Many are outside of the labour market voluntarily, because of family responsibilities or early retirement for example. It can also include those who are out of work because of illness. Such people may be claiming Incapacity Benefit (IB) or Employment Support Allowance (ESA)[64].

2.10.2 As aforementioned at the beginning of the chapter, in October 2009-September 2010, 25.9 per cent of Barnet’s working age population – 57,300 individuals - were economically inactive[65]. Barnet’s rate of economic inactivity was ranked at the midpoint in London during this period. Figure 2.10a below illustrates Barnet’s economic inactivity rate as well as those of its closest neighbours during this period.

Figure 2.10a Economically Inactive, aged 16-64, October 2009-September 2010

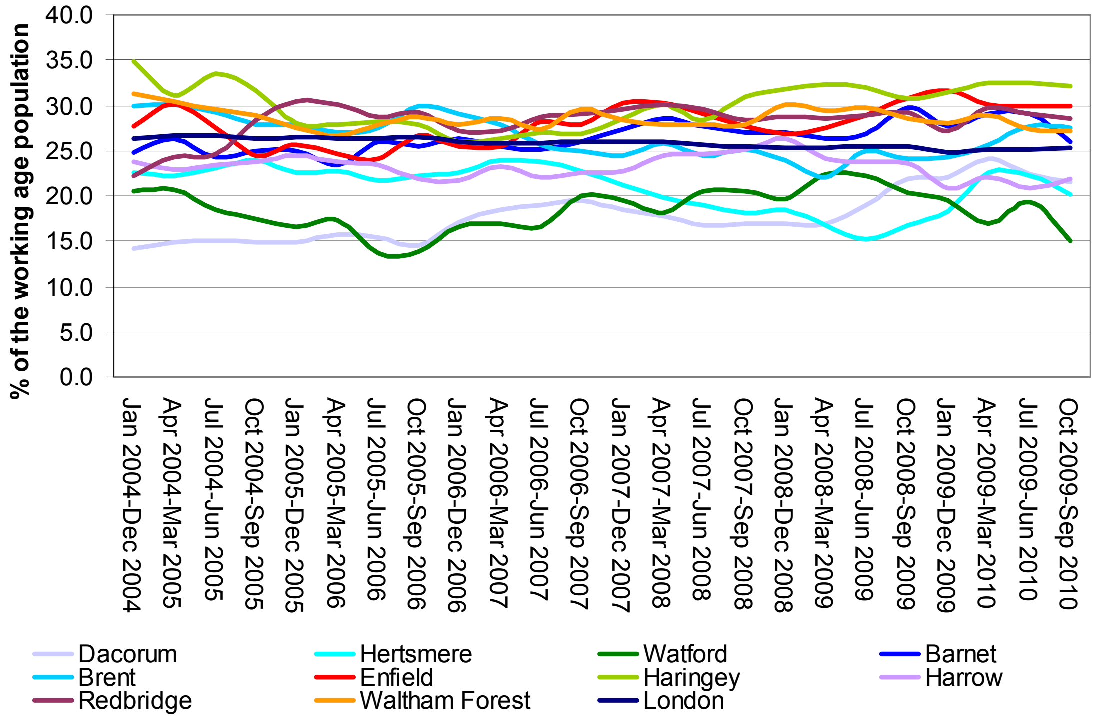


Source: APS 2010

2.10.3 Levels of economic inactivity in Barnet, and in neighbouring London boroughs, have broadly increased (worsened) from 2005 and 2009, diverging from the London trend of a gradual fall in levels.

[64] Local Government Improvement and Development Agency definition
[65] ONS via Nomisweb (October 2009- September 2010 data)

Figure 2.10b Economically Inactive, 2004-2010



Source: APS 2010

2.10.4 Economic inactivity rates are a good method of reflecting the gaps in the level of labour market participation between different groups in Barnet. Overall, 25.9 per cent of the borough's working age residents are economically inactive, however this rate rises to 70.4 per cent for those 16-19 and 31.3 per cent for those aged 20-24; higher than the London averages for these age cohorts (64.5 per cent and 34.4 per cent respectively) likely to be an indication that a relatively high number of Barnet's young people choose to continue with full-time education after leaving school. There is also a gender gap; a rate of 20.6 per cent for males is over 10 per cent less than that for females (31 per cent). For working age white residents, the inactivity rate is 20.4 per cent compared with 36.6 per cent for ethnic minority residents. 46.8 per cent of people with disabilities in Barnet are economically inactive, compared with 47.7 per cent in London as a whole[66].

2.10.5 Employment Support Allowance (ESA), Incapacity Benefit (IB), Severe Disablement Allowance (SDA) and Other Out-of-Work Benefits

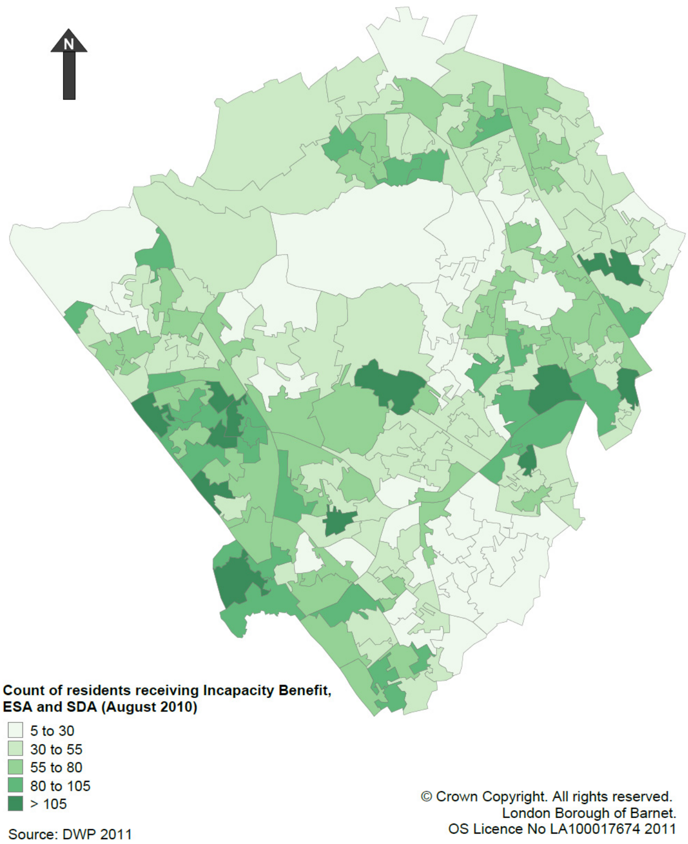
2.10.5.1 Recipients of 'inactive' out-of-work benefits e.g. ESA and IB, lone parents and other income related benefits are far less likely to be affected by short-term economic cycles, since many face multiple barriers to employment including lack of skills, poor health, caring responsibilities or long-term detachment from the labour market.

2.10.5.2In August 2010, the latest data available, there were 10,840 claimants on ESA and IB in Barnet, accounting for 4.8 per cent of the working age population. This is a lower rate than that of London (5.9 per cent) and Great Britain (6.7 per cent) and the second lowest level in the sub-region, after

[66] ONS via Nomisweb (October 2009 – September 2010 data)

Harrow (4.4 per cent). The percentage of Barnet's working age population in receipt of ESA and IB has remained relative constant for the last decade, with an average claimant rate of 4.6 per cent of the working age population[67]. However, the number of claimants has increased quarter on quarter since August 2008. This could be linked to changes in eligibility to benefits for Lone Parents that have a youngest child aged 12 and over, as of October 2008, indicating that a proportion of claimants previously in receipt of benefits for Lone Parents may have moved onto ESA/IB.

Figure 2.10c ESA and IB Claimants by Lower Super Output Area, February 2010



2.10.5.3 The variation in ESA and IB recipients across Barnet can be seen in figure 2.10c above. Similar to JSA recipients, the map illustrates the areas with the highest numbers of ESA and IB claimants (those in the darkest green) along the western corridor (Burnt Oak and Colindale), and pockets in the east (Underhill) and south east (Woodhouse, Coppetts and East Finchley), the majority of which correspond with the areas of greatest deprivation (see part 2.11).

2.10.5.4 When examining IB and SDA claimants in Barnet, a significant majority (66.5 per cent-, representing 5,650 people) have been claiming for over 5 years. This is the joint lowest level in London (with Hillingdon) where the average is 69 per cent[68].

[67] ONS via Nomisweb (August 2000 – 2010)
[68] DWP from Nomisweb – August 2010 data

2.10.5.5 Just under half (46.6 per cent) of all claimants fall into the mental health and behavioural disorder category, equal to the overall London figure but higher than the national figure of 43.7 per cent; nearly 7 in 10 of these have been claiming for more than 5 years.

2.10.5.6 The age group with the highest claimant rates for IB/SDA are those aged 35 to 44 (in line with London and the UK). This group is also highest for people claiming for more than 5 years and for people with mental health issues or behavioural disorders.

Figure 2.10d Breakdown by age and duration of people claiming IB/SDA August 2010

Age	Total	up to 3 months	3 months up to 6 months	6 months up to 1 year	1 year and up to 2 years	2 years and up to 5 years	5 years and over
18 -24	320	~	~	~	30	220	70
25 -34	1,040	~	10	10	40	380	600
35 - 44	1,940	~	~	20	100	590	1,230
45 – 49	1,270	~	~	10	50	340	870
50 – 54	1,450	~	~	10	60	380	1,010
55 - 59	1,480	~	~	10	40	370	1,060
60 - 64	870	~	~	~	10	170	690
TOTAL	**8,490**	**10**	**20**	**70**	**310**	**2,440**	**5,650**

Source: DWP 2010

2.10.5.7Incapacity Benefit (IB) and Severe Disablement Allowance (SDA) reassessment, which started in February 2011, is expected to have an impact on the nature of unemployment rates, as a significant proportion of clients will be found to be ‘Fit for Work’ and will migrate onto either Job Seekers Allowance (JSA) or Employment Support Allowance (ESA). The current Job Centre Plus (JCP) planning assumption is that 23 per cent of customers will be disallowed ESA and will therefore migrate to JSA. In Barnet this would represent a transfer of 1,953 people to Job Seekers Allowance based on August 2010 figure of 8,490 claimants[69].

2.10.5.8 As a result of these changes, the profile of JCP customers is likely to change, with a new cohort with higher support needs and a rise in clients with mental health and behavioral disorder issues (as clients with these problems are likely to be disproportionately found Fit to Work under the reassessments), and the long term unemployed. This will have significant implications for Barnet’s support services and JCP resources.

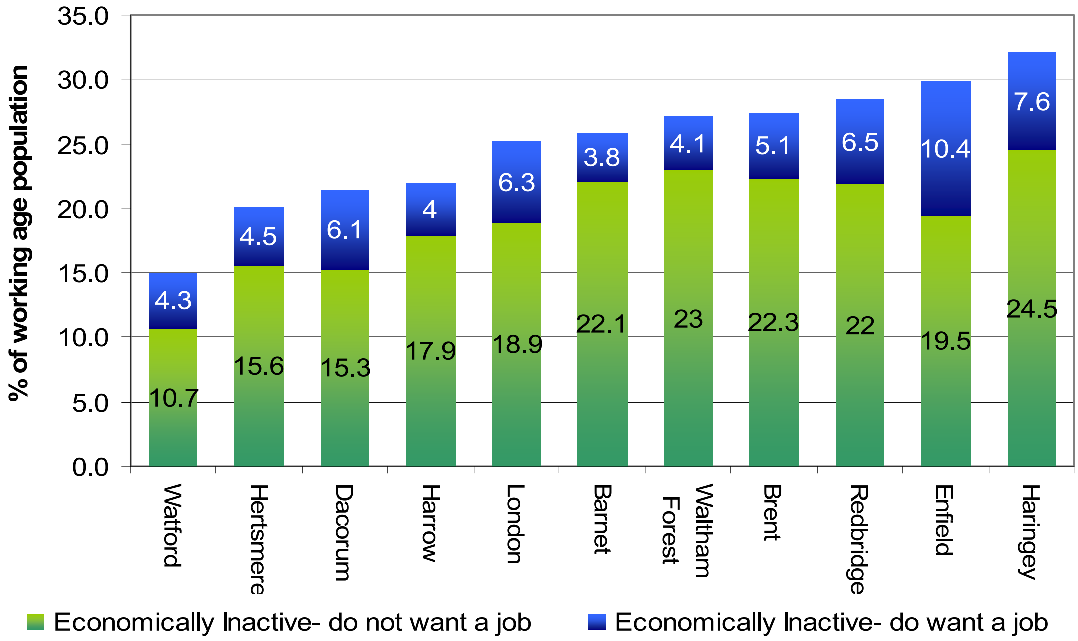
[69] DWP from Nomisweb (August 2010 data)

2.10.6 Economically Inactive – Wanting a job, not wanting a job

2.10.6.1 Economically inactive residents fall into one of two categories: they either want a job[70] or do not want a job[71]. In October 2009- September 2010, 8,400 of Barnet's economically inactive individuals (3.8 per cent of the working age population) wanted a job. Interestingly, more than double the number of females than males were economically inactive wanting a job during this period (5,900 females versus 2,500 males). During this period, Barnet's economically inactive wanting a job rate was the lowest in the whole of London. The number of Barnet's economically inactive persons wanting a job almost doubled from 2004 to 2008-09, when it increased from 5.5 per cent to 9.9 per cent before falling again in 2009-10. During the same period, the London and national trends remained more stable during this period; varying between 6.1-6.9 per cent and 5.1-5.5 per cent respectively[72].

2.10.6.2In 2009-10, 22.1 per cent of Barnet's working age population – 49,000 individuals – were economically inactive individuals not wanting a job. This is higher than the London average (18.9 per cent) but lower than neighbours Brent (22.3 per cent), Waltham Forrest (23 per cent) and Haringey (24.5 per cent)[73]. Figure 2.10e below graphically shows the proportion of the economically inactive working age population that wanted/didn't want a job. It should be recognised that although these residents may fall under the definition of 'economically inactive', they may contribute to the borough in other ways through volunteering and supporting family members.

Figure 2.10e Proportion of economically inactive working age population wanting/not wanting a job, October 2009 – September 2010



Source: APS 2010

[70] Want a job - people not in employment but who want a job are not classed as unemployed because they have either not sought work in the last four weeks or are not available to start work (Nomis definition).
[71] Do not want a job - people who are neither in employment nor defined as unemployed and who do not want a job (Nomis definition).
[72] APS 2010 via Nomisweb (January 2004-December 2004 & October 2008-September 2009 data)
[73] APS 2010 via Nomisweb (October 2009 – September 2010 data)

2.10.6.3 Although 22.1 per cent of the boroughs working age population were economically inactive and don't want a job in October 2009 – September 2010, the rate rises to 25.8 per cent for females compared with 18.3 per cent of males. The female rate is only slightly higher than the London average of 25.3 per cent but the male rate is almost 6 per cent higher than the London average (12.7 per cent)[74].

2.10.6.4 The Barnet Childcare Sufficiency Assessment (CSA) undertaken in 2011, provides a comprehensive picture of childcare in Barnet through analysing the supply and demand of childcare services and how parents' needs are being met. It found that parents of young children in Barnet face potential barriers to employment due to the relatively high childcare costs in the borough compared to London overall. Although the survey found that the take up of the free entitlement to nursery education has increased from 96 per cent in 2008 to 98.5 per cent, HMRC's figures for take up of formal childcare by low income families show lowest take up in the deprived LSOAs within Colindale, West Hendon and Golders Green wards[75].

2.10.7 16-18 Year Olds not in Employment, Education or Training (NEETs)

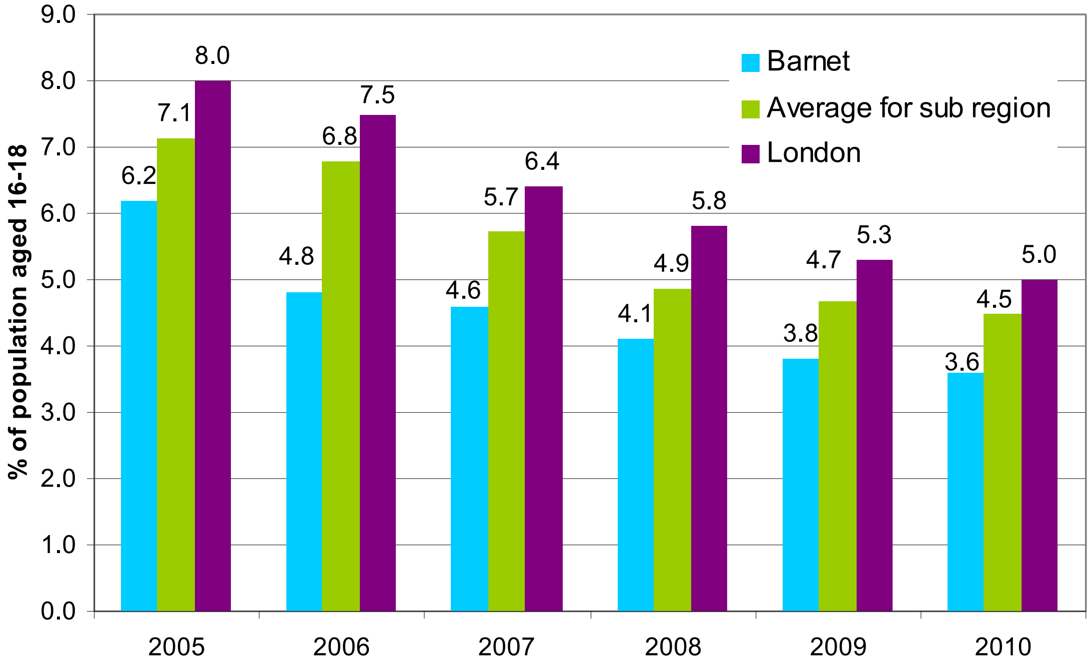
2.10.7.1 The issue of NEET (young people aged 16-18 Not in Education, Employment or Training) has received a great deal of attention and consequentially resources to tackle the problem, in recent years, and particularly since the recession. The rising number of NEETs has an obvious impact on the economy, as well as on the wellbeing of the young people concerned; and research by the London School of Economics shows that the average NEET will cost the taxpayer £97,000 during their lifetime[76]

2.10.7.2 Barnet has consistently had a low level of NEETs compared to London and the other boroughs of the sub-region, with just 3.6 per cent (306 people) compared to 5.0 per cent across London in 2010, as figure 2.10f shows; the third lowest level of NEETs in the capital after Harrow and Kingston[77]. The level of NEETs as a proportion of the total population aged 16-18 has been declining across the capital since 2005, and the level in Barnet has fallen by 2.4 per cent over this period[78] .

2.10.7.3 Recent data has shown an encouraging improvements in the number of resident learners participating in post 16 education; between 2007/8 and 2009/10 3 per cent more progressed on to further education and sixth form colleges (where the regional trend has been no change), while there was a 6 per cent increasing in the number choosing to continue their education in schools and academies[79].

[74] APS 2010 via Nomisweb (October 2009 – September 2010 data)
[75] Barnet CSA 2011
[76] http://www.idea.gov.uk/idk/core/page.do?pageId=13919780
[77] DfE NCCIS (National Client Caseload Information System)
[78] NI117 from FTI (data no longer updated)
[79] Young People's Learning agency – Barnet 16-19 2011

Figure 2.10f Level of NEET 16-18 years olds in Barnet, London and the Sub-region[80] 2005-2010



Source: DfE NCCIS (National Client Caseload Information System)

2.10.7.4 The level of NEET young people is not uniform across the borough, with nearly 30 per cent of the all NEETs coming from just three wards; Burnt Oak, West Finchley and Underhill, while just 1.3 per cent come from the affluent ward of Garden Suburb[81]. The NEET level is also much higher among some of the most vulnerable young people in the borough, for example, care leavers, teenage mothers and young offenders.

2.11 Deprivation

2.11.1 Barnet is a successful outer London suburb, and tends to be considered to be one of the more affluent areas of London. However, there are significant variations from area to area, and this overall affluence masks the presence of pockets of deprivation. The nature and extent of deprivation in England is measured by the government, using a range of data covering areas such as income, employment and health. The results are published as the 'Indices of Deprivation' (IMD), which is produced every three years, with the most recent data published in 2010 (IMD10). Barnet's IMD10 ranked 24th out of 33 London local authorities[82], 3 places lower than 2007, a return to the 2004 level.

2.11.2 The IMD10 results show Barnet as less deprived in relation to other local authority areas than it was in 2007. Barnet's overall deprivation level is in the middle point in the national ranking; 165th out of 326 English Local Authorities (1 is the most deprived). Barnet has no areas ('super output areas') within the top 10 per cent most deprived nationally, whilst in 2007 there were six in this bracket. However, Barnet has twelve super output areas that are within the top 20 per cent most deprived in the country. The wards of Burnt Oak,

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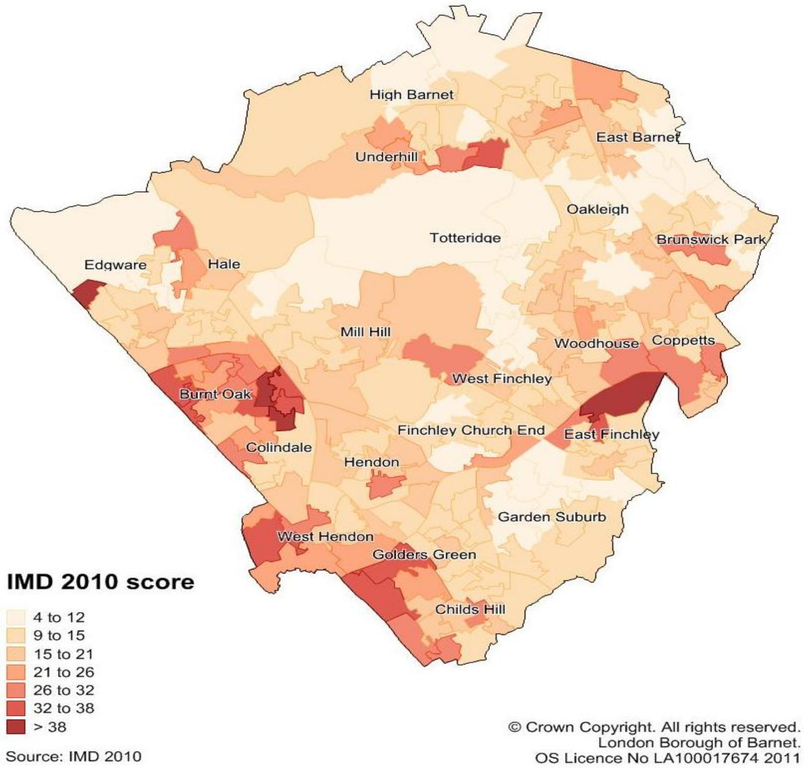
80 Barnet, Brent, Enfield, Haringey, Harrow, Redbridge and Waltham Forest
81 Career Vision Integrated Youth Support Management Information Report March 2011
82 Communities and Local Government The English Indices of Deprivation 2010

Colindale and West Hendon remain the three most deprived wards in Barnet, as was the case in 2007.

Figure 2.11a Indices of Multiple Deprivation 2010 of Super Output Areas (SOAs) within Barnet



Source: ONS IMD2010

2.11.3 As can be seen in figure 2.11a, the areas ranked highly for deprivation in Barnet are concentrated in pockets, and focused in the western area of Barnet, along the A5 corridor, and in the south-east, in the Coppetts and Woodhouse wards. These areas of deprivation tend to correlate with those designated for regeneration, thus illustrating the need for strategic regeneration and redevelopment in these areas. In Barnet the Grahame Park estate in Burnt Oak and Colindale wards is particularly noteworthy as it has a number of SOAs in the top 10 or 20 per cent most deprived nationally/

2.12 Strengths, Weaknesses, Opportunities, Threats

2.12.1 Strengths and Opportunities

2.12.1.1. Barnet is an affluent and attractive borough with a well qualified population, high employment levels and a higher proportion of residents employed in better paid roles than London overall, with the consequent higher levels of income; these aspects help make the borough a desirable place to live and work.

2.12.1.2 Barnet has the second highest level of self employment in London, with a significant proportion of residents working mostly from home, suggesting a high level of enterprise. The arrival of the new high speed broadband in 2012 will give the borough's businesses and residents an opportunity to take advantage of.

2.12.2 Weaknesses and Threats

2.12.2.1 Barnet has a relatively high number of residents working in the public sector, whose jobs are likely to be vulnerable to cuts in funding. There is a threat that if these residents, and others who have lost their job in the recession, are unable to find suitable employment they will either end up being unemployed or under-employed[83], and both situations have an effect on the economy as well and on the wellbeing of the individuals concerned. This will also have a knock on effect for those further away from the labour market with a new cohort of qualified and experienced job seekers.

2.12.2.2 Although the borough has a low unemployment rate overall, some groups appear to be disproportionately affected by unemployment. The unemployment rate of people under 24 is considerably higher than the average for the borough. Youth unemployment has been shown to have a damaging effect on both society and the individual's life chances, so this is potentially a worrying issue for the borough that could be exacerbated further by planned cuts to public spending. Higher unemployment levels among Ethnic minorities could also threaten Barnet's community cohesion, and have a damaging effect on the borough.

2.11.2.3 The planned reassessment of those currently claiming incapacity benefit onto either Employment Support Allowance (ESA) or Job Seeker's Allowance (JSA) is likely to result in around a quarter claimants being found fit to work and placed on JSA. This change will have an impact on the level and distribution of resources available for those on unemployment benefit, and there need to be jobs available and appropriate for these people, otherwise the borough could see a rise in the number of long-term unemployed.

[83] See Appendices 2: Definitions

Chapter 3: An Enterprising borough: Business and Industry in Barnet

3.1 Introduction and Overview

This chapter examines the structure of Barnet's economy, including detailed information on the number of jobs and size of businesses in the borough, business births, deaths and survival rates and an examination of the key sectors and industries providing employment in the borough. The chapter then looks at the areas of economic activity within Barnet, and examines the level of future job growth and the variation in growth between sectors.

Key findings

- Barnet has the third highest number of businesses in London after Camden and Westminster - 17,934 in 2008
- Barnet has high numbers of small and medium enterprises (SME) and fewer large businesses: 91% of businesses in Barnet have less than 10 employees and less than 2% have over 50 employees
- Barnet has the highest job density in the north London sub-region (equal with Brent) of 0.63 jobs per working age resident
- Whilst the total number of jobs in the borough increased by 1.45% from 2000 to 2008, due to the greater increase in the working age population, job density actually fell over this time
- In 2007, Barnet had the third highest levels of VAT registrations in London as a whole. Conversely, Barnet had the fourth highest levels of VAT de-registrations in London as a whole during the same year
- Service industries dominate Barnet's industrial structure, providing over 92.5% of all employee jobs, the highest in the sub-region
- The decline in the manufacturing sector experienced by other London boroughs over the last decade has been less severe in Barnet, largely due to a smaller historic presence of the industry in the borough
- Retail and public sector industries employ the largest proportion of Barnet's employees; 35.4% and 14.5% respectively
- There is a strong knowledge based industry in Barnet, employing just over 27% of employees directly or indirectly in 2007
- Barnet as a workplace appears to offer lower paid jobs compared to elsewhere in London, with full time workers being paid an average of 9.5% less
- Barnet expects to see over 28,000 new jobs provided over the next two decades as part of the regeneration and development in the borough, however the GLA project a lower figure of 14,000 jobs from 2011-2031

3.2 Job Density & Number of Jobs

3.2.1 Barnet's businesses provided employment for 110,747 employees in 2008, the latest year for which figures are available; an increase of almost 4,000 from 2007[84]. This is a significantly higher number of employee jobs than other boroughs in the sub-region as can be seen in figure 3.2a below. The total number of jobs in the borough appears to be reasonably stable, totalling between 106,000 and 114,000 job from 2000 to 2008. Although there has been a 3.31 per cent decline during this period, in this respect the borough has not fared as badly as the majority of its sub-region neighbours, as only London as a whole and Haringey have seen net gains (2.66 per cent and 1.87 per cent respectively) in the number of jobs over this period, against a trend of loss in the wider sub-region[85]. For example, Brent and Waltham Forest have 11.02 per cent and 9.44 per cent fewer jobs in 2008 than 2000[86].

3.2.2 In terms of all employment in the borough (including self-employment), the figure used to calculate job density, the borough has actually seen a net rise in jobs since 2000 of 1.45 per cent to 140,000 jobs[87]. The 30,000 employed people unaccounted for in the ABI figure above are mostly self employed individuals; indicating the high level of enterprise in the borough (see Chapter 3.6 above), and linking to the great number of small and micro business (see Chapter 3.4 below).

3.2.3 The ratio of all jobs in Barnet to the number of residents of working age (known as job density) is the highest (with Brent) of its sub-regional neighbours, performing significantly better than Waltham Forest (0.48) and Haringey (0.49). However, both Watford and Hertsmere score substantially higher on this measure (1.04 and 0.87 respectively) which could potentially be due to more labour intensive industries locating in these areas, and/or due to availability of commercial floor space at a lower cost, thus encouraging industries to locate there.

3.2.4 Almost all the boroughs of the sub-region (aside from Haringey) and London as a whole have seen a reduction in job density from 2000 to 2008. This demonstrates that the working populations in these areas grew faster than the number of jobs; Barnet's population increased by 8.3 per cent from 2000 to 2008[88] while the number of jobs fell by over 3 per cent. Barnet's job density has fallen by similar levels to that of London as a whole (5.97 per cent versus 5.26 per cent) compared with a 13.6 per cent and 7.5 per cent reduction in Harrow and Hertsmere respectively.

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[84] Annual Business Inquiry (ABI) employee analysis 2010 (2008 data)
[85] ABI employee analysis 2010 (2008 data)
[86] ONS Job Density (2000 & 2008 data)
[87] ONS Job Density (2000 & 2008 data)
[88] ONS mid-year population estimate 2000 and 2008 (working aged population aged 16-64)

Figure 3.2a Change in Total Number of Jobs and Job Density

Borough	Change in number of employee jobs			Change in job density		
	Number of employees jobs		% change 2000 - 2008	Job Density		% change 2000 - 2008
	2000	2008	2008	2000	2008	
Barnet	114,541	110,747	-3.31 %	0.67	0.63	-5.97 %
Brent	105,607	93,970	-11.02 %	0.67	0.63	-5.97 %
Enfield	97,679	92,502	-5.30 %	0.63	0.59	-6.35 %
Haringey	60,555	61,687	1.87 %	0.48	0.49	2.08 %
Harrow	67,954	66,758	-1.76 %	0.59	0.51	-13.56 %
Redbridge	70,871	69,079	-2.53 %	0.53	0.48	-9.43 %
Waltham Forest	62,168	56,299	-9.44 %	0.50	0.45	-10.00 %
Dacorum	64,788	60,605	-6.46 %	0.87	0.81	-6.90 %
Hertsmere	49,128	44,643	-9.13 %	0.94	0.87	-7.45 %
Watford	57,841	51,542	-10.89 %	1.23	1.04	-15.45 %
London	4,060,662	4,168,527	2.66 %	0.95	0.90	-5.26 %

Source: ABI employee analysis/ ONS Job Density 2010

3.2.5 Barnet's economy is still relatively small when viewed against the scale of London as a whole. The 140,000 total jobs located in the borough in 2008 represents 2.9 per cent of the total jobs in London in the same year (4,799,000)[89], while the borough's working age population in the same year represents 4.2 per cent of all Londoners ages 16-64[90]. This disparity could be argued to be evidence of Barnet's role in the wider London economy as primarily that of a dormitory suburb for commuters to the City and other more central London boroughs. However, as this chapter goes on to examine below, although Barnet does export a significant proportion of its employed residents to other areas, the borough still has a significant local economy; that out-performs a number of others in the sub-region in certain measures, and has an important function in the overall economy of Greater London.

3.2.6 Although the level of employment in the borough fell from 2000 to 2008, the number of business units in the borough actually rose by 10.2 per cent (from 16,277 to 17,934) over the same period. London only saw a 2.7 per cent rise in business units[91], suggesting a change in the structure of business in Barnet, out of line with the overall changes in the capital, likely to be a condition of the overall changes in the employment sectors in the borough, as discussed in chapter 3.5.

3.3 Business Births, Deaths and Survival Rates

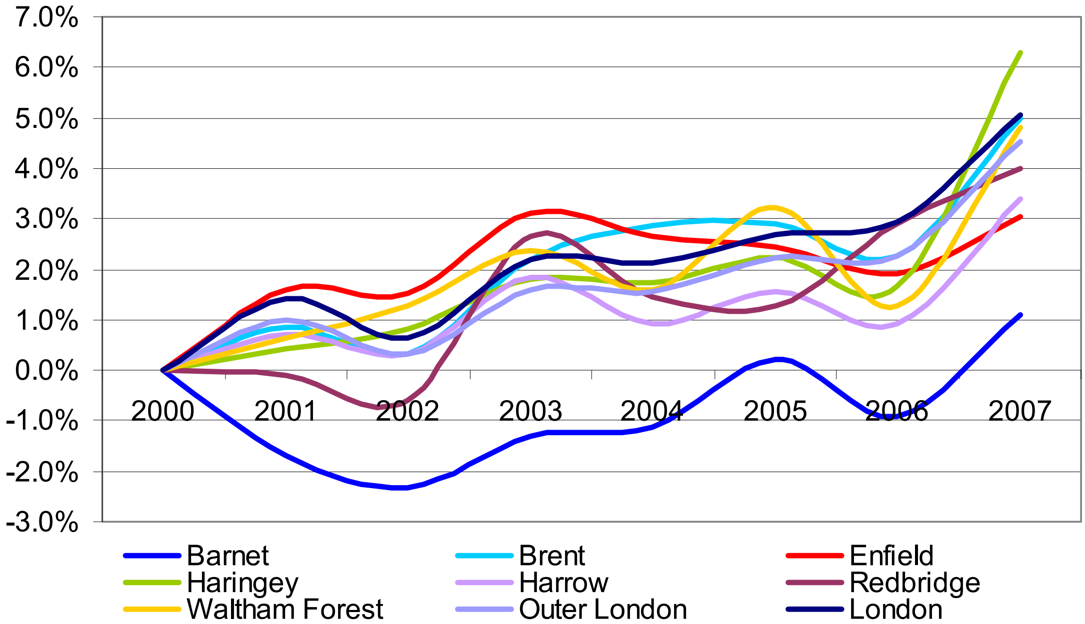
3.3.1 Barnet is an enterprising borough with the highest level of annual VAT registrations in the Outer London Boroughs[92]: 1,755 new businesses registered for VAT in 2007[93], the fourth highest in London overall[94]. Measured per 10,000 adults, the borough has the highest level of VAT registered

89 ONS ABI employee analysis 2010 (2008 data)- Job density data differs from this count
90 ONS mid-year population estimates 2008
91 ONS ABI workplace analysis 2010 (2000 and 2008 data)
92 See Appendix 2: Definitions
93 The latest year for which figures are available
94 ONS VAT registrations/deregistrations by industry, 2007

businesses in Outer London and the 10th overall in the capital, standing at 67 in 2007 compared the Outer London average of 53[95].

3.3.2 The increase in VAT registrations in Barnet was the result of a rise in new registrations predominantly in real estate, renting and business activity (+ 160 compared to 2006), construction (+25 compared to 2006) and hospitality (+ 15 compared to 2006). There was a fall in the registration of new businesses dealing in financial intermediation (- 10 compared to 2006). This sector also experienced a small increase in business de-registrations compared to 2006[96].

Figure 3.3a Percentage net change in business stock from 2000 base



Source: ONS Business Demography 2010

3.3.3 However the borough also has the highest level of deregistrations with 1,575 in 2007, the third highest in proportion in London[97], although the net gain of 175 VAT registered businesses in 2007 represented a slight improvement from the slow decline in business stock since a peak in 2000. This slight increase is in line with the sub-region and London in general as figure 3.3a below shows; however, as a percentage of total business stock, this represents the lowest percentage increase in the Capital of 1.16 per cent[98]. Barnet is the only borough showing negative net growth over this period (save for Redbridge in 2002); which could suggest an area for further analysis to uncover the reasons for this.

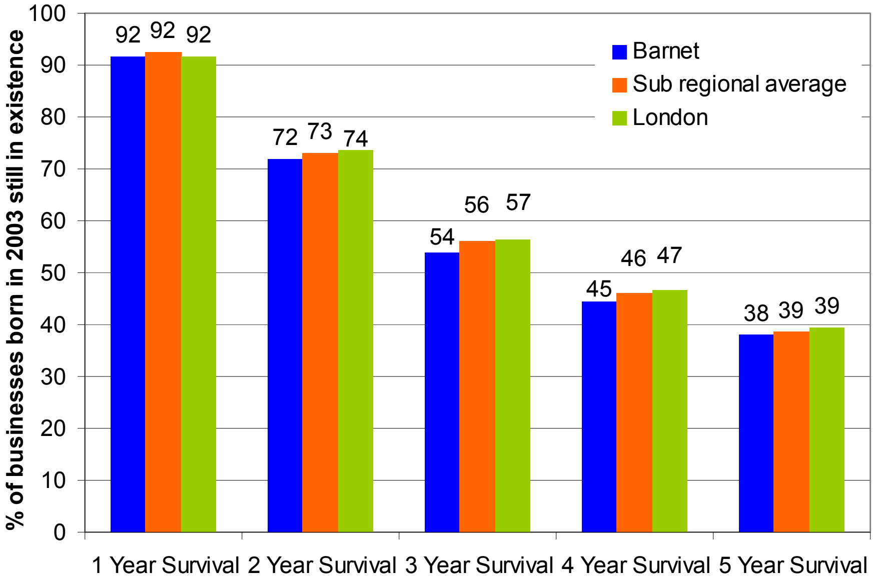
3.3.4 Bussiness survival rates have remained relatively stable since 2000, with less than 50 per cent of newly VAT registered businesses surviving beyond three years. As shown in figure 3.3b, businesses in the borough have a slightly

95 http://www.statistics.gov.uk/statbase/Product.asp?vlnk=601&More=N
96 ONS VAT registrations/de-registrations by industry, 2007
97 ONS vat registrations/deregistrations by industry, 2007
98 ONS vat registrations/deregistrations by industry, 2007

lower survival rate than either London or the sub-regional average[99], although not significantly so[100].

3.3.5 However, of those businesses that do survive the first few years, Barnet businesses compare favourably to the London and UK averages in terms of long term survivability; over a third of Barnet businesses have been trading for more than ten years[101].

Figure 3.3b Business Survival rates 2003-2008 for Barnet, the sub-region and London



Source: ONS Business Demographics

3.4 Size of Barnet's businesses

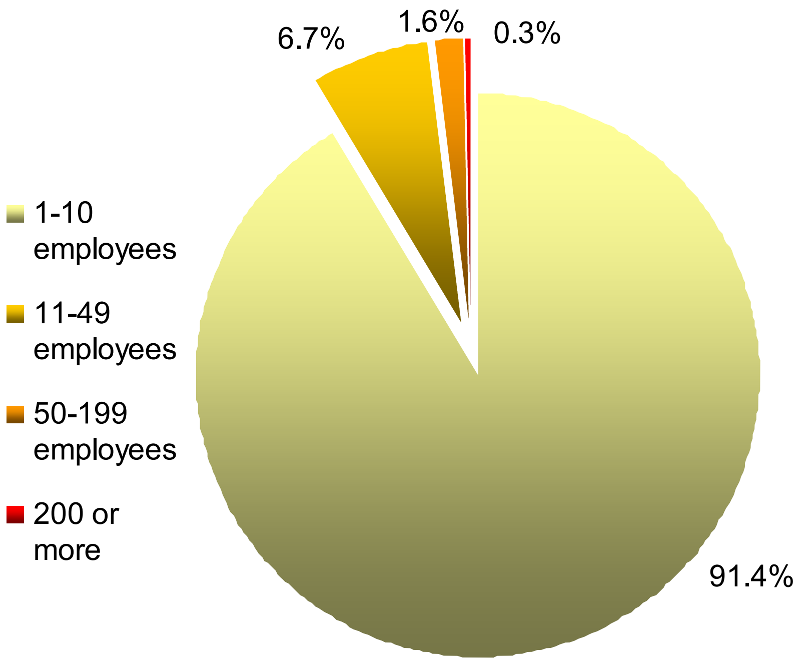
3.4.1 As figure 3.4a demonstrates, the borough is home to a great number of small businesses, with over 91 per cent having between 1 and 10 employees; the joint highest proportion of businesses this size in London (with Richmond).

3.4.2 Large businesses are fairly absent from the borough, with only 0.34 per cent (53 businesses) having over 200 employees, the second lowest percentage in London[102]. It is likely that the structure of businesses present in the borough reflect Barnet's offer of space for businesses; there is a lack of suitably large sites for companies in the borough as the majority of Barnet's land-use is housing, retail or green space and there are no significant industrial parks.

3.4.3 Although Barnet has both a higher number and proportion of small businesses than the other boroughs in the sub-region, the overall the split of business sizes are broadly similar for these boroughs, and outer London boroughs in general[103], as figure 3.4b shows.

[99] Barnet, Brent. Enfield, Haringey, Harrow, Redbridge, Waltham Forest
[100] ONS Business demographics 2010 via GLA
[101] ONS Business demographics 2010 via GLA
[102] ONS ABI workplace analysis 2010 (2008 data)
[103] ONS ABI workplace analysis 2010 (2008 data)

Figure 3.4a Size of businesses in Barnet by employee number



Source: ONS ABI workplace analysis 2010

3.4.4 Although the 53 businesses with over 200 employees account for only 0.3 per cent of the total businesses present in Barnet, they actually employ 21.3 per cent of Barnet's workforce - 23,602 people. Conversely, the 16,395 businesses with fewer than 10 employees that account for 91 per cent of the total businesses present in Barnet employ 32.3 per cent of the workforce - 35,750 people - approximately 12,000 more people than the large firms[104].

Figure 3.4b Number of Businesses by employee number 2008

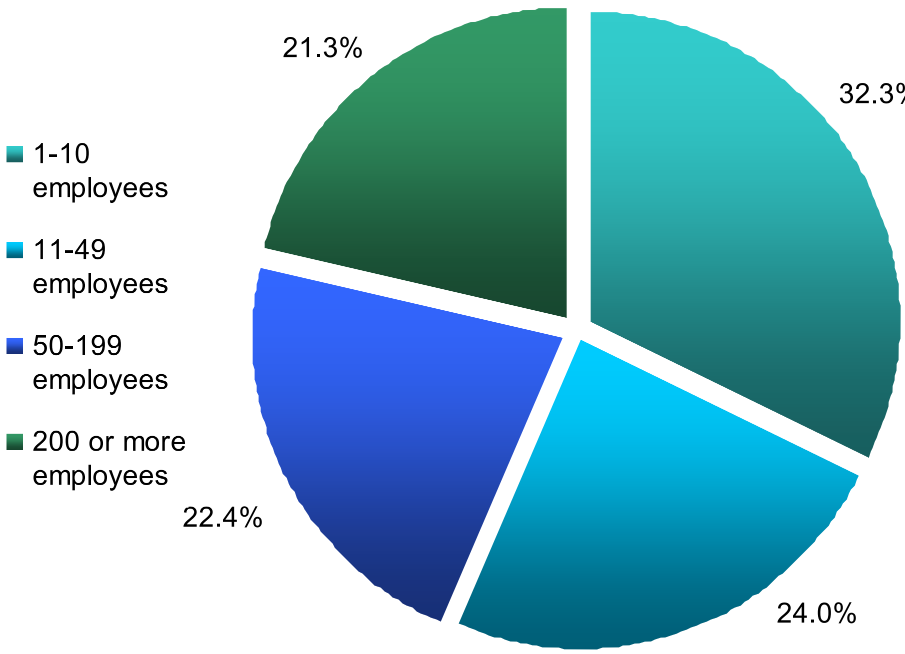
Local Authority	Number of employees								Total number of businesses
	1 to 10		11-49		50-199		200		
Barnet	16,395	91.4 %	1,202	6.7 %	284	1.6 %	53	0.3 %	17,934
Brent	10,737	89.8 %	928	7.8 %	241	2.0 %	57	0.5 %	11,963
Enfield	8,856	88.5 %	810	8.1 %	277	2.8 %	65	0.6 %	10,008
Haringey	8,051	90.3 %	666	7.5 %	175	2.0 %	25	0.3 %	8,917
Harrow	9,223	91.4 %	657	6.5 %	174	1.7 %	38	0.4 %	10,092
Redbridge	7,759	89.6 %	672	7.8 %	186	2.1 %	40	0.5 %	8,657
Waltham Forest	6,398	89.1 %	593	8.3 %	160	2.2 %	27	0.4 %	7,178
Average	**9,631**	**90.1 %**	**790**	**7.5 %**	**214**	**2.1 %**	**44**	**0.4 %**	**10,678**

Source: ONS ABI workplace analysis 2010

[104] ONS ABI workplace analysis 2010 (2008 data)

3.4.5 Of the small businesses in Barnet (those with under 10 employees), there is a significant bias towards very small or 'micro' enterprises, with those employing under four people accounting for 81.7 per cent of the total present in the borough (14,655 businesses), the highest number and proportion in London[105]. This high level of very small enterprises can be linked to large proportion of Barnet's residents who are self employed (15.9 per cent in October 2009-September 2010[106]), although not all of the businesses of our self employed will be located within the borough.

Figure 3.4c Percentage of Barnet's workforce employed by business size 2008



Source: ONS ABI workplace analysis 2010

3.5 Key Industries and Sectors

3.5.1 A vibrant and diverse local economy is central to ensuring long-term economic success of an area. It is desirable for an economy to include a broad spectrum of sectors, in order to ensure that there is not an over-reliance on a few key sectors that could be vulnerable to shocks and changes in the market.

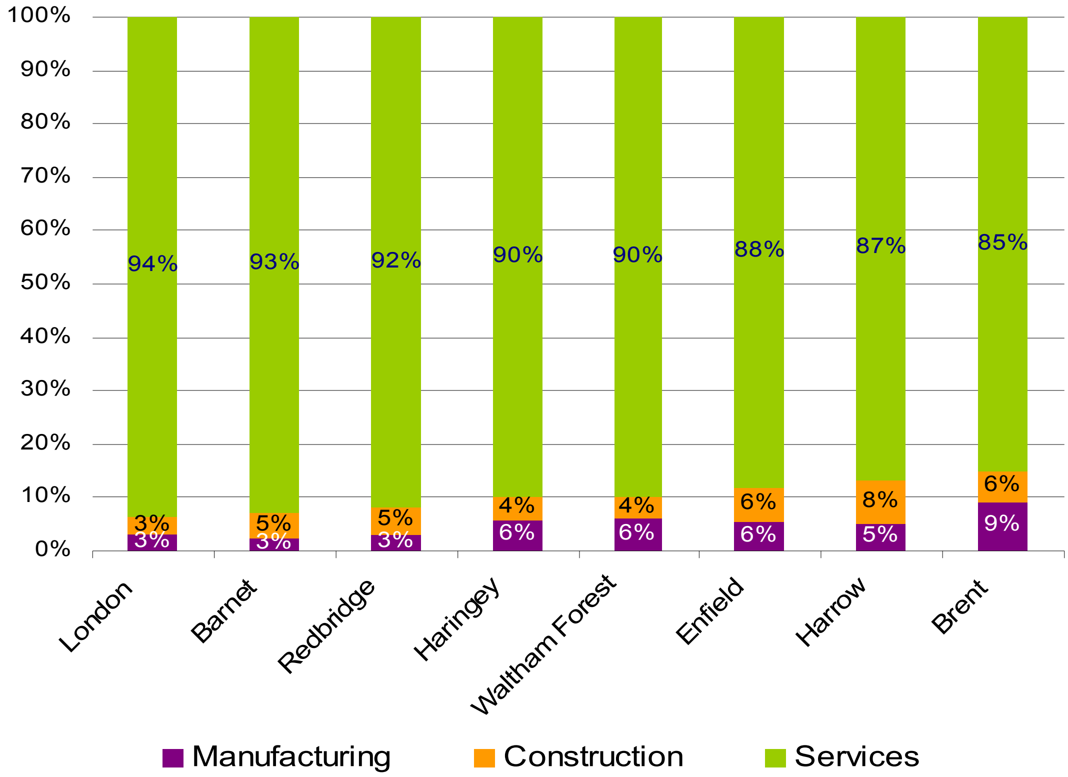
3.5.2 In common with all London borough's industrial structure, the service sector[107] dominates, with 92.5 per cent of employees in Barnet (102,463 people) working in these industries in 2008[108], representing 86.1 per cent of all businesses units[109]. The proportion of service industry employment is

[105] ONS ABI workplace analysis 2010 (2008 data)
[106] ONS ABI workplace analysis 2010 (2008 data)
[107] See Part 1.4 of Appendix 2 for a definition
[108] ONS ABI employee analysis 2010 (2008 data- this data is not available from the later Business Register Employment Survey (BRES) 2009 survey)
[109] ONS ABI workplace analysis 2010 (2008 data- This data is not available from the later BRES 2009 survey)

lightly below the average for London overall[110], however it is over 3 per cent higher than the average for the outer London boroughs (89.1 per cent).

3.5.3 One consequence of high levels of employment within the service sector is high part-time employment. Barnet has a higher than average proportion of part-time jobs in the borough, accounting for around 34.9 per cent of employee jobs, compared to 26.1 per cent in London[111].

Figure 3.5a Proportion of Employees in Manufacturing, Construction and Services in the sub-region



Source: ONS ABI employee analysis 2010

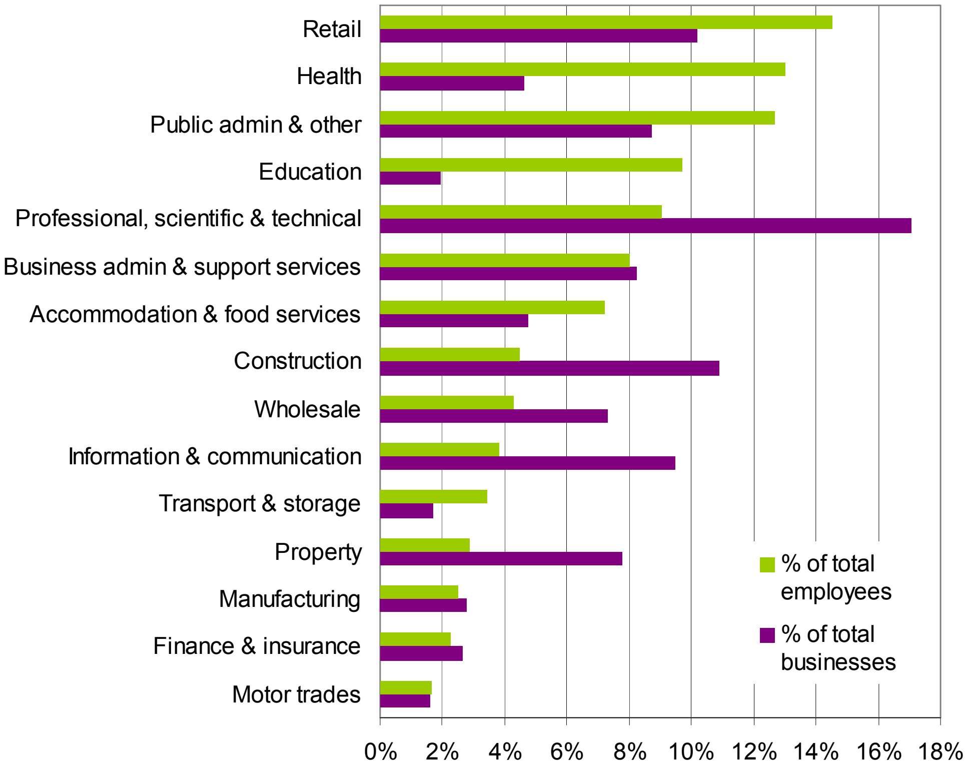
3.5.4 Figure 3.5a highlights that Barnet has the smallest proportion of residents employed in construction and manufacturing in the sub-region (although the number of employees in these sectors is actually higher than the number in Redbridge, Haringey and Waltham Forest). In line with both London and UK trends, manufacturing in Barnet has been in steady decline, as figure 3.6c shows, with employment in this sector falling by 31 per cent from 2000 to 2008; this is slightly less than the decrease in London overall (37 per cent) and considerably less than decreases experienced by some of our geographical and sub-regional neighbours. For instance, employment in this sector fell by over half in Dacorum (58 per cent), Enfield (53 per cent) and Waltham Forest (53 per cent) during this period. This is largely due to the historically small reliance on manufacturing in Barnet compared to these other areas[112].

[110] The figure for London is heavily skewed by the City of London
[111] ONS APS 2010 (2008 data)
[112] ONS ABI employee analysis 2010 (2008 data)

3.5.5 Figures 3.5b and 3.5d show Barnet's employment sectors broken down by 2007 industrial classifications that provide a greater level of detail in terms of sectors. Although the structure of the borough's economy shares a lot of the same features as that of London overall, such as the dominance of the service sector, there are some key differences which are elaborated upon below.

3.5.6 Figure 3.5b shows that both retail and public sectors (public administration, education, and health) dominate employment in the borough, with 44,560 employees between them. The most prominent large employers in Barnet are public sector institutions with this sector representing 35.4 per cent of all employee jobs[113] (although only 15.3 per cent of total Barnet firms), a notably greater proportion of people compared to the 27.4 per cent of total employee jobs this sector represents in London overall, as figure 3.5d demonstrates[114]. As mentioned in Chapter 2.7.4, public sector employment is particularly vulnerable to the reductions in public spending introduced by the Coalition Government, so the real-term and percentage increases seen in the public sector since 2000 (where jobs rose by 17.5 per cent to 2008[115]) is likely to be reversed as these sectors see a reduction in employment from 2011 onwards.

Figure 3.5b Proportion of total employees and businesses by industry[116] for Barnet 2008



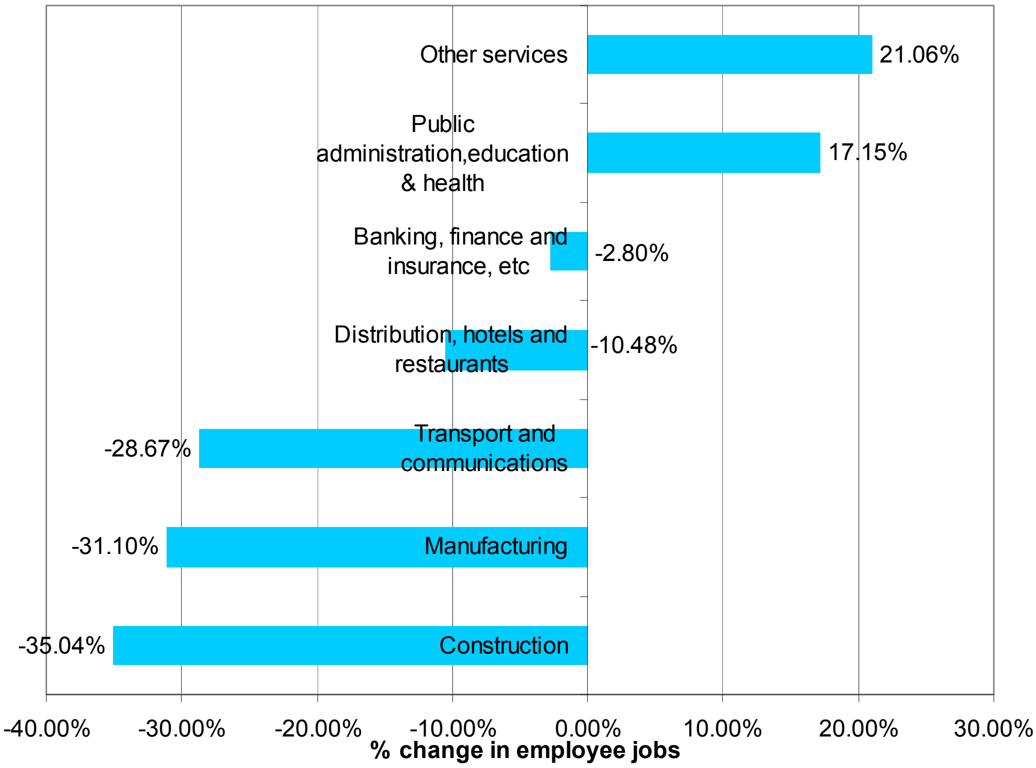
Source: ONS ABI employee/ workplace analysis 2010

113 Health, education and public administration, ONS ABI workplace/employee analysis 2008
114 ONS ABI employee analysis 2010 (2008 data- this data is not available from the later BRES 2009 survey)
115 ONS ABI employee analysis 2010 (2008 data- this data is not available from the later BRES 2009 survey)
116 2007 SIC classifications. Agriculture and Mining are omitted due to the insignificant number of employees

3.5.7 Barnet has 29 districts and local centres, one major centre in Edgware and one of London's largest retail centres at Brent Cross. Consequently, nearly everyone in the borough lives within half a mile of a town centre. Accordingly, retail in Barnet employs 14.5 per cent of those employed. This compares to a level of just 9 per cent in London overall and represents the third highest level of retail employment in London, after Kensington and Chelsea and Havering[117].

3.5.8 Compared to the large institutes of the public sector, the market-based sectors are in general characterised by smaller enterprises. Construction and property also account for a significant proportion of jobs in Barnet (7.4 per cent combined), and a greater proportion of total workplaces (business units) (18.6 per cent), than in London where these types of companies employ only 5.3 per cent of employees. Barnet has the fifth highest proportion of local jobs in property and construction, and in the sub-region, only Enfield and Harrow have a greater proportion (the actual number of jobs is lower in both boroughs). The latest comprehensive data available (2008) is pre-recession, and as both of these industries were badly hit by the economic downturn it is almost certain that the property and construction sectors have shrunk both in Barnet and across London, continuing the decline seen in construction since 2000 as the industry has shed over 2,000 jobs in this period (35 per cent)[118].

Figure 3.5c Change in employee jobs in Barnet by broad sector 2000-2008



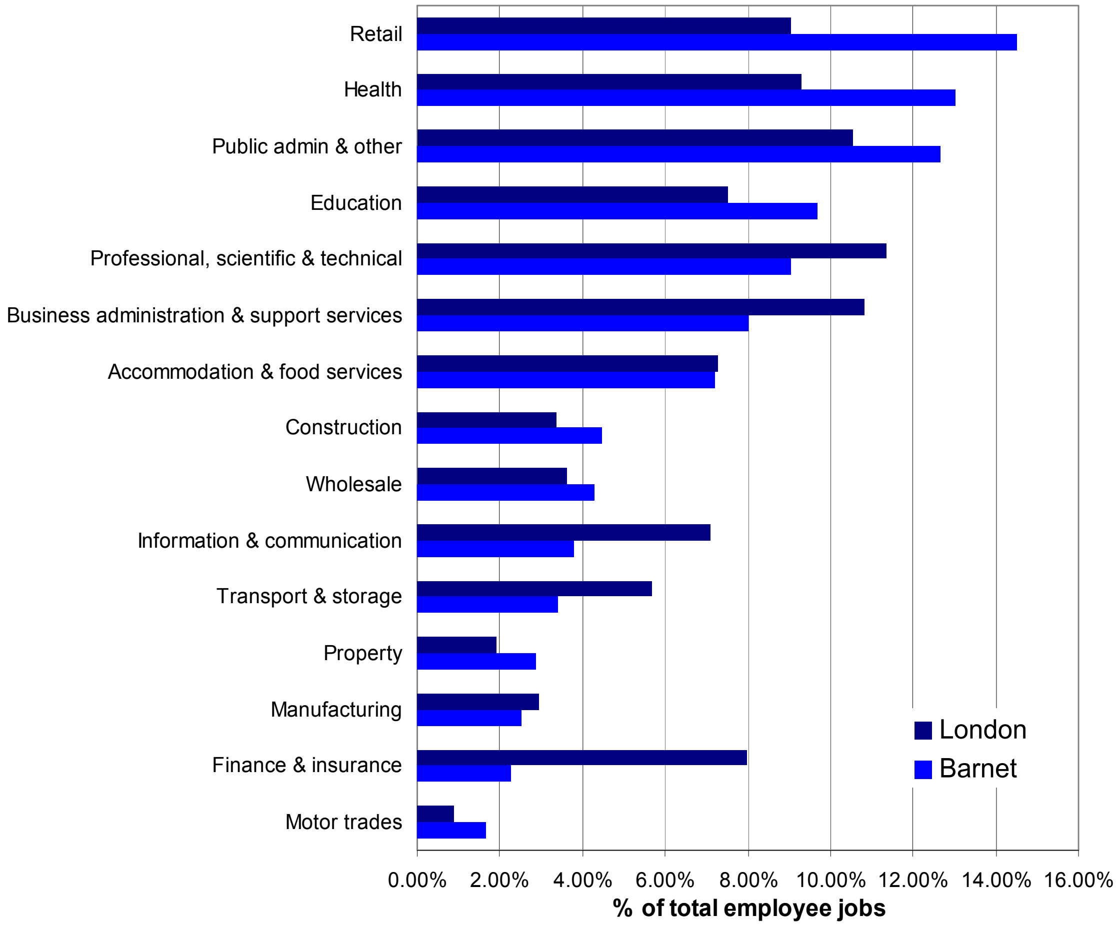
Source: ONS ABI employee analysis 2010

117 ONS ABI employee analysis 2010 (2008 data- this data is not available from the later BRES 2009 survey).
118 ONS ABI employee analysis 2010 (2008 data- this data is not available from the later BRES 2009 survey).

3.5.9 The business administration & support and professional, scientific & technical services sectors are both noteworthy sectors of employment in the borough, accounting for 8 per cent and 9.1 per cent of employment in Barnet respectively (the average for London is 11.1 per cent and 8.5 per cent respectively).

3.5.10 In terms of large private-sector employers in the borough, Pentland, Barry M and MacDonald's employ a significant number of staff on their sites in Barnet. For example, Pentland, an international clothing and footwear company, employs nearly 440 people at their 15,000sqft offices on Squires Lane in Finchley.

Figure 3.5d Proportion of employee jobs by industry in Barnet and London 2008



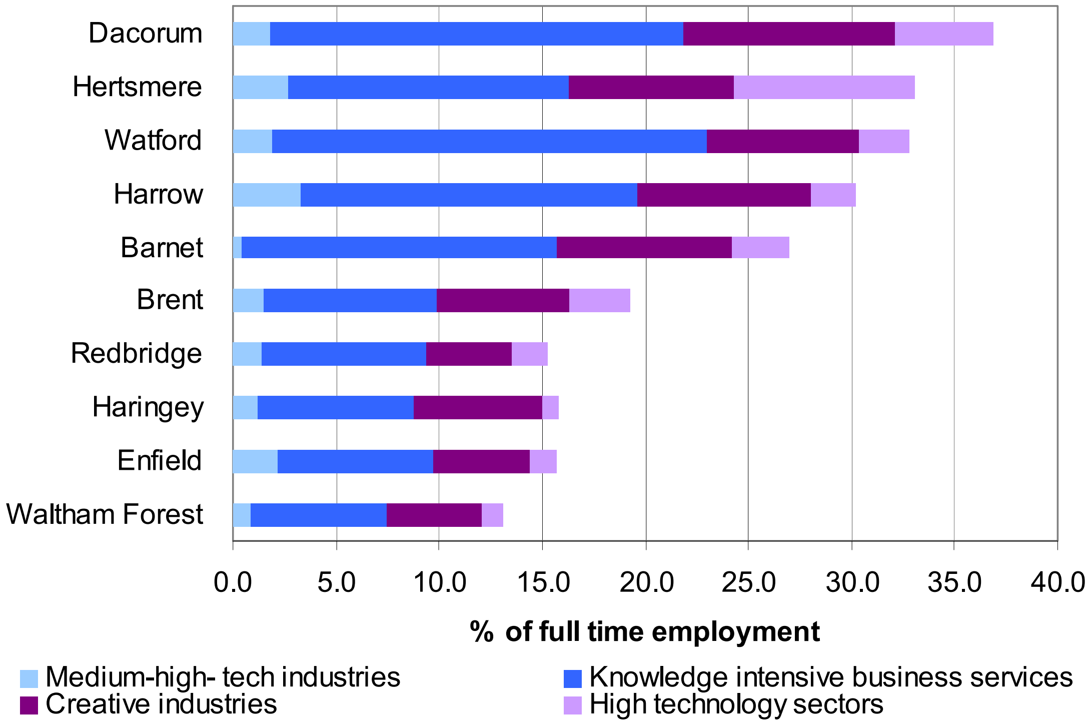
Source: ABI employee analysis 2010

3.5.11 Throughout the global economy, the critical structural trend is the growth of the knowledge economy. Industries are classified as knowledge-based if graduates make up at least 25 per cent their workforce and cut across a number of traditional industrial classifications, hence they are dealt with separately. This definition includes Knowledge Intensive Business Services (KIBS), high-tech, medium-tech and creative industries.

3.5.12 A higher proportion of knowledge based industries is desirable for a competitive and sustainable local economy and a number of local authorities are actively encouraging these types of industry to establish in their areas. Figure 3.5e below illustrates the percentages of those in full-time employment in these industries in Barnet and that of our geographical and sub-regional neighbours. This shows the borough has a considerably higher proportion (27.1 per cent) of employee jobs in these sectors than the other London boroughs of the sub-region apart from Harrow.

3.5.13 Barnet has a comparably high level of employment in KIBS (narrow definition) compared to the sub-region and the average for London, with 15.3 per cent of full time employment compared to an average of 13.7 per cent for London, and nearly double the rate for Brent of 8.4 per cent[119].

Figure 3.5e Percentage of all in full-time employment employed in KIBS, high-tech, medium-tech and creative industries 2007



Source: ONS 2009 via CLG

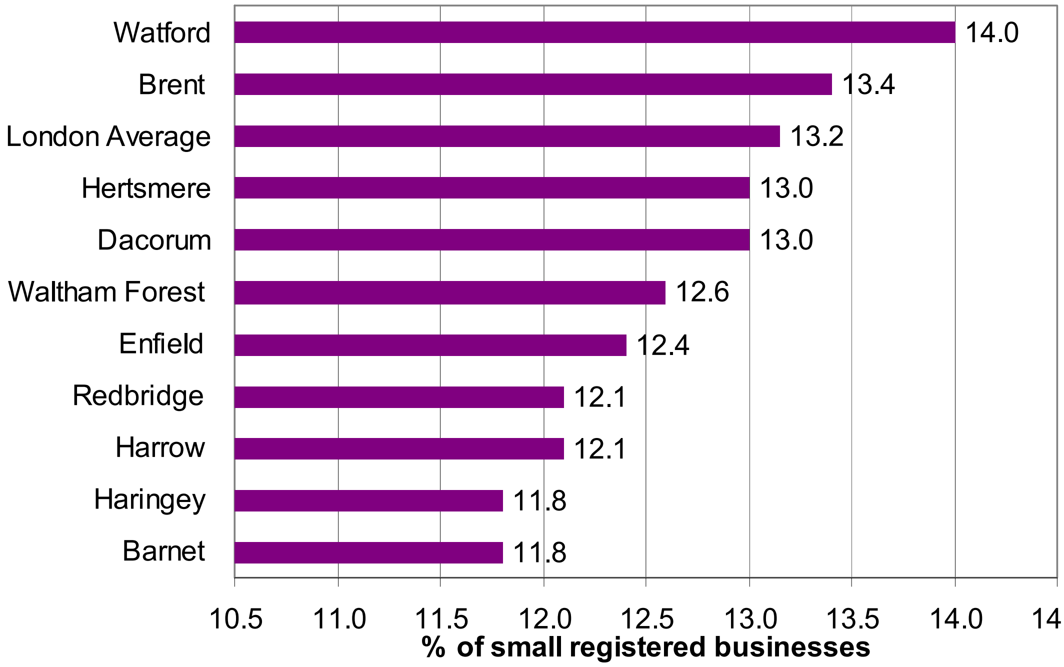
3.5.15 Barnet also has a significant level of creative industry[120] employment; 8.5 per cent of full time employment by the ONS measure (as used in figure 3.6e), although this is below the average for London of 9.9 per cent. The creative workforce has been the subject of a more sophisticated examination by the GLA in 2009. This research found that Barnet had the 11th highest number of creative industry firms in London overall, and the second highest of the Outer London boroughs (after Richmond) with 2,135 companies employing 6,014 people based in the borough in 2008[121]. The ratio of firms to employees in Barnet is significantly lower than the majority of other boroughs (2.8 employees per firm compared to 9.4 employees for Camden for example), suggesting a dominance of smaller companies in this sector, in line with the borough's overall economic structure.

[119] Taken from the proportion for each borough- not weighted for employment levels
[120] See Appendix 2: Definitions (1.4)
[121] GLA working paper 40; London's Creative Workforce 2009 Update

3.5.16 Barnet has a growing low carbon industry, with 346 firms in the low carbon sector generating 6000 jobs in 2009, particularly in alternative fuels, building technologies, wind and geothermal[122].

3.5.15 Barnet underperforms in terms of small business growth, as measured by National Indicator (NI)172, (this includes businesses registered for VAT and/or PAYE with fewer than 50 employees[123]) with the 6th lowest level in London of 11.8 per cent showing employment growth (joint with Bexley and Haringey) compared to the sub-region and a London average of 13.2 per cent[124] as figure 3.5f shows (although the percentage of businesses showing growth in outer London boroughs is significantly below the level of inner London).

Figure 3.5f Percentage of small (< 50 employees) VAT registered businesses showing employment growth year on year 2008 to 2009



Source: NI 172 from Floor Targets Interactive (CLG)

3.5.16 The level of small businesses showing employment growth has fluctuated since 2003[125], and the level had increased two fifths from 8.4 per cent at the start of the period, peaking in 2006 at 12.4 per cent[126]. This overall trend is in line with the majority of London boroughs. Small businesses play a dominant role in Barnet's economy representing over 98 per cent of firms, therefore this low growth figure could be cause for concern, potentially indicating that the borough's economy in restricts business growth to a greater extent than that of other boroughs (through for example, a lack of available sites for growth or a weaker local economy). However, it could be a symptom of a more stable business sector, as business survival rates in the borough compare favourably to others, suggesting a more mature business environment. Also,

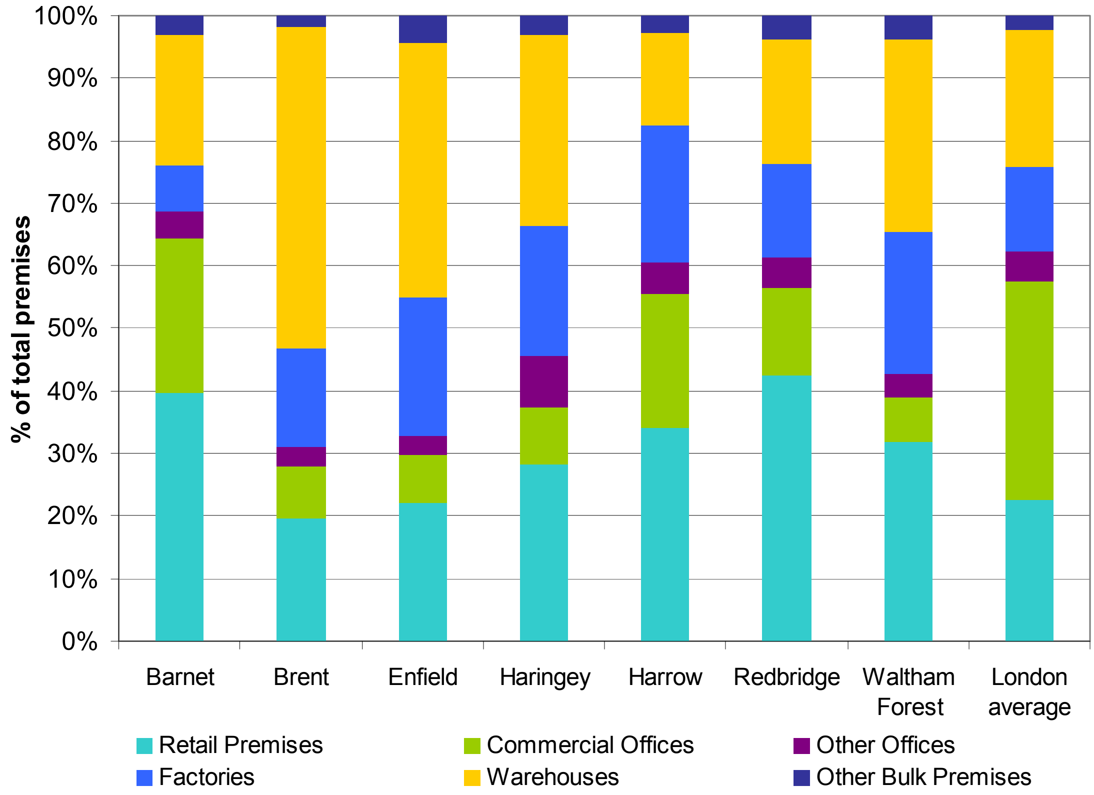
[122] Low Carbon Sector breakdown (LDA definition), Innovas Ltd, Nov 2009
[123] See Appendix 2: Definitions (1.4)
[124] NI 172 from CLG's Floor Targets Interactive (no longer updated) 2008 data
[125] When recording began
[126] NI 172 from FTI 2006 data (no longer updated since 2008)

as there are such a high number of businesses in Barnet, although the proportion showing growth is relatively low, the actual number of businesses in this category is still likely to be higher than a lot of other boroughs.

3.5.17 Barnet's floor space usage also illustrates the dominance of the service industry and conversely below average levels of more industrial activity as figure 3.5g shows. Nearly half of the available floorspace (39.8 per cent) is used for retail premises, well above the London average of just under a quarter (22.6 per cent), with only Redbridge having a higher level in the sub-region (42.4 per cent although fewer total premises)[127]. Offices (commercial and other), the most likely workplace type for service industry sectors, make up the majority of the rest of the floorspace usage in the borough, with a higher level of these premises than other boroughs in the sub-region (28.9 per cent in Barnet compared to 11 per cent in Waltham Forest).

3.5.18 The borough also has a lower level of warehouses and factories than any other borough in the sub-region, with only 28 per cent of premises used for these purposes, compared to 67 per cent in Brent, demonstrating the comparative lack of more industrial sectors Barnet. Barnet had the joint second lowest vacancy rate of commercial and industrial property (after Bromley) in 2004-5[128] of 5 per cent[129], signifying that the borough has both a strong local economy and attractive to such businesses to locate here. Harrow had the same vacancy rate, whereas the unoccupany level in Brent was 16 per cent during the same period[130].

Figure 3.5g Floorspace usage by sector April 2008



[127] ONS Neighbourhood statistics 2008
[128] The latest year for which data is available
[129] ONS neighbourhood statistics 2004/5
[130] ONS neighbourhood statistics 2004/5

Source: ONS Neighbourhood statistics 2008

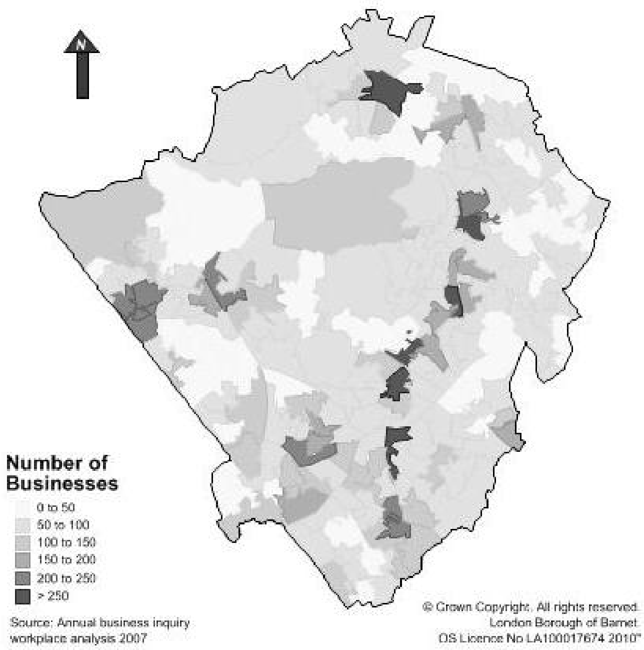
3.5.19 Barnet as a workplace appears to offer lower paid jobs compared to elsewhere in London. On average, full time workers working in Barnet are paid around 9.5 per cent less when compared to the London average, with average weekly incomes for the borough standing at £566.90 in 2009/10[131], compared to £627.40 in London. However Barnet does have a higher average weekly wage than the majority of boroughs in the sub-region, apart from Redbridge (£600.60). The prevalence of retail industry and public sector jobs, as detailed above, is likely to contribute to this comparably low average wage, as jobs in these sectors tend to be lower paid, particularly the retail industry.

3.6 Areas of Economic Activity

3.6.1 Economic activity in Barnet is not evenly distributed across the borough, with workplaces tending to be focused in a number of key areas and town centres; Barnet's 29 town centres are of varying sizes (more than any other London borough) and the businesses within them serve not only the resident population of 345,800[132] but also those who travel into the borough for work, learning or leisure.

3.6.2 As figure 3.6a shows, there are high concentrations of businesses (over 200) in just a small number of Barnet's LSOAs, while the majority of have a relatively low presence of enterprise with under 100 businesses. The areas with a high concentration of VAT registered businesses tend to be focused along transport routes, a common picture throughout the country for understandable reasons. However, the location of businesses does appear to be considerably dependent on business size as figures 3.6b-e below illustrate.

Figure 3.6a Total number of VAT registered businesses by LSOA 2007

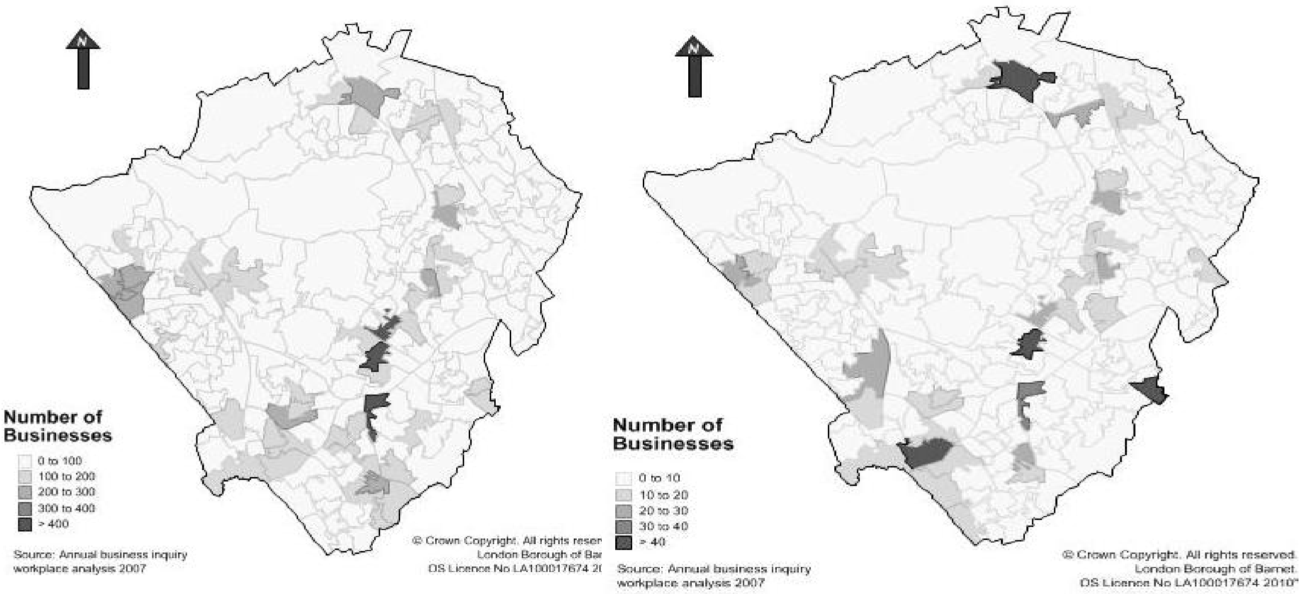


131 NI 166 from FTI
132 ONS sub-national population projections (2008-based, published May 2010)

3.6.3 In figure 3.6a a significant density of businesses of all sizes can be seen along Ballards Lane (the row of higher density areas travelling from North to South and the areas served by this major cross-borough transport link. This route travels up through the borough from Camden in the south to the north east of Barnet, taking in four of the borough's district town centres (Temple Fortune, Finchley Church End, North Finchley and Whetstone) on the way; hence this seems to be a prime route for a significant proportion of the borough's economic activity, This corridor of activity also broadly follows the path of the High Barnet branch of the northern line (see figure 2.12c in Chapter 2.12).

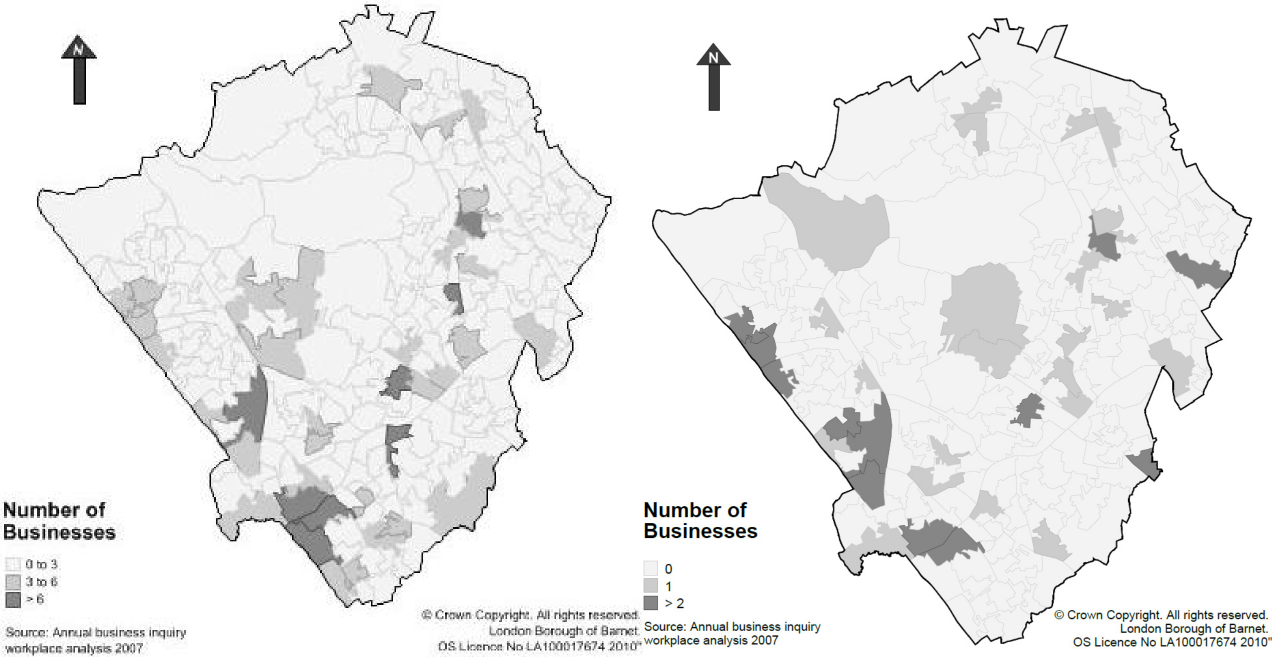
3.6.4 As can be seen in figure 3.6b, there is a significant bias towards smaller businesses by employee number in the Ballards Lane area discussed above. This area is predominately residential and therefore unlikely to provide the space for larger businesses (over 50 employees) which, as figures 3.6d and 3.6e show, are more likely to be concentrated along the more industrial and deprived A5 corridor area in the west of the borough (see Chapter 2.11). The advantages for large businesses located along this significant economic corridor are likely to be the strong transport links, both into central London, and to Luton and Stansted airports; and the availability and relative low cost of land in this area, due to its status as less desirable than other parts of Barnet. Given this area is the focus of a great deal of regeneration and development, the use of land in this area is likely to change over time.

Figures 3.6b and 3.6c Total number of VAT registered businesses with b) 1-10 and c) 11-50 employees



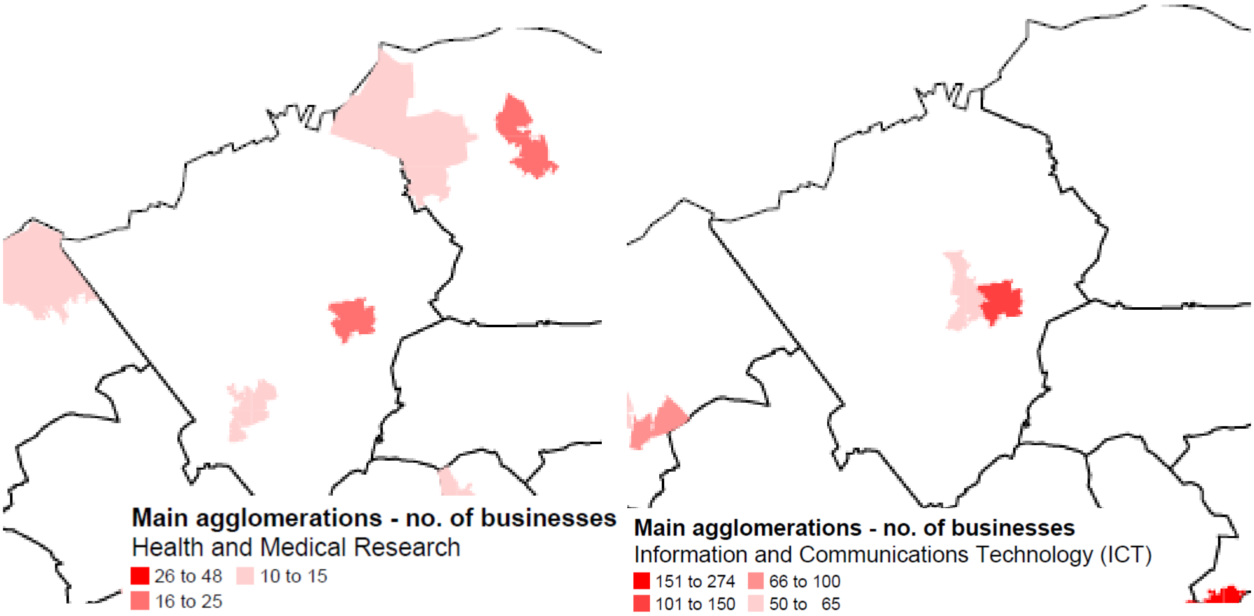
3.6.5 Overall, there are very few areas in the borough where large businesses are located, especially the very large (those with over 200 employees). As figure 3.6b showed earlier in the chapter, Barnet does have a slightly lower proportion of large companies than other boroughs in the sub-region.

Figures 3.6d and 3.6e Total number of VAT registered businesses with d) 50-199 and e) 200+ employees



3.6.6 Research from London Councils into businesses clusters in London found that a number of sectors had clusters of firms present in Barnet; Health and Medical Research (figure 3.6f); Information and Communication Technology (figure 3.6g); Food Manufacturing, Processing, Distribution in the south east of the borough; Auxiliary Services to Finance in Finchley; and Textile and Apparel Supply Chain in the Childs Hill and Golders Green area[133].

Figures 3.6f and 3.6g Location of clusters of f) Health and Medical research; and g) ICT businesses 2010



Source: London Councils August 2010

133 Supporting London's business clusters- August 2010

3.6.7 Changes to Barnet's Town Centres

3.6.7.1 The recession in 2008 caused changes to economic activity in Barnet where several business/retail units closed down in the individual town centres. However, many of these units have now been re-occupied. Figure 3.6h below illustrates business/retail unit vacancy trends in Barnet's town centres.

3.6.7.2 Some of Barnet's town centres have been significantly affected by the recession, with a particular rise in **retail vacancies** in Edgware, Brent Street (Hendon) and New Barnet (2003-10)[134]. Elsewhere in the borough, restaurants, cafes (A2) and financial service outlets (A3) have expanded at the expense of traditional retailers (A1)[135]. This may be explained in part by the ongoing popularity of large shopping centres like Brent Cross and Westfield, as well as the rise of internet shopping. However, whatever the explanation, the persistent decline of the retail economy in Barnet remains a concern.

Figure 3.6h Business/Retail Unit Vacancy Trends in Barnet's Town Centres, 2010

Performance of Town Centres	Town Centre	
Rising Vacancy Trend	Brent Street New Barnet North Finchley	Temple Fortune Whetstone
Falling Vacancy Trend	Burnt Oak Edgware	East Finchley Golders Green
No Trend	Chipping Barnet Cricklewood Finchley Church End	Hendon Central Mill Hill Colindale

Source: Barnet town centre survey analysis, August 2010

3.6.7.3 Between July 2010 and March 2011, surveys of businesses were undertaken in Edgware, Golders Green and Finchley Central to build a profile of the types of businesses in these areas, to identify any issues they are facing, suggested improvements and how they rate Council services.

3.6.7.4 A large number of businesses in the town centres surveyed have been established for over 6 years. There have, however, also been some new businesses moving into these town centres. Favourable rent and quality of premises were frequently cited reasons for location in town centres surveyed.

3.6.7.5 Perhaps unsurprisingly, a large number of businesses also reported that they have seen a lower turnover for the 2010-2011 financial year than in previous financial years. The majority of businesses report intentions to continue trading, although a few have indicated that they may have to close.

3.6.7.6 The appearance of town centres was raised as an important issue for businesses and many reported that the appearance of their town centres had declined over the last five years. When asked what the main issues are in their town centres, businesses across the areas cited road management and

[134] PHR, Barnet town centre survey analysis, August 2010
[135] PHR, Local Development Framework: Annual Monitoring Report, 2009/10

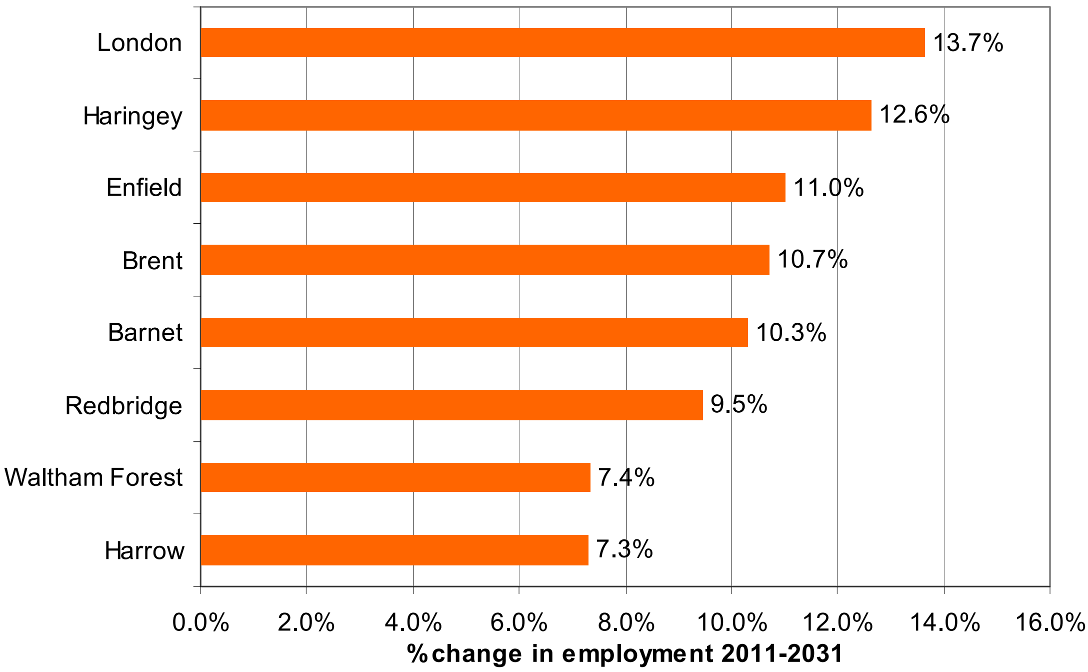
parking issues; high rates; competition (particularly where there are larger national or international stores); and crime and security as areas of concern.

3.7 Future Business Change Projections and Resilience

3.7.1 Barnet expects to see over 22,500 new jobs in the next two decades, the bulk of these will be provided from the programme of major regeneration and development being undertaken in the borough, concentrated in the west. The regeneration of Brent Cross Cricklewood is the largest of these developments, and the plans for the area include 4.5 million sqft of commercial office space and a considerable amount of new retail premises both in the shopping centre and the new town centre, and as such the area is considered as a potential outer-London development area for retail in the Mayor's Draft London Plan 2009.

3.7.2 To assist in the examination of future employment growth in London boroughs, the GLA have produced employment projections up to the years 2031 based on a "triangulation" method where three separate projections are produced, based on: (1) local employment trends – in which employment shares are estimated on the basis of existing sectoral mix and the preference of employers to locate in certain boroughs, (2) predictions in employment space availability – where increases in employment space are assumed to result in increases in employment locally, and (3) changes in local accessibility levels – with increases in accessibility (based on planned transport investments) leading to increased employment. These three methods are then reconciled using a set of rules designed to lead to consistent estimates[136].

Figure 3.7a Projected triangulated increase in total employment in by borough 2011-2031



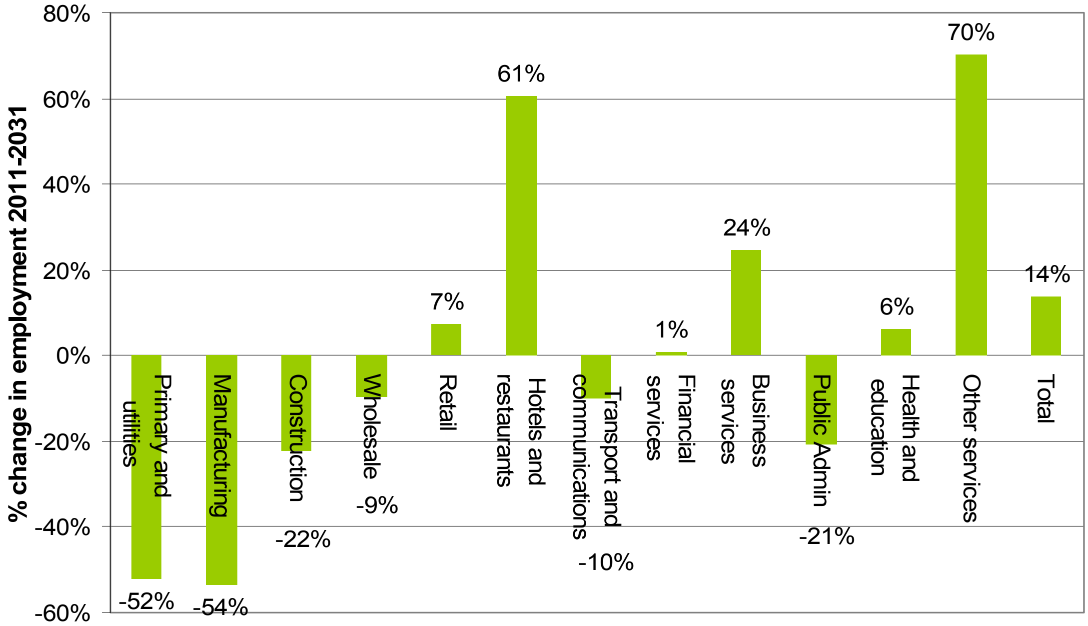
Source: Working Paper 39: GLA Economic forecast projections to 2031 (2009)

[136] Working Paper 39: GLA Economic forecast projections to 2031 (2009)

3.7.3 Figure 3.7a shows the predicted increase in employment levels across the sub-region and for London from 2011 to 2031, as a proportion of jobs in 2011. The GLA estimated that employment in Barnet will increase by 14,000 over this period, representing a 10.3 per cent rise in the borough (2.8 per cent of the total increase expected in the capital of 655,000), a relatively low proportion when viewed with the change in London overall, however only three Outer London boroughs are predicted to have higher levels (Haringey, Enfield and Brent)[137] as the majority of the employment growth is expected in Tower Hamlets, Hammersmith and Fulham and the Olympic Borough of Newham.

3.7.4 In terms of sectors, figure 3.7b shows the projected changes in each sector for London. Although trends like the decline in manufacturing and construction industries look set to continue, Barnet's economic structure appears to be in a relatively strong position for future job growth, as the borough has a comparatively strong presence of the industries predicted to see employment growth up to 2031, such as retail (7 per cent increase) and business services (24 per cent increase) as shown in chapter 3.5, which is also highlighted in GLA Working Paper 38[138].

Figure 3.7b Predicted percentage change in employment for London by sector 2011-2031



Source: *Working Paper 38: Employment projections for London by sector and trend-based projections by borough GLA Economics (2009)*

3.7.5 However, as highlighted previously, the continuing reduction in public sector employment will continue to be a threat to Barnet, as the GLA predicts a 21 per cent reduction in public administration employment from 2011, and these estimates are based mainly on pre-recession data.

3.7.6 It is helpful to look the level of resilience in the structure of sectors when analysing the borough's economy; the ability to withstand and or adapt to

[137] Working Paper 39: GLA Economic forecast projections to 2031 (2009)
[138] Working Paper 38: Employment projections for London by sector and trend-based projections by borough GLA Economics (2009)

changing economic conditions, such as the recession and any other future shocks to the economy. Experian have compiled an index of economic resilience using 33 variables across four key areas of Business, Community, People and Place. Barnet scores well on this measure and was 74th most resilient out of 324 local authority areas (1 being most resilient and 324 the least). In comparison with other London boroughs, Barnet ranks 7th out of 33. In comparison with our sub regional and geographical neighbours, Harrow did rank higher at 59th and both Dacorum and Hertsmere scored considerably higher at 37th and 11th respectively[139].

3.7.7 Worryingly however, Barnet ranks lower on the Business Resilience Index at 99th; with the borough's combination of a high number of jobs in vulnerable sectors and an apparent lack of those in resilient sectors highlighted as a concern[140].

3.8 Strengths, Weaknesses, Opportunities, Threats

3.8.1 Strengths and Opportunities

3.8.1.1 The borough has a fairly diverse business base with a dominance of the service industry, which is growing in London. The borough has a small manufacturing sector so employment in Barnet is comparatively less affected by the decline in this industry.

3.8.1.2 Barnet has a strong and growing knowledge based economy, highlighted as a significant area for future employment growth. However this industry needs to be sustained by graduates with the appropriate skills for the sector, therefore Barnet needs to ensure it can attract and retain skilled graduates.

3.8.1.3 The transition towards a 'green economy' also holds an opportunity for future job creation in the borough, and to take full advantage of this, Barnet needs to ensure that our residents have a strong skill offer, and that there are appropriate sites for these businesses to locate.

3.8.2 Weaknesses and Threats

3.8.2.1 Although Barnet is not as dependant on public sector employment as other parts of London or the UK, it is still a major employer and anticipated reductions in the public sector workforce will create a number of challenges for the borough.

3.8.2.2 Whilst Barnet had the highest level of annual VAT registrations in the outer London boroughs in 2007, the borough also had the highest level of de-registrations in the same year. From 2000 to 2007 Barnet had the lowest percentage increase of total business stock in London (1.16 per cent).

3.8.2.3 Although the Green Economy is expected to be the source of a significant proportion of the new jobs expected in the borough over the next 25 years, it does however need to be acknowledged that the growth of green industries could be at the expense of employment in more traditional sectors, and put jobs in these industries at risk.

[139] Experian data 2010 from www.bbc.co.uk
[140] Experian data 2010 from www.bbc.co.uk

Chapter 4: Economic Linkages and Flows

4.1 Introduction and Overview

4.1.1 This chapter deals primarily with the linkages and flows that help mould and drive Barnet's economy, by shaping the role Barnet plays in the wider economy of London and the region, and vice-versa. As part of understanding the economic geography, this chapter examines the borough's transport offer and infrastructure. The links with other local authorities are then examined through data on where our residents work and where those who come into the borough for employment and learning opportunities live.

Key Findings

- Barnet is a significant part of the North and North West London economic sub-regions, which in turn plays an important role in the Greater London economy, and that of the wider South East region
- Barnet has strong transport links into Central London, with two branches of the Northern line, London's busiest tube line, running through it and ending in the borough, as well as the Thameslink
- Barnet is far from a dormitory suburb; in 2001 41% of our residents (59,511 people) worked in the borough, making up 55.7% of the workforce. Based on the 2009 population, this represents 64,657 individuals today
- Barnet has significant economic linkages both with Central London, and with neighbouring boroughs, where 32% and 16% of our residents work respectively
- 18.5% of the borough's workforce comes from neighbouring boroughs, the most significant of these being Brent (5.7% of Barnet's workforce)
- In the sub-region, Haringey has a higher proportion of residents working in Central London however it is considerably closer to this zone. Only Enfield has a higher proportion of the borough workforce made up of local people; 45% compared to 41% in Barnet

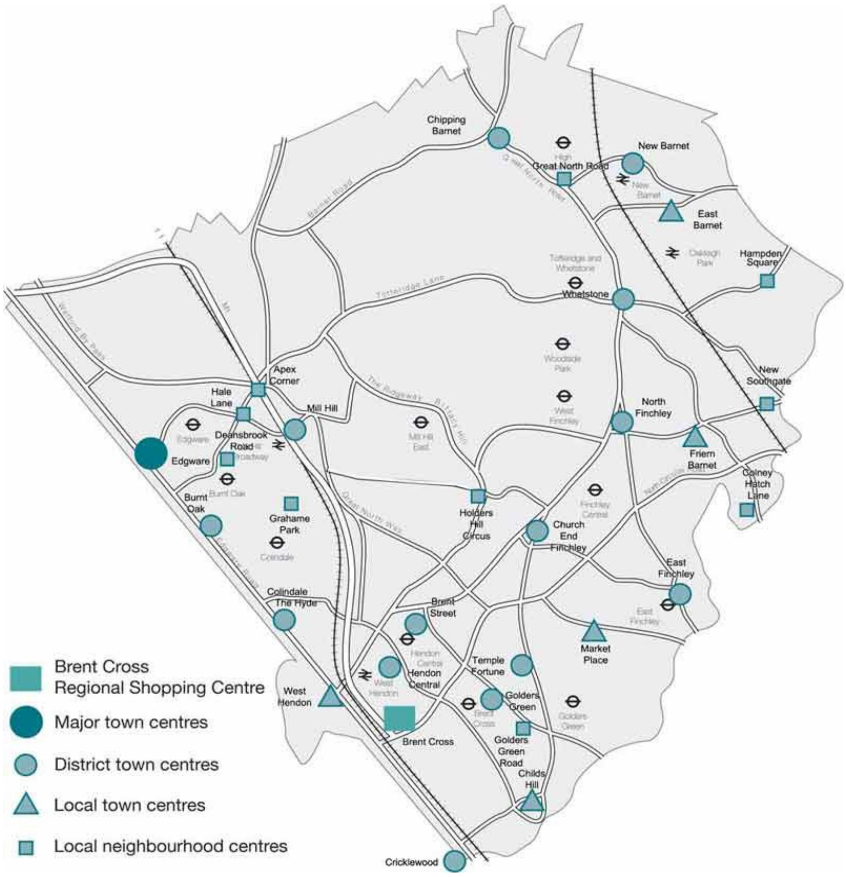
4.2 Transport Infrastructure

4.2.1 Accessibility and connectivity have a major influence on an area's ability to attract business and investment. Barnet has several strong linkages and excellent connectivity - the east/west corridor along the North Circular and the A5/A406 corridor going from South to North. The latter corridor is considered to be the stronger economic driver for the borough, hence the proposed shadow LEP (see chapter 1.4.1), and why this document will often seek to 'look west' in analysis. There are also two major suburban rail routes that pass through the borough.

4.2.2 The M1, the major north–south motorway, starts in Barnet near the Brent Cross Shopping Centre. This motorway primarily connects London to Leeds and it is linked to the North Circular (A406) which runs across and around outer London. The M25 motorway is also just outside the borough boundaries. Barnet is relatively well connected by both rail and road to Luton Airport, which can be reached in under an hour by car from most of the borough.

4.2.3 Barnet is well placed in terms of the tube network as two branches of the Northern line, London's busiest underground line, serve Barnet, running from central London right through the borough. The lines run to the north east of the borough (terminating at High Barnet) and to north west (terminating at Edgware), connecting residents directly to Central and South London, including Camden, Kings Cross, London Bridge and Waterloo in under 45 minutes.

Figure 4.2a Map of Barnet showing Underground and overground stations and Town Centres



Source: Barnet Online

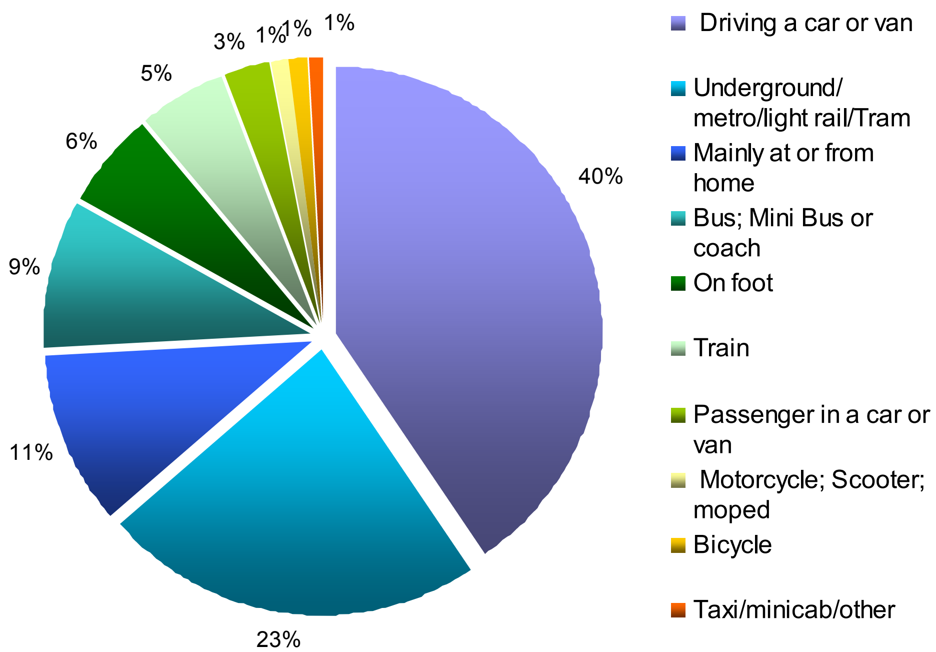
4.2.4 The Piccadilly line has several stops which are just over the borough's border in Enfield (namely Southgate and Arnos Grove), which are therefore likely to be used by residents of the eastern side of the borough. This line connects passengers to Central London before going west, and also takes passengers to the significant transport hub of Finsbury Park which has a wide range of overground lines passing through it.

4.2.5 New Barnet and Oakleigh Park rail stations in the east of the borough are on East Coast Mainline, with trains from Moorgate in the City of London, to Welwyn Garden City in Hertfordshire running approximately every 20-30 minutes during peak times. Mill Hill Broadway, Hendon and Cricklewood railway stations lie on the Midland Mainline which links St Pancras Station with the Midlands, via Luton Airport.

4.2.5 Bus networks are present throughout the borough; however there is a focus on routes from central/inner London to the outer areas; as opposed to cross borough links, which can be argued to be lacking currently.

4.2.6 It is hard to measure whether weaknesses in Barnet's transport connectivity have an impact on resident's ability to access jobs and services; Transport for London (TfL) have mapped some of the challenges Barnet's transport system faces in figure 4.2c. It could be argued that this lack of cross borough connectivity has meant that Barnet's residents have developed an over-reliance on cars and vans as a mode of transport, with 40 per cent of getting to work this way (figure 4.2b); above the London average of 32 per cent but below the outer London figure of 42 per cent[141].

Figure 4.2b Method of travel to work for Barnet residents



Source: Census 2001

4.2.7 Probably because of congestion and a greater concentration of public transport in Inner London, car ownership is greater in all Outer London boroughs than in Inner London. At 138,587 cars and vans in 2001, Barnet households owned the third largest number of cars and vans in London overall, although in terms of the number of cars per household, Barnet is close to the average for Outer London with 1.09 cars per household compared to 1.04 respectively[142].

4.2.8 The proportion of households without ownership or availability of a car stood at 26.7 per cent in 2001, and it is likely that this has decreased since, in line with London and National trends. This is very close to the Outer London

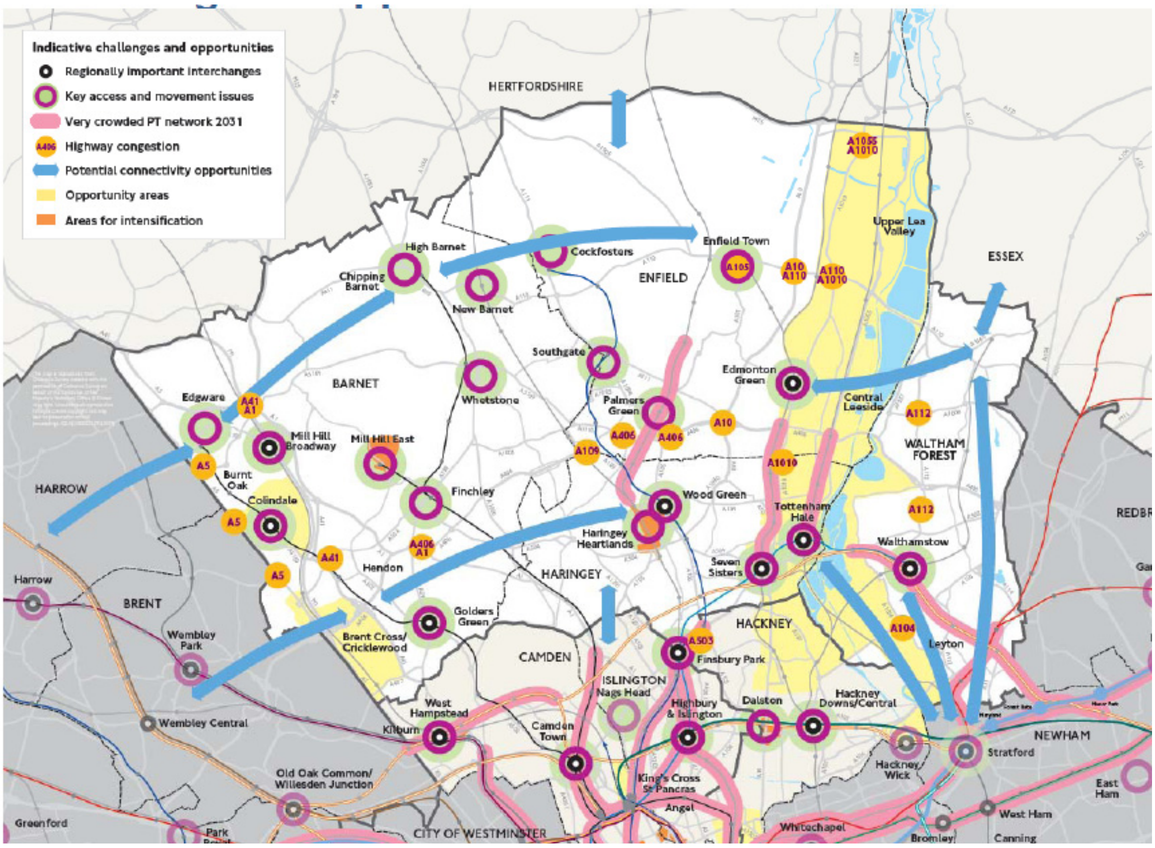
[141] Census 2001
[142] Census 2001

average of 28.6 per cent and means that almost three-quarters of households in Barnet have access to a car or van.

4.2.9 Barnet's high level of car usage, potentially a symptom of the rather poor orbital (east-west) public transport links are likely to have contributed to the relatively high levels of congestion (and pollution) experienced in certain parts of the borough, and the length of peak-time car journeys has increased in recent years[143].

4.2.10 As part of the significant regeneration activity in the borough, there are improvements planned to a number of Barnet's Underground and Overground stations; such as Colindale and Brent Cross. TfL also plans to increase capacity on the Northern line by 2018. Significant road improvements are also due to be delivered as part of the regeneration of Brent Cross Cricklewood and West Hendon. In recent years there has been a campaign to re-link the two branches of the Northern line again; however this is seen as economically unviable by TfL.

Figure 4.2c Challenges and Opportunities for Barnet's transport



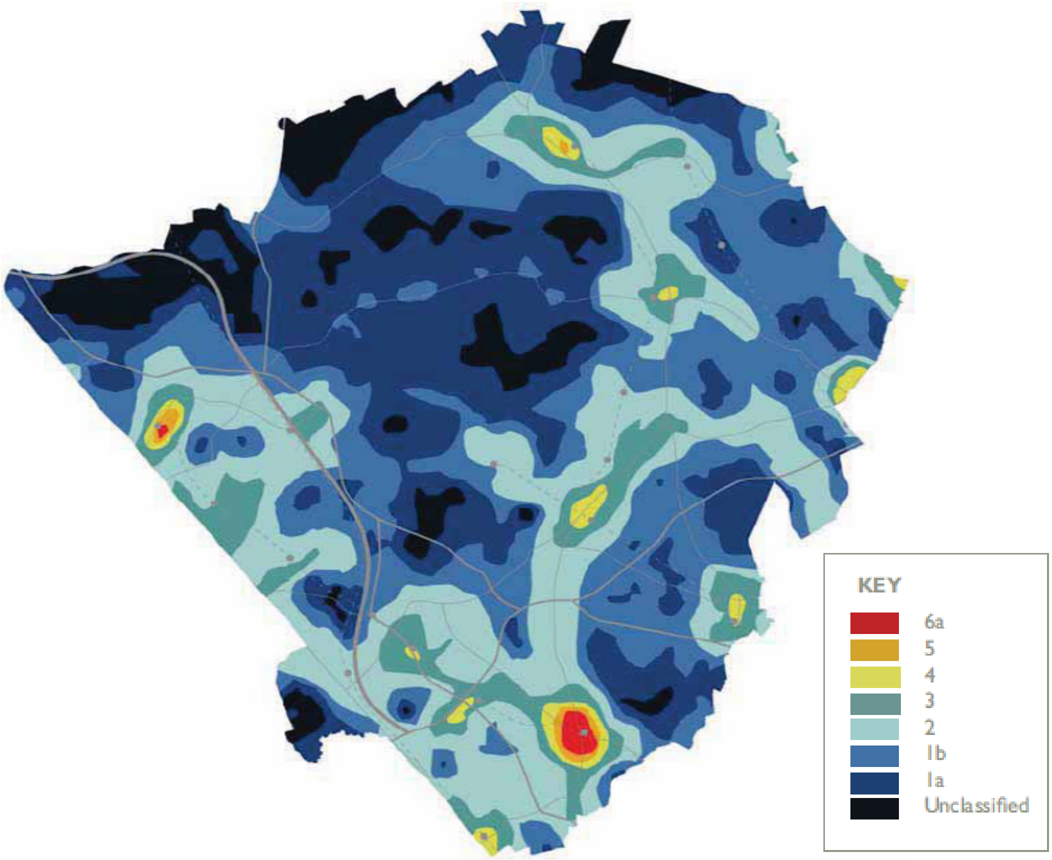
Source: TfL July 2010

4.2.11 Bus networks are present throughout the borough; however there is a focus on routes from central/inner London to the outer areas; as opposed to cross borough links, which can be argued to be lacking currently.

[143] Barnet UDP

4.2.12 Figure 4.2d below illustrates the Public Transport Accessibility Level (PTAL) for Barnet. It takes into account the distance from stations and bus stops and combines this with the frequency of trains and buses and their destinations. Thus, areas such as Golders Green achieve a high PTAL rating through having a station with a high through-put of trains and a high concentration of bus services, whilst areas such as Mill Hill have a relatively modest PTAL rating despite having a station because the frequency of trains and buses is so much lower. PTAL level 1a (shown in dark blue) illustrates poor accessibility, PTAL level 6a (shown in red) illustrates very good accessibility[144].

Figure 4.2d Barnet Public Transport Accessibility Levels 2009



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Source: Urban Practitioners 2009 in Barnet Characterisation Study 2009

4.3 Economic Geography and Linkages

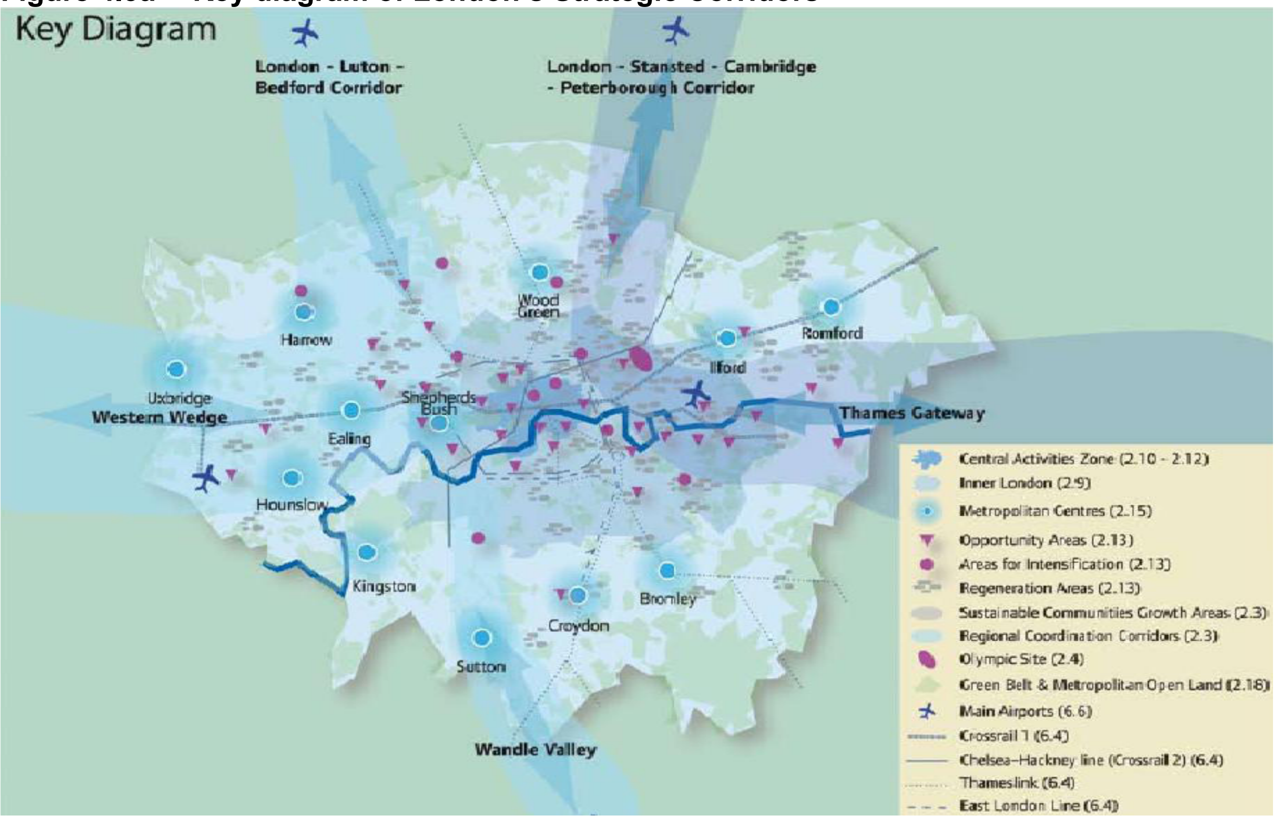
4.3.1 As highlighted in Chapter 3, Barnet has a significant economic offer, with an attractive environment and a strong local economy featuring a great number of businesses and 140,000 total jobs in 2008[145]. However, the borough's economy does not function in isolation, as borough boundaries do not tend to function as economic ones; Barnet forms an important part of the economic

[144] Barnet Characterisation Study 2009
[145] ONS Job Density 2008 data. Total jobs includes employees, self-employed, government-supported trainees and HM Forces

sub-regions of North and North West London, which themselves are a significant part of the greater London economy, and that of the wider South East region.

4.3.2 An area of significant economic linkages - and the focus of a Local Enterprise Partnership (LEP) bid in September 2010 - is the A5/A406 economic corridor, which runs along the western boundary of the borough taking in the London boroughs of Camden, Brent and Harrow and extending to Hertsmere outside the Greater London boundary. The A5/A406 corridor forms a significant part of the wider London-Luton-Bedford strategic co-ordination corridor, named as an area of particular importance to the wider sub-region in the Mayor's Draft London Plan (September 2010), which extends beyond Hertsmere along the M1/Thameslink corridor to Luton and then Bedford, from Central London. See figure 4.3a below.

Figure 4.3a Key diagram of London's Strategic Corridors



Source: The Mayor's Draft London Plan 2009 (GLA)

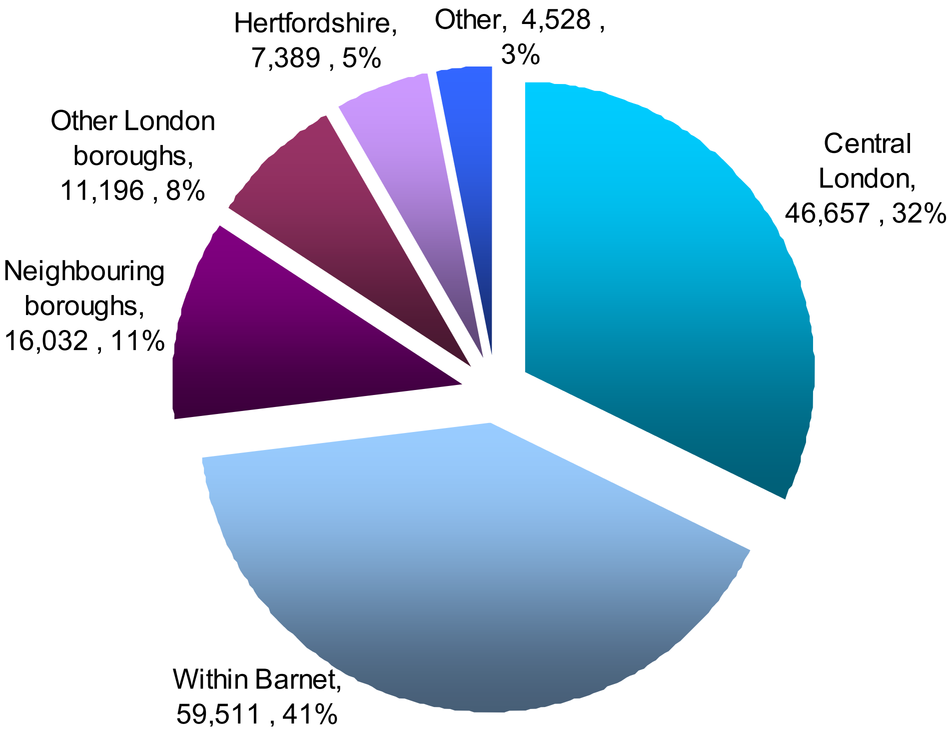
4.3.3 The A5/A406 corridor is home to a great deal of economic activity throughout the area it covers, with a number of distinctive employment areas along it, and a comparatively high density of businesses present in Barnet's section of the corridor (as can be seen in the maps in Chapter 3.4). This route acts as a significant transport link for flows of people (to work, learn or for leisure) and goods into and out of the borough, and provides Barnet residents - particularly in the west of the borough - with access to a variety of employment possibilities, and the borough's businesses with access to employees. Chapters 4.4 and 4.5 below examine these flows in more detail.

Key linkages and flows of Barnet's residents and workforce

4.4 Where Barnet's residents work

4.4.1 Barnet's economy provides our residents with a great deal of employment opportunities at a variety of levels. Although overall, Barnet is a net exporter of workers with a greater number leaving the borough for employment than coming in (see Chapter 4.5 below), it is still far from a dormitory suburb with 44.4 per cent of our working residents doing so within the borough boundaries in 2008[146], an increase from 2001 when the figure was 41 percent (59,511 people), as figure 4.4a shows; representing 55.7 per cent of the workforce at the time[147].

Figure 4.4a Pie Chart illustrating where Barnet's residents work 2001



Source: Census 2001

Total: 145.313

4.4.2 As with other Outer London boroughs, one of Barnet's strongest economic linkages is with the Central London boroughs and the City, with 32.1 per cent of the borough's 145,313 working residents (46,657) travelling to Central London in 2001[148]; 11.2 per cent to Westminster alone (6,330 residents)[149]. It is expected that a significant proportion of these 46,000 people make use of the borough's excellent public transport links of the Thameslink and two branches of the Northern Line (see part 4.3) to reach their Central London workplaces. The more recent 2008 data shows a reduced proportion of residents travelling to Westminster for work (down to 7.8 per cent), as well as a small proportion of residents travelling to Camden from 8.3 per cent in 2001 to 5.8 per cent in 2008.

146 ONS APS 2010
147 Census 2001
148 The 2008 APS data does not cover as many neighbouring local authorities
149 Census 2001

Figure 4.4b Table illustrating where Barnet's residents work 2001

Destination	Number	% of Barnet's working residents
Central London[150]	46,657	32.1 %
Within Barnet	59,511	41.0 %
Neighbouring London boroughs[151]	16,032	11.0 %
Other London Boroughs	11,196	7.7 %
Hertfordshire	7,389	5.1 %
Other	4,528	3.1 %
Total	**145,313**	**100.0 %**

Source: Census 2001

4.4.3 Fewer than two per cent of Barnet's residents (2,509) worked in Tower Hamlets in 2001 (excluded from the Central London boroughs definition); the home of Canary Wharf and a large number of the London's financial and banking institutions. Data from 2008 suggests the percentage of Barnet residents travelling to Canary Wharf increased to 2.5 per cent[152], as the number of people working in this area grew over the period; however the impact of the recession on the financial sector may have reduced these numbers in recent years.

4.4.4 Given the high house prices and above average incomes in Barnet, it can be deduced that a significant number of the borough's residents will be employed in higher paid sectors and roles; for example, in 2001 3,253 of Barnet's residents commuted to the City of London for employment in financial services[153].

4.4.5 The borough's economic linkages and flows do not only extend to central London however, as Barnet also feeds the surrounding region with workers, while in turn providing residents of these boroughs with places of work (see Chapter 5.4). In particular, over 16,000 (11 per cent) Barnet residents travel to the neighbouring London Boroughs of Enfield (2.8 per cent - 4,096 residents), Harrow (1.8 per cent - 2,625 residents), Brent (3.8 per cent - 5,467 residents) and Haringey (2.6 per cent -3,844 residents) where their employment may still be fairly local due to borough boundaries. Park Royal Industrial and Business Park, the largest in London, is located in the borough of Brent and although it is relatively far from the Barnet border it is a major employer in the sub-region, and it is likely that this area provides employment for a significant proportion of the 5,467 Barnet residents who work in Brent.

4.4.6 The proposed shadow LEP area differs slightly from this, and in 2001 around 17.2 per cent (25,055 people) of Barnet's residents worked within the local authorities of Brent, Camden, Ealing, Harrow and Hertsmere[154].

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[150] See Appendix 2: Definitions
[151] Enfield, Harrow, Brent and Haringey
[152] ONS Commuter flows 2010. This data uses a different methodology from the Census.
[153] Census 2001
[154] Census 2001

Figure 4.4c Comparison of resident workforce and Central London commuter for the sub-region

Place of Residence	Percentage of resident workforce who work in the borough	Percentage of resident workforce who work in Central London
Barnet	41 %	32 %
Brent	38 %	32 %
Enfield	45 %	23 %
Haringey	30 %	44 %
Harrow	38 %	19 %
Redbridge	36 %	25 %
Waltham Forest	36 %	31 %

Source: 2001 Census

4.5 Where Barnet's workforce live

4.5.1 In 2001, 106,851 people were employed in the borough; this, plus those travelling to the borough to learn and for leisure, are known as the daytime population[155]..

4.5.2 Over half of Barnet's workforce (55.7 per cent- 59,511 people) is made up of local residents as figure 4.5a shows. Outside of the borough, the majority of those working in Barnet came from the neighbouring boroughs of Brent (5.7 per cent - 6,127 people), Enfield (5.3 per cent - 5,645 people), Harrow (4.7 per cent - 5,006 people) and Haringey (2.8 per cent - 3,016 people); totalling 19,794 people (18.5 per cent of the workforce). This represents a net gain of over 3,000 more people coming into work in Barnet everyday, than Barnet residents leaving to work, in these neighbouring boroughs.

Figure 4.5a Origin of Barnet workers 2001

Residence of workers	Number	% of Barnet workers
Central London	4,009	3.8 %
Barnet	59,511	55.7 %
Neighbouring London boroughs[156]	19,794	18.5 %
Other London Boroughs	6,446	6.0 %
Hertfordshire	10,280	9.6 %
Other	6,811	6.4 %
Total	**106,851**	**100.0 %**

Source: Census 2001

4.5.3 A significant proportion of Barnet's workforce comes from Hertfordshire[157] which borders Barnet to the north. In common with our neighbouring borough, more people live in Hertfordshire and work in Barnet than vice-versa; with just almost 3,000 people more coming into Barnet.

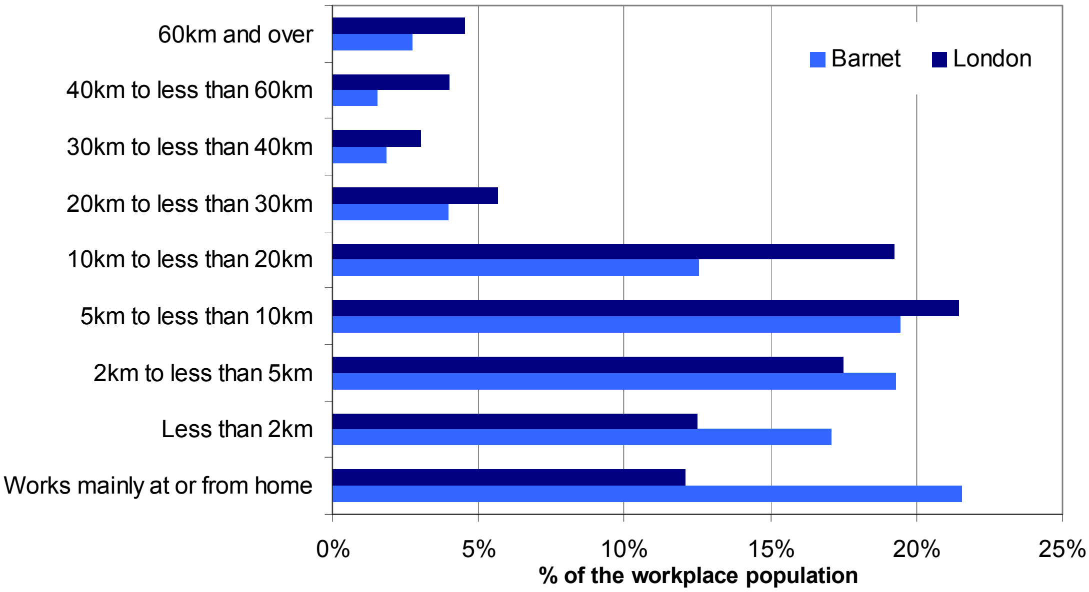
4.5.4 In 2001, on average, people didn't travel as far to work in Barnet as they did to work in London overall. Less than half (42 per cent) of those working in Barnet travelled over 5km to reach their place of employment, compared to

[155] Travel to Work data is used as a proxy for linkages as there is limited robust data on the daytime population
[156] London Boroughs of Enfield, Harrow, Brent and Haringey
[157] This encompasses the District Authorities of Hertsmere, Welwyn Hatfield, Watford, St Albans, Dacorum, Broxbourne, Stevenage, East Hertfordshire, Three Rivers, North Hertfordshire

58 per cent of those who worked in London[158]. Conversely, double the number of commuters' travel over 30 miles to London as to Barnet (12 per cent compared to 6 per cent)[159].

4.5.5 This data tallies with the generally acknowledged correlation between the distance people are willing to travel for work and the amount that they are paid; as chapter 3.5 highlights, weekly pay for the workplace population in Barnet is just under 10 per cent below the London average[160], therefore employees may not be willing to travel from as far for the jobs available in the borough.

Figure 4.5b Average distance travelled to work in Barnet and London



Source: Census 2001

4.6 Travel to learn in Barnet

4.6.1 Barnet has a strong educational offering, with Barnet College, a large and well performing Further Education (FE) and Woodhouse College, a small successful sixth form college. In 2009, 56.7 per cent of post-16 learners at Barnet's schools and FE College came from within the borough, while a further 32 per cent[161] lived in neighbouring boroughs[162]. This demonstrates that noteworthy linkages exist not only through employment, but also in education. The greatest proportion of post-16 learners came from Enfield which accounted for 14 per cent[163] of all of Barnet's pupils in this category.

4.6.2 The Middlesex University's Hendon campus in the borough is a destination for a great number of students each day during term time (unfortunately there is no specific data available on where Middlesex's students travel from and to and how frequently), with the attached benefits to the economy surrounding area that the presence of this group brings,

[158] Census 2001
[159] Census 2001
[160] NI 166 from FTI (2009/10 data)
[161] Barnet Travel to Learn data 2009
[162] London Boroughs of Enfield, Harrow, Brent and Haringey
[163] Barnet Travel to learn data 2009

4.7 Strengths, Weaknesses, Opportunities, Threats

4.7.1 Strengths and Opportunities

4.7.1.1 Barnet is a well connected borough. The M1, North Circular Road (A406) and Great North Road (A1000) provide major connections into and around the borough.

4.7.1.2 Barnet has a key opportunity area along the western borders with potential economic growth along the A5 Edgware Road and the A406 North Circular Road, cutting across the boroughs of Barnet and Brent, and having close linkages with other boroughs to the west including Harrow, Camden and Ealing and to the north to include Hertsmere. In addition, the MI network starts/ terminates at the juncture of the A5 and the A406 .

4.7.1.3 Barnet has a strong public transport offer, with both branches of the Northern line travelling through the borough. There are also a number of significant improvements to the public transport system being delivered as part of the programme of regeneration and development in the borough.

4.7.2 Weaknesses and Threats

4.7.2.1 Barnet is a large borough with a great deal of open spaces and green belt land, and consequent areas of low density, which offer a desirable place to live and work. However due to this there are a number of areas that lack adequate access to public transport, which may disadvantage those who live in these areas that do not have access to personal transport

4.7.2.2 Free flowing traffic enables freedom of movement and facilitates business and social activity in the borough, therefore the inaction regarding the levels car usage and congestion experienced in some parts of the borough could be a potential threat to the borough’s economic development, as well as health through pollution.

Appendix 1: Abbreviations

ABI Annual Business Inquiry
APS Annual Population Survey
BEI Barnet Economic Insight
BRES Business Register and Employment Survey
CLG (Department for) Communities and Local Government
DWP Department for Work and Pensions
ESA Employment and Support Allowance
FE Further Education (Colleges)
GLA Greater London Authority
HMRC Her Majesty's Revenue and Customs
IB Incapacity Benefit
ID10 Indices of Deprivation 2010
ILO International Labour Organisation
IMD Indices of Multiple Deprivation
JCP Job Centre Plus
JSA Job Seekers Allowance
KIBS Knowledge Intensive Business Services
LEA Local Economic Assessment
LEP Local Enterprise Partnership
LLTI Limiting Long-Term Illness
LSC – Learning and Skills Council
LSOA Lower Super Output Area
MEP Member of the European Parliament
MoU Memorandum of Understanding
MP Member of Parliament
NEET Not in Employment Education or Training
NESS – National Employers Skills Survey
ONS Office of National Statistics
PTAL Public Transport Accessibility Level
SDA Severe Disablement Allowance
SNPP Sub National Population Projections
SOA Super Output Area
TfL Transport for London

Appendix 2: Definitions

Borough grouping categories

Inner London Boroughs:
Camden, City of London, City of Westminster, Kensington and Chelsea, Hammersmith and Fulham, Hackney, Haringey, Islington, Lewisham, Lambeth, Newham Southwark, Tower Hamlets, Wandsworth

Outer London Boroughs:
Barking and Dagenham, Barnet, Bexley, Brent, Bromley, Croydon, Ealing, Enfield, Greenwich, Harrow, Havering, Hillingdon, Hounslow, Kingston upon Thames, Merton, Redbridge, Richmond upon Thames, Sutton, Waltham Forest, Redbridge

North London Sub-region:
This is primarily referring to the grouping of Barnet, Brent, Enfield, Haringey, Harrow, Waltham Forest, Redbridge. Hertsmere, Dacorum and Watford are also included in a number of analyses although this will be highlighted where they are not named individually.
Although Camden is part of the sub-region, it is excluded from analysis as it has a very different economic make-up from the other boroughs.

Central London:
Central London is defined as Camden, Islington, Kensington and Chelsea, Lambeth, Southwark, Wandsworth and Westminster

Chapter 2: Barnet's residents in the Labour Market

Qualifications:
The ONS criteria for qualifications is as follows:
No qualifications: No formal qualifications held
Other qualifications: includes foreign qualifications and some professional qualifications
NVQ 1 equivalent: e.g. fewer than 5 GCSEs at grades A-C, foundation GNVQ, NVQ 1, intermediate 1 national qualification (Scotland) or equivalent
NVQ 2 equivalent: e.g. 5 or more GCSEs at grades A-C, intermediate GNVQ, NVQ 2, intermediate 2 national qualification (Scotland) or equivalent
NVQ 3 equivalent: e.g. 2 or more A levels, advanced GNVQ, NVQ 3, 2 or more higher or advanced higher national qualifications (Scotland) or equivalent
NVQ 4 equivalent and above: e.g. HND, Degree and Higher Degree level qualifications or equivalent

Lower Super Output Area (LSOA):
They are a unit of geography used in the UK for statistical analysis. They are developed and released by Neighbourhood Statistics. Each LSOA equates to roughly around 1,500 people.

Economic Status

Economically Active
Economically active: People who are either in employment or unemployed.
Economic activity rate: People, who are economically active, expressed as a percentage of all people.

In employment: People who did some paid work in the reference week (whether as an employee or self employed); those who had a job that they were temporarily away from (eg, on holiday); those on government-supported training and employment programmes; and those doing unpaid family work.
Employment rate: The number of people in employment expressed as a percentage of all people aged 16-64.
Employees and self employed: The division between employees and self employed is based on survey respondents' own assessment of their employment status. The percentage shows the number in each category as a percentage of all people aged 16-64. The sum of employees and self employed will not equal the **in employment** figure due to the inclusion of those on government-supported training and employment programmes, and those doing unpaid family work in the latter.

Unemployment

Unemployed: Refers to people without a job who were available to start work in the two weeks following their interview and who had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.
Model-based unemployed: As unemployed form a small percentage of the population, the APS unemployed estimates within local authorities are based on very small samples so for many areas would be unreliable. To overcome this ONS has developed a statistical model that provides better estimates of total unemployed for unitary authorities and local authority districts (unemployment estimates for counties are direct survey estimates). Model-based estimates are not produced for male or female unemployed.
The model-based estimate improves on the APS estimate by *borrowing strength* from the claimant count to produce an estimate that is more precise (i.e. has a smaller confidence interval). The claimant count is not itself a measure of unemployment but is strongly correlated with unemployment, and, as it is an administrative count, is known without sampling error. The gain in precision is greatest for areas with smaller sample sizes.
Unemployment rate: Unemployed as a percentage of the economically active population.
ILO unemployment rate: The percentage of economically active people who are unemployed on the ILO measure. This can be calculated for any population group.
Under-employed: This suggests that someone is ether employed only part-time when one needs and desires full-time employment; inadequately employed, especially employed at a low-paying job that requires less skill or training than one possesses; or not fully or adequately used or employed.

Economically Inactive

Economically inactive: These are people who are not in work, but who do not satisfy all the criteria for ILO unemployment (wanting a job, seeking in the last four weeks and available to start in the next two), such as those in retirement and those who are not actively seeking work.
Economic inactivity rate: The number of economically inactive people as a percentage of the total population aged 16 and over. This can be calculated for any population group.
Public sector employment: Public sector employees are those in Public Corporations / Nationalised Bodies, Central Government and Local Authorities

Indices of Multiple Deprivation:
The Indices of Deprivation 2010 provide a range of information including detailed breakdowns for small areas (Super Output Areas) and aggregate summary statistics. The new Index of Multiple Deprivation (IMD 2010), made up of seven Super Output

Area (SOA) level Domain Indices, provides measures of multiple deprivation including an Index of Multiple Deprivation Score and Index of Multiple Deprivation Rank. These overall measures have been constructed from indices for each of the following domains (please note that these are Indices of Deprivation specific, and should not be confused with the Neighbourhood Statistics domains):
• Income;
• Employment;
• Health Deprivation and Disability;
• Education Skills and Training;
• Barriers to Housing and Services;
• Crime; and
• Living Environment.

Chapter 3: An Enterprising borough: Business and Industry in Barnet

Enterprise or Local Unit
An 'Enterprise' is, essentially, a business with a degree of autonomy - usually a head office - which may, or may not, have multiple sites, or 'Local Units'. A Local Unit is defined as an individual site, located in a geographically identifiable place. They are particularly appropriate for location based analysis of business statistics. For example, a company head office would count as one 'Enterprise' as well as one 'Local Unit'. The company's 17 branches throughout the country would also count as Local Units. Alternatively, a single- site company would count as one Enterprise and one Local Unit.

The 'Business Demography: Enterprise Births & Deaths'
A **business birth** is defined as a business that was present in a given year, but did not exist in the previous two years. Births are identified by comparing the annual active business population between years.
An **active business** is defined as a business that had either turnover (based on VAT) or employment (based on PAYE) at any time during the reference period.
A **business death** is defined as a business that was active in a given year, but was no longer active in the following two years. In order to provide an early estimate of deaths, an adjustment has been made to the 2006 and 2007 deaths to allow for reactivations. These figures are provisional and subject to revision.

Sizes of enterprises
Enterprises qualify as micro, small and medium-sized enterprises (SMEs) if they fulfill the criteria laid down in the Recommendation which are summarised in the table below. In addition to the staff headcount ceiling, an enterprise qualifies as an SME if it meets either the turnover ceiling or the balance sheet ceiling, but not necessarily both.

Enterprise category	Headcount	Turnover	or	Balance sheet total
medium-sized	< 250	≤ € 50 million		≤ € 43 million
small	< 50	≤ € 10 million		≤ € 10 million
micro	< 10	≤ € 2 million		≤ € 2 million

Industries

Goods and services industries – Industries are often referred to as goods (producing a product) or service (providing a service) industries. Industries are classified according to Standard Industrial Classification as follows:

- Goods-producing industries include: agriculture, fishing, forestry, mining, construction, and manufacturing.

- Service-producing industries include: trade, transportation, communications and other public utilities, finance, insurance and real estate, community, personal and business services (which includes health care, education, police services, etc.) and public administration.

Creative industries

Nine creative industries or sectors are defined by the Department of Culture, Media and Sport (DCMS) in its *2001 Mapping Document* (DCMS 2001). These are Advertising; Architecture; Arts and Antiques; Fashion; Film and Video; Leisure Software; Music and the Visual and Performing Arts; Publishing; and Radio and Television. It additionally defines ten creative occupations, nine of which have the same names as the nine sectors just described. DCMS defines a tenth occupation 'crafts' (see for example Chart 6) which has no corresponding industry sector.

Creative Workforce Jobs, as measured in this report, are thus made up of two components which overlap:

- 'Creative Industry Jobs' – jobs in an industry classified as creative. These are the sum of creative industry employee jobs and creative industry self-employed jobs.
- 'Creative Jobs' – held by artists, performers, craft workers and so on – whose occupation is classified as creative.

Business growth- NI 172

NI 172 calculates the percentage of small registered businesses showing year-on-year employment growth. This indicator measures the proportion of those businesses showing year on year employment growth, where employment is measured as the number of employees (full and part-time) plus the number of self-employed people that run the business.