Haringey Economic Growth Assessment

Objectives of the research

- To understand the potential for economic growth and inward investment in Haringey.
- Looking at:
  - Past, current and future trends
  - The local labour market and skills analysis
  - The business environment in Haringey
  - Opportunities to business growth
  - Barriers to business growth
  - How the council can promote and remove the barriers to growth
  - Skills of local residents and how well prepared they are to meet the needs of businesses both today and in the future.

Why?

- Haringey Council are in the process of drawing up a new local economic development plan.
- Imperative that this draws on the most up-to-date and thorough analysis of the local economy and population both now and in the future.
- There will be a second piece of work to produce an Economic Growth and Inward Investment Strategy for the Council that will provide the framework for the enablement and promotion of business and employment growth in Haringey for the next 15 year period. This draft strategy will be based upon the study's findings and it should be remembered that the economic growth and inward investment strategy is a separate piece of work from the study presented here.

Structure of the report

- **Introduction to Haringey**
  - Deprivation
  - Demographics
- **Headline labour market indicators**
- **Jobs in Haringey**
- **Business base**
  - Micro businesses
- **Entrepreneurial activity and business start-ups**
  - Reasons for failure
  - Critical success factors
  - Lessons for business support
- **Labour market in Haringey**
- **Looking forward: the growth sectors**
  - Uncertainty means flexibility is the key
- **Developing assets**
  - Population growth and social change
  - Office markets
  - Green industries
  - Retailing and town centres
  - Cultural industries
  - Strong environments
- **Key lessons**
- **Towards a strategy**
- **Appendices**
  - **Haringey employer survey**

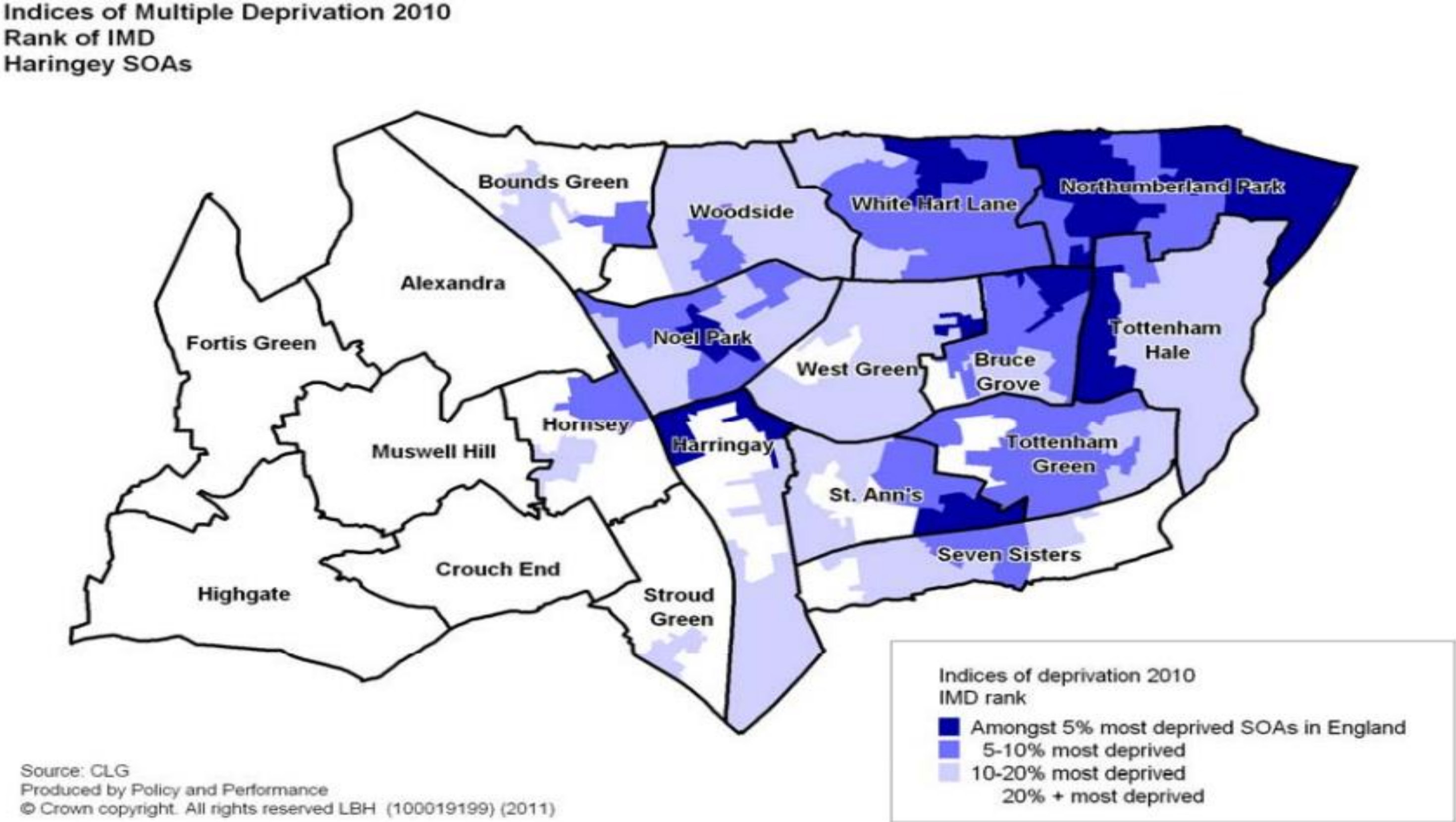
Haringey in numbers

- Haringey covers an area of more than 11 square miles and is situated in North of London. It sits on the border of what could be considered Inner and Outer London but for the purposes of our study we will treat Haringey as an Inner London borough.
- As the chart overleaf shows, Haringey has more in common and indeed should seek to learn from the central London boroughs to the South of it: Camden, Hackney and Islington.
- Haringey is a divided borough with a clear East : West split on many indicators – as much of our analysis will go on to present. The Western wards of the borough such as Crouch End and Muswell Hill are some of the most well-off in the country whereas some areas in the farthest Eastern ward of Northumberland Park are in the most deprived 5% of SOAs in the country.
- Haringey's population now stands at 258,900. This is an increase of 3,300 from the population in mid-2011 (Source: Census 2011).
- Haringey has a diverse and vibrant population, similar to other areas of London.

PROGRESS WITH HUMANITY

Haringey Council

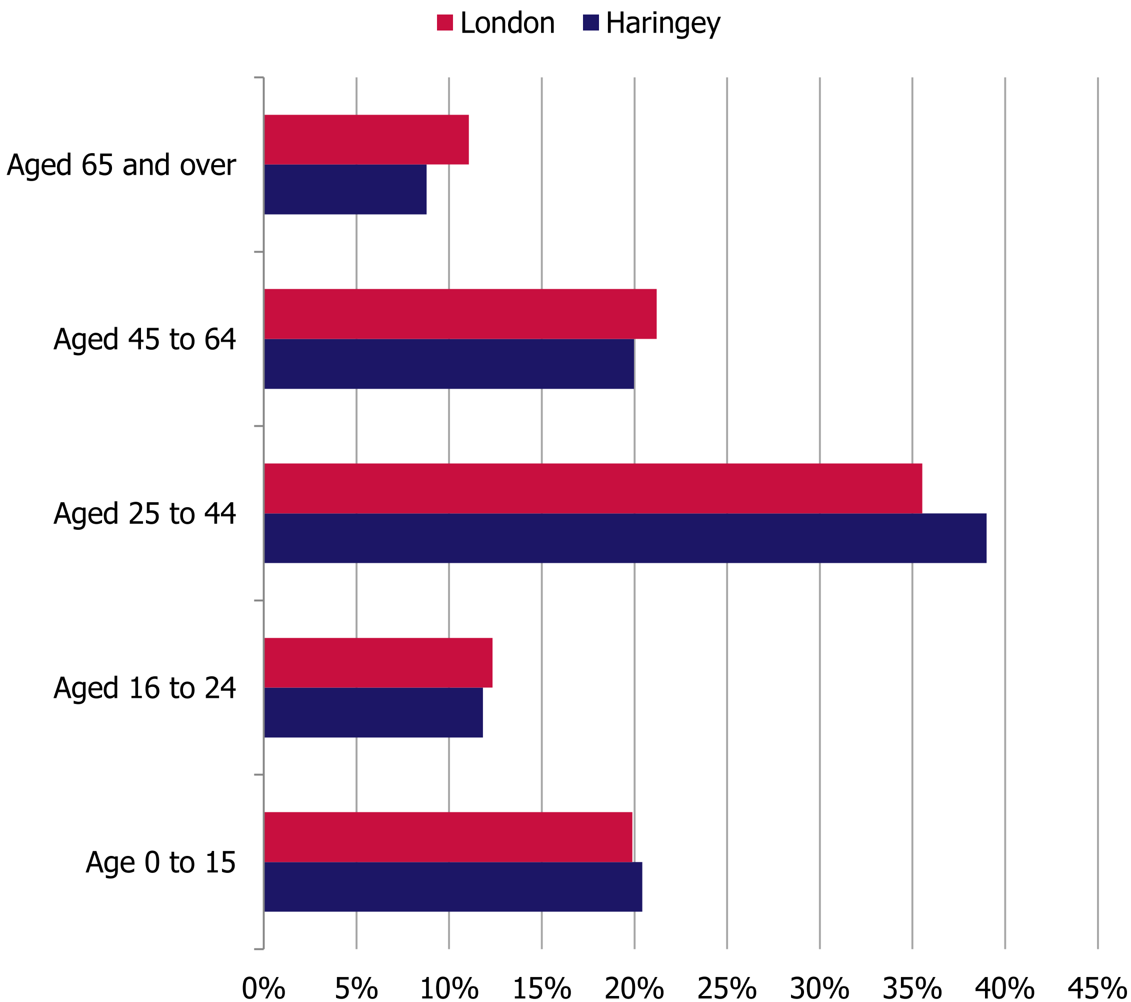
Haringey is one of the most deprived authorities in England. Deprivation is concentrated in the North-East of the borough



- Haringey is one of the most deprived authorities in the country, ranking 13 out of 326 English authorities and is the 4th most deprived borough in London - Hackney, Newham and Tower Hamlets are more deprived.
- 80 of Haringey's 144 LSOAs are within the most deprived 20% in England, located predominantly in the east of the borough, especially the north east.
- 42 of Haringey's 144 LSOAs are within the most deprived 10% nationally.
- 12 LSOAs are within the most deprived 5% in England, located mainly in Northumberland Park and Tottenham.

Source: IMD 2010: Headline Report for Haringey

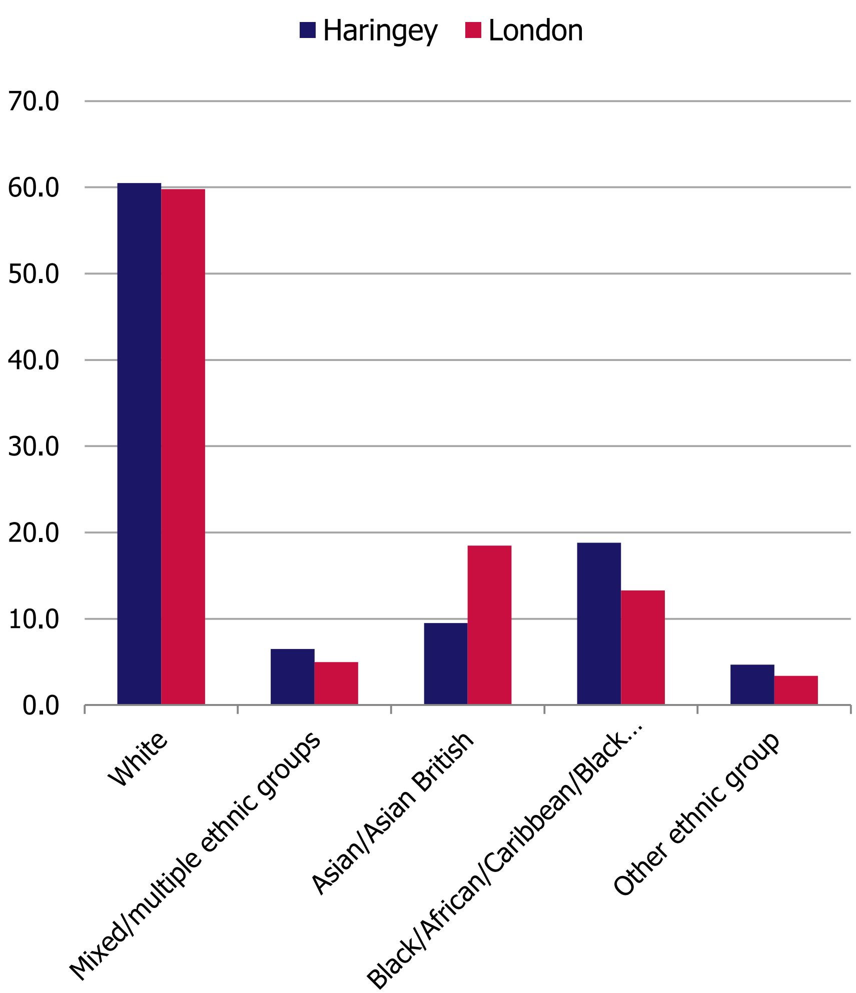
Compared to the London average, Haringey has a high proportion of younger working-age residents, with proportionately fewer people aged 45 and over



Source: Census 2011. Age breakdown of usual resident population in Haringey and London

- This data is taken from the Census and is thus a comprehensive reflection of the population age structure of Haringey and London, what may seem like relatively small differences here can actually reflect fundamental differences between the populations. In particular, there are considerably more 25-44 year old people than there are in London as a whole, and fewer residents of retirement age (65+).
- What these patterns mean is that Haringey has a higher working-age population and thus a lower ‘dependent-age’ population. There is, therefore, considerable potential to move significant numbers of residents into work and generate revenue throughout the borough and work to promote the creative spirit of those in the 25-44 age bracket.

Haringey's proportion of BAME residents is similar to the London average – but BAME residents are more likely to be Black African/Caribbean/British and less likely to be Asian/Asian British

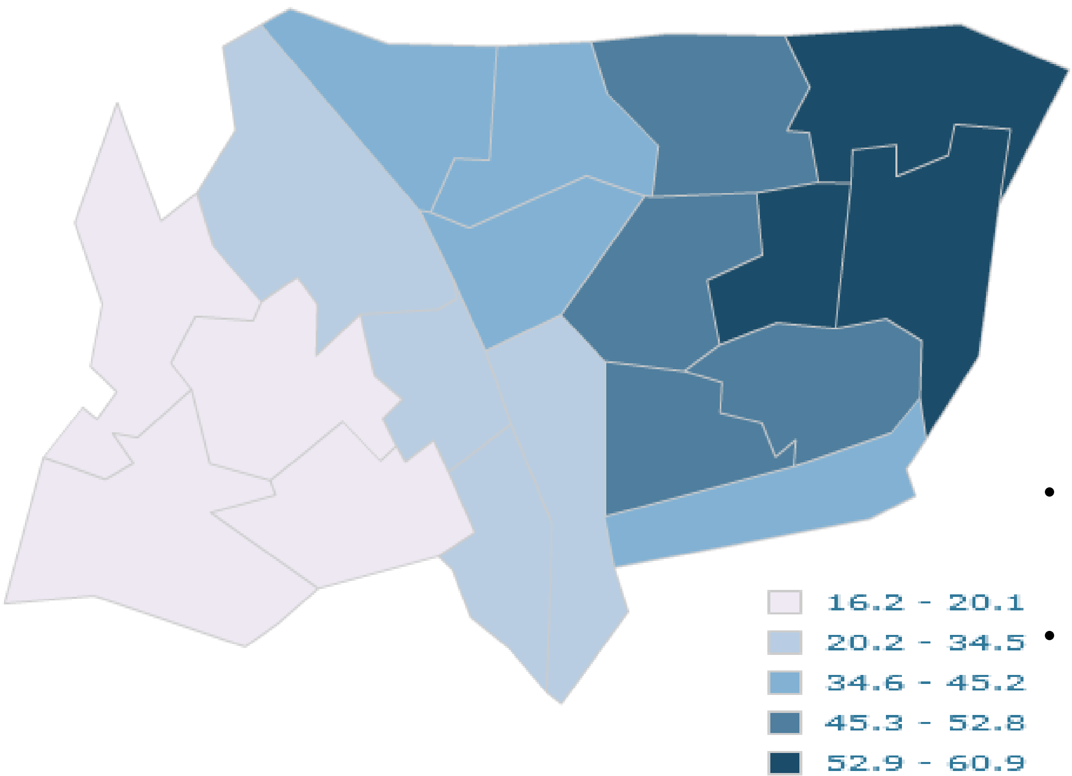


Source: Census 2011, usual resident population – breakdown by ethnic group

- Haringey, overall, has similar proportions of white : BAME residents to the London average however there are substantial differences between ethnic groups below this level.
- The proportion of Asian or Asian British residents in Haringey is considerably lower than the London average, however the proportion of Black African/Caribbean/British residents is much larger.
- This will be interesting to make reference to later on in this report when looking at employment rates and entrepreneurialism.
- We will also look at ways to capitalise on such a diverse population and the strategy in particular will look at case studies and the best methods for promoting entrepreneurialism, particularly amongst the Black African, Caribbean and Black British populations.

The East-West split in the borough by ethnicity is stark

Proportion resident population that is BAME (%)

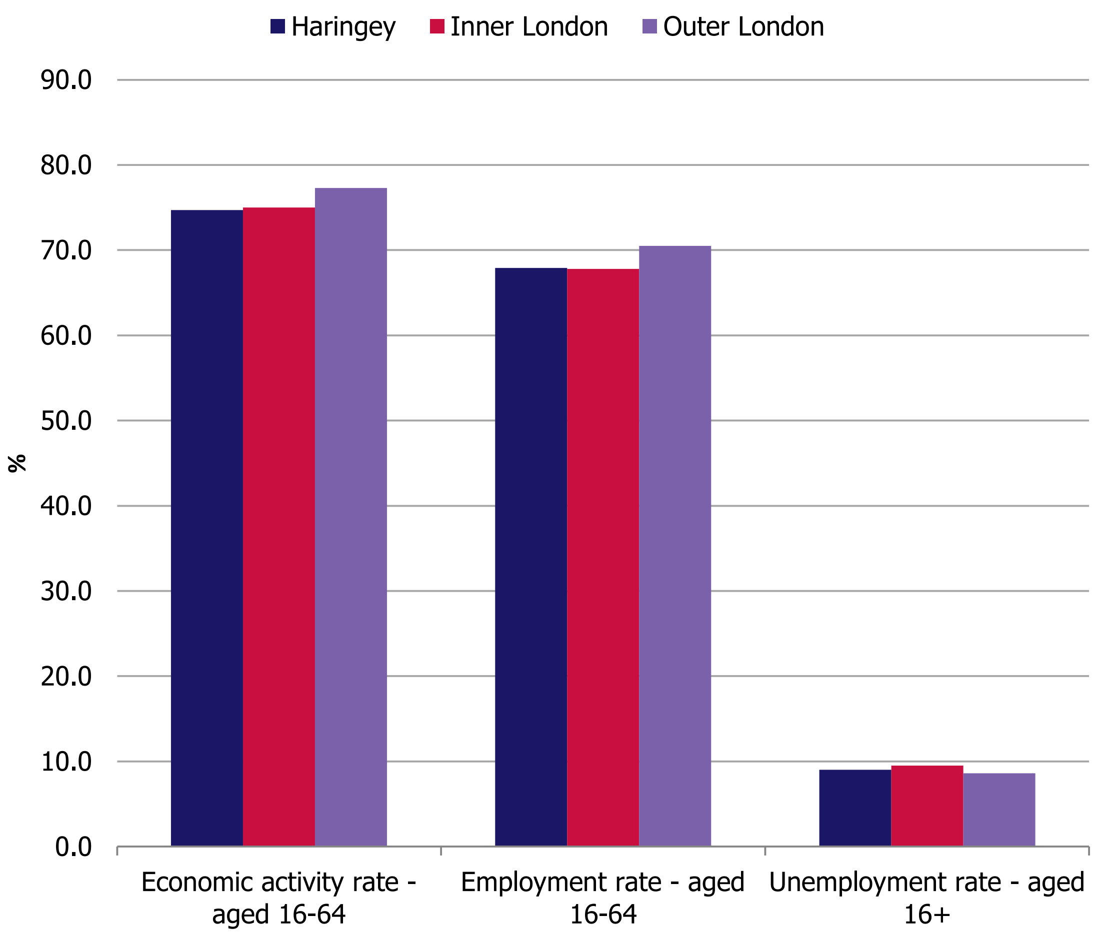


Source: Census 2011

- The borough is dissected into East:West by the rail line that runs down the centre of Haringey.
- This dividing line down the centre of the borough is visible for a number of indicators, many of which we will cover in this report. Here, we have chosen to show the proportion of the resident population from Black, Asian or Minority Ethnic background because it is the indicator that shows the clearest split between East and West of the borough. In fact, the pattern is unbroken as we move from the dark blue wards in the North-Eastern tip of the borough through to the grey wards in South-West Haringey.
- Those in the East of the borough are considerably more likely to be from a Black, Asian or other minority ethnic background.
- This will be something to keep in mind as we look at the geographical split of various other indicators **within** Haringey throughout this report.

Headline labour market indicators

On the headline labour market indicators, Haringey is close to the inner London average



Source: Annual Population Survey, July 2012 – June 2013

As can be seen for the accompanying chart, Haringey does match the average London borough in terms of headline labour market indicators quite closely. In particular, Haringey matches the average Inner London borough in terms of economic activity, employment and unemployment rate. The Outer London boroughs tend to have higher activity and employment rates with lower levels of unemployment. This echoes the story we were narrating earlier of Haringey needing to think of itself as an Inner London borough – looking towards Hackney, Islington and Camden; as opposed to an Outer London borough that looks upon Barnet and Enfield as similar areas.

We will go on to delve down further into these figures but the headline message is that Haringey tends to look like the average Inner London borough on these broad measures.

Jobs in Haringey

Compared to many other London boroughs, Haringey accommodates few jobs within its boundary

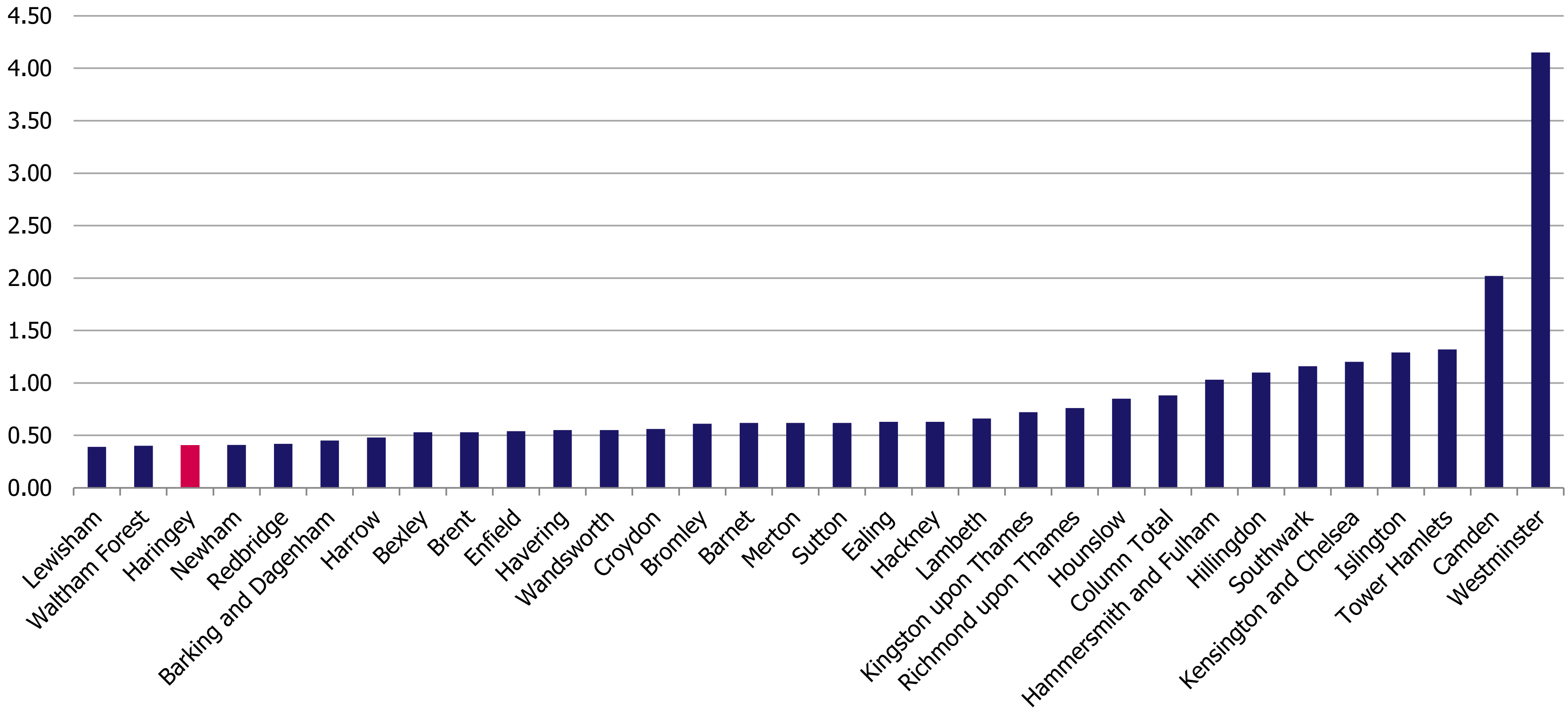
- Haringey has a particularly low number of jobs for a London borough, and indeed there are only 63,700 jobs. This ranks Haringey 30th out of 33 London boroughs. The data we have used here is from BRES and is particularly useful because it is available down to borough level and for a relatively recent period, 2012. We have used the figure for employment which includes all employees plus working proprietors to come up with a more accurate figure for employment.

- The number of jobs has only grown by 1,300 since 2009, which is amongst the slowest growth rate of all the London boroughs, however, it is not a fall which has been experienced in the boroughs of Bromley and Kingston-upon-Thames.

- Using workforce jobs figures, which give higher total numbers of jobs because , we can compare figures going further back, which show that the number of jobs has not increased significantly since the year 2000.

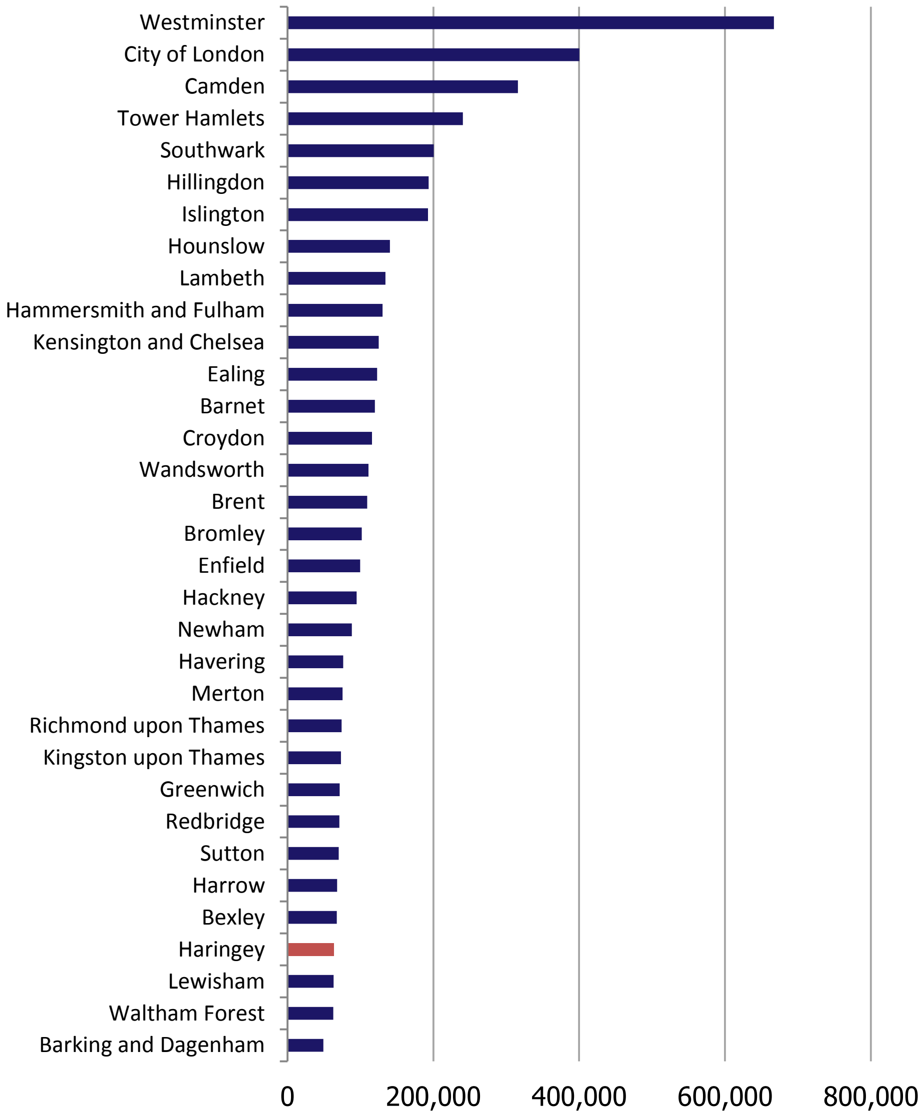
- This is one of the major issues we have identified from our analysis of the current business picture in Haringey. Whilst we go on to point out that there is no necessity for Haringey residents to work in the borough, the extremely low numbers of jobs generated by businesses in the borough is a concern. This issue is also more likely to disproportionately affect certain groups for whom commuting represents more of a problem such as lone parents who have childcare concerns. Furthermore, growing business in Haringey will bring more revenue in for the Council through businesses tax rates and will have positive spill-over effects for the local economy overall – with increased disposable income for residents and vibrant businesses creating high streets and commercial areas that people want to come and visit.

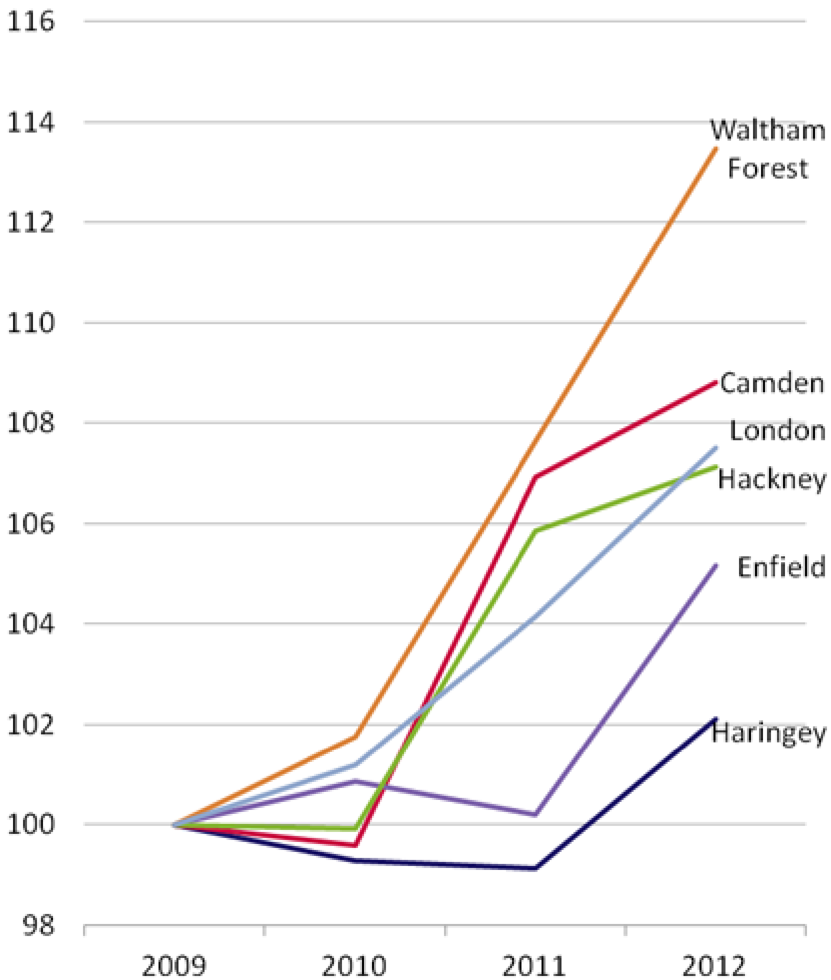
Haringey has a very low jobs density rates (jobs/working-age resident)



- Haringey also has particular low figures for jobs density – the number of jobs in an area divided by population aged 16 to 64 in the local area. For this data source, the most recent period for which we have data available is 2011.
- As you can see from the chart ,Haringey has a jobs density figure of 0.41 and is ranked 31st out of 33 London boroughs. That means that there simply isn't enough jobs in the borough to go round. As the chart shows, this isn't necessarily an issue as many London boroughs have a jobs density ratio below one, however as described earlier, certain groups are less able to commute than others and the likelihood of finding work informally for the unemployed is also reduced.

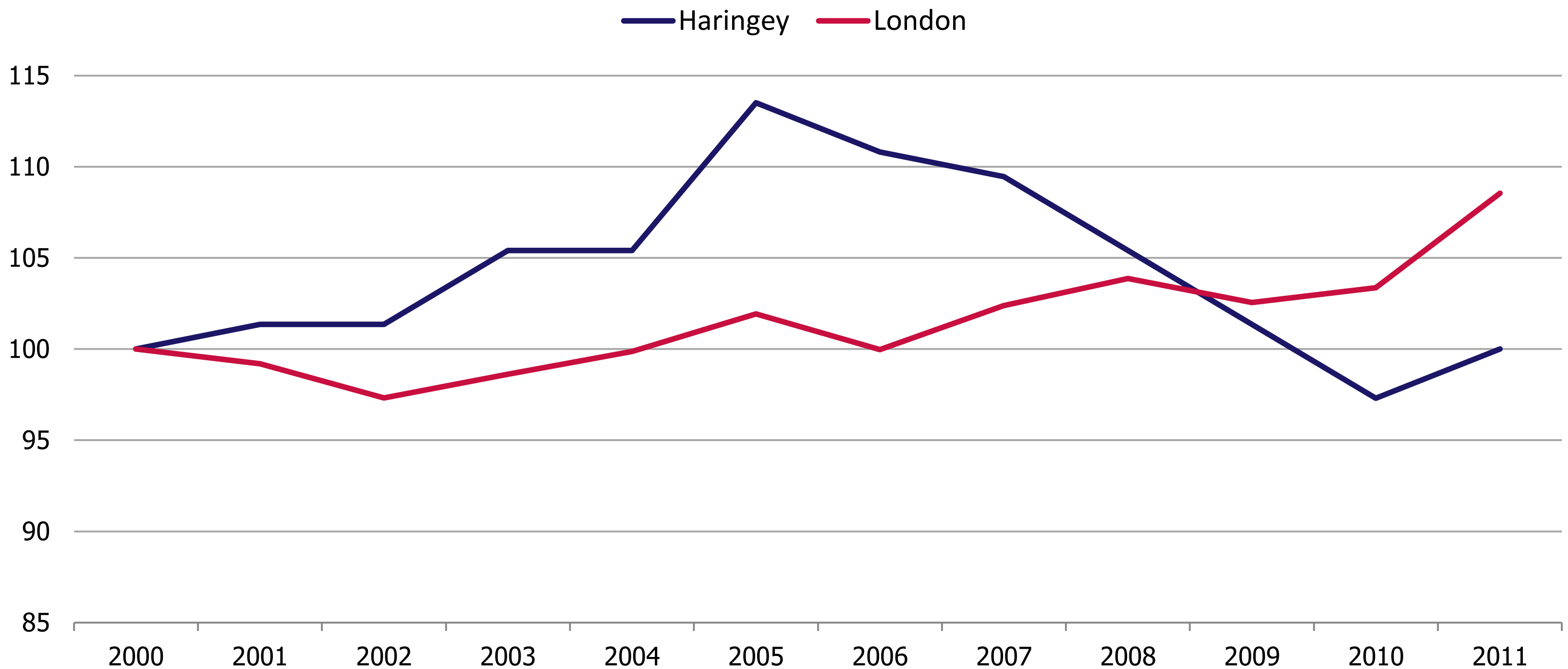
Jobs growth has stagnated in Haringey over the past few years





Source: BRES data. Number of jobs in Haringey

On a different measure and timescale, the number of jobs in Haringey has fallen over the past decade, with some recovery seen recently

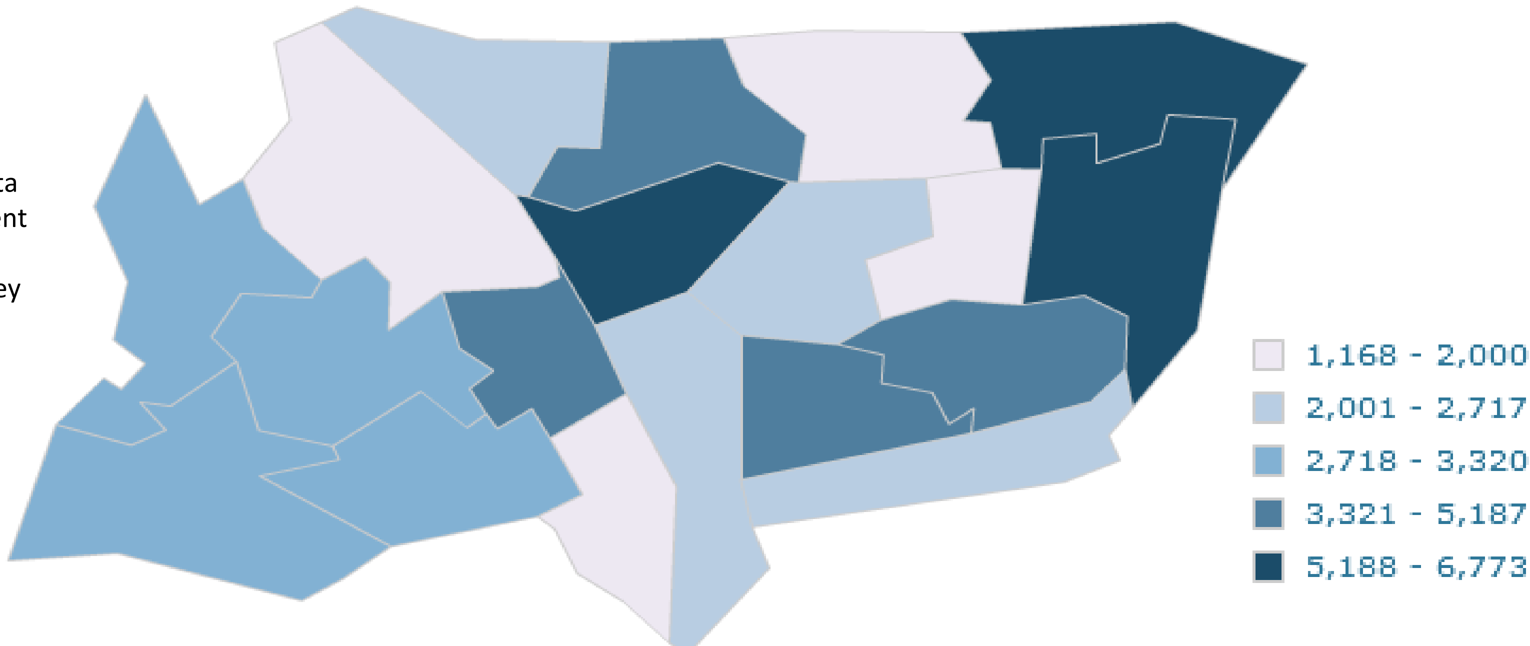


Source: ONS Workforce Jobs

- The number of jobs has been indexed at 2000=100, to show the relative growth in the number of jobs over time in both Haringey in London.
- As we can see Haringey has suffered severely since 2005 with falls in the number of jobs compared to a more steady increase in London over the same period. In fact, according to this measure the number of jobs in Haringey has followed more of a 'boom and bust' cycle than the consistent increase in the larger London area.
- This isn't entirely surprising as the larger area is always likely to follow a less volatile pattern but on this measure, the number of jobs is at the same level it was in 2000, and the working-age population has, conversely, risen over that period.

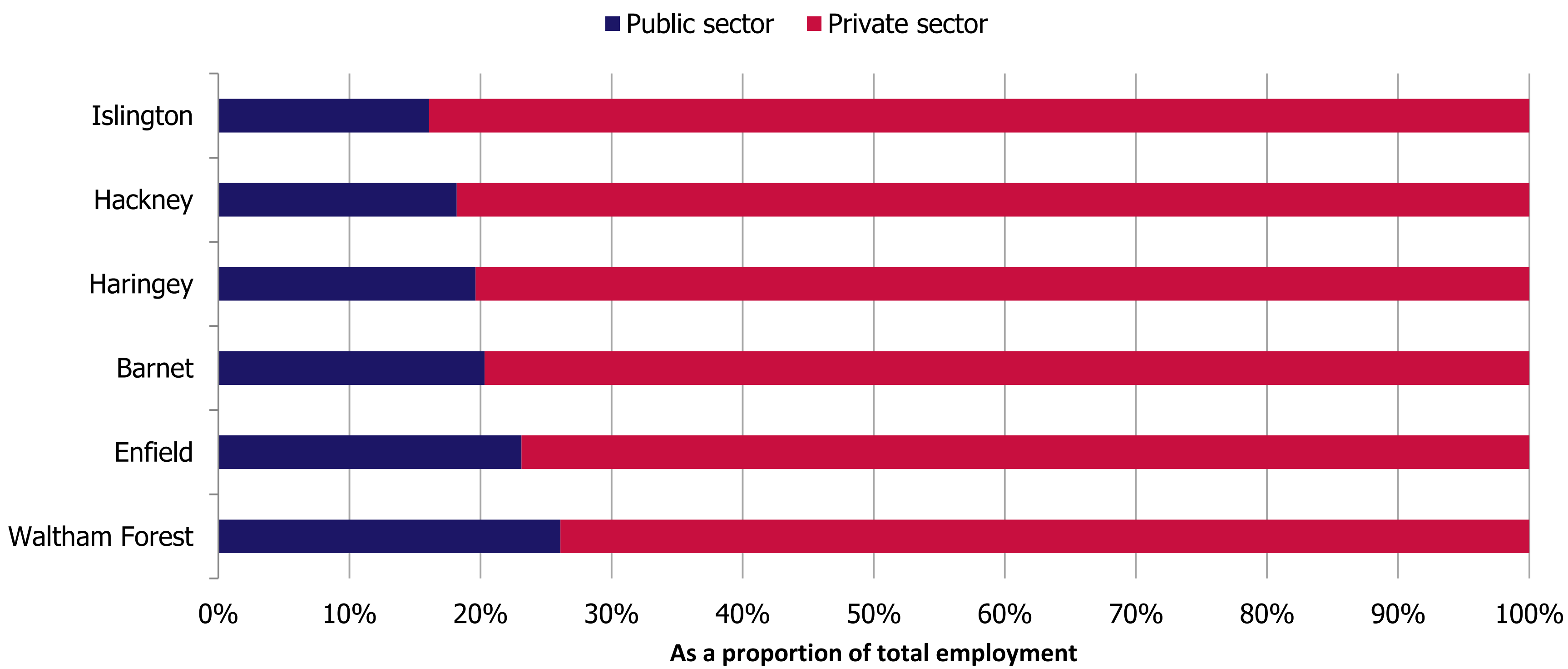
These jobs are distributed relatively evenly throughout the borough with a few employment 'hotspots' in Eastern wards

Source: BRES 2012 data on those in employment (employees + working proprietors) in Haringey



- Data used here is from the Business Register and Employment Survey which is conducted of an extract of employers from the Inter Departmental Business Register.
- It measures those in employment in 2012 in businesses based in Haringey by ward. Employment is defined as all employees plus working proprietors but excludes voluntary workers and working owners who are not paid by PAYE.
- These hotspots are likely to correspond to shopping centres and retail areas, or large industrial business sites, but do show that the number of jobs in the Eastern wards of the borough far outstrips those in the Western wards.
- This will be particularly interesting to draw on later when looking at the spatial distribution of other indicators.

Compared to near neighbours, Haringey has an unremarkable split of public:private sector jobs. Unsurprisingly, the public sector jobs are concentrated amongst a few key employers

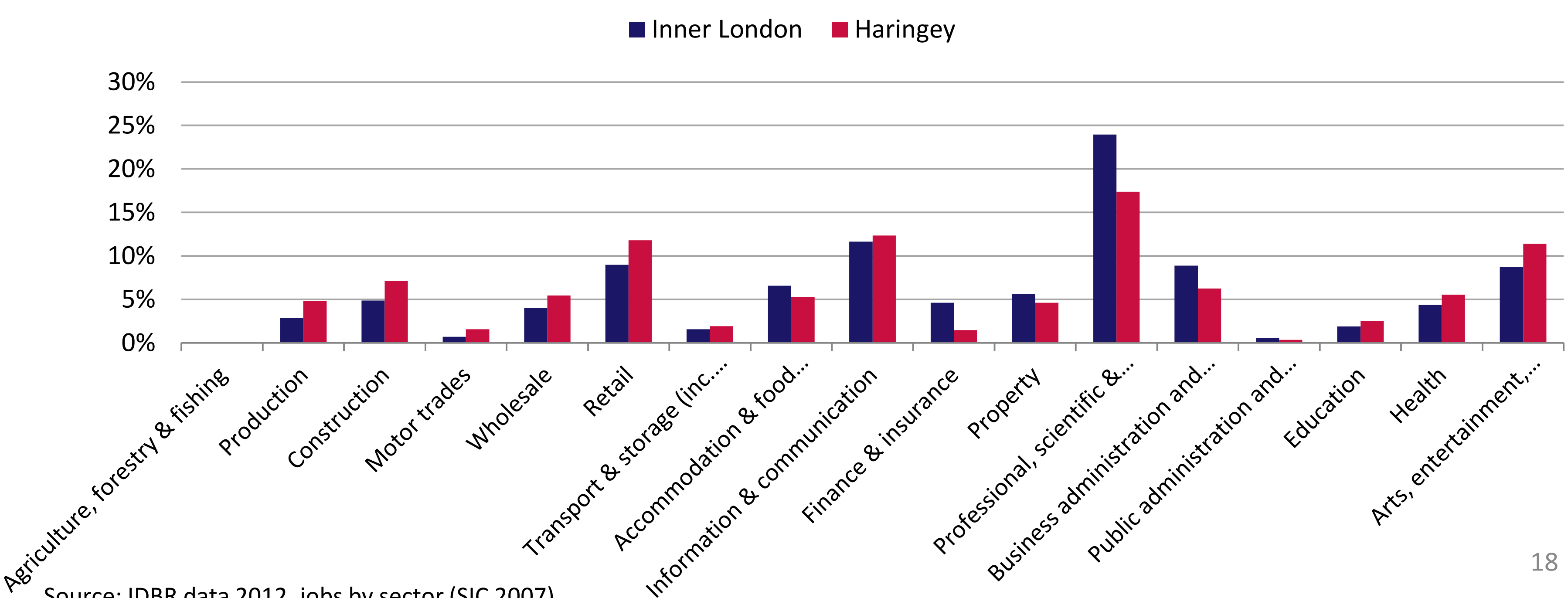


Source: BRES data, no. jobs by sector, 2012

- We have used BRES data on this because it is more up-to-date and allows us to look at a geographical split by borough.
- However, the data here is not particularly revealing for Haringey and the nuances and quirks of the borough can be found in data elsewhere.

Haringey has a relatively higher proportion of retail, IT and wholesale and construction jobs compared to Inner London but a dearth of Professional, Scientific & Technical jobs

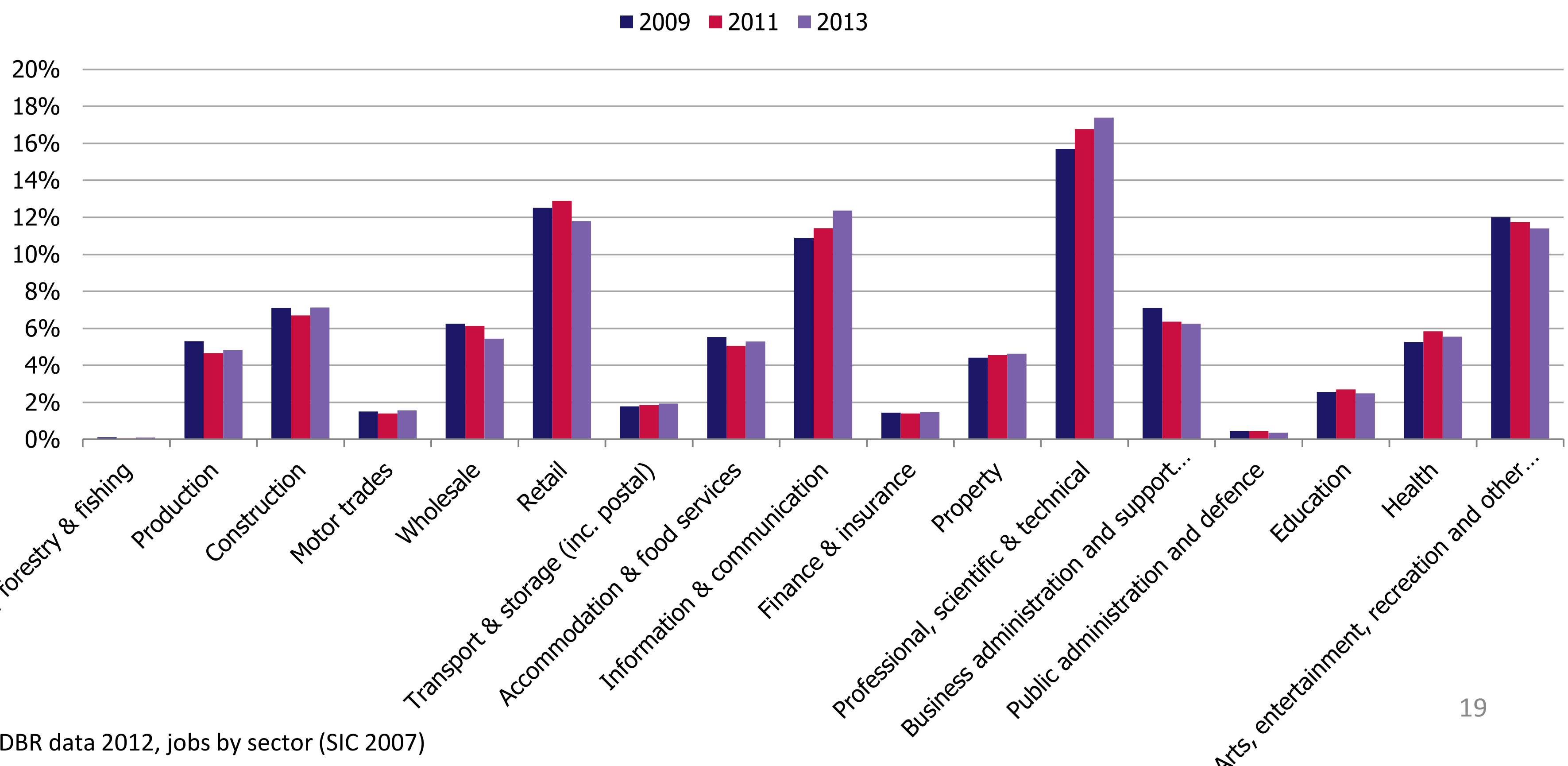
- The chart below shows the proportion of all jobs in an area accounted for by jobs in a certain sector. The data is taken from IDBR data and thus represents all VAT and/or PAYE enterprises registered in Haringey. For this reason as an administrative data source we can be confident with our conclusions from the data.
- The most striking results are that Haringey has a much lower proportion of Professional, Scientific and Technical jobs compared to Inner London and a relatively high proportion of Retail jobs in the borough. This is perhaps unsurprising but is a pattern we would want to see change in the future and, as we will later show, this change may be inevitable anyway as the London labour market creates ever more jobs in the professional sectors.
- Compared to the inner London average, Haringey has proportionally more businesses in the production, construction and wholesale sectors – as well as in arts and entertainment.



Source: IDBR data 2012, jobs by sector (SIC 2007)

Looking at changes over time, IT and particularly prof, scientific and technical sectors have been growing – closing the gap on Inner London

- The previous slide showed us that the professional, scientific and technical sectors are under-represented in Haringey compared to Inner London as a whole but we can see that this sector has been growing since 2009. Information and communication has been the other growth sector over the period with retail falling off slightly suggesting that the pattern of businesses shifting towards the professional sectors in Haringey is already well underway. However, simply because a pattern was emerging in the past does not mean we can become complacent about the fact it will continue in the future and active policies to encourage the creation of professional jobs in the borough should be pursued by the council. These will be explored later.

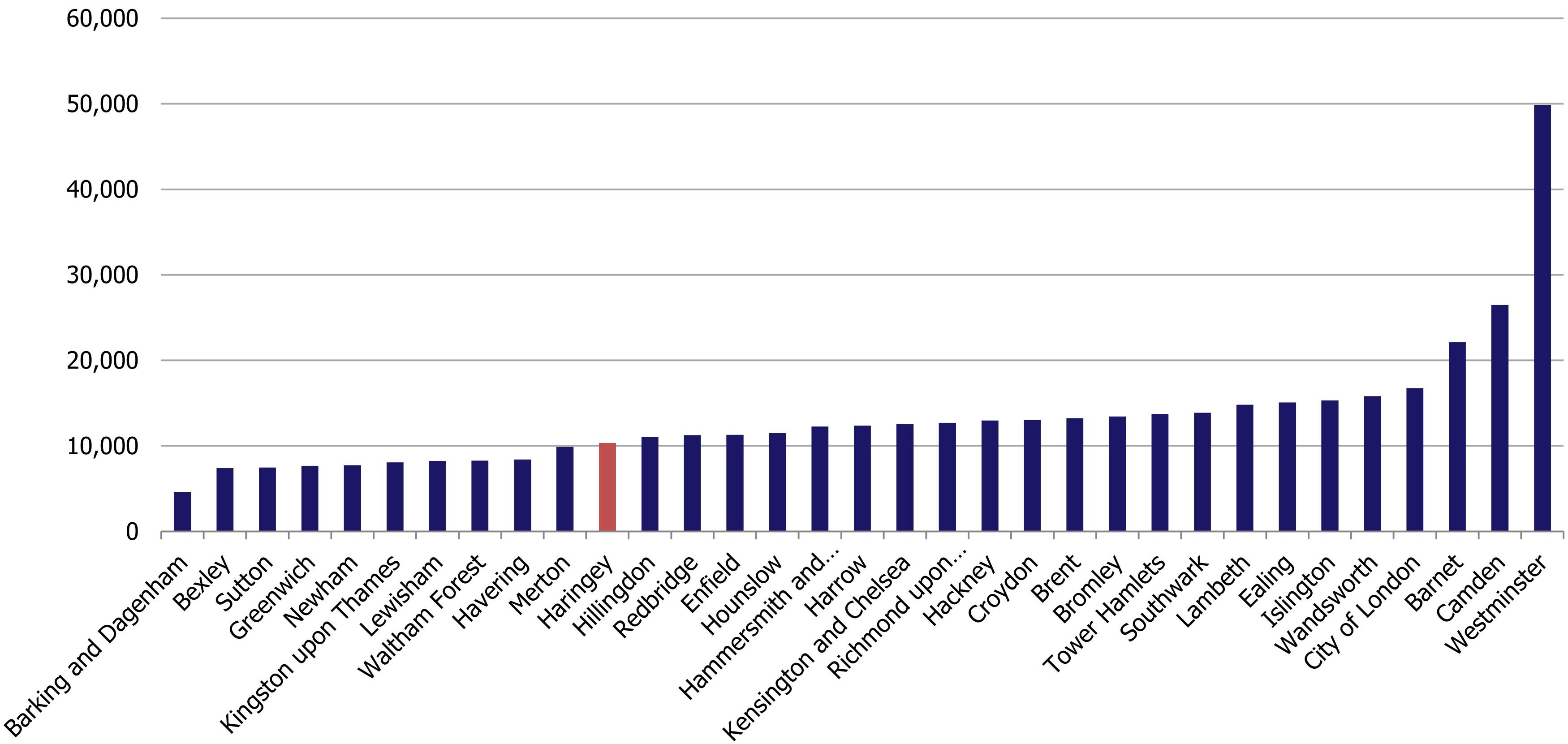


Source: IDBR data 2012, jobs by sector (SIC 2007)

Businesses in Haringey

Haringey has a relatively small number of active enterprises, especially compared with neighbouring Inner London boroughs

- There were just over 10,000 active businesses in Haringey in 2012, the most recent period for which we have data available. As shown in the figure below this ranks Haringey as 23rd of 33 London boroughs (including the City.)



- This is data taken from the ONS Business Demography Index – which lists all VAT and/or PAYE registered enterprises. The numbers recorded here are higher than those reported in UK Business: Activity, Size and Location which looks at a snapshot of the number of active businesses at any one point in time whereas these figures look at all active enterprises throughout the year.

However, the growth in active enterprises has outstripped the growth in the rest of London over the past few years

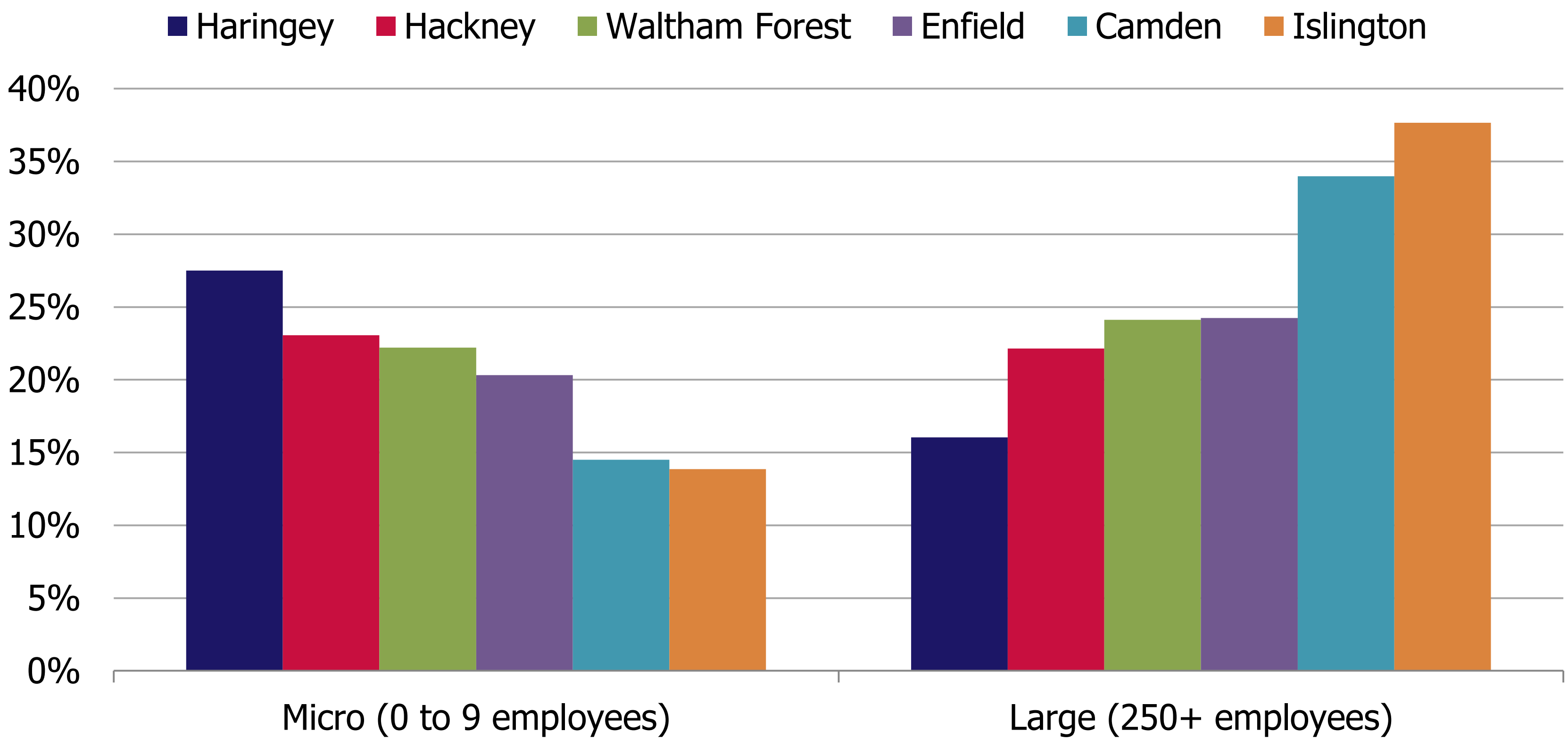
Source: ONS Business Demography 2008-2012. Index 2008=100.

- The number of active enterprises is up from 9,075 in 2008, and there has been a steady increase over the period. The growth in the number of active enterprises stalled in 2008-09 but this is understandable given the wider economic problems in the UK at the time.
- Indeed, the number of active enterprises in Haringey has grew at a faster rate than that in London as a whole or in either of the sub-regions of Inner and Outer London.
- The chart is indexed at 2008, and shows that since 2008, the number of active enterprises in Haringey has increased by 14 per cent whereas the corresponding growth in London was just 12 per cent.

Employees working in Haringey are far more likely to be working in micro businesses (0-9 employees) than employees in other parts of London

- We have used BRES data which is a survey of a sample of all VAT and/or PAYE businesses in the UK. Businesses can only be registered once in the UK so these figures are likely to under-represent the actual number of workers in larger businesses in the UK.
- For example, those who work for large supermarkets will be ‘registered’ in this dataset at company headquarters and thus will not be reported as working in Haringey for a large employer in this dataset.
- However, this system is consistent for all areas and all London boroughs are likely to be affected similarly so looking at comparisons between different London boroughs, and seeing where Haringey sits, should be instructive, even if the actual proportions of people working in small or large businesses is not.
- As it turns out, these comparisons are particularly striking.

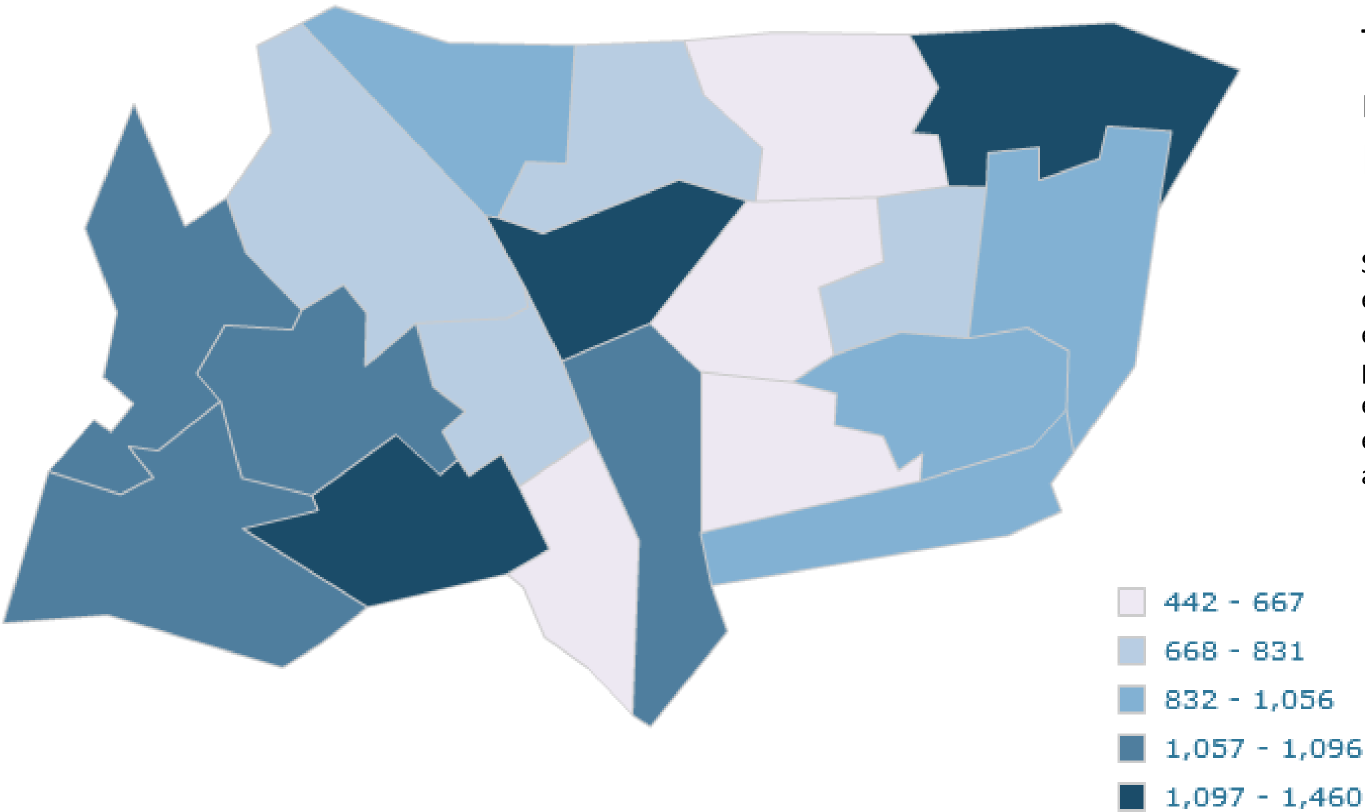
Smaller businesses are responsible for a much larger proportion of total employment than in other neighbouring boroughs



Source: BRES 2012 data. Proportion of total employment in boroughs accounted for by employment in various size businesses.

- As mentioned on the previous page, this data is unlikely to accurately reflect the actual numbers ie it is unlikely that over a quarter of employees in Haringey work in businesses with fewer than ten employees, but we can be confident in asserting that many more (over twice as many) people working in Haringey work in businesses with fewer than ten employees than the neighbouring boroughs of Camden and Islington. In fact, this comparison is extremely striking and is certainly a key characteristic of the business environment in Haringey.

There is no a clear spatial pattern of micro businesses employment. There are a few 'hotspots' in Northumberland Park, Noel Park and Crouch End where over 1,000 people are employed in micro businesses

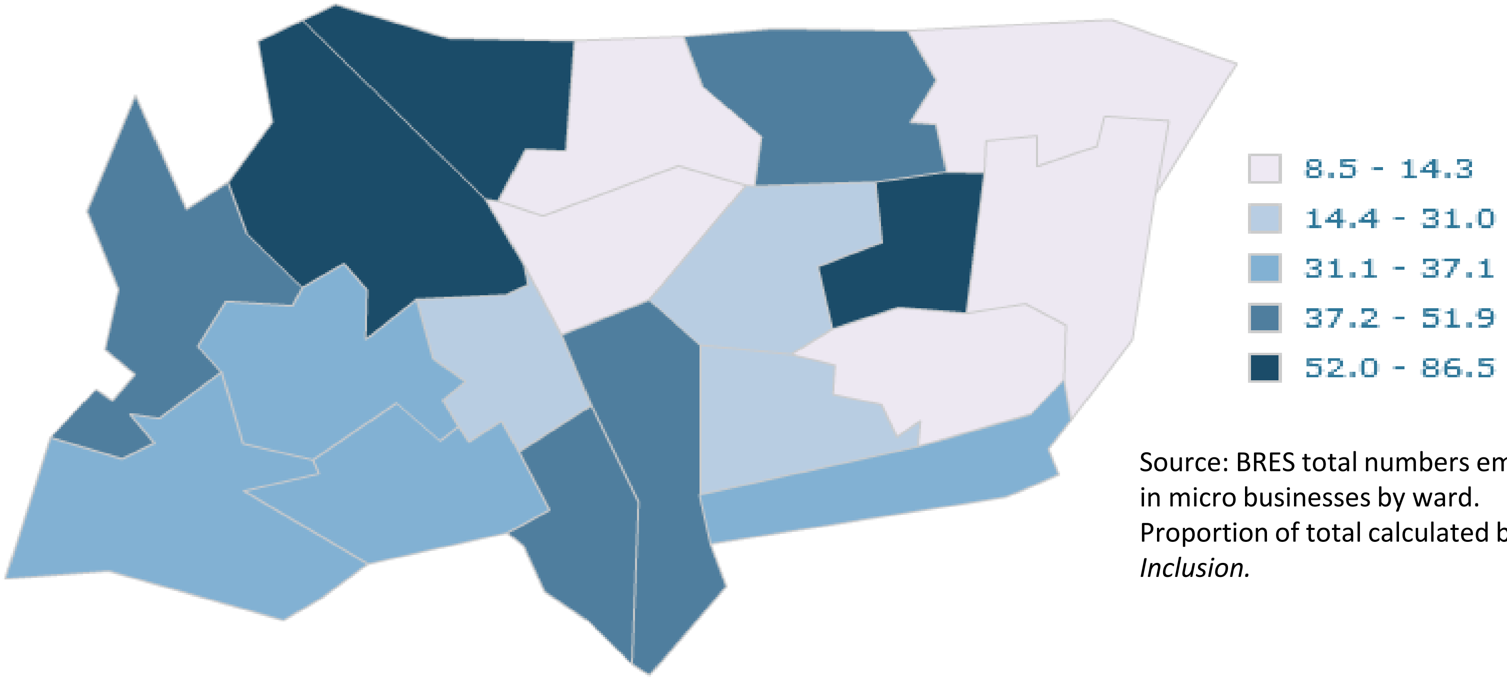


Total employment in micro businesses in Haringey by ward

Source: BRES data 2012. Total employment (measured as employees plus working proprietors) working in businesses employment less than 10 employees and registered for VAT and/or PAYE purposes in Haringey.

Looking at total employment in micro businesses masks the fact that *total* employment is higher in some wards than others…

…instead look at proportion of total employment accounted for by employment in micro business



Source: BRES total numbers employed in micro businesses by ward. Proportion of total calculated by *Inclusion.*

- This tells a different story than the previous slide. This is because the map highlights areas of concentrated micro business employment rather than total. As Northumberland Park, Noel Park and Crouch End have high levels of total employment in the ward – these areas are lighter on this map as they are not 'concentrated' areas of micro business employment.
- We see a more distinctive East-West split in this map, with darker areas in the North of the borough and micro business employment (as a proportion of total employment) concentrated in the West of the borough.
- This will help inform the second part of the project – designing an economic growth strategy, and informing the council where flexible office space development should be concentrated.

Micro business employment has not always been such an important constituent part of total employment in Haringey

% change in numbers employed in…(2009-2012)	Haringey	London
Micro businesses (0 to 9 employees)	12%	8%
Small businesses (10 to 49 employees)	1%	9%
Medium-sized businesses (50 to 249 employees)	3%	6%
Large businesses(250+ employees)	-10%	7%

A few large companies leaving? Those left are probably large public sector employers, cleaning company, the football club?

- As mentioned previously, the BRES data takes account of where businesses are registered and thus tends to over-estimate employment in microbusinesses as large companies are only registered once for tax purposes. However, this data is useful for both looking at comparisons between areas (see previous) and comparisons over time as method for assigning businesses to an area hasn't changed over time and thus the patterns we can see are above are definitely due to real changes in employment in the borough.
- Since 2009, the number of employees in micro businesses has grown 12% in Haringey against a general rise of 2% in employment as a whole in the borough. This growth is also striking compared to growth in employment in other businesses and in London as a whole.
- **Main story for employment in Haringey over past 3 years is growth of employment in micro businesses!**
- We need to think carefully about what this growth means, given that it shows no signs of slowing, and how we can help these young businesses grow and survive in challenging times.

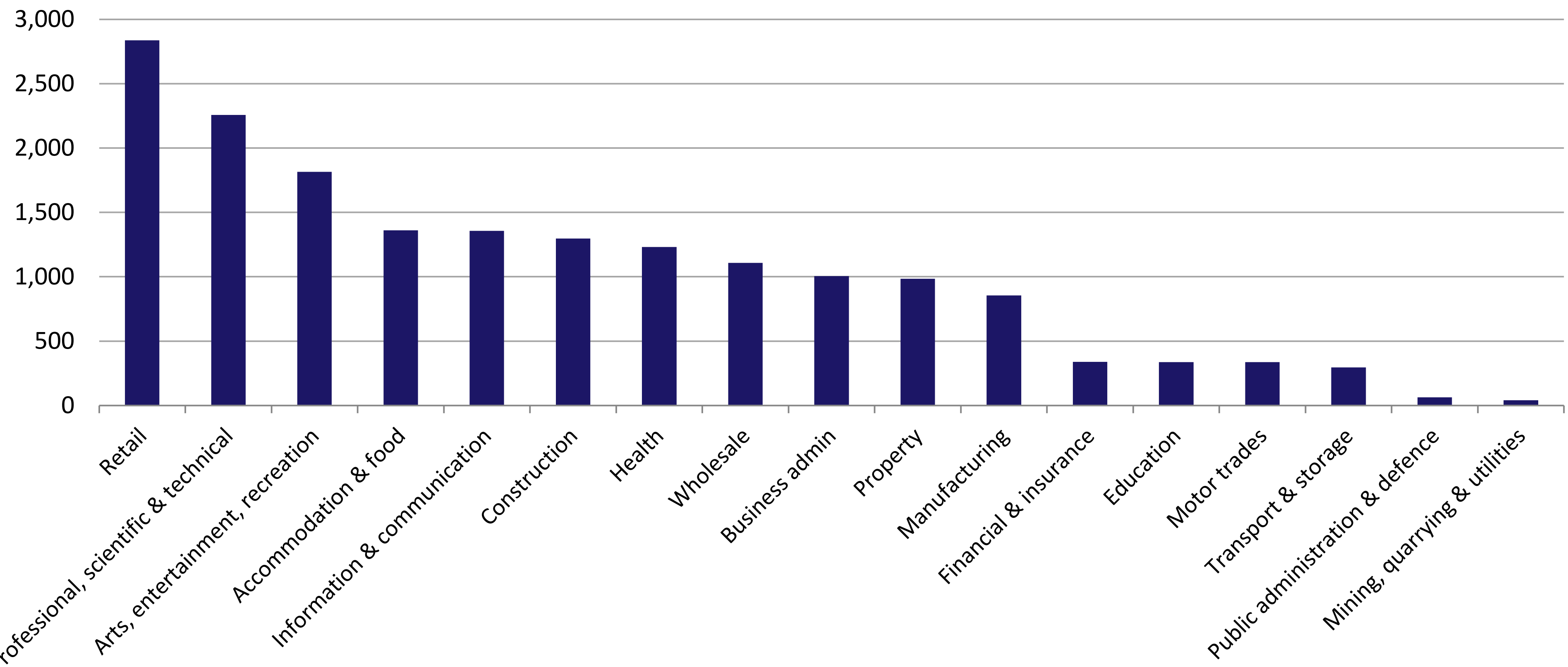
There is no clear pattern as to where this growth in employment in micro businesses has happened but it isi mainly in the central ‘belt‘ of the borough.

Change in numbers employed in micro businesses (2009 - 2012)

- Overall, this growth in micro businesses represents an increase of 1,826 individual’s employed in micro businesses in Haringey between 2009 and 2012.
- The table beside shows where this growth has taken place. Green areas are those that have experienced the largest growth in terms of numbers employed in micro businesses, we have removed the exact numbers for confidentiality purposes.
- The wards on the top are in the West of the borough and the wards at the bottom towards the East.
- As we can see, the bulk of the growth has come in the central strip of the borough, running both sides of the train line that dissects the borough.
- We can expect future growth to also cluster in similar areas, but to hone our business support we need to know what sectors these micro businesses are operating in.

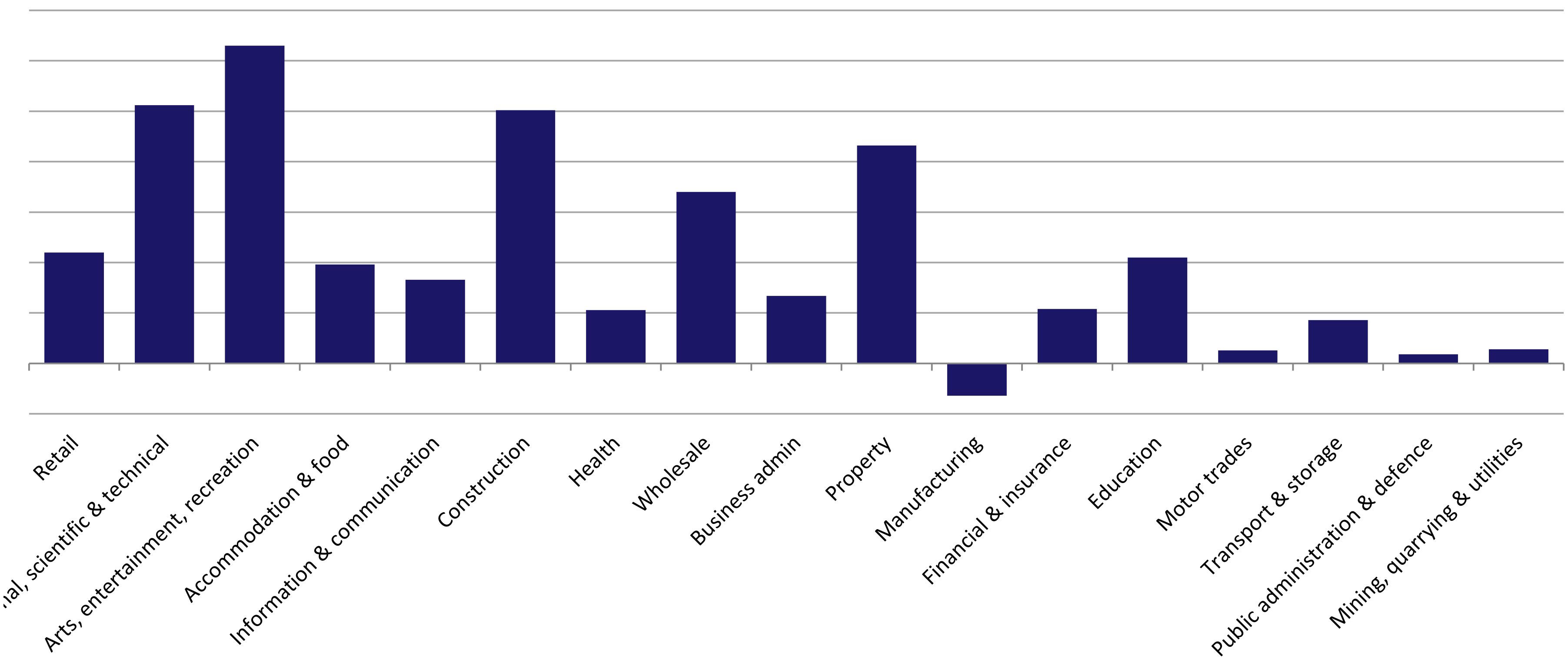
Micro businesses operate in a range of different sectors

Total employment in micro businesses (0-9 employees) by broad industrial groups (SIC 2007)



- As we may expect, the bulk of activity is in the retail sector, with professional scientific and technical activities also accounting for a relatively large proportion of total employment. There are eight other sectors that account for the employment of over 1,000 individuals in the borough, but we will need to delve down into the sectors in more detail and look at changes over time to draw more constructive conclusions.

Looking at the change in micro business employment since 2009, the growth sectors have been the arts, construction, property and professional, scientific and technical services



- Of the 1,825 extra jobs that have been created in micro businesses since 2009, the bulk have been in the arts, entertainment and recreation sector and the professional, scientific and technical activities sector. We cannot show the numbers on this chart, only the relative sizes of the changes due to disclosure issues and confidentiality of data.
- The professional, scientific and technical service growth and arts, entertainment and recreation employment growth could reflect the proliferation of small pop-up businesses – which we would hope to encourage. The increases in property could reflect increase in private landlords and buy-to-let properties which have become more prevalent in the borough.
- When looking at geographical split, there were no clear trends aside from retail proliferating in shopping centres.

However, looking at broad sectors often isn't very instructive – but the finer grained growth sectors aren't necessarily those you may want to promote

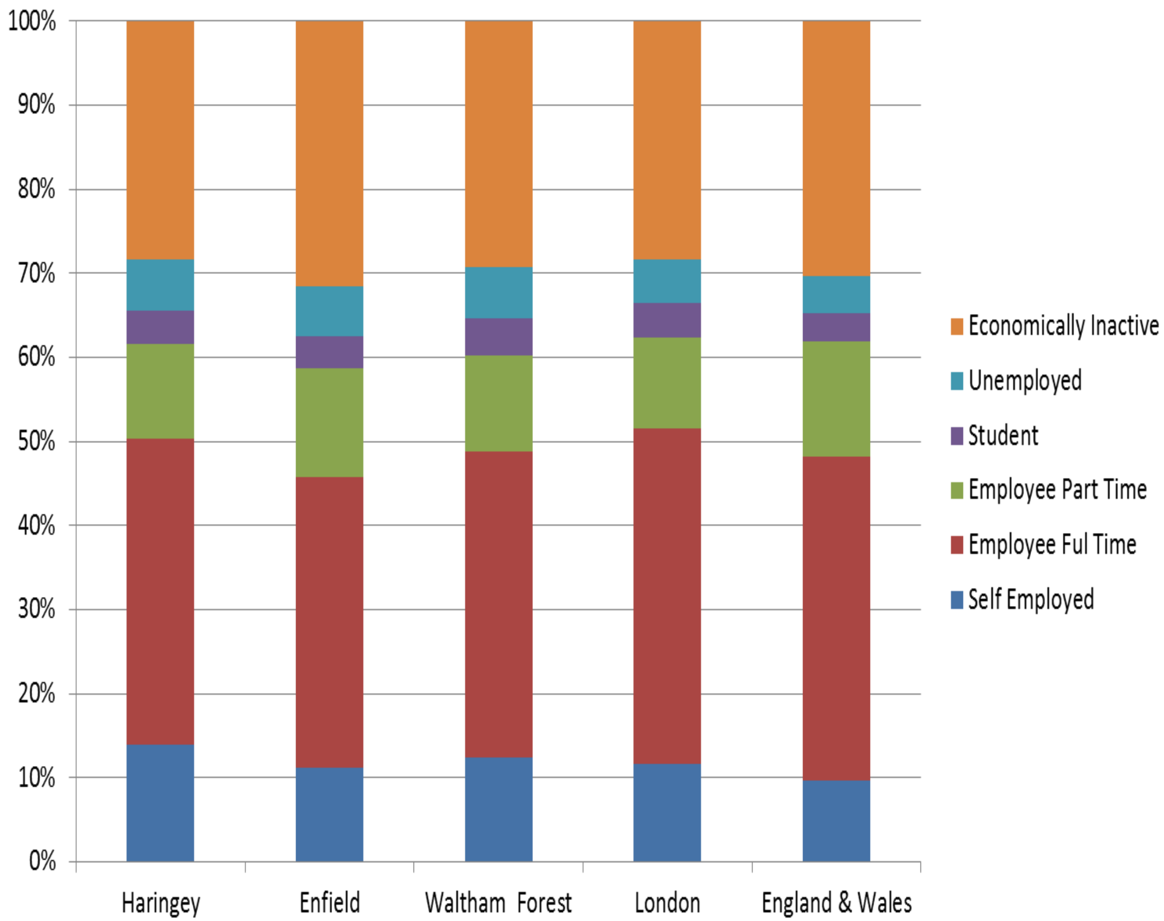
- The top five sectors for micro business employment are the following:

1. Retail sale of other goods in specialised stores
2. Restaurants and mobile food service activities
3. Computer programming, consultancy and related activities
4. Retail sale in non-specialised stores
5. Management consultancy activities

- This is promising as these are the sort of activities that we would want to promote when encouraging the small start-ups that we may want to see young people open in flexible office space – as discussed later in the report.
- However, this hides the fact that these sectors are prominent in micro business employment right across London - especially in the neighbouring boroughs of Camden, Hackney and Islington. This is not necessarily a bad thing as we may want to look inwards in their direction to start planning for the future. This is because established businesses are now bidding up the price of office space in these areas as they hope to capitalise on the attractive business environment. One route to go down would be to try to capture the overspill from this and encourage younger business to locate in Haringey where they can become the successful start-ups of the future.
- When we look at the business sectors Haringey specialises in (measured as sectors in the top 20 for Haringey but not for either of these three neighbouring boroughs) we find sectors we may consider less attractive but nevertheless account for a large proportion of employment especially in micro businesses.

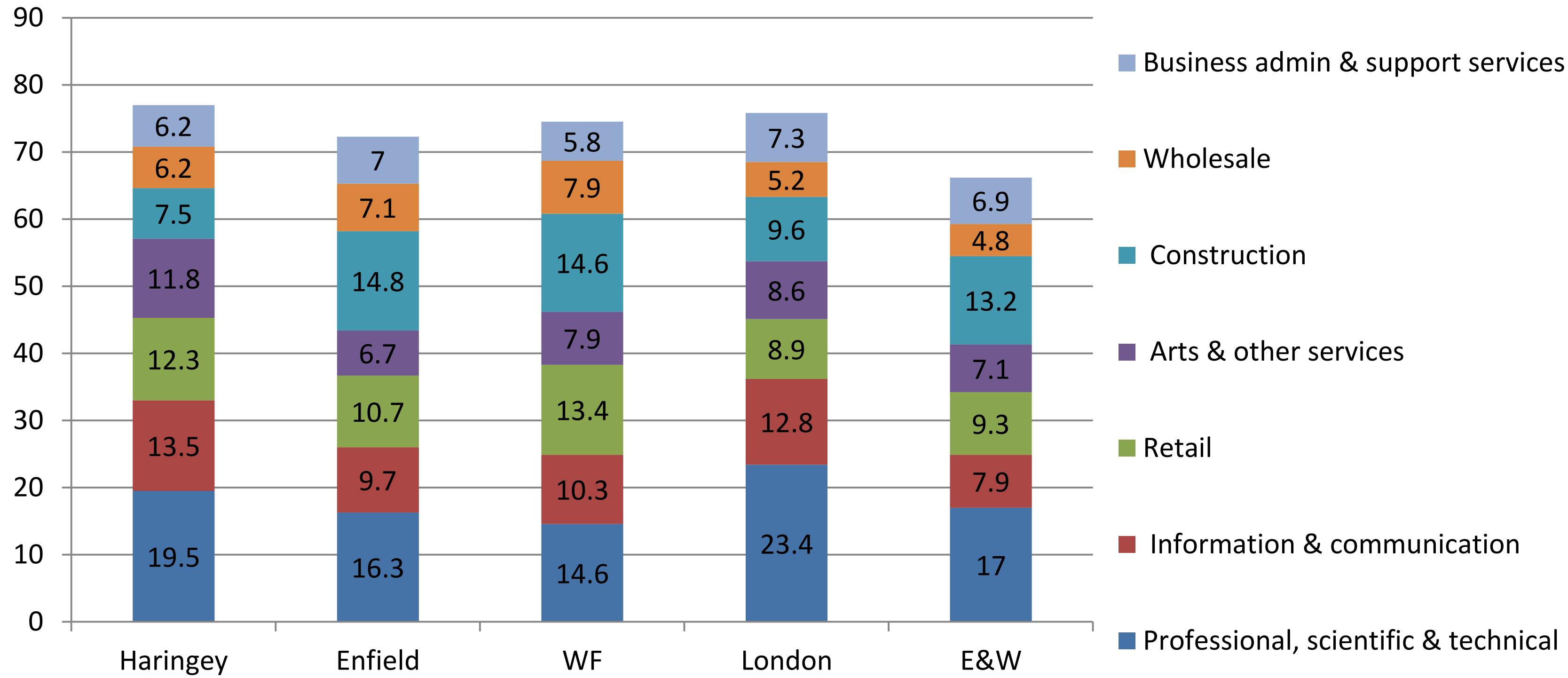
1. Gambling and betting activities
2. Building completion and finishing
3. Medical and dental practice activities
4. Wholesale of food, beverages and tobacco
5. Construction of residential and non-residential buildings

Haringey as an entrepreneurial borough: a high proportion of self-employed in its workforce



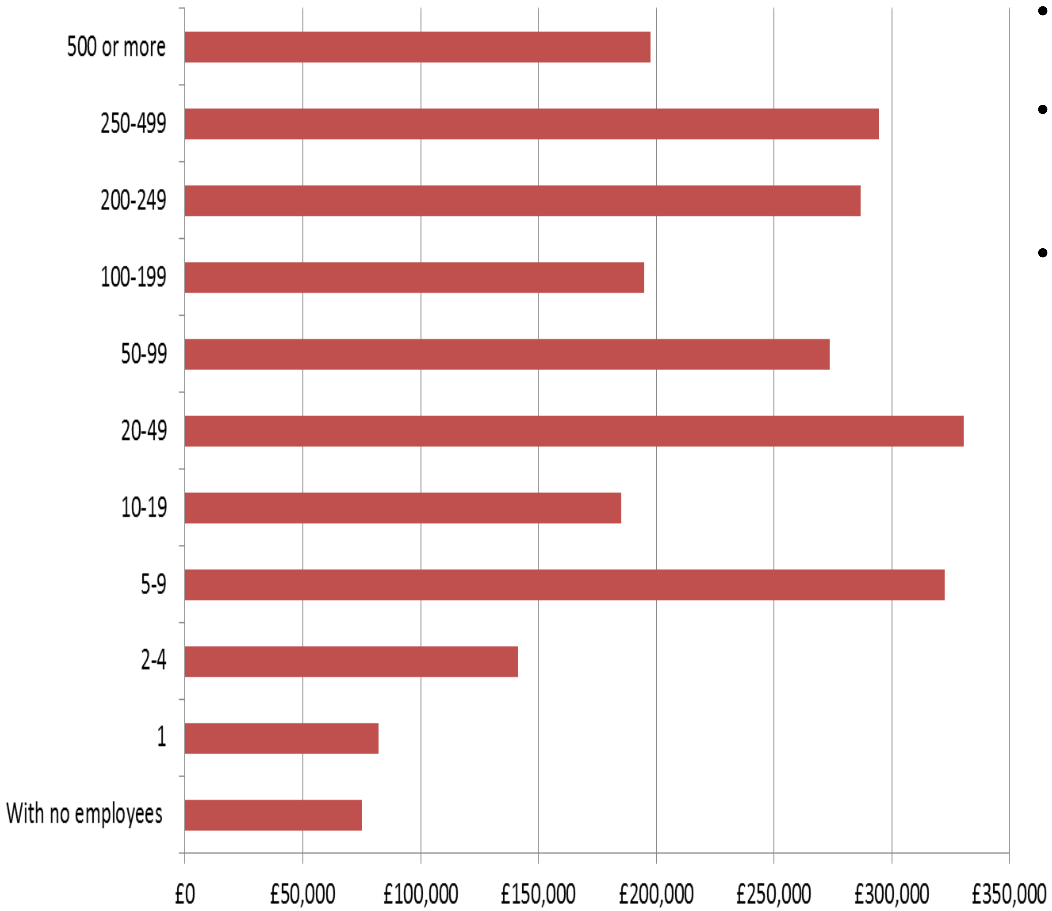
- Haringey has a higher proportion of self-employed than neighbouring boroughs. It also has a higher proportion of self-employed than either the London or national average.
- Rates of self-employment are often used as an indicator of entrepreneurialism. On this measure Haringey can be seen as an entrepreneurial borough.
- But self-employment can also be a result of exclusion form the formal labour market. Some communities that have difficulty accessing the jobs market may have no choice but to become self-employed. At the national level there has been a notable rise in self-employment as a result of the recession.

Haringey's micro businesses have a good profile in high growth and high value sectors



- One third of Haringey's micro businesses are in the *professional scientific & technical* and *information and communications* sectors. These are high value sectors and are projected to have good growth prospects
- Haringey has a higher proportion of micro businesses in the *information & communications* sectors than London as a whole
- Haringey also has a higher proportion of micro businesses in the *arts & other services* sector than the London average

Growing micro business to the next stage adds big economic benefits



- The graph shows average turnover per head by size band London Businesses.
- A large number of self-employed businesses will be sole traders with no great ambition to grow.
- But assisting those with the ability and ambition to grow can generate significant economic benefits.

The ratio of enterprise births:deaths in Haringey is similar to London as a whole

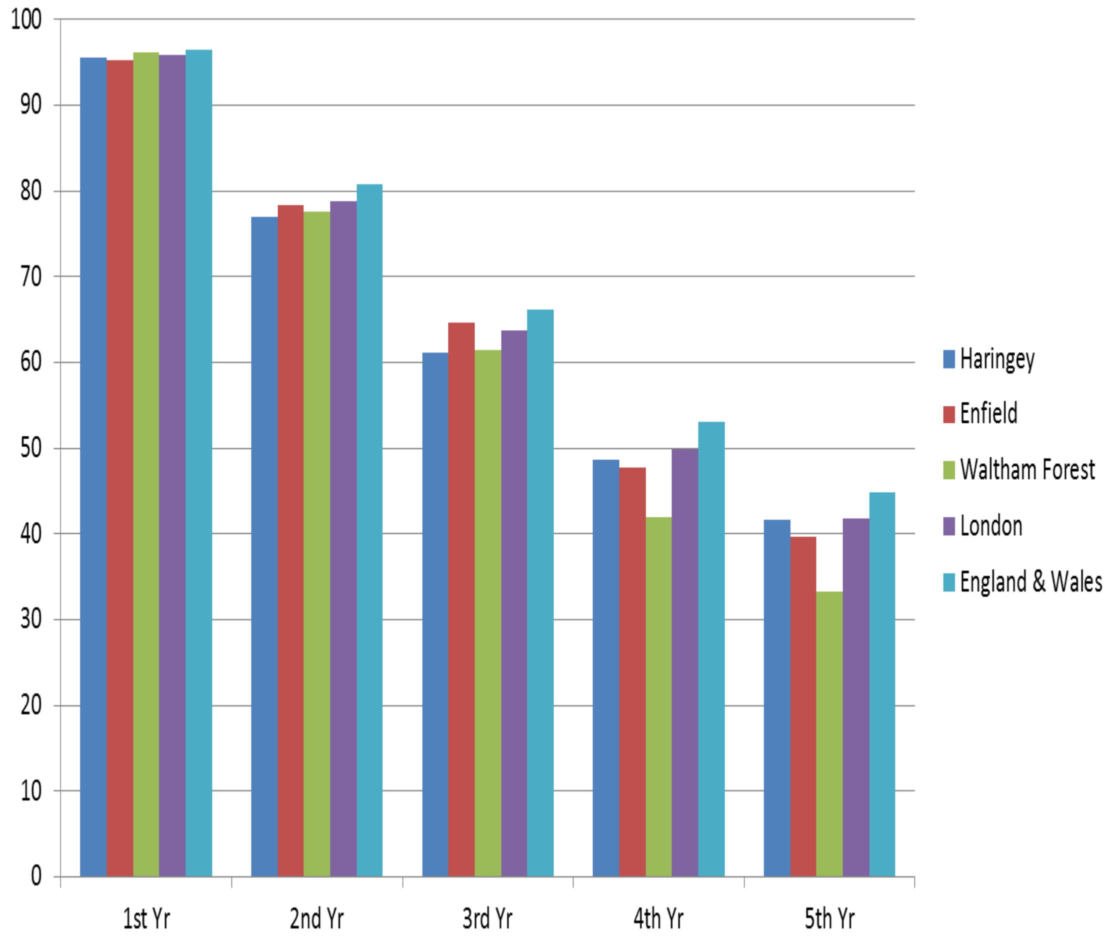
- The number of active enterprises grows when the number of births of new enterprises is greater than the number of deaths of enterprises over a year. This births:deaths ratio can be used to indicate likely future growth in the number of businesses in an area.

	2008	2009	2010	2011	2012
Haringey	1.477	1.000	0.826	1.524	1.240
London	1.461	0.918	0.875	1.404	1.263
United Kingdom	1.233	0.845	0.791	1.137	1.058

Source: ONS Business Demography Index, 2008-12. Births:deaths ratio of enterprises over time calculated by *Inclusion*

- This ratio for Haringey stood at 1.5 in 2008, before dipping back to equal, and below, 1.0 during 2009-10 as a likely consequence of the recession. The ratio recovered to 1.5 in 2011 but has fallen back off to 1.25 in 2012, due to a rise in the number of deaths and a fall in the number of births of new enterprises, causing the slope in the chart on the previous page to begin to level off.
- This is something that will need to be monitored closely in the future to both support existing businesses and encourage the development of new businesses.

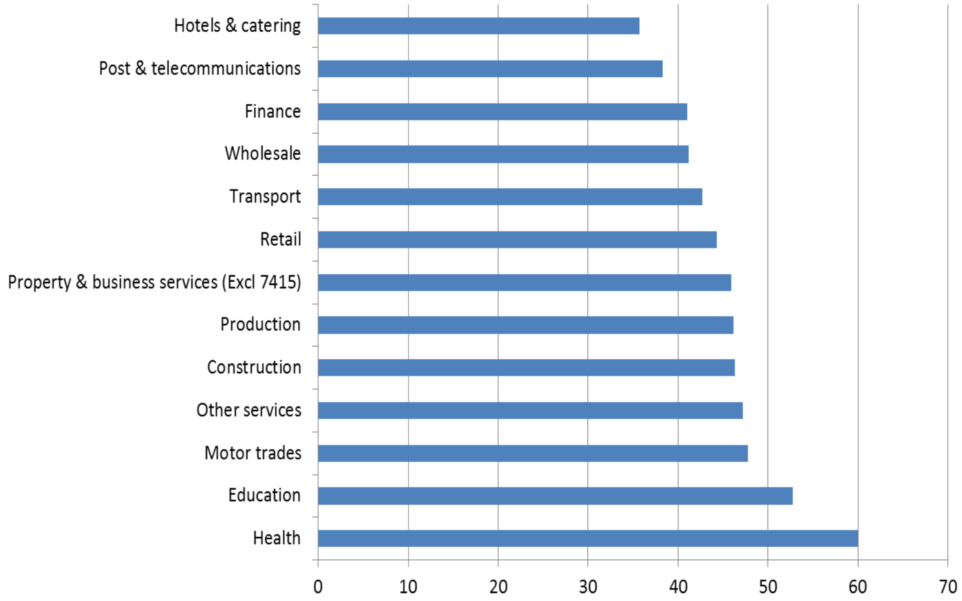
Business are as likely to succeed in Haringey as anywhere - Survival Rates – New Businesses (2006)



- In Haringey just over 1,000 new business start each year and a similar number cease to trade. In Haringey in recent year births have exceeded deaths. ICAEW notes that ‘the churn is good for the UK economy because it generates fresh competition and the constant stream of new entrants generally serves to keep established businesses competitive. ….. However more can and should be done to improve the survival rates of start-ups. Better pre-start-up preparation would undoubtedly improve the viability of potential”.
- Survival rates for new businesses in Haringey are similar to wider London and National averages.
- The period covers the recession and so failure rates might be expected higher than usual but there is nothing to suggest that there is any systemically high failure rate for Haringey businesses.

But survival rates do vary by sector. This is probably due to some sectors being more competitive due to lower barriers to entry

National five year survival rates by sector (%)



Survival rates vary by sector. This is probably due to some sectors being more competitive due to lower barriers to entry. This does not mean individuals should be discouraged from start-ups in these higher churn sectors.

We have provided more information on

- reasons for business failures,
- critical success factors for business support, and
- Issues facing small business

as an appendix.

Employment and economic activity

Haringey has Europe's largest labour market on its doorstep. That is a major asset, and one that Haringey must work with

- As only 26% of Haringey residents work in the borough (LSCC Skills Report, *Renaisi,* March 2013) it is important to look at jobs in the whole of London and ensure Haringey residents are sufficiently qualified and flexible to fill these positions when they become available.

- Whilst there are issues with having to commute too far to find work, especially for certain groups of residents (eg lone parents), we have to accept that many Haringey residents will have to work outside the borough - especially when we remember that Haringey has a jobs density of 0.41 (ie there are only 0.41 jobs for every working-age resident in the borough).

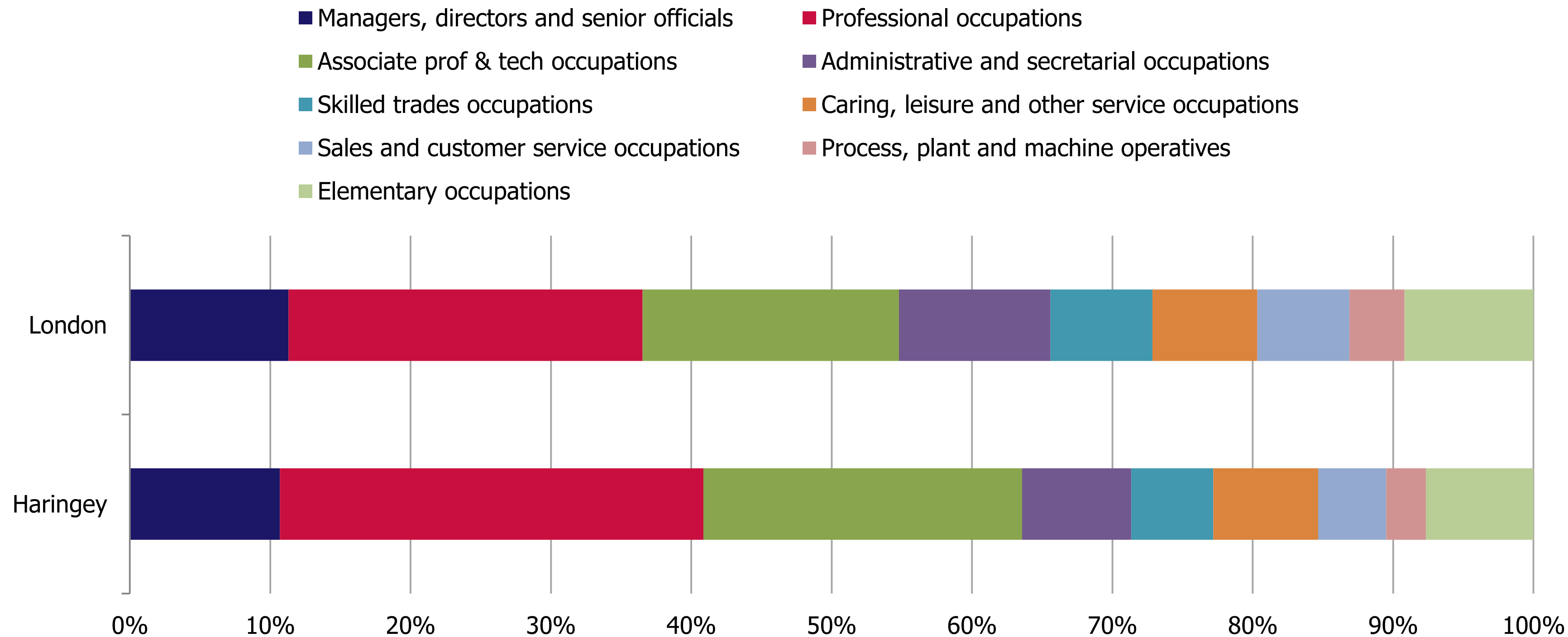
- Later on in the report we will look at what the jobs of the future will look like, both in Haringey and in London, and what employers will be expecting from candidates in terms of qualifications.

- However, for now we will look at the overall situation for residents in the borough: in terms of employment, unemployment and inactivity, as well as looking at how these differ both between Haringey and different areas of London and within the borough itself.

- We will also look at residents' qualifications overall. It is very difficult to accurately predict what will happen in the future, with the advent of new technologies and the nature of the labour market, circumstances are always liable to change. It is important, therefore, to ensure that Haringey residents are well-equipped to react to these changing demands and fill posts when, and where, they become available.

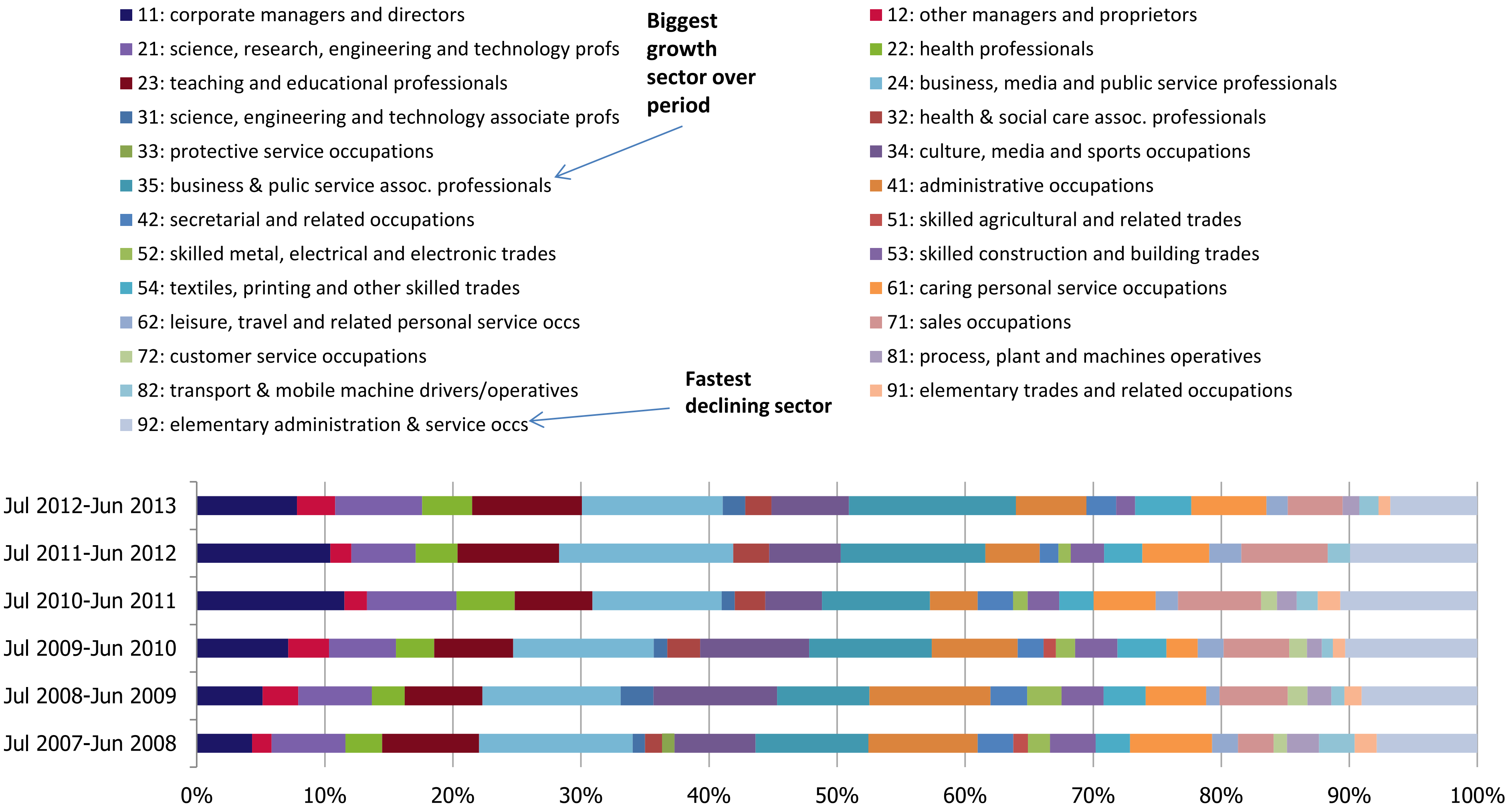
Haringey residents have a relatively higher number of professional occupation jobs than the London average

- Here we are using data from the Annual Population Survey for jobs by occupation, and therefore for residents in Haringey as the Labour Force Survey is administered to addresses in a borough and thus jobs are assigned to that borough on a resident based.
- Residents in Haringey do appear to have a relatively large proportion of professional occupations and associate professional and technical occupations. In fact these are the only differences we can confidently assume are present, given issues with confidence levels caused by the small sample sizes in Haringey.
- The fact that Haringey residents are able to obtain professional jobs is a positive, but helping those currently without employment to be able to move into these jobs will be more of a challenge.



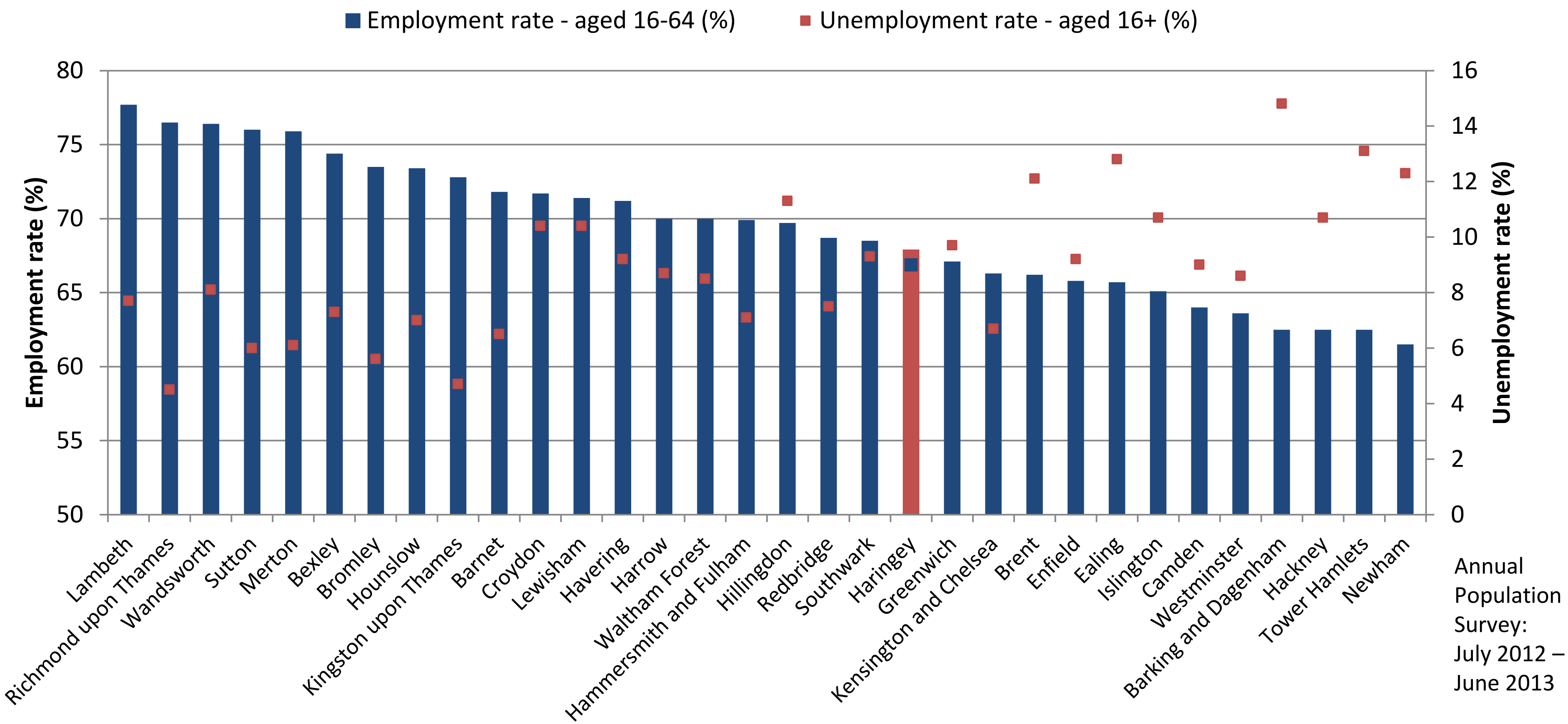
Source: Annual Population Survey, July 2012 – June 2013

Haringey residents' employment in professional jobs in business & public services have grown the most; admin jobs have fallen the fastest (but sample sizes are small)



Source: Annual Population Survey

Employment and unemployment rates are both similar to the London average

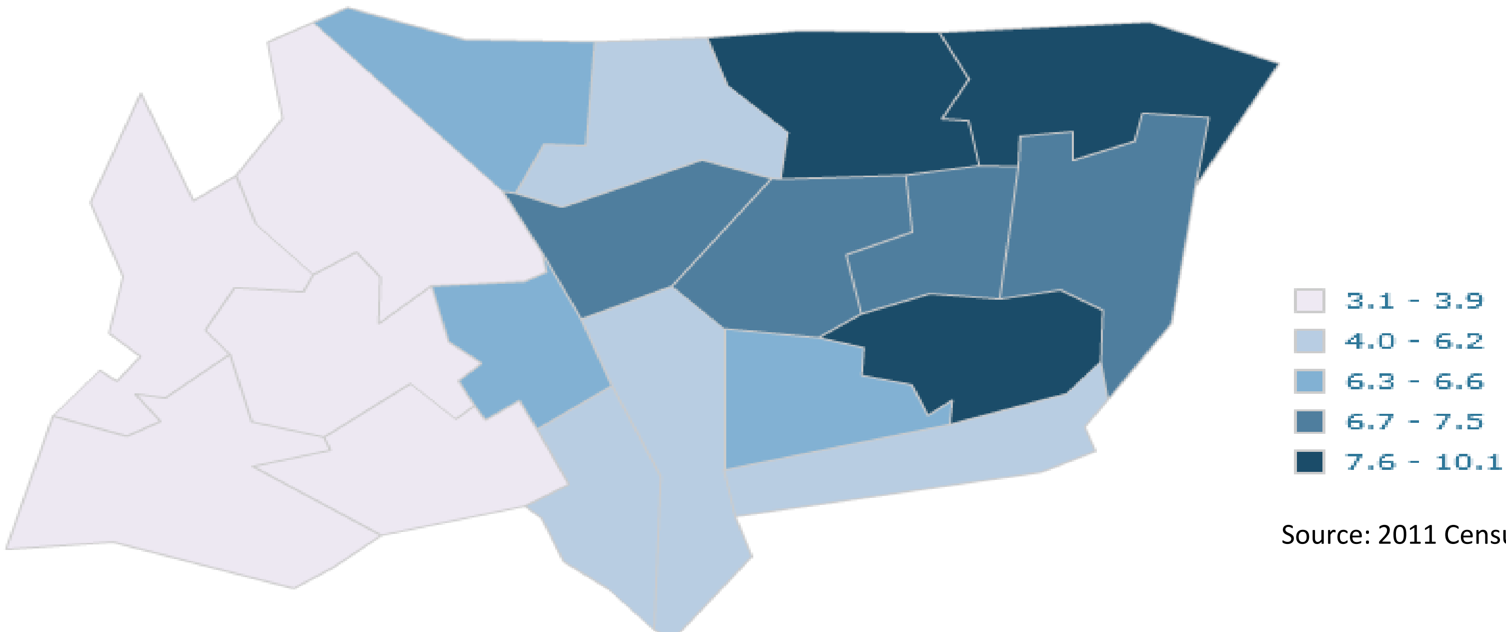


Annual Population Survey: July 2012 – June 2013

- As we can see, Haringey ranks middling in terms of its employment and unemployment rate compared with other London boroughs. Indeed, it sits appropriately between the averages for Inner and Outer London on both these headline measures.
- The employment rate is 67.9 per cent and the unemployment rate is 9.0 per cent.

But looking at the borough as a whole masks large disparities in unemployment between wards. There is an East-West split along the train line

Proportion of resident population aged 16 to 74 who are unemployed (%)



Source: 2011 Census

- As these are Census figures, the rate differs slightly from that reported in the Annual Population Survey figures, but the patterns within the wards of Haringey will be the same. The difference arises from the fact that in the Census we are measuring the proportion of the resident population aged **16 to 74** who are unemployed whereas in the APS we are measuring the proportion of the resident population aged **16 +** who are unemployed.
- What is clear however from these figures is the East – West split that is found amongst many indicators in Haringey.
- The unemployment rate is as low as 3 per cent in the Westernmost wards of the borough but up near 10 per cent in the North East.

Employment rates are lower for most ethnic minorities than white groups in Haringey

Employment rates by ethnic group in Haringey

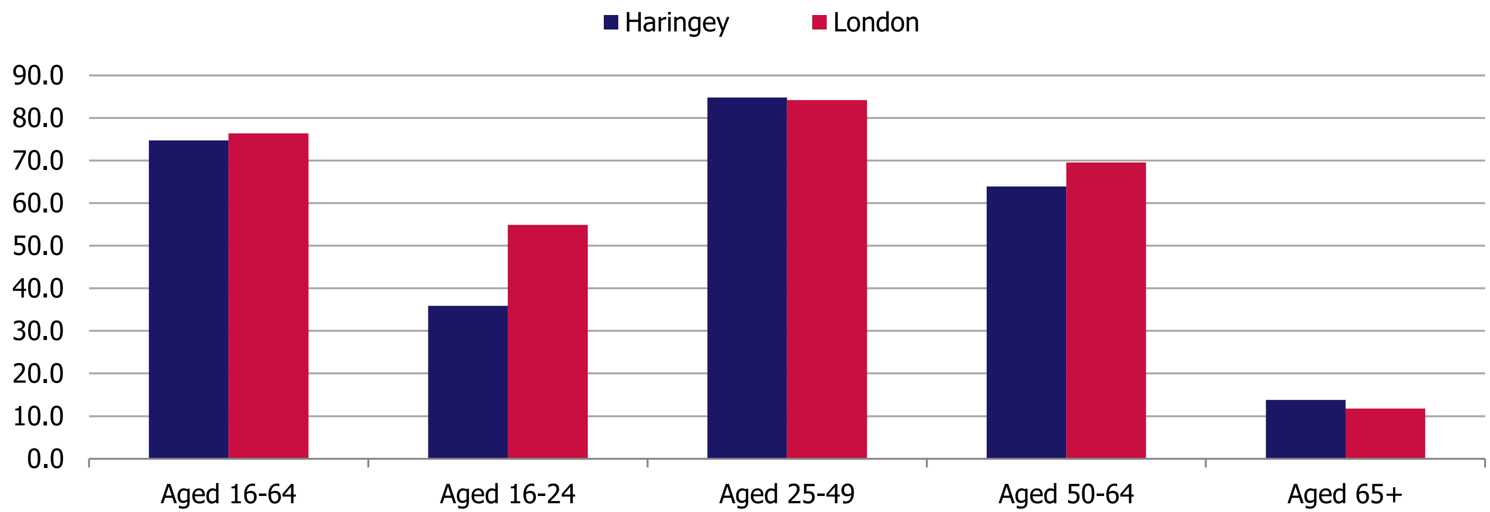
	Employment rate (%)
All Indians	73.6
White	72.0
All other ethnic group	64.6
All mixed ethnic group	57.7
All Black or Black British	50.3
All Pakistanis/Bangladeshis	50.1

Source: Annual Population Survey

- The Eastern areas of the borough are those with the highest proportion of BAME residents (over 50% in some wards).
- The table here shows that in Haringey the employment rates for most ethnic minorities (excluding all Indians) are considerably lower than that of White residents. Indeed, this is a pattern that is repeated throughout London and indeed throughout the country. However, we can make no comments here about the causality of this relationship.
- What this does highlight, however, is that the Eastern wards, where employment is low and unemployment high, and where the resident population is up to and above 50% minority ethnic, is where many of the problems need to be addressed.
- This is a well-known story throughout the borough but the maps presented here accentuate how large a problem this is.

The overall economic activity rate for working-age residents in Haringey is similar to that in London. But the average masks a poor performance in youth economic activity rates

Economic activity rate by age (%)

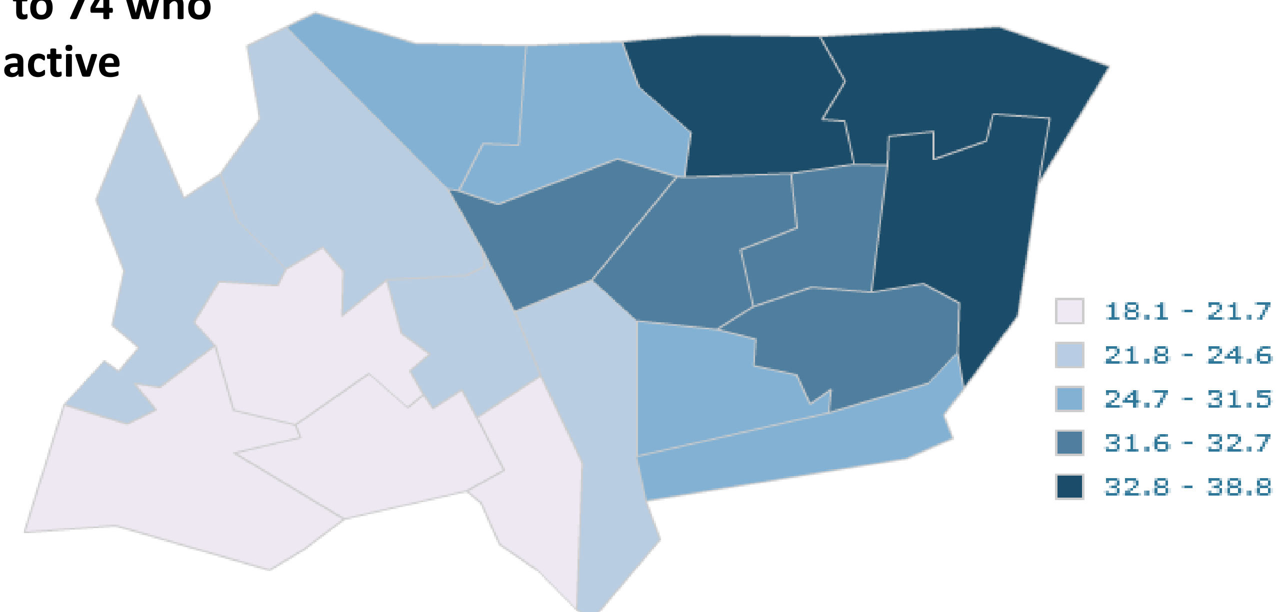


Source: Annual Population Survey: July 2012 – June 2013

- The economic activity rate for 16 – 64 year olds in Haringey is 74.7%, compared to 76.4% for residents in London. However, when we look at the differences in activity rates between age groups, Haringey no longer appears close to the London average.
- In particular, looking at the economic activity rate for 16-24 year olds, the gap between Haringey and London is almost 20 percentage points! In fact only one-third of Haringey residents aged 16-24 are economically active – i.e. actively seeking or actually in employment. However, this can be explained by the proportion of the 18-24 population in FT education, with 56.8% of 18-24 in Haringey in FT education compared to a London average of 38.4%, again almost a 20 percentage point gap!
- The activity rate for 50-64 year olds in Haringey is also below that for London as a whole, but the difference is slight compared to that for young people.

Economic inactivity is spatially concentrated

Proportion of resident population aged 16 to 74 who are economically inactive (Census 2011)



- Again, as with a number of other indicators, the East-West split in the borough is stark when looking at economic inactivity. However, there are a number of factors that could affect this.
- Firstly, economic inactivity is associated with economic deprivation in an area and a number of indicators have shown this to be true of the Eastern wards in the borough such as the Indices of Multiple Deprivation, the unemployment rate etc. although we have seen that the high inactivity rate of young people is explained by the higher proportions in full time education.
- Furthermore, the previous slide showed us that both the young (16-24) and the old (65+) are much more likely to be economically inactive than their middle-aged peers, so if we find a marked difference in the age structure of the population in these Eastern wards, this could offer an explanation for the relatively high levels of economic inactivity that we see there.

However, the geographical difference in activity rates could be partly explained by the fact that the wards in the East of the borough have a much higher proportion of 16-24 year old residents than those in the West.

West

Highgate	8.1%
Fortis Green	9.1%
Muswell Hill	8.5%
Crouch End	6.6%
Alexandra	8.5%
Hornsey	10.0%
Stroud Green	8.7%
Bounds Green	11.9%
Noel Park	14.4%
Harringay	13.3%
Woodside	13.0%
West Green	13.1%
St Ann's	13.3%
Seven Sisters	12.2%
Bruce Grove	13.0%
White Hart Lane	13.2%
Tottenham Green	13.3%
Northumberland Park	12.6%
Tottenham Hale	17.7%

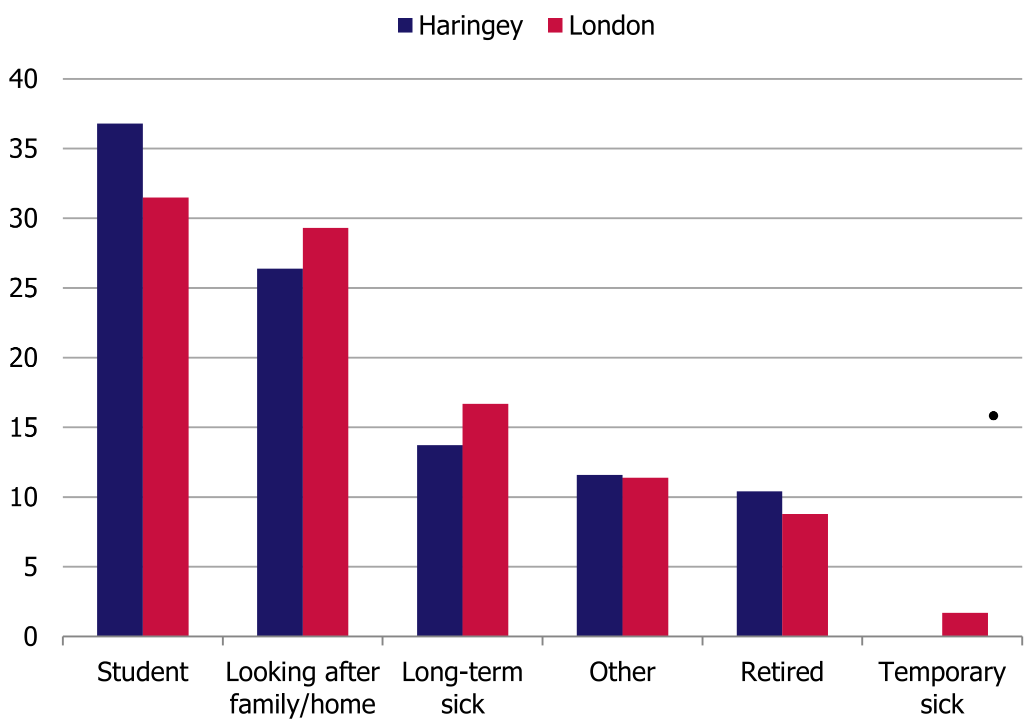
East

Source: Census, 2011

- What this table shows is that the proportion of the population aged between 16-24 is as geographically concentrated as many other labour market indicators. There are twice as many young people (proportionally) in the Eastern ward of Tottenham Hale than in the westernmost point in Haringey – Highgate.
- Therefore, we can be relatively confident in asserting that, at least, some of the geographical variation in economic inactivity rates we have seen throughout the borough can be accounted for somewhat by the prevalence of 16 – 24 year olds in the resident population as they are more likely to be inactive than other age groups, nationally and in London.
- However, this problem is particularly acute in Haringey, with only one-third of 16-24 year olds in Haringey economically active.
- Whilst this is a problem at present, it is also a huge opportunity for the future. If the potential and dynamism of these young people can be harnessed and productively put to use the proliferation of small, creative businesses that young people are more likely to work in can be the catalyst to much larger social change in the Eastern wards of the borough.
- Harnessing the potential of these young people must be one of, if not the, key aim of the second stage of this project: devising an economic growth strategy.

A greater proportion of the inactive residents in Haringey do not want to work, but these could be young people

Reason for economic inactivity in Haringey and London (% of all economically inactive)

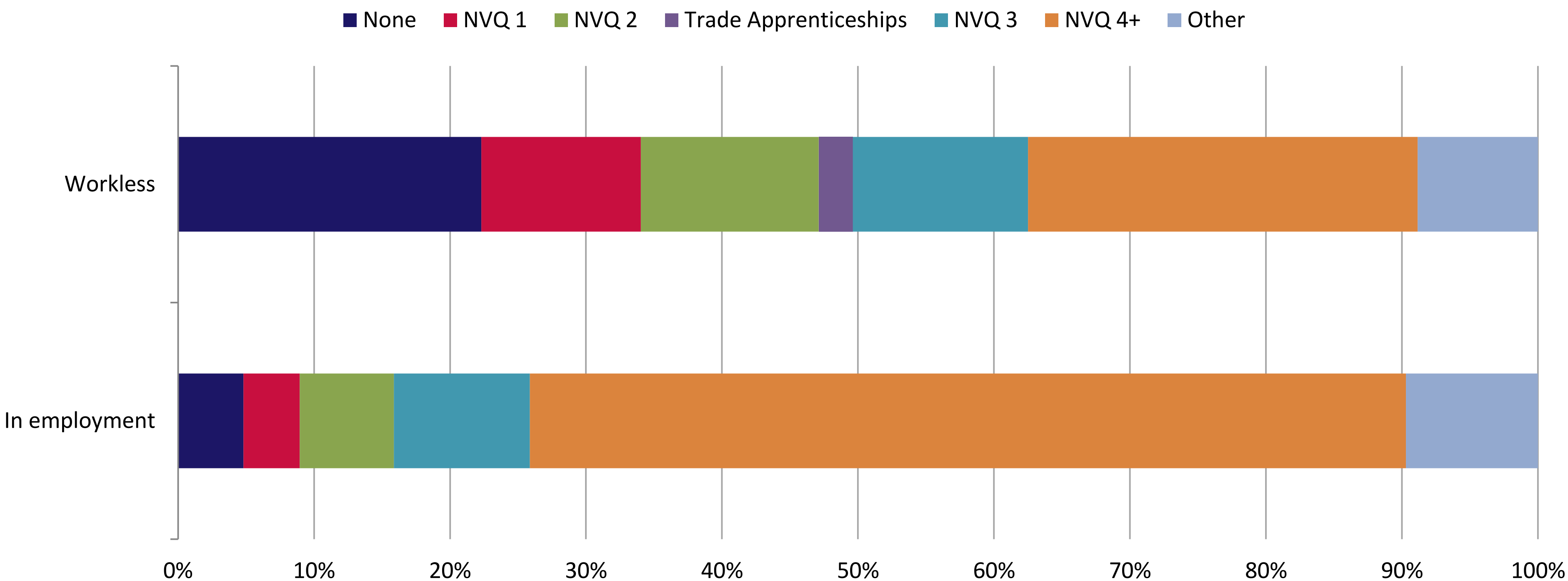


Source: Annual Population Survey (Jul 2012 – Jun 2013)

- Given what we already know about the age of the inactive population in Haringey, it is not surprising that the proportion of inactive people who are students in Haringey is higher than the rest of London. However, the proportion of economically inactive residents who are retirees in Haringey is slightly higher in London as well. However, given the nature of the Annual Population Survey and the numbers for whom this question is applicable, we cannot draw any confident conclusions from this data. This point is especially pertinent when the difference between Haringey and the London average is merely a few percentage points, as it is in the case of the proportion of economically inactive residents who are retirees.
- A more significant difference, however, can be found between the proportion of inactive residents who do/do not want a job in Haringey and London. This can be viewed in two ways: either as a cause for concern that resident's do not want to work for whatever reason, or in a positive light that the majority of people who want to work are receiving support to do so (as presumably are all of the economically active population from JCP or another source.) This difference may be accounted for by the fact that young people do not want to work whilst studying but delving deeper using this data source is not possible due small sample sizes.

Skills of Haringey residents

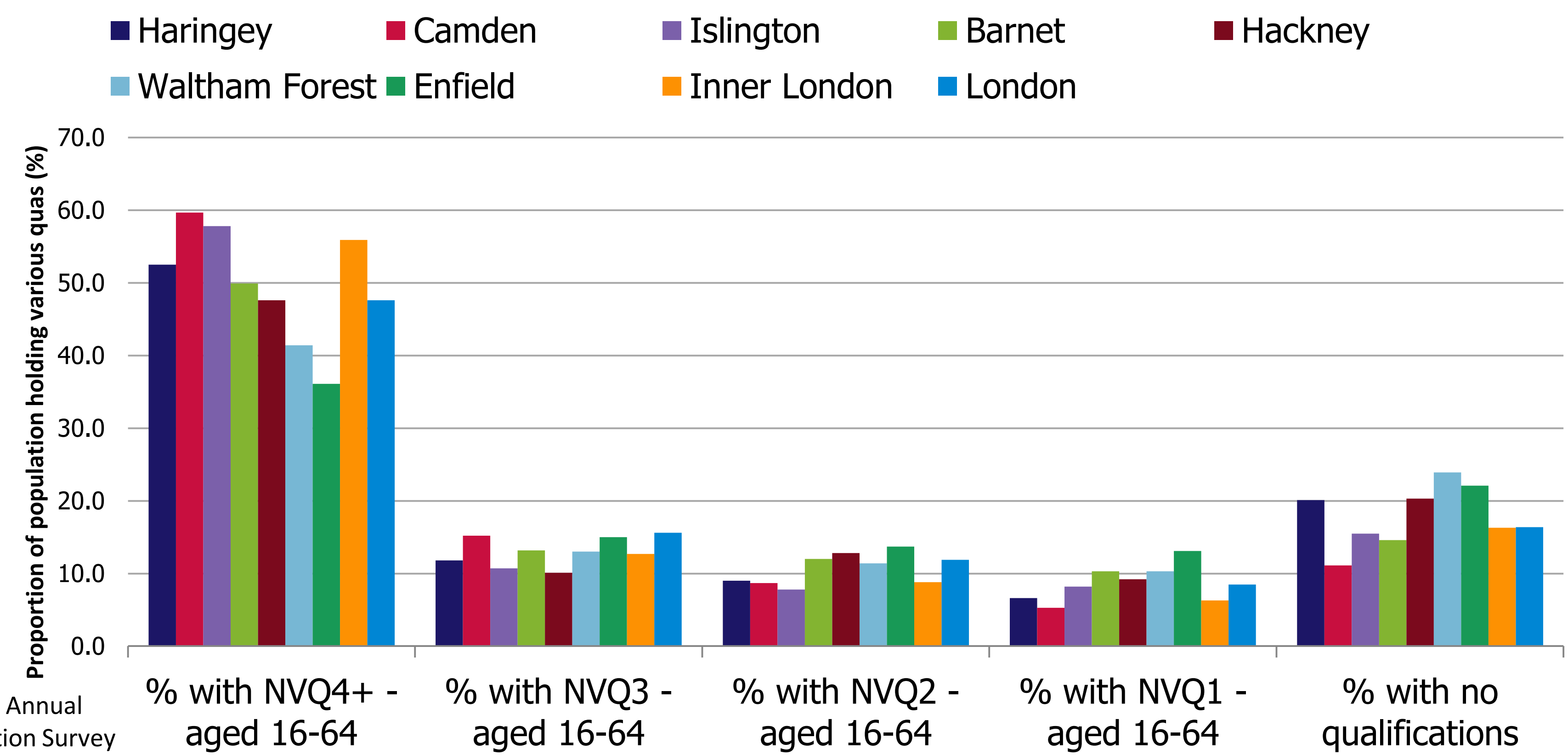
Qualifications matter because of the vastly different labour market outcomes those with differing qualification levels achieve



Source: Annual Population Survey, Jan 2012 – Dec 2012. Calculations by *Inclusion.*

- The chart above shows the relative breakdown by qualifications held of both the employed population and the workless population in Haringey, taken from APS data. Whilst there are limitations with using the data to comment on marginal differences between values, the differences here are so stark they cannot be disputed.
- Over one-in-five of the workless population holds no qualifications compared to approximately one-in-twenty of those in work.

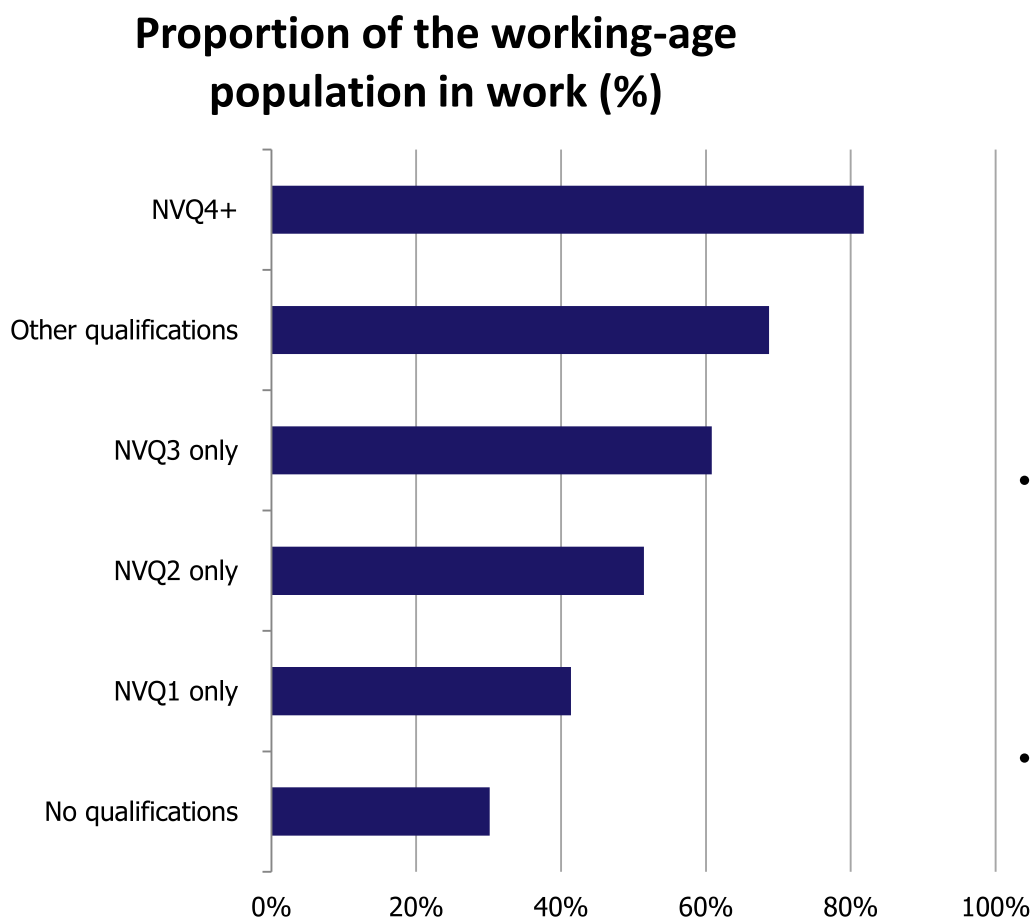
Haringey has a polarised population in terms of qualifications, with large cohorts holding NVQ level 4+ and without qualifications.



Source: Annual Popualtion Survey (Jan 12 – Dec 12)

- As is consistent across most London boroughs, approximately half of Haringey residents are qualified to NVQ Level 4 or above. However, Haringey has an above London average proportion of residents holding no qualifications at all.
- This does not make Haringey a complete outlier (see Barnet and Waltham Forest) but will be important to address because, as we will go on to see, those holding no qualifications often come off worst by labour market measures. We will also go on to look at who the people in this cohort are, which will inform us on how to address the problem.

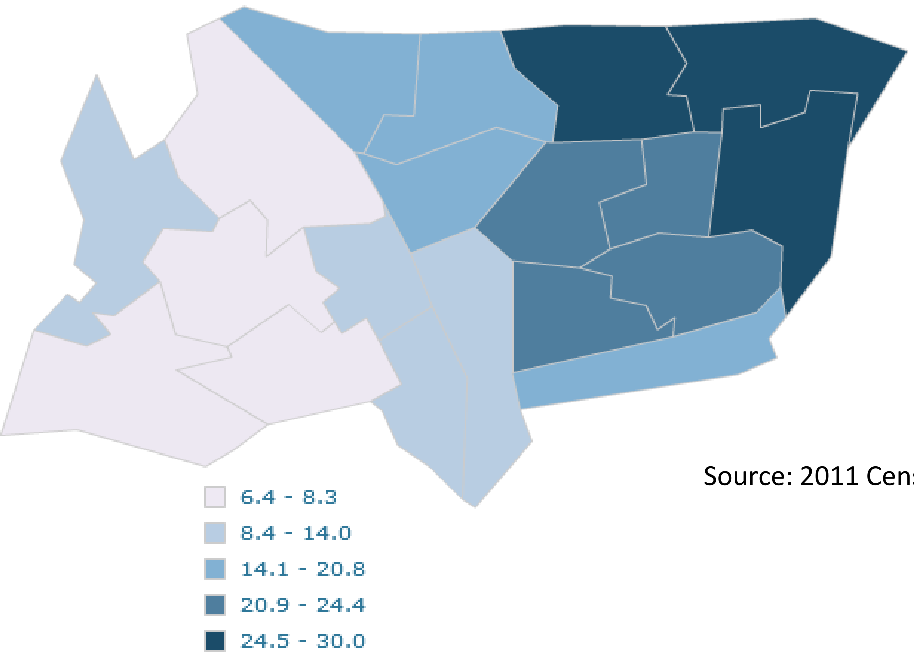
There is another way to look at this pattern, by looking at the employment rates for individuals holding various qualifications.



- This chart shows the proportion of the working-age population with various qualification levels who are in work. This percentage differs from the employment rate because it is a measure of the proportion of **all** people employed as opposed to an employment rate of the economically active population. The rates, therefore, will be higher than employment rates because it is safe to assume that at least some people will be economically inactive. Indeed we will go on to analyse economic inactivity in Haringey later on.
- It shows that over 4 in 5 of all working-age residents who hold NVQ level 4+ are in employment. In contrast, only 30% of working-age residents with no qualifications are in work. It is this group of residents that are in most need of support to gain qualifications and move into work.
- There is also a remarkable consistent increase in your chance of employment at each step up the qualification ladder and thus we do not need to help all these people achieve NVQ level 4 qualifications to have significant impacts as at NVQ level 2, they have a 50/50 chance of being employed.

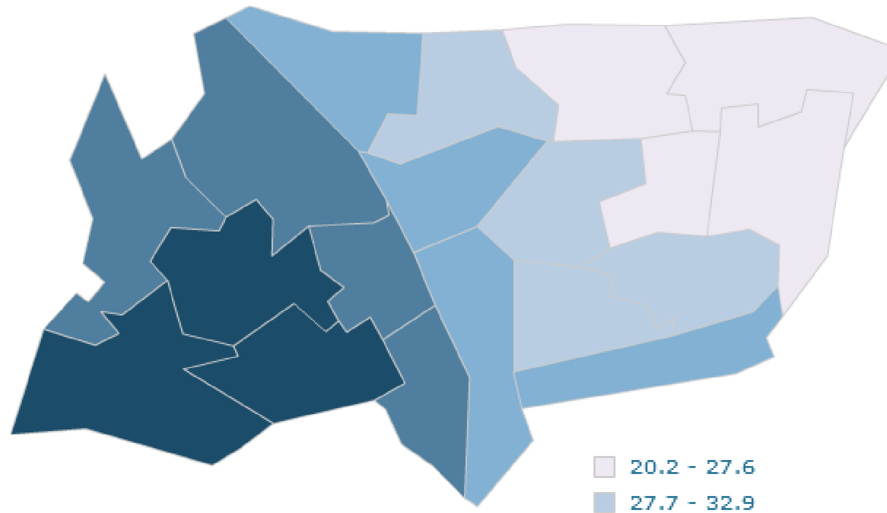
Who are the people with no qualifications?

Proportion of the resident population aged 16 and over with no qualifications (%)



Source: 2011 Census

Proportion of the resident population aged 16 and over with NVQ level 4+ (%)



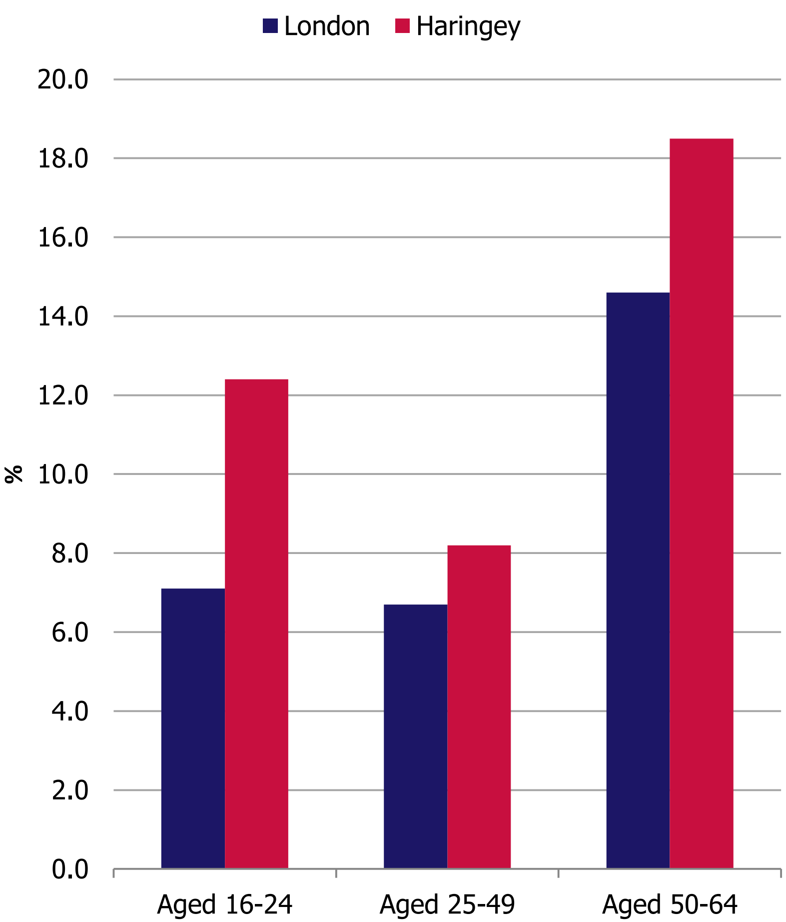
These maps show the proportion of the resident population without qualifications and qualified to NVQ level 4+ throughout the borough. As with other indicators we have seen throughout this report (unemployment, economic inactivity and ethnicity) there is a clear East-West split in the borough with residents in the West being much more highly qualified than residents in the East.

As with other maps we have looked at, the geographical split is striking and shows that those in the East of the borough who are more likely to be deprived (IMD), unemployed, economically inactive and BAME are also more likely to hold no qualifications and much less likely to hold an NVQ level 4+.

People with no qualifications are more likely to be middle aged and old than young - and more likely to be female than male

Proportion of the resident population holding no qualifications, by age (%)

- We have shown earlier that it is the resident cohort with no qualifications that particularly struggle in today's labour market, and we know that the situation for them is only likely to deteriorate in the future as a flexible, highly skilled workforce will be needed to fill the jobs of tomorrow. In Haringey, there is a relatively high proportion of residents who hold no qualifications, representing 16,600 people locally.
- By age, the largest group is those between the ages of 25-59 who account for half this number, however, looking at raw numbers often masks important patterns as is shown in the chart on the right. In fact it is the young (16-24) and the old (50+) who are much more likely to hold no qualifications. In particular, the 50-64 group is harder to work with and potentially more of a problem and we understand that Haringey is working on a report with NIACE to look at ways to solve this issue, amongst others.
- We are also able to look at the male:female split – 7,600:9,000 which highlights the importance of encouraging women to re-train to ensure their competitiveness when looking for work in the future.



Source: Annual Population Survey, Jan 2012 – Dec 2012

Who moves into work?

- The best statistical data source of who moves into work that we have, is those leaving Jobseeker's Allowance: the JSA off-flow and how this might have changed over time.
- It will be interesting to look at the sort of person that moves off JSA (and we must assume into work) enabling us to tailor support to the hardest-to-help in the future and inform us about the nuanced nature of the Haringey labour market compared with the rest of London.

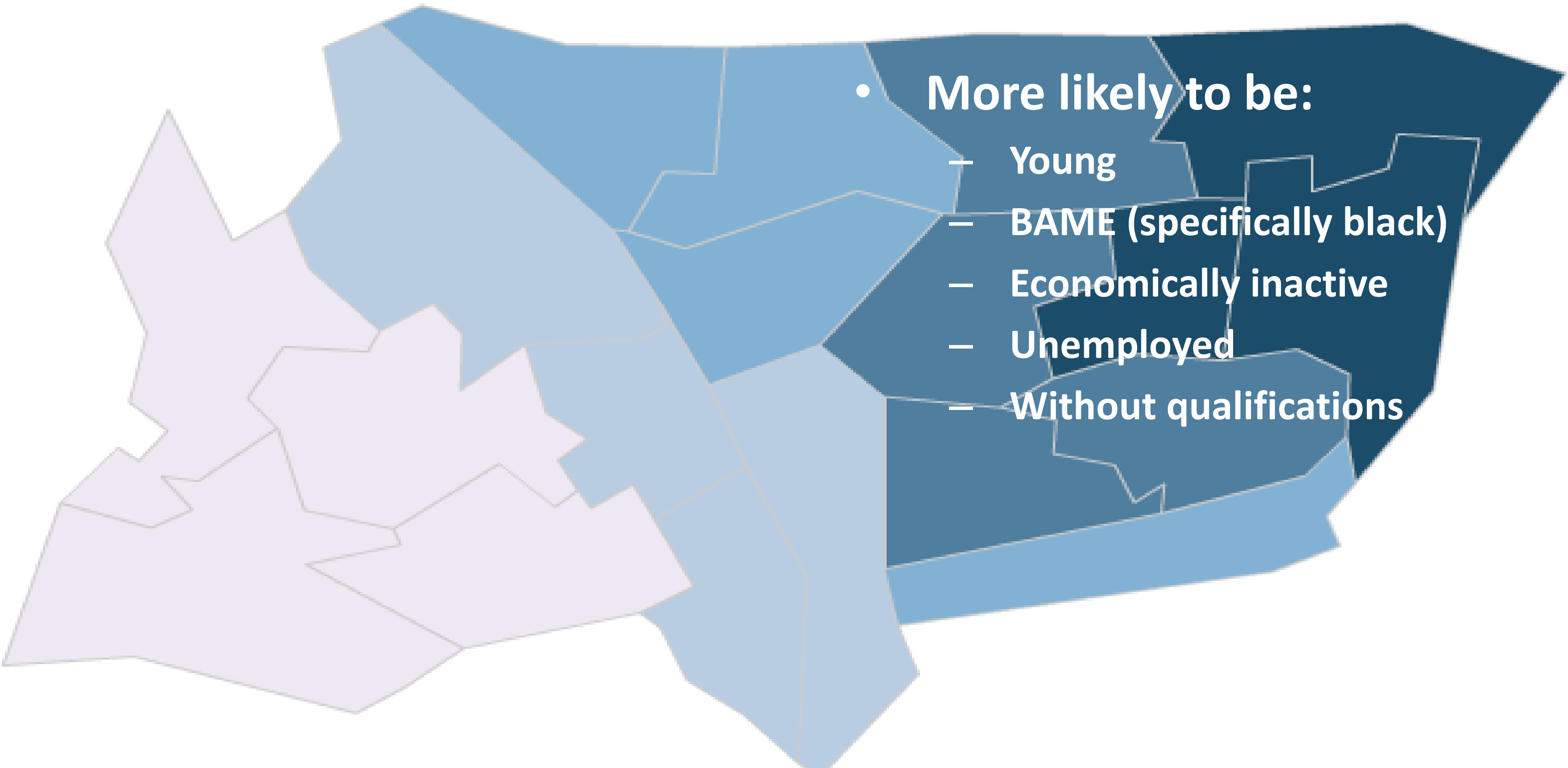
Those leaving JSA over past 6 months by duration on JSA. Proportion of total	13 weeks or less	over 13 and up to 26 weeks	over 26 and up to 52 weeks	over 52 and up to 78 weeks	over 78 and up to 104 weeks	over 104 weeks
Haringey	53%	19%	17%	5%	2%	5%
London	54%	19%	16%	5%	2%	5%

- Unsurprisingly, the short-term unemployed are most likely to return to work (or leave JSA) but these figures demonstrate that Haringey is unremarkable compared to the London average and thus lessons learnt in London about whom to target to help move off JSA will also be relevant for Haringey.
- Looking at occupation sought by likelihood to leave JSA: in 2013 ¼ who left were looking for sales jobs and ¼ for admin occupations, which is an indication of what jobs are available – although this is skewed by the fact that more people are looking for jobs in these occupations.
- When looking at the likelihood of leaving JSA measured as number left as a proportion of all on JSA, the most likely to leave JSA are those seeking employment as:

1. Health professionals
2. Culture, media and sport occupations
3. Business and Public Service Associate Professionals

However, we have no way of knowing whether they entered employment in these occupations.

What we have learnt so far about the geographical variation in Haringey



- **More likely to be:**
  - **Young**
  - **BAME (specifically black)**
  - **Economically inactive**
  - **Unemployed**
  - **Without qualifications**

Looking forward – the growth sectors

Looking forward: the growth sectors

- Whilst it is important to ensure that Haringey residents are fully equipped to perform well in London's labour market today, it is perhaps more important to ensure they will be able to in the future, especially given limitations with data and the speed with which the labour market might change.
- However, as with any projections, we can never ensure that we can predict the future accurately. In fact often, the trends over the past few years are often our bets predictors of likely trends in the future, and are at the very least a very useful starting point. This is why, for example, we have looked at the growth in micro business employment over the past three to four years, and can be confident that this will be a strong growth area in the future and, more importantly, one which the Council should do its utmost to promote.
- When looking to the future, we will draw from two main data sources:

1. Population projections produced by the GLA
   – The GLA produces several demographic projections covering several different geographies, development assumptions, and output groupings. Over the next few pages, we will display those we deem most useful and revealing in a Haringey context.
2. Working Futures data
   – Employment projections are calculated by UKCES in a data source called Working Futures. Working Futures 2010-2020, is the most detailed and comprehensive set of UK labour market projections available. The results provide a picture of employment prospects by industry, occupation, qualification level, gender and employment status for the UK and for nations and English regions up to 2020. We then model these projections down to a borough level to provide data for Haringey, basing our projections on the current state of the jobs market in Haringey.

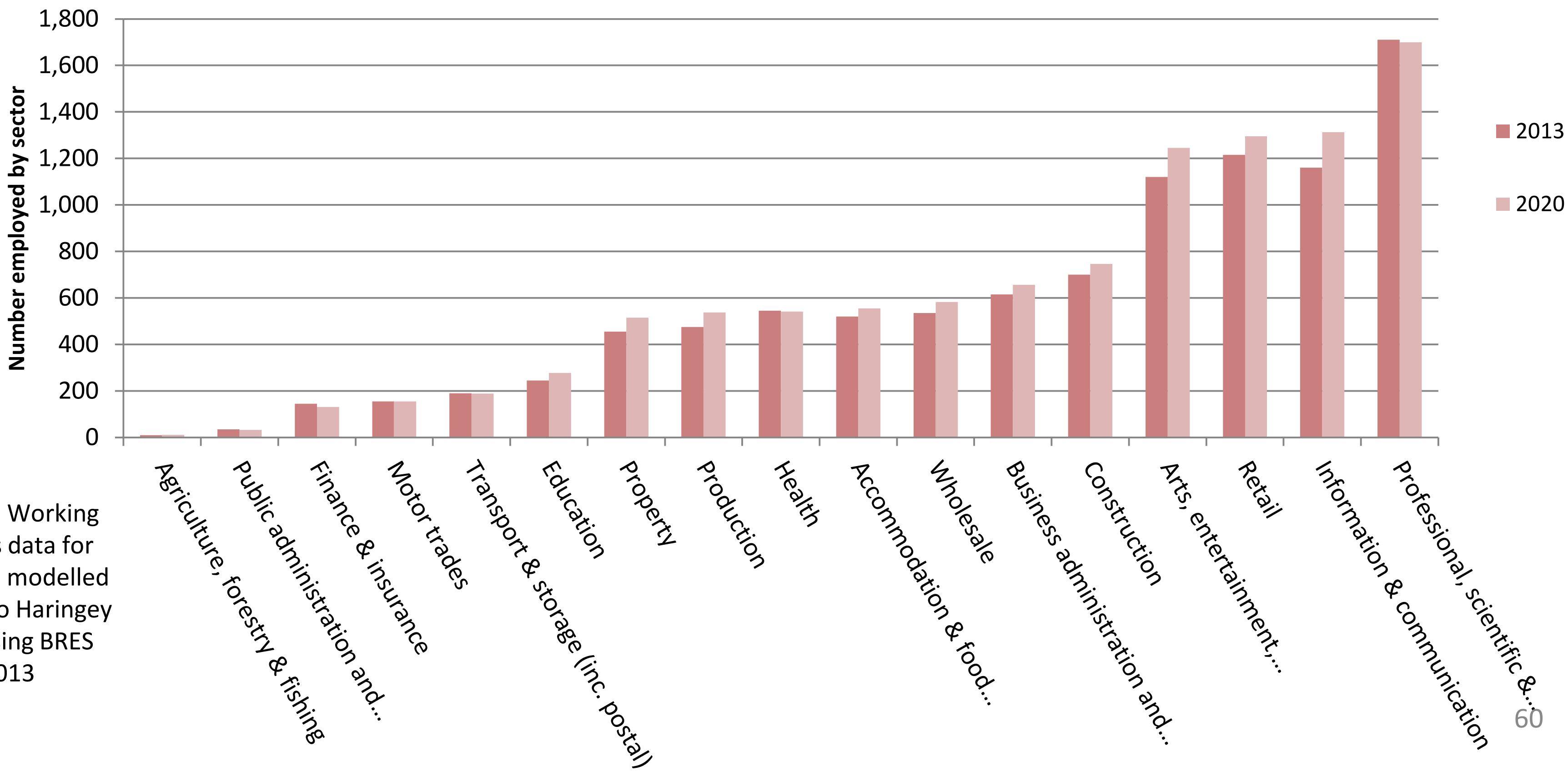
- We should stress here that these projections should be treated as indicative of future trends and often the accompanying commentary into how likely these changes are and how they may affect Haringey is just as important as the raw numbers presented themselves.

To get an idea of what the London labour market will look like in the future, we draw on Working Futures projections

- The projections in Working Futures focus on anticipating changing skill needs in the context of changes in general economic conditions. The quantitative occupational projections are based on the results from a detailed multi-sectoral macroeconomic model and are driven by an underlying view of sectoral prospects (both output and productivity) in London. The model of the UK economy was developed by Cambridge Econometrics and detailed occupational and qualification forecasting modules developed by the Institute of Employment Research.
- However, we cannot say with any certainty what will happen in the future and changes to technology, such as the proliferation of 3D printing, could change things completely. Working Futures data does provide us with the best estimates we have to date ,on likely structural changes in the economy between now and 2020 and can be used to predict changes in the occupational and sectoral changes in jobs. The data is produed at a regional (London) level and we have modelled this down to Haringey level using Inter-Departmental Business Register data on the current split of jobs in Haringey by occupation and industrial sector. The one drawback to this method is that we have to assume that the changes to jobs will be uniform across London and thus we take Haringey's current numbr of jobs and apply the growth factors from Working Futures for London to arrive at projections for 2020. Whilst this method is inherently flawed, it is certainly instructive as to what is likely to happen in the future.
- Furthermore, the fact that we cannot accurately predict what will happen in the future and where the demand for jobs will come from is instructive in itself. We do know that there will be a shift in demand towards more high-end jobs in the future and ensuring that Haringey residents are able to respond to this should be a key target for the Council going forward. Linking to our earlier work about the need to upskill residents, a highly qualified resident population creates a more flexible labour force ready to respond to the changes of the future – predicted or not. Therefore, addressing the 'stubborn' cohorts of 50+ and under 24s with no qualifications is vital moving forward and part two of this project: devising an economic growth strategy, should focus on ways of doing this moving forward.

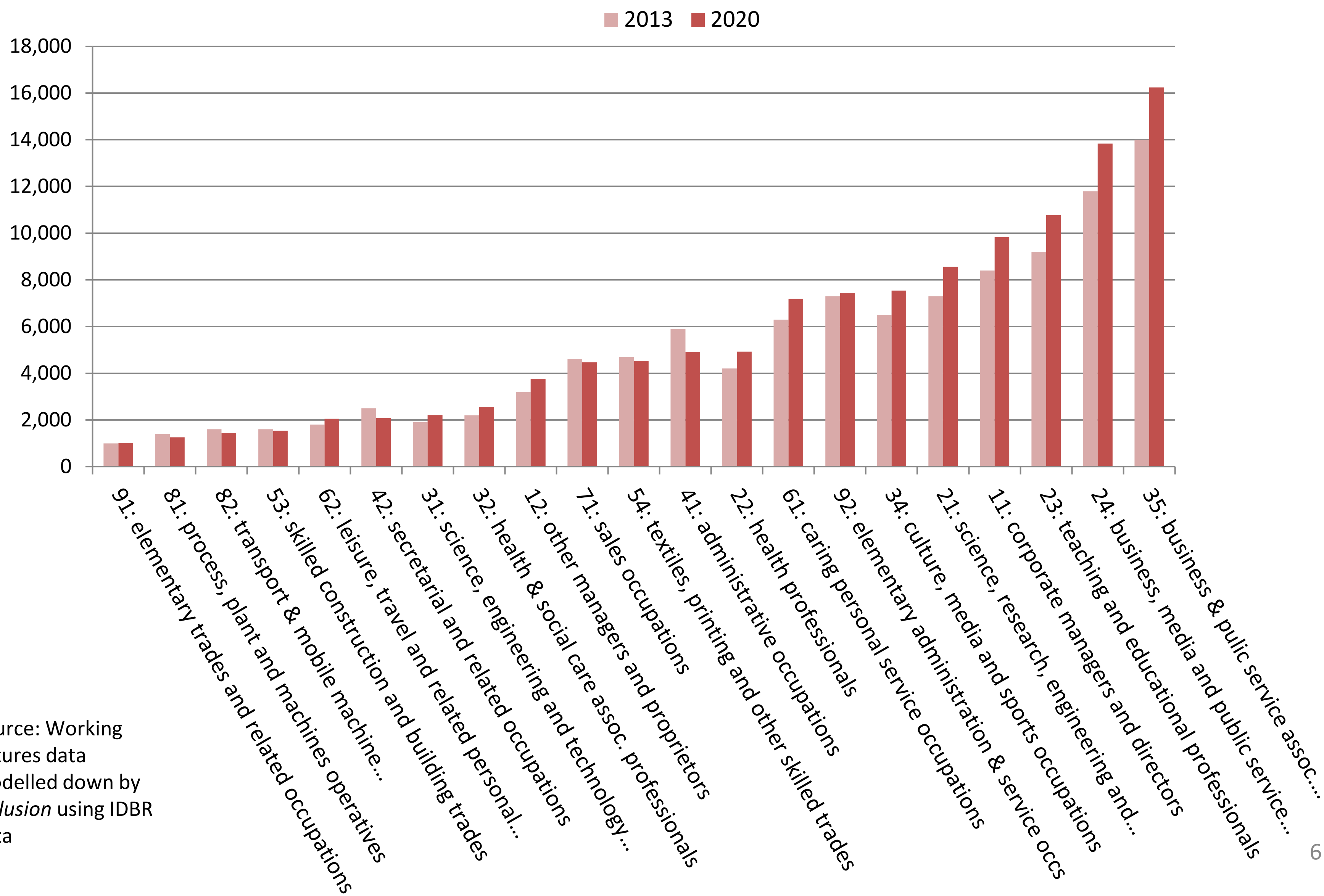
IT, retail and arts and entertainment sectors are set to grow with professional and scientific activities staying the largest sector

- As described above, these charts are created using Working Futures data for jobs projections from 2013 to2020 in London and modelled down to Haringey level by *Inclusion* using IDBR data. As the data is for raw numbers of jobs, we would expect small rises for all sectors given some level of economic growth and job creation between now and 2020, what is interesting to look at is those sectors for which we see above average growth and particularly those sectors for which we see falls.
- As described in the heading three of the four largest sectors experience large increases with the health sector and the finance and insurance sectors the only sector sto see a projected fall.



Source: Working Futures data for London modelled down to Haringey level using BRES data, 2013

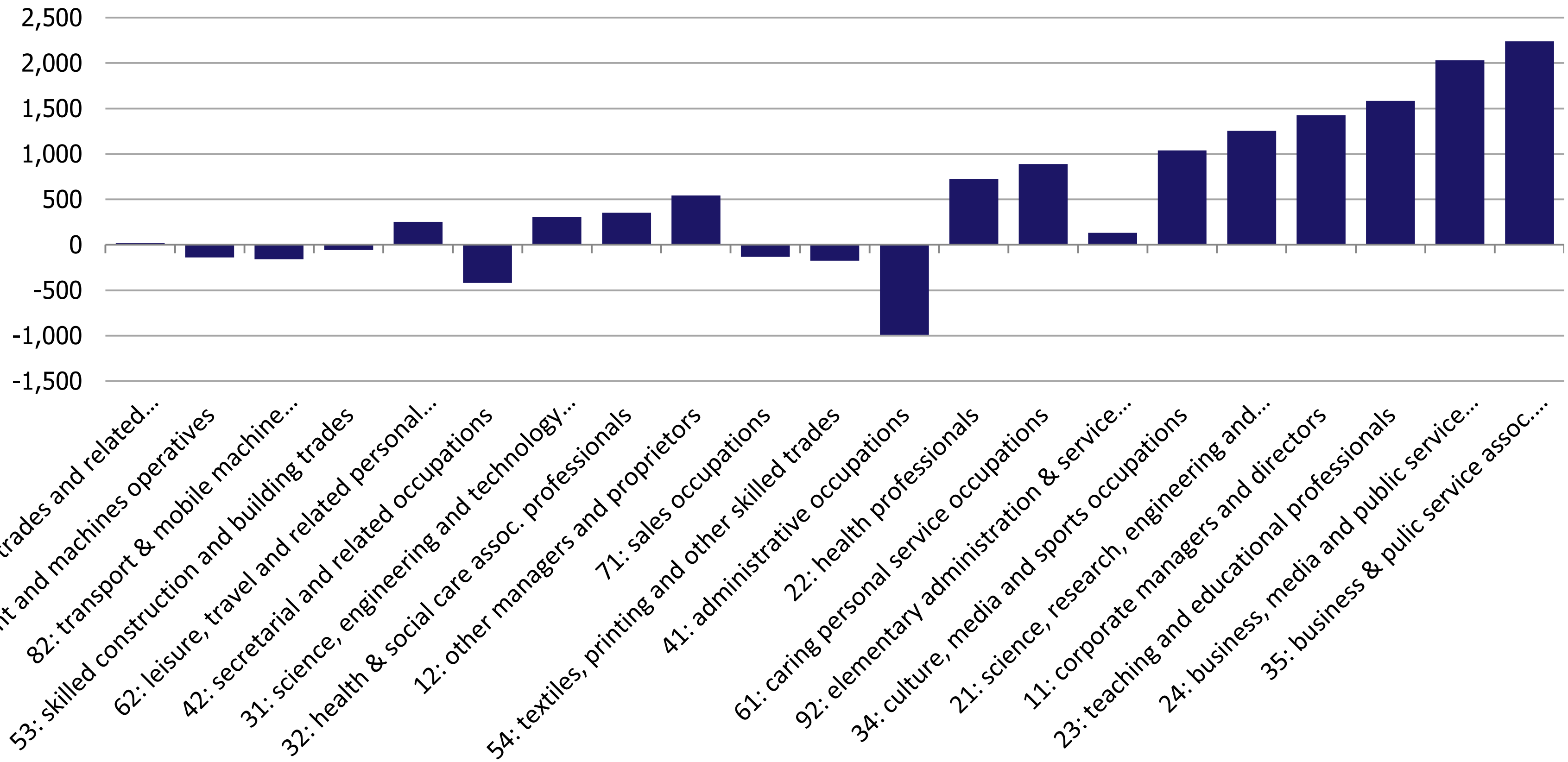
Business & public service, teaching and education and science research professionals, along with managers and directors will remain the largest occupations by no. jobs in 2020



Source: Working Futures data modelled down by *Inclusion* using IDBR data

Admin and secretarial occupations are expected to see the biggest fall in future. Teaching, business, and management are expected to see the biggest rises

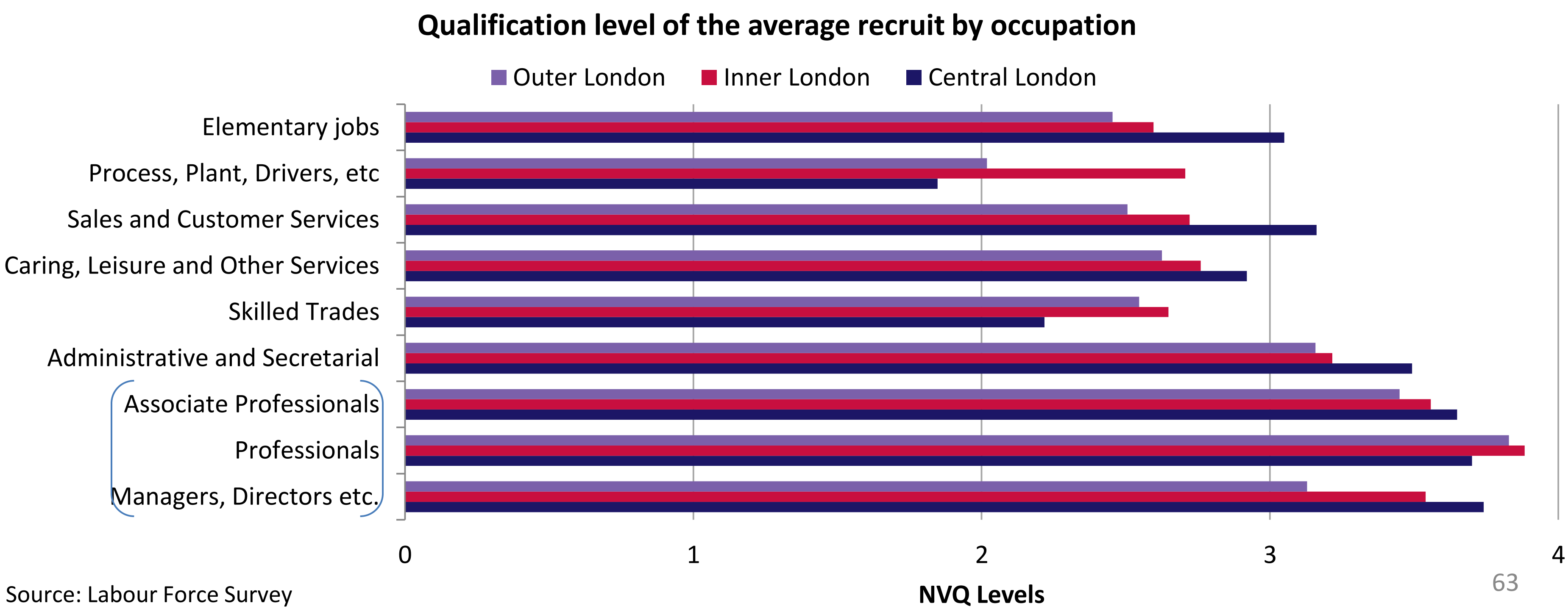
- The main message to take from this chart is a shift towards 'high-end' occupations with the number of admin and secretarial jobs and big increases in the numbers of professionals and the numbers of managers and directors.



Source: Working Futures data modelled down by *Inclusion* using IDBR data

The occupations in demand in the future will be at the high end of the qualification scale

- Using data from the Labour Force Survey looking at the qualification level of the average recruit by occupation we an see that the three main growth sectors of the future identified by previous slides are associate professionals, professionals and managers and directors. The bars show the qualification level of the average recruit on the NVQ scale.
- We can see that Inner London recruits (including Haringey) generally require higher qualification levels than Outer London recruits. Furthermore, the average level needed is almost NVQ Level 4 for each of the three growth occupations. We suspect that some people have no qualifications (with very few at levels 1, 2 or 3) which drags the average down. The key message, which we will reiterate again, is that the jobs of the future will require highly qualified candidates and ensuring Haringey residents fit this bill is vital moving forward.



Source: Labour Force Survey