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01: An overview of London



Since the last issue of *Focus on London* was published in 2000, London has seen the establishment of a single strategic authority for the Capital, with a directly elected Mayor and an Assembly. These new political and administrative structures should enable London to improve strategic coordination and development, making it easier to respond to emerging challenges such as those posed by the threat from global terrorism, population growth, the impact of migration, and the affordability of housing.

Focus on London 2003 is a graphical, explanatory and statistical digest of the affairs, problems and successes of London. It is the product of a unique collaboration between the Greater London Authority, the Government Office for London, the London Development Agency and the Office for National Statistics. It brings together in one place a wide range of demographic, social, industrial and economic statistics, providing a comprehensive and up to date picture of London. This year, *Focus on London* draws on some new data from the 2001 Census, described as the most comprehensive survey of the UK population; although a lot more information from the Census is still to be published over the coming year.

London is unarguably one of the great cities of the world. It is one of the few global centres for international business and it is comparable in size to many national economies. Over a quarter of the world's largest companies have their European headquarters in London and over 65 per cent of the Fortune Global 500 companies are represented in London, more than any other European city¹. It is consistently ranked 'top city for business' in Europe² because of easy access to markets, availability of qualified staff, good transport and telecommunications links.

The service sector dominates London's economy. Key services among the sector are finance and business services, the public sector, tourism and hospitality

and the creative and cultural industries. Finance and business services alone accounted for 35 per cent of London's Gross Value Added (GVA) in 1998. However, manufacturing is still an important part of London's economy, accounting for over 11 per cent of London's GVA in 1998 and the third highest region in cash terms, at £13 billion of GVA.

London is home to over 7 million people. It has a resident workforce of some 3.4 million, which is supplemented further by a large number of commuters. One in five small businesses are owned or managed by members of minority ethnic communities. Over 300 languages are spoken and the 2001 Census shows that 29 per cent of London's population belonged to a minority ethnic group. London has an unrivalled cultural and artistic heritage, helping to confirm its place as one of the most vibrant and dynamic cities in the world.

Whilst London stands out as one of the most successful regions in the UK, it is also a city divided between the extremes of wealth creation and success, and deprivation and social exclusion. This is reflected in the high proportion of wards (20 per cent) which are in the 10 per cent most deprived wards in England. Of the 88 authorities receiving Neighbourhood Renewal Funds, 20 are in London. Unemployment in London is higher than the national average. The Inner London rate is twice the national average and rates are particularly high among London's minority ethnic groups.

In recent years, London's net population loss to migration has turned into a net gain. This and a natural growth rate nearly six times that for the UK presents London with particular challenges to accommodate growth and tackle poverty and deprivation. The Mayor's draft London Plan shows projections over the period 2002-2016 of population growth of around 700,000; employment growth of a net 636,000 jobs; and a minimum target for 345,000

additional homes. The Plan also seeks the provision of 'affordable' housing (i.e. for sale or rent at costs significantly below the full market price or rent). The average London house price at the end of 2002 of £210,100 compares with £134,300 for the UK as a whole.

The government's '*Sustainable communities in London: building for the future*' includes proposals to accommodate population growth expected to accompany the economic success of London and the wider South East. Four areas (Thames Gateway, Milton Keynes/South Midlands, Ashford and London-Stansted-Cambridge) have been identified to accommodate growth.

The regional Action Plan '*Sustainable communities in London*' sets out, amongst other things, new regional housing arrangements to ensure better integration of housing policy with the planning and economic strategies. Partnership working with key stakeholders (including the boroughs at the local level) through the Housing Forum for London is going to play a key part in ensuring successful delivery.

The Mayor of London and his functional bodies, the London Development Agency and Transport for London, have responsibility for setting the strategic framework and delivering transport and economic developments. This is going to help underpin the performance of the region, and ensure the creation of communities in London in which people want to live and stay.

Focus on London 2003 will help these and other key players to respond effectively to the new challenges faced by London through providing accurate, relevant and up to date statistics and analysis about the Capital.

¹ *London First (1999), 100 Facts on London.*

² *Healey and Baker European Cities Monitor.*

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