Issue 4

CENTRE FOR LONDON

THE LONDON INTELLIGENCE

Welcome to the fourth edition of The London Intelligence, Centre for London's quarterly review of the state of the city. Each issue looks at five themes, analysing the most up-to-date data and highlighting emerging trends. This issue includes data on local authority spending.

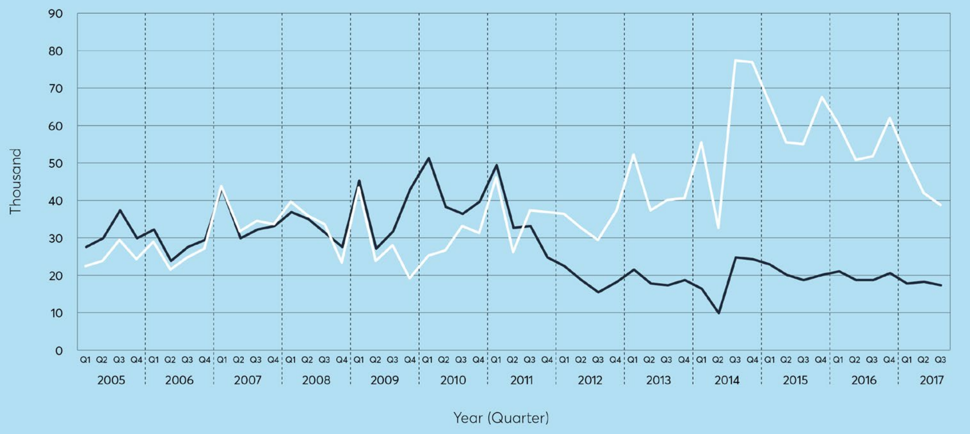
Demography

National Insurance Number registrations – by people coming to London from overseas to work – dropped over a quarter in the year to the last three months of 2017. Inner boroughs have more Western Europeans registering, while outer boroughs have more from Romania, Bulgaria and Poland.

National Insurance Number (NINo) registrations

Figure 1:

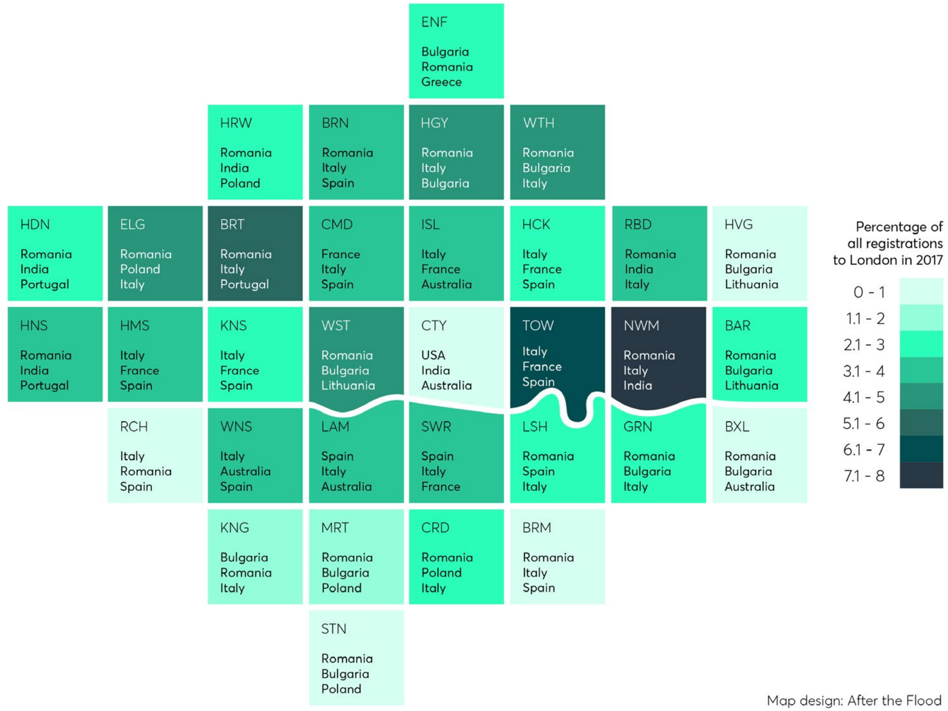
NINo registrations, EU and non-EU



National Insurance Number (NINo) registrations – by people coming to London from overseas to work – continue to drop in London and the pace appears to be accelerating. There were a little more than 61,500 registrations in the final three months of 2017, which was down over a quarter compared to the same period in 2016. The drop-off was, again, particularly stark among EU nationals, whose registrations fell by 30 per cent. Registrations by non-EU nationals, meanwhile, dropped 11 per cent.

Figure 2:

Geography of NINo registrations, including top 3 nationalities in 2017



Map design: After the Flood

Across the 2017 calendar year, Newham received the highest proportion of registrations, accounting for 7.8 per cent of all those in the capital, nearly 19,000 individuals. Other boroughs receiving a significant proportion include Tower Hamlets (6.3 per cent) and Brent (6 per cent). Excluding the City, Bexley and Sutton (both 0.7 per cent) received the lowest proportion of registrations, closely followed by Richmond (0.9 per cent). EU countries provide the most registrations across all the boroughs. Western European countries (predominantly France, Italy and Spain) are the largest contributors in central London, while newer EU members (particularly Romania, Bulgaria and Poland) are more prominent in outer London registrations. Of the non-EU countries, only India and Australia make the top three in any borough (excluding the City which is topped by the USA).

Source: Department for Work and Pensions

Source: Department for Work and Pensions

Economy

London's economy appears to be resilient and strong, with a record numbers of jobs and record low unemployment rate in the capital at the end of 2017 and beginning of 2018 respectively. Business confidence, as measured by the Purchasing Managers' Index, is net positive, but sits below the English average.

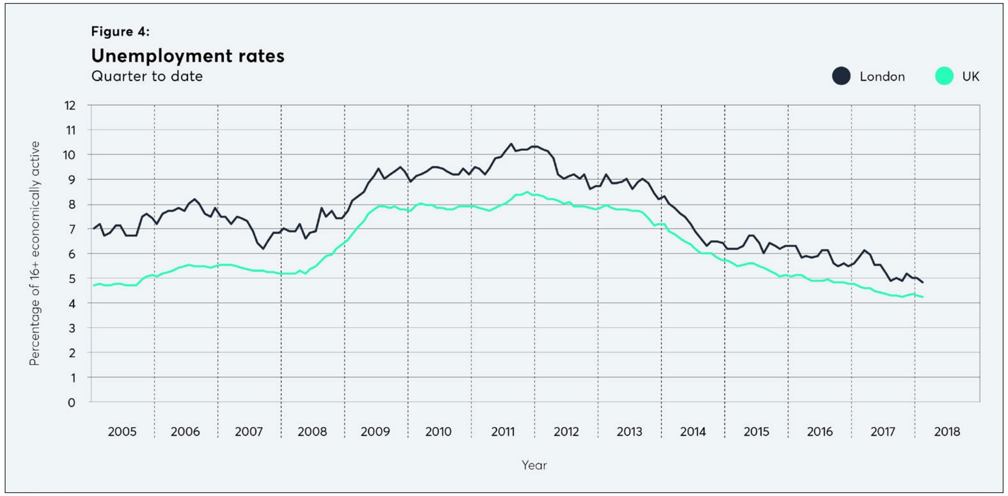
Workforce jobs

In the final quarter of 2017, there were a record number of jobs in the capital – over 5.86 million, which was 1.7 per cent higher than in the same period in 2016. For the first time in a year, London's job growth out-stripped the rest of UK's. The fastest growing sector was construction – it saw year-on-year job growth of 10 per cent – while the education sector continued its downward trajectory with a fall of 5 per cent. Service sector jobs growth overall – for so long the backbone of London's economy – continued to be sluggish, with a rise of 0.8 per cent. Research has suggested that vacancies in the first few months of this year have increased showing the capital's businesses still have an appetite for recruiting new talent. While job growth is continuing, candidate shortage continues to place upward pressure on pay, and recent figures suggest pay growth is again slightly above price inflation.

The number of self-employed jobs bucked the national trend by growing nearly 7 per cent (across the UK, numbers fell 1 per cent) to a record high of 800,000 across the capital (13.7 per cent of all jobs). Over the last year, the proportions of self-employed jobs in London and the rest of the UK have diverged, with London's level one percentage point higher.

Source: ONS

Unemployment

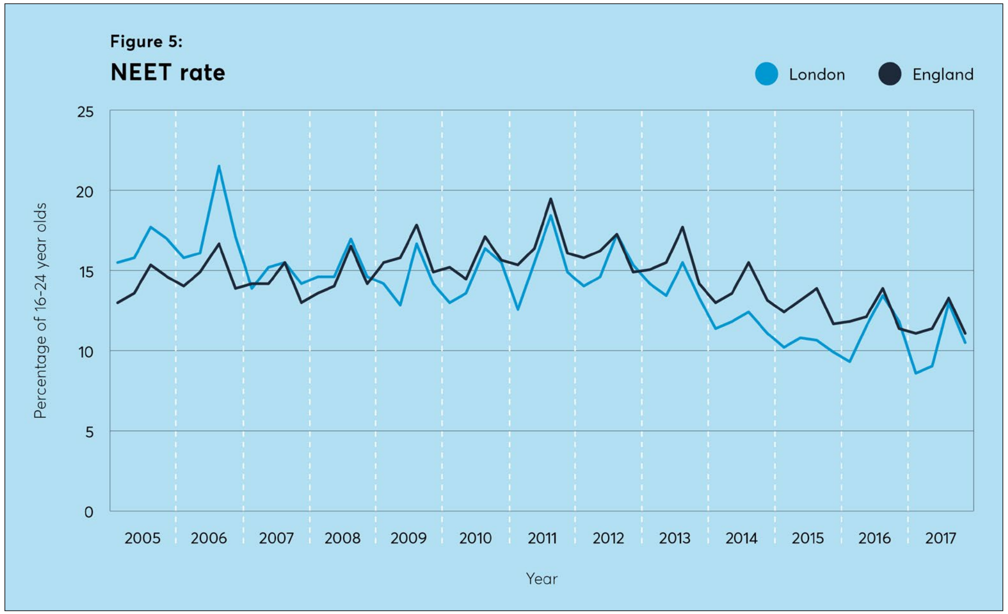


The number of people unemployed in London fell to a record low of 239,000 – or 4.8 per cent of the economically active 16+ population – demonstrating the continuing resilience of London's jobs market to Brexit uncertainty. However, there are continued concerns over in-work poverty for London's lower earners.

The number in employment also rose, mirroring the rise in number of jobs, to over 4.7 million – equating to three quarters of the 16-64 population. London does, however, continue to have the widest gap in male and female employment rates in the country – the subject of a planned Centre for London study.

Source: ONS

NEET



Just under 100,000 young people (aged 16-24) across London were classified as NEET (Not in Education, Employment or Training) across the final three months of 2017. This follows the annual trend of falling after the third quarter as graduates find jobs or start various qualifications. It is also 1.4 per cent lower than the same period in 2016. There have been recent calls for compulsory careers education in colleges, to prevent many leavers failing to find a job and becoming a NEET, but the current funding environment may make this a challenge.

Source: Department for Education

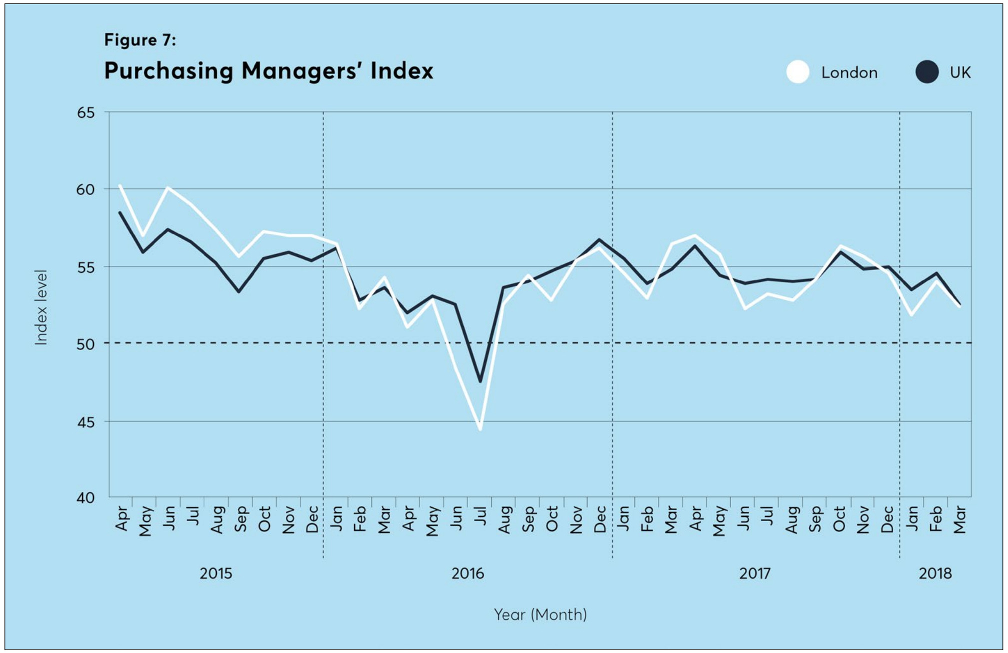
Commercial property

Central London commercial property data suggests a promising start to the year, showing the capital is still an appealing place to do business. Active demand for commercial space rose to over 10 million square feet, a level not seen in the last four years. Research suggest that the sectors driving this growth were banking and finance, as well as the creative industries.

Take-up, on the other hand, rose to a modest 2.3 million square feet, higher than the same period last year, but lower than Q3's high. Meanwhile, vacancy rates fell for the first time in nearly three years, and now sit at 4.8 per cent, but second-hand space coming onto the market has driven up future office space availability, which may increase vacancy rates moving forward. The City and Isle of Dogs/Stratford continue to have higher vacancy rates than the West End.

Source: JLL

Purchasing Managers Index

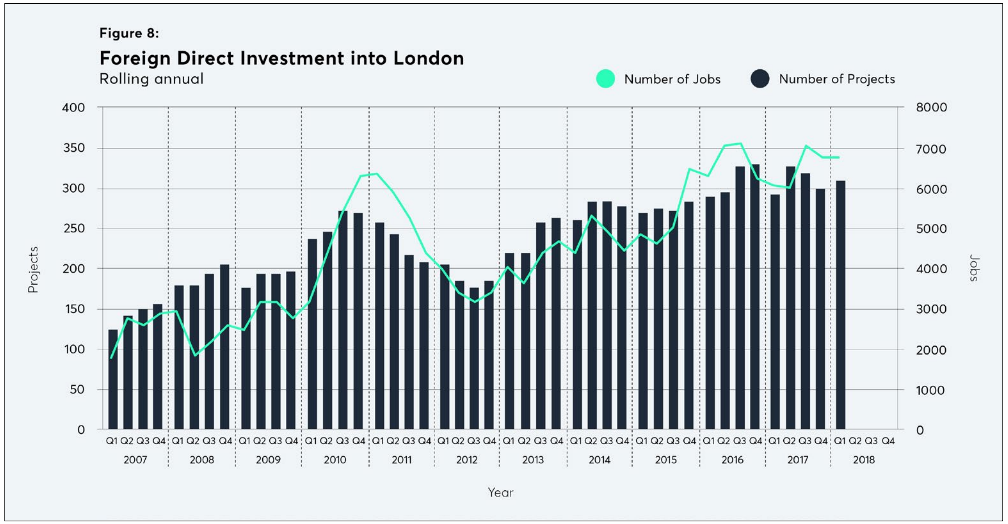


Purchasing managers' indices (PMIs) measure business activity by surveying companies on output, new orders, employment and prices; a score above 50 shows an increase in activity from one month to the next. The higher the score, the quicker this expansion.

London's businesses remain relatively subdued compared to other English regions: London was England's second worst performing region in January (scoring 51.8), third worst in February (54) and second worst in March (52.4). It has been now been below the UK average for the last four months. That said, research suggests that over the longer term, London's business confidence is growing and is the highest in the country, with 40 per cent of firms expected to take on new staff this year, but other research suggests confidence is low given it is facing challenges and uncertainty in a number of sectors over the coming months.

Source: Lloyds Bank / Markit Economics

Foreign Direct Investment



These figures show foreign companies starting new ventures in London with the help of London & Partners, the Mayor of London's official promotional agency (therefore not a complete picture of total foreign direct investment (FDI)). They record both the number of new ventures, and the number of new jobs created – London & Partners' activity is particularly focused around ICT, Financial Services, Business Services, Creative Industries and Retail.

In the year to March 2018, the number of companies started in the capital was 311, up 7 per cent on the year to March 2017. The number of jobs from these ventures also rose compared to the previous year, by 11 per cent, to around 6,750. Despite continuing Brexit uncertainties, foreign investors appear to not be being put off London – particularly as many of these ventures may be from beyond the EU.

"This data confirms that the outlook for the capital is promising and points to a possible turnaround in inward investment into London as we enter 2018, given the decline in foreign direct investment seen between 2016 and 2017 (-8% for London and -17% globally).

London remains the most attractive European city for foreign investors, receiving more projects than Paris, Amsterdam and Berlin combined in Q1 2018. We are confident London will remain a fantastic place for people from all over the world

Source: London & Partners

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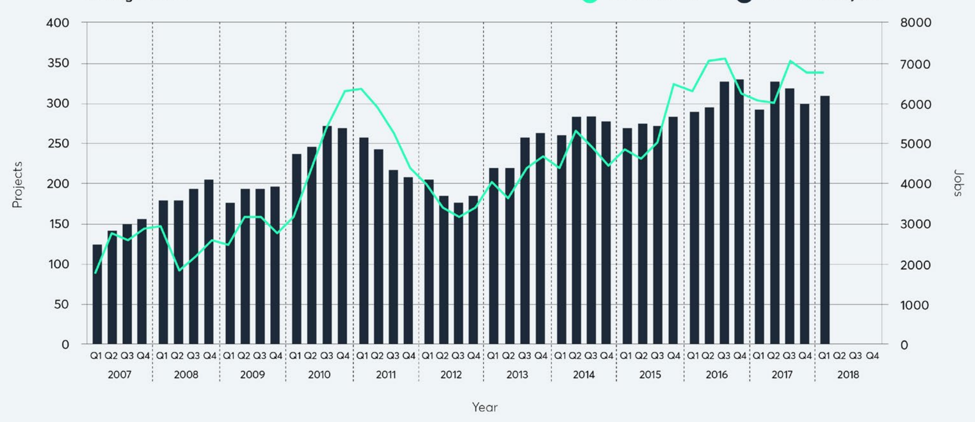

Figure 8:
Foreign Direct Investment into London
Rolling annual

"This data confirms that the outlook for the capital is promising and points to a possible turnaround in inward investment into London as we enter 2018, given the decline in foreign direct investment seen between 2016 and 2017 (-8% for London and -17% globally).

London remains the most attractive European city for foreign investors, receiving more projects than Paris, Amsterdam and Berlin combined in Q1 2018. We are confident London will remain a fantastic place for people from all over the world to invest, work and live in for many years to come."

Jules Chappell
Managing Director Business, London & Partners

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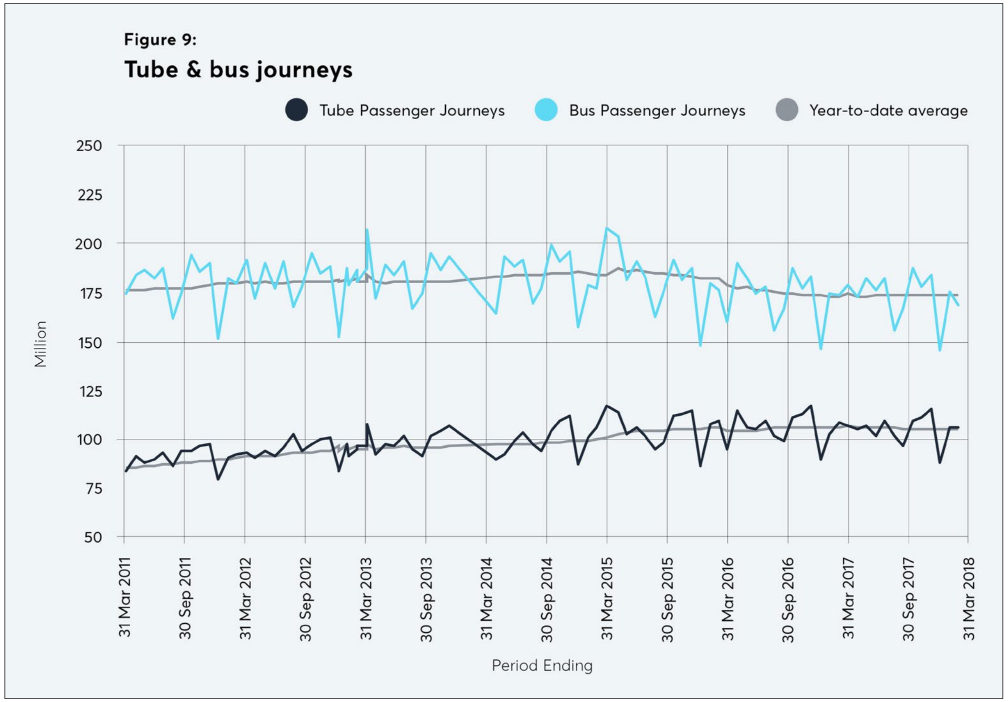
Source: London & Partners

Infrastructure and housing

The cold weather in early 2018 caused a dip in public transport passenger numbers. House and rental prices fell in the first quarter – although these falls are not equally distributed across property type and location – and while completions rose at the end of 2017, starts and houses in the pipeline were lower than previously.

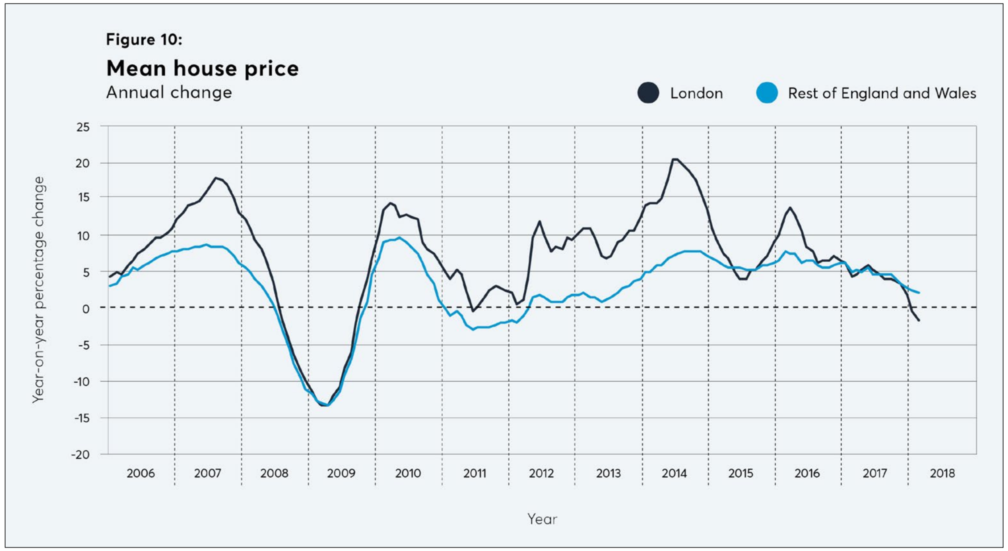
Tube journeys and bus journeys



Ridership figures show the significant negative impact the cold weather – particularly the so-called 'Beast from the East' – in the early part of the year had on London's public transport performance. In the period ending the 3rd March, Tube journeys were down 2.8 per cent compared to the year before, while bus journeys fell 1.1 per cent. These significant drops came off the back of a more upbeat looking February, where tube riders rose 3.5 per cent – the first increase in almost a year – while bus use rose just 0.1 per cent – continuing its recent, if muted, resurgence.

Source: Transport for London

House prices



London's housing market continues to cool. Based on price-paid figures provided by Acadata, house prices in London fell by 1.5 per cent in the year to February, their second successive decline (they fell 0.4 per cent in the year to January), reflecting the effects of wider economic trends and specific policy interventions. Surveys continue to point to falling demand for London housing, which may have a wider impact on household spending. While the effects of stamp duty changes have largely been absorbed into the market, there appears to be a largely negative future outlook for the capital's prices.

Prime areas continue to see the sharpest declines, with some research suggesting prime prices are 8 per cent below their 2015 peak. And estate agent data suggests a third of London's properties listed have reduced their asking price, with central boroughs seeing the largest percentage reductions. Outside the capital, house price growth has also slowed, to a 2 per cent annual increase, but is yet to record a fall.

Note: adjustment and weighting changes took place in January to the Acadata house price data, which are based on the last four years of transactions to reflect the most up-to-date mix of sales, which means this issue's data does not directly map onto previous ones. A consistent problem for recent months is that new build sales (which have different properties) take longer to be registered on the Land Registry database and so some alterations to the latest figures will be likely in the coming issue.

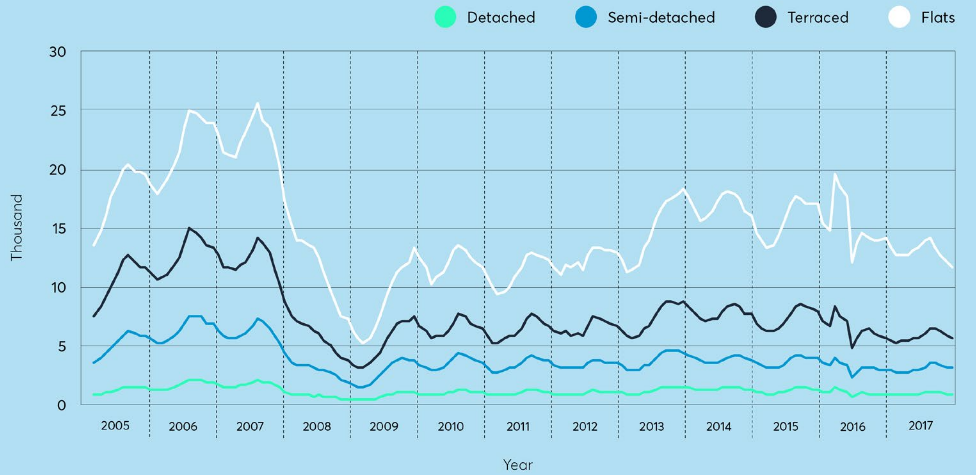
Source: Acadata/Land Registry

Transactions, by property type

Figure 11:

Housing Transactions, by property type

Quarter to date



The cooling of the market is reflected in the transaction data as well – data from the end of 2017 indicates transactions from October-December were 10 per cent lower than the previous year. Flats, while still the largest by volume, exhibit the sharpest slowdown in transactions, falling 17.5 per cent, while semi-detached homes saw transactions actually increase by 3.2 per cent. Over the course of the year, however, the rate at which flats and semi-detached houses were transacted (both 2.8 per cent of stock) was marginally below detached homes (3.2 per cent) but above terraced homes (2.6 per cent).

Transaction rates by borough show some boroughs had a much ‘hotter’ year than others during 2017. Sutton saw the highest transaction rate of 3.6 per cent of properties, driven particularly by a high rate (4.5 per cent) of flat purchases, while Islington was the ‘coolest’ borough at only 1.6 per cent of properties bought and sold in 2017.

There is widespread expectation that interest rates rising are likely to rise in the near future, which may encourage some prospective buyers to bring forward their purchase to lock in a low interest rate, which may drive a slight uptick in transaction levels, or it could prove to be another dampener on the traditional spring selling season.

Source: Acadata/Land Registry

Rental, by type

Figure 12:

Annual rental change, by property type

Year to		1 bed flats	2 beds flats	3+ bed flats	Terraced houses	Detached / Semi-detached	ALL
2015	Q4	7.1%	5.3%	5.8%	7.7%	6.9%	**7.6%**
2016	Q1	6.2%	4.1%	-2.7%	5.3%	0.5%	**3.8%**
	Q2	1.4%	1.0%	-1.2%	1.8%	-0.5%	**2.6%**
	Q3	4.4%	1.9%	2.3%	4.6%	6.9%	**3.4%**
	Q4	0.2%	0.5%	3.3%	3.0%	5.9%	**2.1%**
2017	Q1	1.5%	-1.5%	-3.3%	2.6%	1.0%	**0.8%**
	Q2	1.0%	0.3%	2.1%	1.2%	5.4%	**0.1%**
	Q3	-1.8%	-0.7%	0.4%	0.2%	2.1%	**-0.7%**
	Q4	1.1%	0.3%	-3.4%	1.3%	-4.0%v	**-1.1%**
2018	Q1	-1.5%	0.7%	1.1%	-3.6%	1.7%	**-1.2%**

Rental price-paid data is provided by Dataloft, using a large dataset of real-life transaction data, and shows a continuing cooling of the market across the capital. However demand, especially in central London, continues to grow, which may place upward pressure on prices moving forward. The number of new people looking for rental property who registered in the first two months of 2018 was 16 per cent higher than the previous 12-month period, while viewings rose 14 per cent.

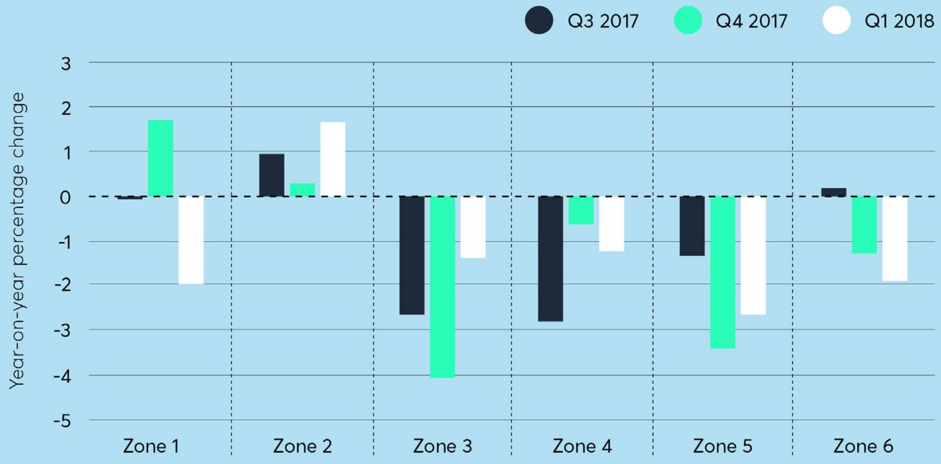
Average rents paid continue to fall - compared to the same period last year, Q1 rents were 1.2 per cent lower, which was the third consecutive quarter of declines. Smaller flats saw small increase or decreases, while terraced houses saw the largest year-on-year fall (-3.6 per cent). Detached and semi-detached rental properties saw the largest growth, after a significant fall last quarter, likely due to a slight market correction. Much is made of the high cost of renting in London, compared to monthly mortgage payments, but OBR analysis produced for the Chancellor’s Spring Statement suggested that over the next five years, monthly payments for tenants would grow modestly compared to mortgage-holders, as interest rates rise, though some landlords may seek to increase rents to cover costs.

Source: Dataloft

Rents, by zone

Figure 13:

Rental price changes, by London Travelcard zone



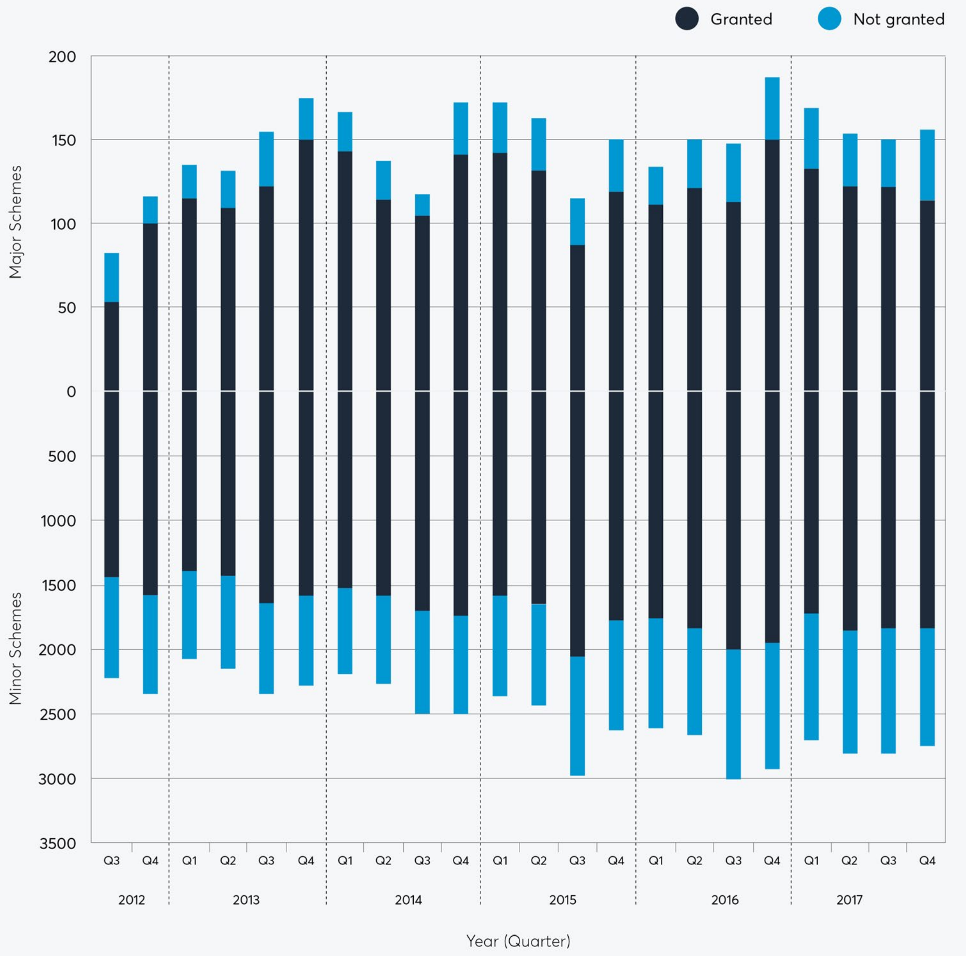
While average rents across London fall, Zone 2 is the only travelcard zone to have consistently bucked the recent trend, with rents paid increasing 1.6 per cent in the year to Q1 2018. Zones 3 and 5, which saw the deepest drops at the end of last year, have recovered a little, but still fell 1.4 and 2.7 per cent respectively. Zone 1, on the other hand, fell 2 per cent, as the prime central London market adapts to a slight oversupply recently. But while supply is diminishing as landlords are beginning to see value in selling, demand is rising according to recent research, which may lead to future pressure on rents.

Source: Dataloft

Planning pipeline

Figure 14:

Residential planning decisions, by size of scheme



Decisions made on residential planning applications in London show that both the total number of decisions on residential schemes, and the number granted permission fell year-on-year, for the second consecutive quarter.

For major residential schemes, there were 155 decided on (lower than the same period last year) with only 114 granted permission (also lower than last year). Only 74 per cent of these major schemes were granted permission, the lowest proportion since 2012, which may reflect community concerns over rapid neighbourhood change and suitable provision of affordable housing, particularly in advance of the May borough elections. The number of total minor schemes decided on and those granted permission, also fell, although the proportion rejected was in line with the longer-term trend, at just under one third (although some may be duplicates of approved schemes).

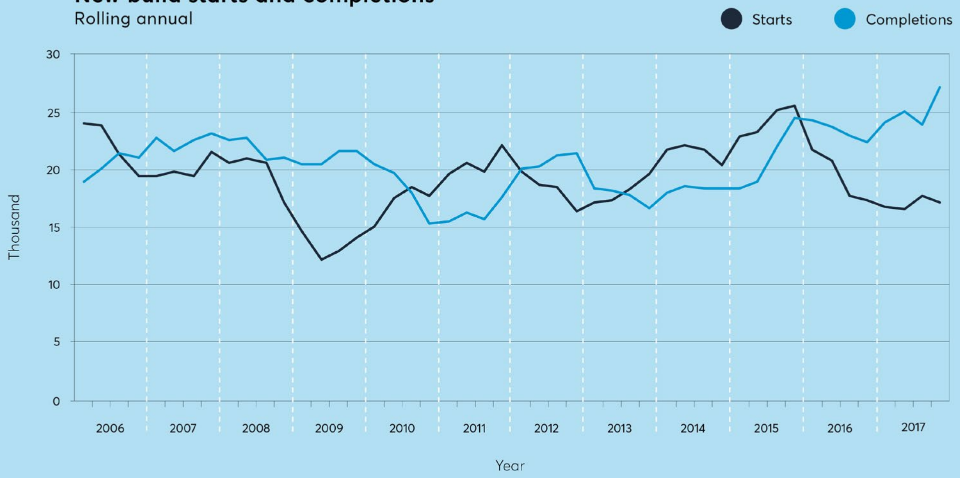
Source: Ministry for Housing, Communities & Local Government

Starts, completions

Figure 15:

New build starts and completions

Rolling annual



For the full-year 2017, new housing starts were marginally under the equivalent figure for 2016, at 17,220. Completions rose to a record high of over 27,000, a result of a number of high profile schemes coming to market, although there remain concerns over the levels of affordable housing in some schemes.

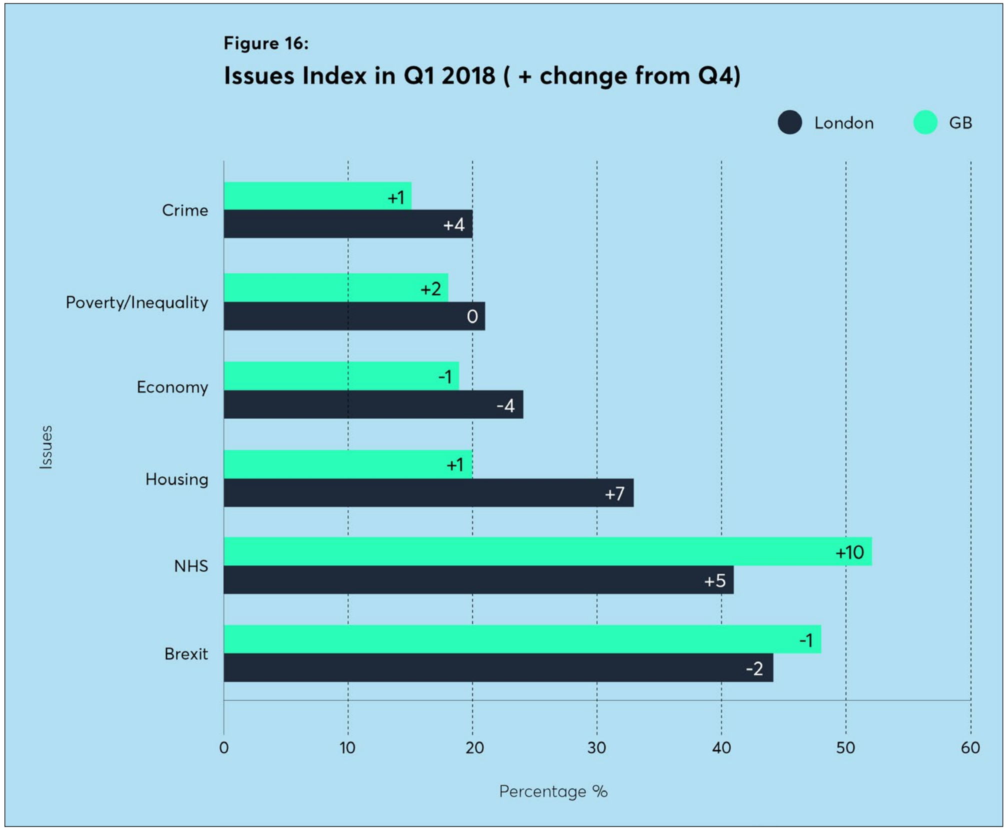
The cooling and slowdown of London's housing market, particularly for smaller flats, appears to be having a significant effect already on developers' and house-builders' capacity and desire to start new homes, though it is noteworthy that the GLA confirmed in April that it had hit its target of 12,500 affordable home starts in the year ending March 2018.

Source: Ministry for Housing, Communities & Local Government

Society

Crime entered the top six issues for Londoners in the first few months of 2018, following numerous violent crimes across the capital, despite the growth in overall crime slowing. Councils housed over 54,000 households in temporary accommodation in the final quarter of 2017, but could not find suitable places for a further 1,600.

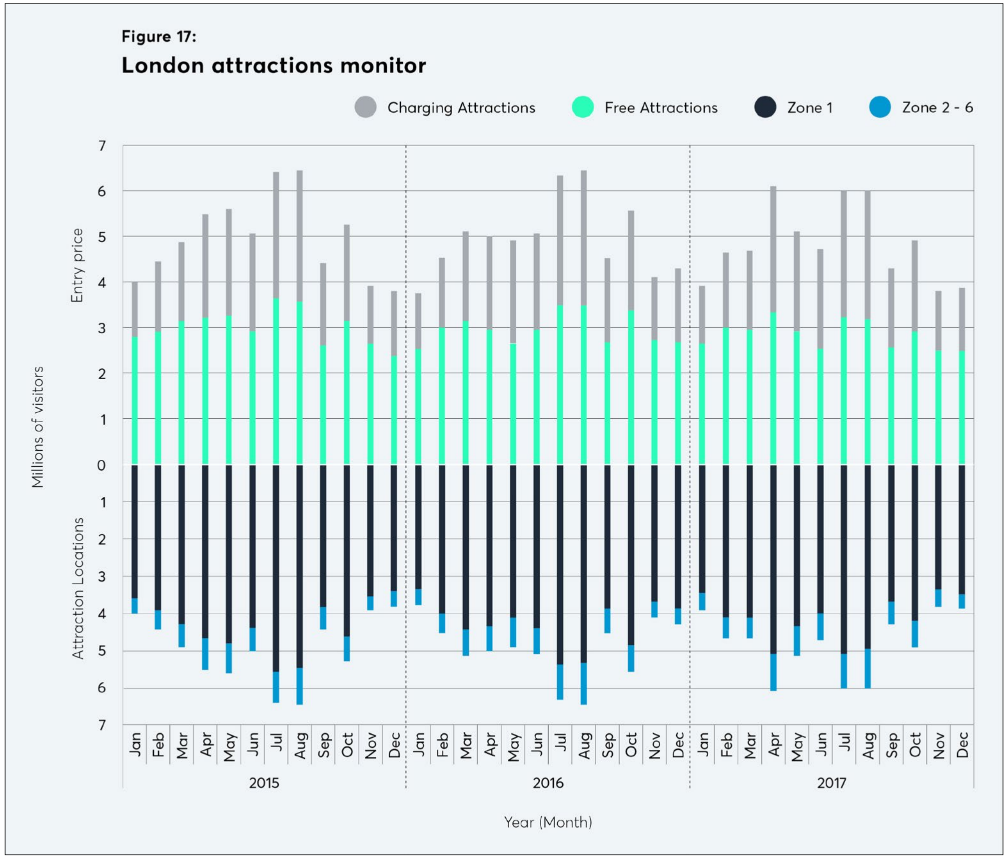
Issues Index



Brexit continues to be top of Londoners' concerns, as highlighted by this Ipsos data, with 44 per cent of those surveyed across the first quarter of 2018 spontaneously mentioning it. A close second was the NHS, up five percentage points on the last quarter, perhaps because of greater media scrutiny and attention on the winter crisis. But London's concern over healthcare is dwarfed by GB's overall, showing an 11 point difference, perhaps reflecting the relatively high quality of healthcare in the capital (see healthcare section). Crime enters the top six concerns for the first time, probably as a result of a spate of violent attacks in the capital over the quarter, and housing has also attracted more mentions in the capital.

Source: Ipsos Mori

Attractions monitor



Admissions to over 60 of London's top attractions fell by over ten per cent in the final quarter of 2017. Analysis from the Association of Leading Visitor Attractions suggests that economic factors and the costs associated with a day out to central London were the main cause behind falling admissions. There is a continuing trend for London's visitors to prefer free and central locations; across the quarter, two thirds of admissions were to free venues, and 9 out of 10 visitors chose attractions in zone 1.

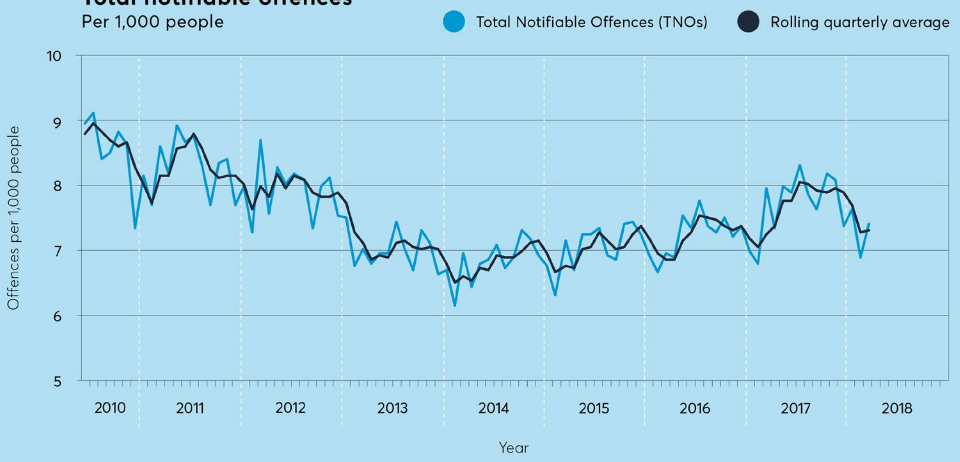
Source: London & Partners

Crime

Figure 18:

Total notifiable offences

Per 1,000 people



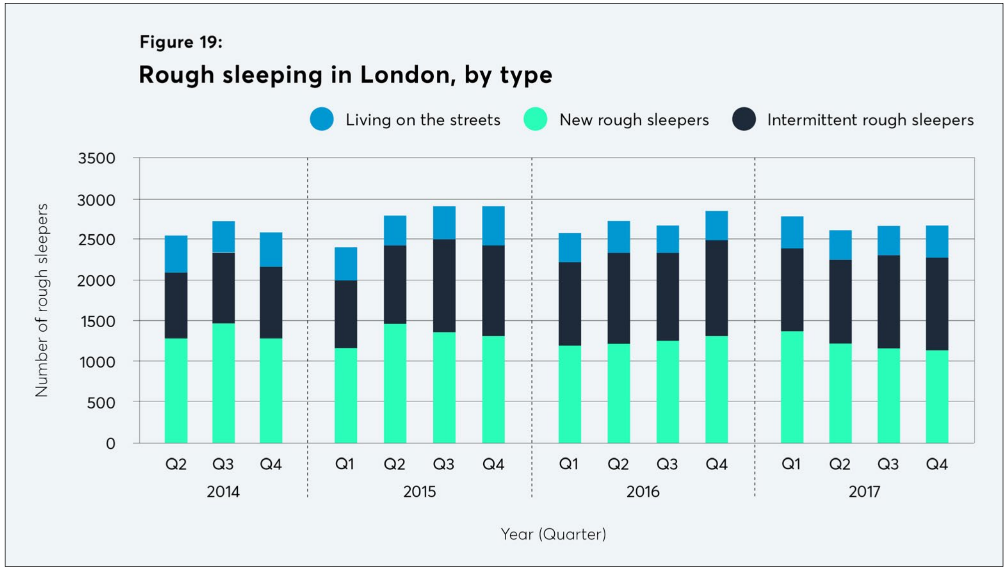
Knife crime in London has been particularly prominent and visible in the last few weeks and months, as a spate of injuries and murders have made front page news. As the Issues Index identifies, this has translated into more Londoners being worried about it, although as research suggests, concern about being a victim of crime varies across ethnic groups.

While the rate of notifiable offences has been rising slowly since early 2014, after a long period of decline, this increase has slowed over the last few months: the three months to March 2018 had only 2 per cent more offences than the same period in 2017, although this may be partly due to the recent cold weather, as research suggests.

Violent crimes continue to rise faster than overall offences, by 2.5 per cent over this period, while knife crime rose 4.5 per cent (compared to much higher rises in previous months). Murders, however, over this period were almost double the first three months of 2017, with 45 occurrences in the first three months of this year across the capital. This reflects the national trend of a rise in rare, but high harm crimes over the last two years. New measures have been introduced to tackle the increasingly visual problem of knife crime and youth violence, including the Mayors' 'London Needs You Alive' campaign and Government setting up a Serious Violence Taskforce.

Source: Metropolitan Police

Rough sleeping



"Behind the rough sleeping figures are people living each day at risk of violence, abuse and serious ill health. At St Mungo's we have evidence of this from the people themselves, from our outreach teams and our research with people who have experienced rough sleeping. With almost 5,000 people sleeping rough in London for the first time last year, finding ways to intervene before someone ends up on the street is crucial to tackling the problem. The Homelessness Reduction Act is a hugely positive move in the right direction, using new legal duties to shift the focus of councils in England towards providing help to prevent homelessness in the first place. But if the Act is to be a success, councils must be able to help those in danger of sleeping rough find the right housing and support. Sadly, the reality is the unacceptable shortage of affordable housing options for too many people in London."

Beatrice Orchard
Head of Policy, Campaigns and Research, St. Mungo's

The number of individuals recorded as sleeping rough during the final three months of 2017 in London fell by seven per cent compared to the previous year, to 2,630. This overall figure masks a slight rise in those people counted as living on the street, which – at 384 – is near the three-year average, but higher than in recent quarters.

Source: Combined Homelessness and Information Network (St Mungo's)

Statutory homelessness

Figure 20:

Statutory homelessness

Number of households

Figures also show that over 54,000 households (nearly 15 in every 1,000 London households) were being housed in temporary by their council at the end of the year. This number seems to have flattened out over the last few quarters. A further 1,600 had a duty owed to them but with nothing secured, which is over 70 per cent higher than the same point last year and the highest point on record by a significant margin, reflecting difficulties in finding appropriate temporary accommodation. Research suggests the main cause of statutory homelessness is termination of private rental contracts.

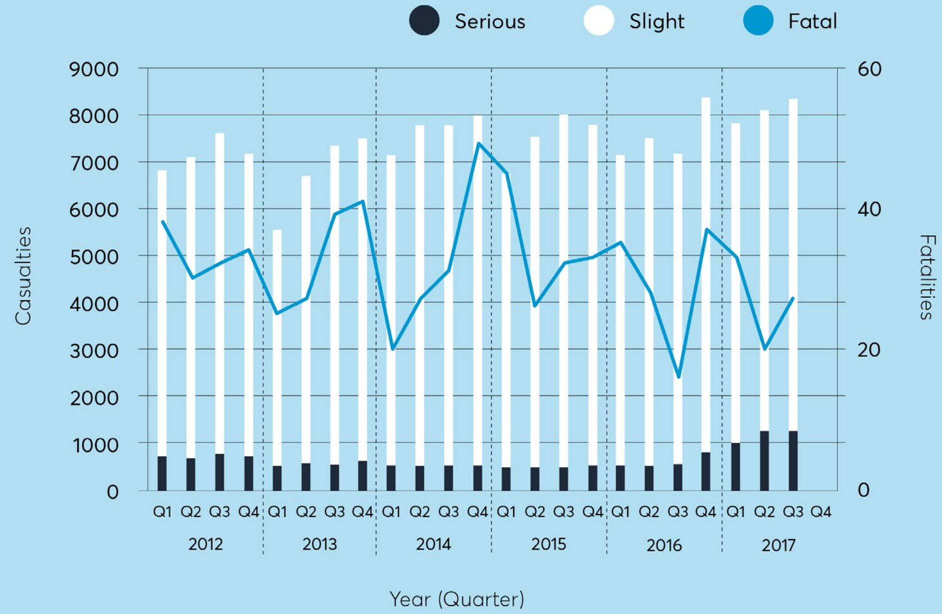
Payments from the new Homelessness Reduction Act began to be made in April, which provides councils with £61 million of funding to meet new responsibilities to homeless individuals.

Source: Ministry of Housing, Communities & Local Government

Road safety

Figure 21:

Road traffic casualties, by severity

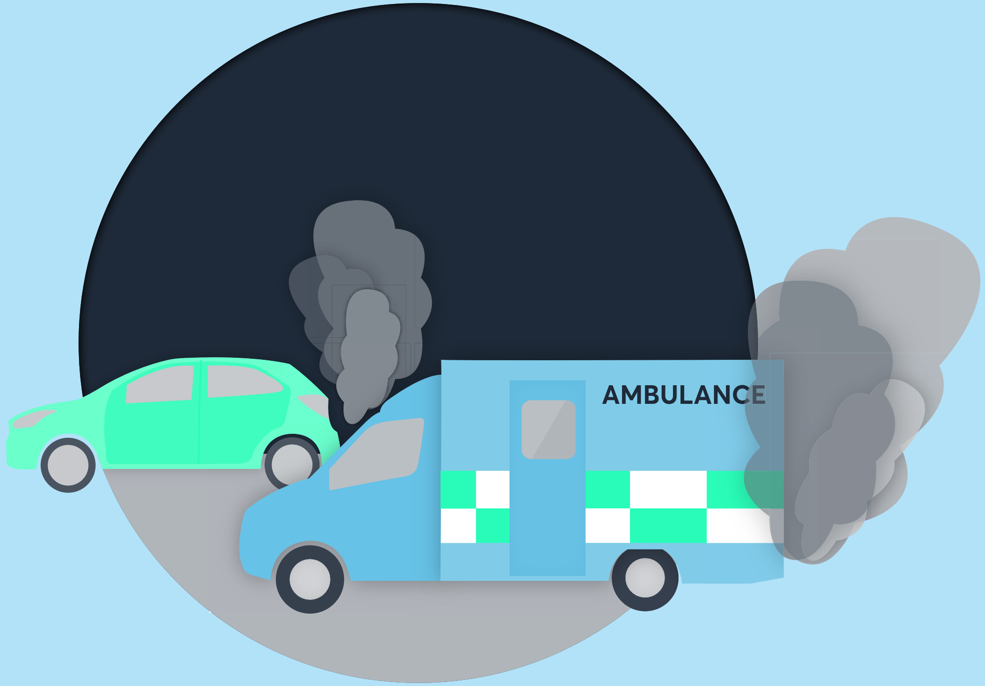


There were 8,365 reported casualties on London's roads in the third quarter of 2017, resulting from just under 7,000 separate collisions. The number of deaths during this period was 27, slightly below the 5-year average of 30 for this quarter.

Pedestrians continue to be the most vulnerable road user, accounting for over half of the total fatalities, and more than one third of serious injuries, in the 12 months to September 2017. The number of pedestrian fatalities is higher than the year before, but 30 per cent below the 2005-9 average.

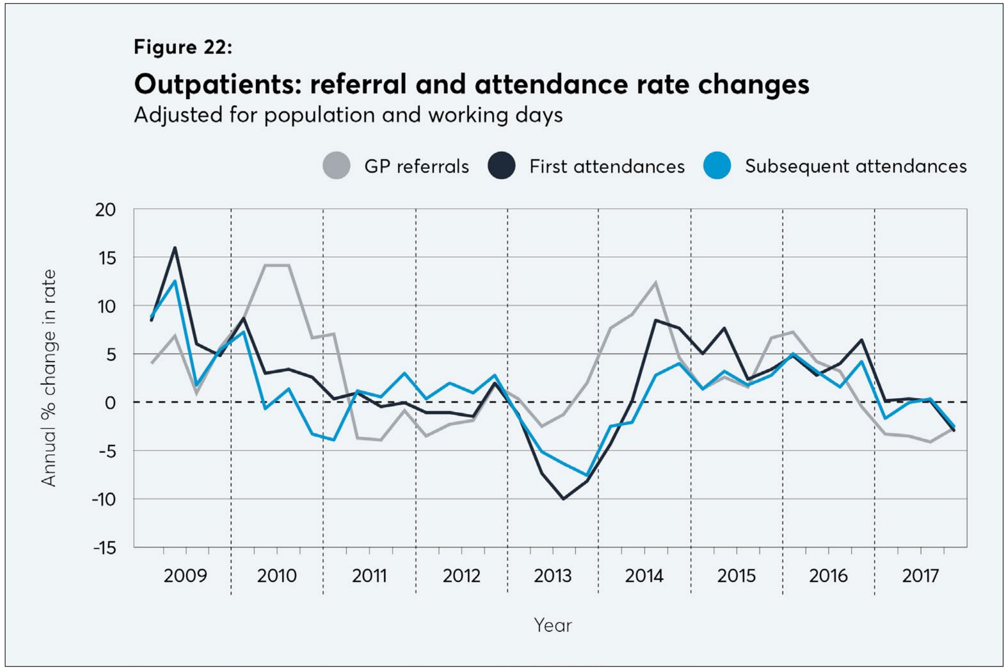
Source: Transport for London

Environment and Health



London's A&E departments struggled in the cold weather, with 13.6 per cent of attendances not dealt with in under four hours, but demand management strategies appear to be easing the strain on GPs and outpatient clinics. Air quality across the capital was better than this time last year, but still breached some legal limits.

Healthcare

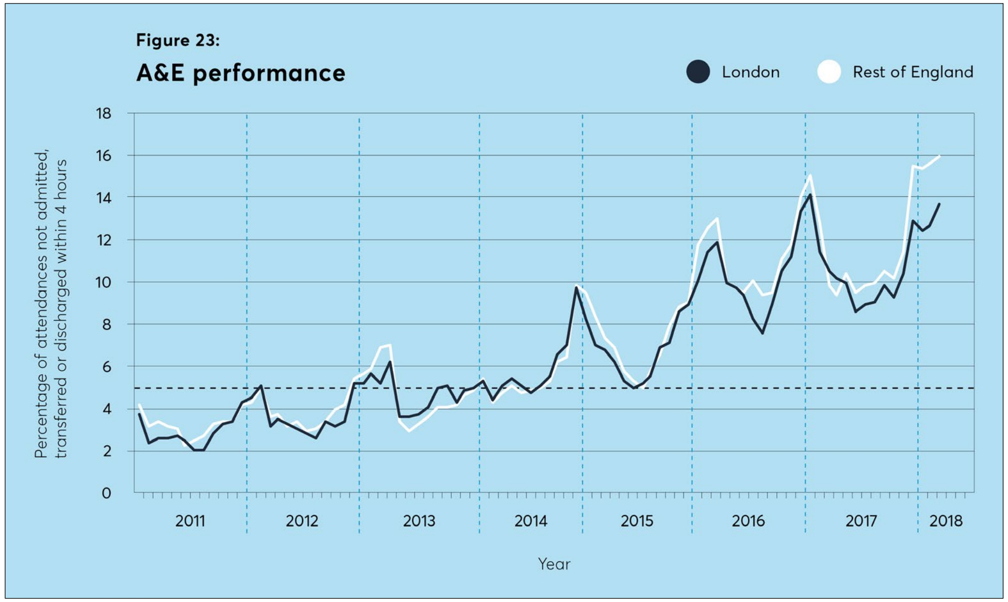


These figures focus on the changing demand on London's healthcare system by outpatients, individuals who do not stay overnight. From September 2017 to the end of the year, there were just over 570,000 referrals from GPs to outpatient clinics. When adjusted for working days and population, this figure was 2.7 per cent lower than the same period last year, its fifth successive quarter of falls.

First attendances – the initial appointment in a clinic – stood at over 800,000 for this period, 3 per cent lower than last year, while subsequent attendances topped 1.6 million during the three months, a 2.5 per cent fall. This possibly reflects a number of outpatient appointments which were cancelled during the height of the cold weather, but also the NHS's continued demand management strategy. New digital reforms, which are being pioneered and trialled in London, are set to allow GPs to receive advice from consultants on the next stage of treatment – this is intended to ensure referrals are correctly targeted, and to help reduce waiting times.

Source: NHS England

A&E performance



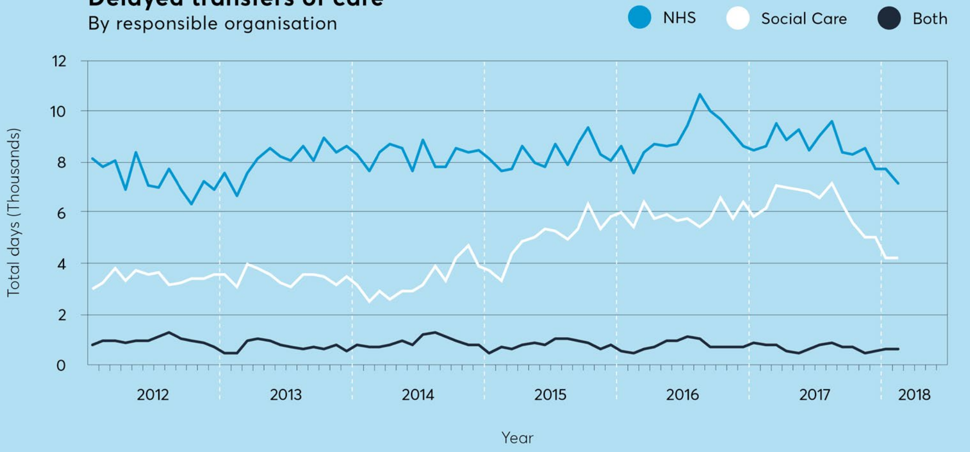
London's emergency departments, like the rest of the country, felt the full force of the cold weather in March. 13.6 per cent of attendances to A&E were not dealt with in four hours, which was the second highest figure since 2011 (only January last year was worse). This was better than the performance of A&Es in the rest of England – by two percentage points – but still significantly above the five per cent target.

Emergency departments face the further problem of ambulance crews not being able to quickly transfer patients to A&E staff – NHS guidelines suggest more than 15 minutes is considered a threat to life – which has been particularly bad over this winter, and has stimulated the Health Secretary to take action

Source: NHS England

Delayed discharge

Figure 24:
Delayed transfers of care
By responsible organisation



The number of days of delayed discharge in the quarter to February was 18.6 per cent lower than the year before, with delays held to be social services' responsibility again showing the largest proportional fall. While falling days are a sign of progress, they are not falling as fast as the rest of England.

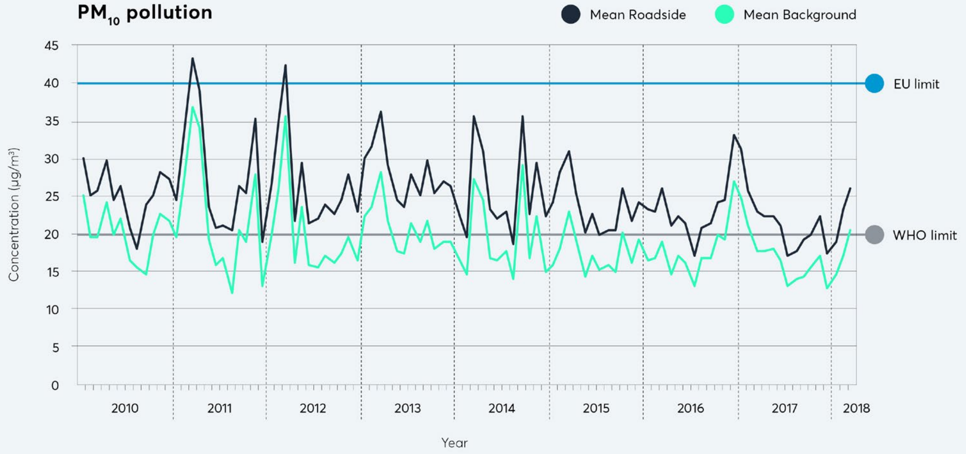
The Chancellor's £2bn Better Care Fund announcement in March 2017 has helped reduce delayed transfers across the country. The figures suggest welcome progress, but there is still a way to go – and a recently announced £1.4m investment from NHS Digital should help local authorities (one of the seven successful bids was Hackney) with their assessment, withdrawal and discharge notices, which are a major stumbling block currently.

Source: NHS England

Air pollution

The first three months showed continuing progress in cleaning up London's air, probably a combination of new policies taking effect, the gradual shift to cleaner cars, and favourable weather conditions. However, comparing these figures to last year's unusually polluted winter period means declines may be exaggerated. New research, however, suggests it is not just pollution above ground we should be worried about, but that travelling on the underground tube network significantly increases your exposure to damaging particles.

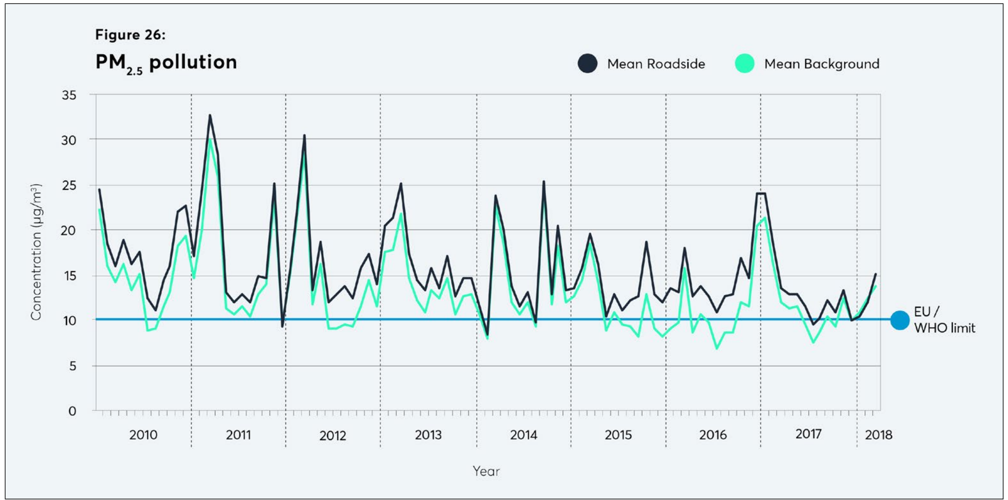
Figure 25:
PM_{10} pollution

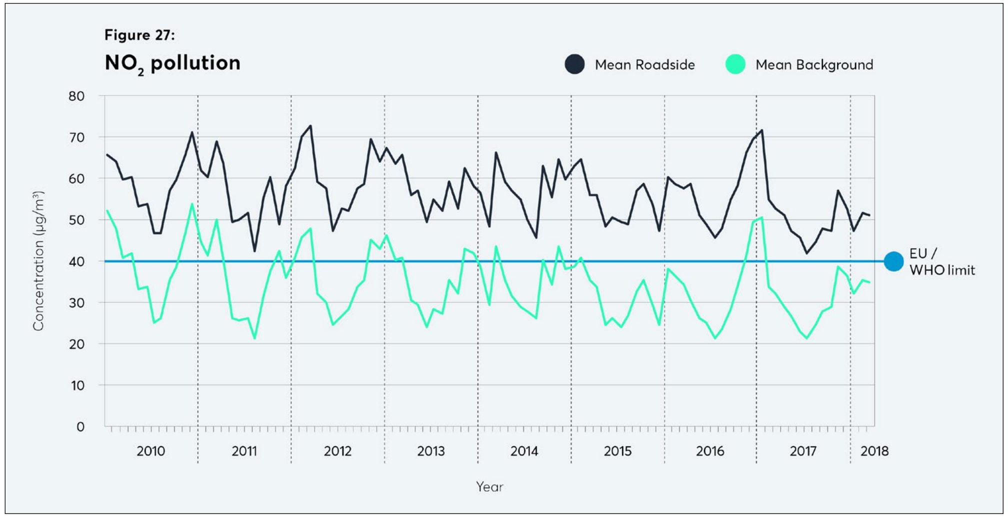


Concentrations of larger particulates showed declines compared to last year of 15 per cent (roadside) and 18 per cent (background). While both levels are well under EU limits, background levels in March were above the more stringent WHO guidelines for the first time in a year.

Source: KCL Air Quality Network

Air pollution





Roadside concentrations of small particulate matter averaged 12.4 micrograms per cubic metre in the three months to March 2018, which was a third lower than the same period in 2017. Background levels of this pollution – which can be the most harmful on human health – also fell by a quarter, but both concentrations were still higher than the EU and WHO limit.

Nitrogen dioxide levels show a large difference between roadside and background levels – with the difference averaging 22 micrograms per cubic metre across 2016-17 – given their main source is from vehicle exhaust fumes in the capital. Levels have risen since the stabilised since the end of last year, with roadside levels still significantly above EU/WHO limits.

Source: NHS England

Source: KCL Air Quality Network

Local Authority spending

Ten years after the financial crisis, London's public services are feeling the pinch of austerity. In this special section of The London Intelligence, published just after May 2018 borough elections, we look at how London borough spending has been reduced in recent years, where the cuts have fallen, how London boroughs compare to other UK local authorities, and how spending is influenced by political control.

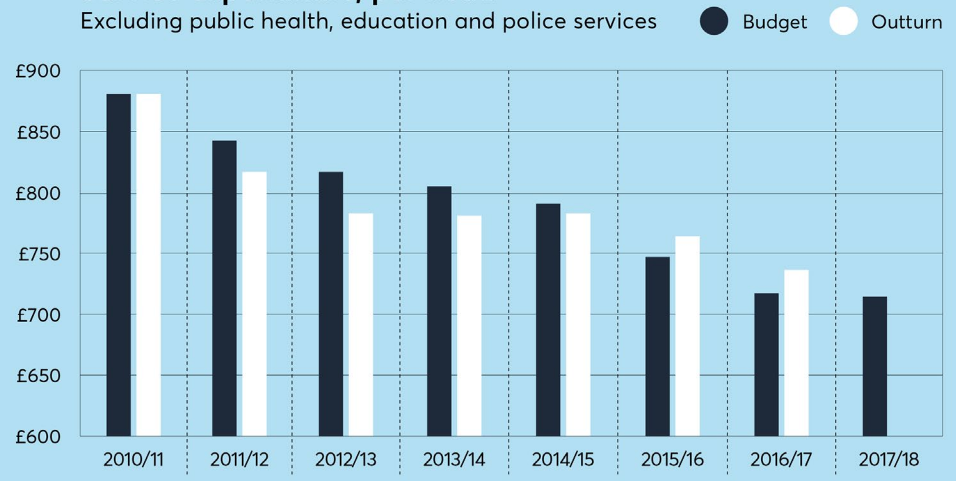
Overall expenditure

London's local authorities have seen their expenditure fall significantly over the last eight years. Total budgeted service expenditure (excluding education, public health and police services) by London's 33 councils fell from £7bn in 2010/11 to £6.3bn for 2017/18, a fall of 10.3 per cent. Outturn – the actual amount spent by councils over the year – fell at a slightly slower rate: between 2010/11 and 2016/17 (the latest available year) total spending fell 8.7 per cent. The last two years have seen outturns higher than budgets, as councils are beginning to draw down their financial reserves, having built them up for the previous four years.

Figure 28:

Service expenditure, per head

Excluding public health, education and police services



When population growth over this period (from 8.2 to 9 million) is accounted for, the fall is even steeper. Budgeted spend per head was £879 in 2010/11, but fell to £715 by 2017/18, a drop of 19 per cent. These figures do not account for inflation, so the real terms fall will have been steeper still.

Source: Ministry of Housing, Communities & Local Government

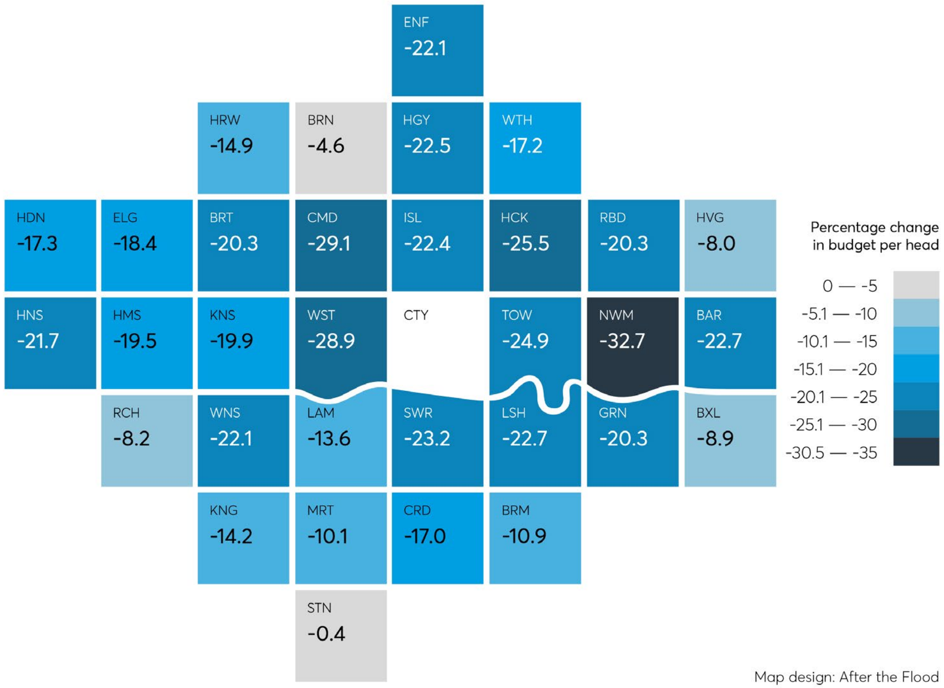
The extent to which councils have seen a reduction in their budgeted service expenditure (per head) varies across the capital, as demonstrated in the map below. We have excluded the City of London Corporation's figures from this map, as the particular circumstances of the City make comparisons difficult.

Overall expenditure

Figure 29:

Council budget change, per head, 2010/11 to 2017/18

Excluding public health, education and police services



Some of the largest reductions have come in Inner London boroughs – Camden and Westminster saw budgets fall 29 per cent each – but the council with the largest per capita fall was Newham (-33 per cent). Only Sutton, Barnet, Bexley, Richmond and Havering had falls of less than 10 per cent. The variation in spend per resident has dropped over time, with the range between the highest and lowest spending boroughs (excluding the City) falling from £670 to £460 per person between 2010 and 2017.

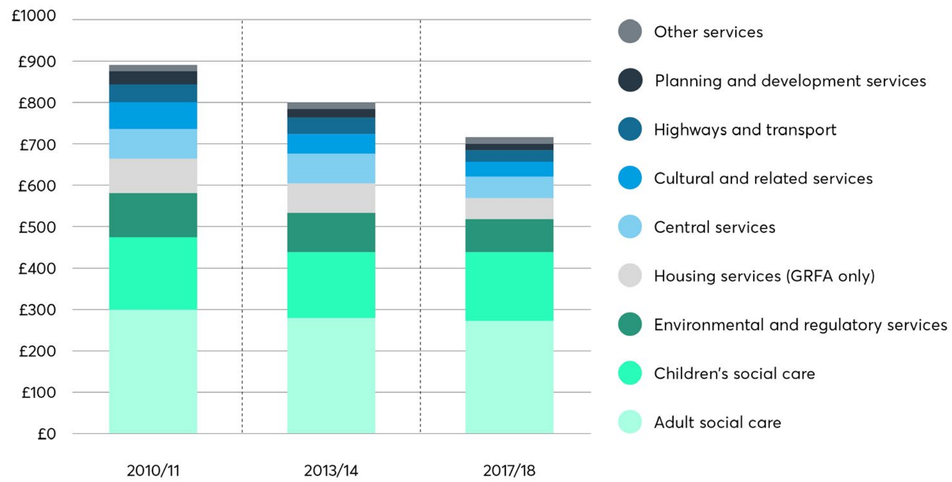
Source: Ministry of Housing, Communities & Local Government

Spend, by service area

Figure 30 :

Expenditure by service area, per head

Excluding public health, education and police services



Breaking down London councils' budgets by service area shows what proportion of spend is made up by each service, and where expenditure has fallen the sharpest. Social care services for children and adults have seen the smallest falls in expenditure per person, falling 2.8 and 10.6 per cent respectively. Larger falls have been experienced by planning and development (55 per cent), cultural and related activities (41 per cent) and highways and transport (38 per cent).

An increasing proportion of funds are spent on adult and child social care – accounting for 38 and 24 per cent of these totals in 2017/18, compared to 34 and 20 per cent in 2010/11. Other service areas saw a declining proportion of overall spend, with planning and development accounting for the least – only 2 per cent in 2017/18, down from 4 per cent seven year prior.

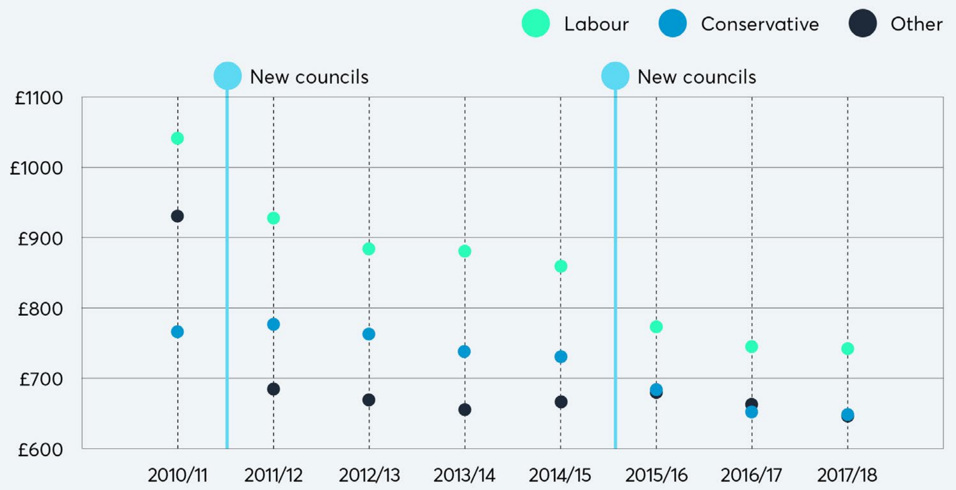
Source: Ministry of Housing, Communities & Local Government

Political differences

Figure 31:

Expenditure by political control, per head

Excluding education and public health



Labour councils, on average, spend more per head compared to Conservative-run councils (as well as those run by Lib Dems, or with no overall control). However, this gap has closed in recent years as Labour councils have seen larger proportional drops in service budgets. The gap between boroughs run by the two main parties has gone from £273 in 2010, to £130 in 2015, and £92 in 2017. Part of this is a selection effect as Labour took control of 5 additional councils in the 2014 elections (2 from Conservative, 3 from NOC) who had lower previous per capita spend.

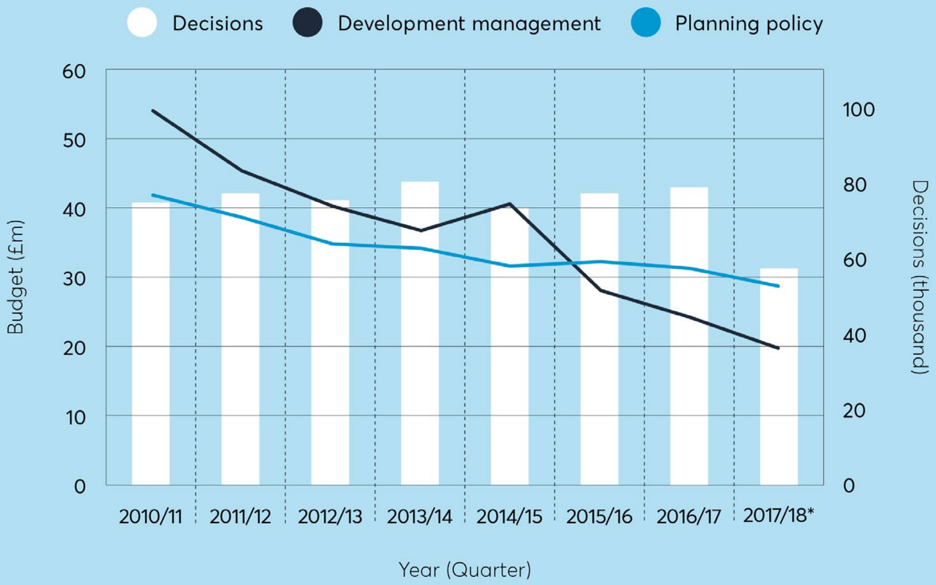
Overall, councils who Labour controlled both before and after the 2014 elections saw expenditure falls of 6.4 per cent, while councils they gained saw more modest falls of 4.3 per cent.

Source: Ministry of Housing, Communities & Local Government

Planning and development services

Figure 32:

Development management and planning policy budgets



* Decisions for 9 months from April to December 2017

Despite the urgency of London's housing crisis, planning and development services have borne the brunt of cuts. Budgets fell by 50 per cent (per head this was 55 per cent), and within this development control and planning policy budgets have seen drops of 63.5 and 31.9 per cent respectively. While local authority spending in this area has fallen, the number of planning permissions they are deciding on has remained relatively constant over the last seven years, though the higher targets in the new draft London Plan will pose a further challenge.

"Despite Government announcements on an expected planning application fee rise by 20 per cent in advance of 2017-18 budgets being set (which eventually took effect in January 2018), it is interesting that these budgets still show a general decrease.

It is also of note that planning policy budgets overtook development management budgets in 2015/16. This could be due to: the Government's deadline of 'early 2017' for having new Local Plans in place; the expensive evidence base requirements for Local Plans; and additional requirements placed on policy services from the Government such as on Brownfield Land Registers and Self-Build land requirements. Authorities received over £15k per annum for each of these latter requirements as part of 'new burdens' funding from the Government."

Rob Krzyszowsk

Spatial Planning Manager, Brent Council

@robzowski

Source: Ministry of Housing, Communities & Local Government

Technical Appendix

Measure	Explanation
National Insurance Number (NINo) Registrations	These statistics are a 100% extract of the volume of adult non-UK nationals registering within the UK for a National Insurance Number, which they need to work or claim benefits / tax credits. Figures are based on when the person registers on the HRMC Recording and PAYE system, which may be some time after they entered the UK. These statistics are not a direct measure of long-term inward migration, and have 'national statistics', not 'official statistics' status.
Jobs	Workforce jobs is a quarterly measure of jobs in the UK by the ONS, and is the preferred measure of short term employment change by industry. A variety of outputs are produced, including industry, region, gender and full or part time status. It is a compound source from a range of employer surveys, household surveys, and administrative sources; it has a sample size of 83,400 nationally. The estimates are seasonally adjusted. More information can be found here.
Unemployment	These figures are from the quarterly regional labour market reports produced by the ONS, and are based on an ILO definition of unemployment. The figures come from a combination of surveys of households and businesses, including the Labour Force Survey. The numbers are seasonally adjusted.
NEET	These figures estimate the proportion of 16-24 year olds who are not in education, employment or training, from the NEET Quarterly Brief produced by the Department for Education. Information comes from a variety of sources, including the Labour Force Survey, Participation SFR and Client Caseload Information. Margins of error are expressed as 95% Confidence Intervals. More information can be found here.
Commercial Property Vacancy	The commercial property figures are sourced from JLL's Central London Office Market Report. Vacancy rates refer to the proportion of floor space that is unoccupied. Active demand relates to serious interest in commercial floor space, while take-up is the actual amount that is purchased or leased. More information can be found here.
Purchasing Managers' Index	The Regional PMI is compiled by IHS Markit for Lloyds Bank Commercial Banking. It compiles responses from over 1,200 private sector manufacturing and services firm, which is representative of the economy's structure, and acts as a health check of business activity. The number is the seasonally adjusted proportion of those reporting positive responses, plus half of those reporting no change. A score of 50 indicates no change in activity on the previous month.
International Visits	Data is from the International Passenger Survey (IPS), which collects data face to face with passengers passing through ports into and out of the UK. This determines location of stay, length of stay, and spend during stay. The London sample is around 20,000 per annum. More information about the IPS can be found here.
Foreign Direct Investment	The data is from London & Partners, and refers to FDI that they have helped with – mainly in the ICT, Financial Services, Business Services, Creative Industries and Retail sectors. The number of projects refers to each individual new venture made by a company. Be aware that one company may make multiple investment projects, these would be captured separately. The number of jobs created refers to the number of jobs expected to be created in the first year of operation of the project.

Measure	Explanation
Public Transport Ridership	All ridership figures are automatically collected by Transport for London for different modes within the network. Periods do not have the same number of days/weekdays, and are not adjusted accordingly. It excludes retrospective adjustments to bus journeys.
House Prices and Transactions	The house price and transaction figures come from the LSL/Acadata England & Wales House Price Index. It uses actual transaction volumes and prices based on Land Registry data, and is updated monthly. The most recent monthly price accounts for c. 38% of transactions, two months previously c. 88%, and almost all for three months previously. The recent months are supplemented by forecast results. House prices are seasonally and mix adjusted at the London, but not borough level or with property type changes.
Planning Applications	Planning applications are based on figures produced by the Ministry of Housing, Communities and Local Government, and published in table P135 here, sourced from General Development Control (District) PS1/PS2 returns.
Household starts and completions	Figures are sourced from administrative data as reported to the Ministry of Housing, Communities and Local Government. Starts and completion statistics for new build dwellings are taken from Table 235a from here.
Net Additions	Net additions to the housing supply are based on figures produced by the Ministry of Housing, Communities and Local Government, and published in Table 123 here, which is sourced from Housing Flows Reconciliation (HFR) and the Greater London Authority (GLA). The London Plan targets are from the 2017 Draft London Plan (Table 4.1 here), and the Annual Monitoring targets from the 2016 London Plan (Table 3.1 here).
Experimental Rental Price Index	This index is calculated using actual rental data collected for the Valuation Office Agency, and shows the change in the price of renting residential property from private landlords. More information can be found here.
Rental Market Data	Rental market data is supplied by Dataloft, based on rent paid data supplied under contract from a leading tenant referencing company. The large and growing dataset of rent-paid transactions includes detailed information on both tenants and tenancies. It includes three years of historic data with a monthly addition of some 15,000–20,000 new records. The data has been rigorously collected by Rent4Sure. The dataset represents around 15% of all rental transactions, with up to 22% in some regions and extends across England and Wales. Line by line data allows for extensive analysis of tenant profile and market trends. The annual change in rents is based on achieved rents. Incomes analysis shows individual tenant incomes against the rent or, in the case of sharers, against their share of the rent. The distance that tenants moved compares the tenants' previous address location with the address of their current rental property. Zonal changes are based on London travelcard zones.
Issues Index	Ipsos MORI's Issues Index is conducted monthly and provides an overview of the key issues concerning the country. Ipsos MORI interviewed a representative quota sample of 965 adults aged 18+ across Great Britain. The questions are spontaneous – i.e. respondents are not prompted with any answers. Ipsos MORI's Capibus vehicle was used for this survey. Interviews were conducted face-to-face in-home towards the over three periods (6 – 16 October, 3 – 14 November, 1 – 17 December) at over 200 sampling points across Great Britain. Data are weighted to match the profile of the population.

Measure	Explanation
Attractions Monitor	The figures presented here are for the number of unique visits to 63 of London's top attractions: museums, stadia, galleries, monuments and more. Data is collected by the individual attractions, before being sent to and compiled by London and Partners.
Crime	These figures are for raw administrative crime data as supplied by Metropolitan Police Service and the Mayor's Office for Policing and Crime (MOPAC). Total Notifiable Offences (TNOs) refer to all statutorily notifiable offences, as per Home Office Counting rules. More detail on violent crime definitions can be found here. The knife crime definitions follows previous Home Office guidance.
Homelessness	Data on homelessness is compiled from two sources. Combined Homelessness and Information Network (CHAIN) is a multi-agency database recording information about rough sleepers and the wider street population in London. This included both people who have been seen rough sleeping by outreach workers and people who have a 'street lifestyle' such as street drinking or begging - often referred to as 'wider street population'. Many people who have a street lifestyle are also rough sleepers, but a minority are not. The second source is DCLG table 784a - Local authorities' action under homeless provisions of housing act (quarterly data). See here.
Road Safety	The data is for road traffic collisions and casualties occurring on the public highway, involving personal injury in the Greater London area, and reported to the Metropolitan and City of London police services during the reporting period, in accordance with the Stats 19 national reporting system. These figures are provisional estimates and subject to change. Figures for road traffic collisions from September 2016 onwards have been reported by the Metropolitan Police Service (MPS) using the new Case Overview and Preparation Application (COPA). The City of London Police Service (CoLP) adopted the Department for Transport (DfT) Collision Reporting and SHaring (CRASH) system in October 2015. Data presented here is sourced directly from these systems and has not yet been fully validated into the TfL ACCSTATS system. Finalised figures are scheduled to be published during spring 2018 in line with the DfT. More information can be found here.
Healthcare	GP referral figures are from administrative data submitted by NHS Trusts and Independent providers treating NHS patients for the Quarterly Activity Return. More information on these statistics can be found here. The A&E figures refer to administrative data which measures the total number of attendances in the calendar month for all A&E types, including Minor Injury Units and Walk-in Centres, and of these, the number discharged, admitted or transferred within four hours of arrival. More information on this can be found here. Delayed discharge figures are from the Monthly Situation Report, which collects data on the total delayed days during the month for all patients delayed throughout the month. More information can be found here, and here.
Air pollution	The London Air Quality Network (LAQN) was developed by King's College London in 1993. It comprises over 100 continuous monitoring sites in the majority of London's boroughs. You can see more about the LAQN here.
Local Authority Spending	Spending data is based on individual local authorities filling out the Revenue Account (RA) suite of forms to show all their budgeted transactions related to the general fund revenue account. The figures are then compiled by the Ministry for Housing, Communities & Local Government (MHCLG, previously DCLG). The budget and outturn spending covers the financial year (April-March), with estimates based on a non-International Accounting Standard 19 (IAS19) and PFI "Off Balance Sheet" basis.

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