



London and the Heathrow Region

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- Mark Ash (Executive Director for Climate, Environment & Customer Services, Essex Council)
- Alexander Baldwin-Smith (Principal City Planner, Transport for London)
- Steve Barton, (Strategic Planning, London Borough of Ealing)
- Steven Bishop (Director, Steer)
- Trevor Brennan (Transport Implementation Lead, England's Economic Heartland)
- Tim Crawshaw (Director for Planning and Placemaking, Surrey County Council)
- Mark Frost (Associate Director, Heathrow Strategic Planning Group)
- Pat Hayes, (Executive Director of Regeneration, Housing & Environment, Slough Borough Council)
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INTRODUCTION

The Heathrow region, encompassing parts of West London and the surrounding areas, is a critical economic hub for the United Kingdom. Its proximity to London and the presence of Heathrow Airport have shaped the region's development, presenting both unique opportunities and challenges. In recent years, the area has experienced significant shifts in population, employment, and economic activity, driven by factors such as changing work patterns, housing affordability, and infrastructure investments. Key bodies and decision-makers are planning for a future following these changes and anticipating what comes next – for instance, we understand that Heathrow Airport Limited (HAL) have commissioned work to assess the economic impact of the airport on the surrounding area today, while the airport is increasingly focused on growth in its operations.

This report aims to provide insight about how the area has changed in recent years to inform the debate and decisions about the area in the coming years. We provide an overview of the population, economy, infrastructure and governance in the Heathrow region, analysing key trends and issues that impact its growth and development. By combining insights from interviews with local stakeholders and a quantitative analysis of data on the population, economy, and travel patterns in the wider south east, we seek to provide a nuanced understanding of the region's strengths, weaknesses, and potential for future growth. We focus in the main report on the HSPG region. This is followed by an appendix bringing out how these trends are playing out in the wider south east.

The report is structured around five key themes:

1. **Population and demographic trends:** An analysis of population dynamics, socio-economic indicators, and the impact of these changes on local communities and public services.
2. **Economic landscape:** An examination of employment trends, the factors influencing growth, and challenges and opportunities facing key sectors.
3. **Transport connectivity and travel patterns:** An assessment of travel patterns, and the implications of connectivity for economic development.
4. **Housing affordability:** An exploration of the housing market in the Heathrow region, including the impact of housing costs on local communities and the relationship between housing and strategic spatial planning.
5. **Governance and collaboration:** A discussion of the importance of integrated local visions, strategic collaboration across administrative boundaries, and the potential for policy change to shape the region's future.

Through this analysis, we aim to provide local decision-makers, businesses, and communities with an understanding of the challenges and opportunities facing the Heathrow region.

Box 1: Geographical areas of focus

For the purposes of this paper, we use different geographical areas to explore the challenges and opportunities of the area surrounding Heathrow. The largest area we commonly describe is wider south east, defined as the regions of London, the South East, and the East of England.

When we describe the area surrounding Heathrow (or the “HSPG region”), we focus on the following local authorities, due to their membership of or affiliation with the Heathrow Strategic Planning Group, following the methodology used in HSPG's Economic Development Vision and Action Plan:

- London Borough of Ealing
- Elmbridge Borough Council
- London Borough of Hillingdon
- London Borough of Hounslow
- Runnymede Borough Council
- Slough Borough Council
- Spelthorne Borough Council
- South Bucks District Council (or Buckinghamshire, depending on data)
- Surrey County Council (focusing on the parts of this authority's footprint made up by district-level authorities on this list)
- Royal Borough of Windsor and Maidenhead

SUMMARY

The brief

The relationship between the wider South East area and London is crucial to both regions' economic success – but it also creates policy challenges, particularly around transport, economic development and planning. An area in particular experiencing some of these challenges is the sub-region surrounding Heathrow Airport.

The pandemic, longer term challenges to working patterns, and changing residential and commercial property prices have shifted patterns of where people live and work significantly in the last five years. These have made it harder for policy makers to respond to changes that are already happening and seek further change.

This project sought to understand the area around Heathrow through a deep dive in the context of changes in the broader relationships between London and the wider south east over the last decade. We explored populations and economies in the wider south east, including deep dives into the subregion surrounding Heathrow Airport.

What we did

Our research involved the following methods:

- Analysis of a range of datasets including the Census to understand key trends in the area's population, economy, and how people travel, conducted by Steer.
- A roundtable of experts to discuss the findings of that analysis and identify key themes to focus on in interviews.
- Interviews with 5 local authorities in the HSPG region and with Transport for London about the local economy, links with other areas, and opportunities for growth.

What we found

The Heathrow region is important for a variety of reasons. It is home to 2.2 million residents and approximately 1.1 million jobs. The population of the HSPG region is approximately 10% of the wider south east's and grew by 9.8% in the decade to 2021, faster than the wider south east.

Economically, most local authorities in the HSPG region see higher levels of productivity than the UK average. This is especially clear in the case of Runnymede (90% higher than UK), Elmbridge (85% higher) and Slough (67% higher).

Compared to the wider south east, the region specialises in business administration and support services, which provides about 11% of jobs, with transport and storage providing a further 10% and professional and technical a further 10%. The industries that have seen the biggest rise in jobs since 2015 are business administration, accommodation and food services, and construction.

The region has experienced significant growth in recent years, driven by its proximity to London and the presence of Heathrow airport, as well as a range of emerging industries such as data

centres and film production. However, this growth has been uneven across the region, with some areas seeing higher levels of population growth, job creation, rising property values, and improvements to area-level deprivation. In particular, areas that have done particularly well on these measures compared to the wider south east as a whole are Hillingdon, Slough and Windsor and Maidenhead. Some parts of the HSPG region (e.g. Windsor and Maidenhead) are among the least deprived in England, while others (e.g. parts of Slough) are among the most deprived. Area-level deprivation is driven by barriers to housing and services, crime, and living environment while the region performs much better on income, education, employment and health.

Proximity to Heathrow Airport offers both direct and indirect economic benefits to the region, but these vary across the HSPG area. While some areas like Slough have a significant proportion of residents directly employed in airport-related activities, others benefit more indirectly through demand for office space from international businesses. The expansion of Heathrow Airport that looked likely to go ahead in 2020 is yet to happen. However, the airport is said to be looking into how to increase passenger numbers in the coming years.¹ In the period from 2015 to 2022, the number of jobs in the HSPG region grew by 6%, driven by increases in business administration and support, accommodation and food services, and construction.

Improved rail connectivity to London, especially via the Elizabeth line, is creating growth opportunities in parts of the region. The number of jobs accessible within an hour from some stations has increased manyfold – for instance, from Slough the number of jobs available jumped from 550,000 to 3.9 million. This makes many parts of the region much better connected to economic and social opportunities than previously. However, the move towards hybrid working means that some employers with secondary offices outside London are closing them, reducing employment opportunities in some parts of the wider south east. If the region finds demand for office space falls to a new equilibrium below that seen before the pandemic, this land may be repurposed – for housing, for lower employment (but high output) uses like data centres, or used in a more determined way to shape the pattern of activity in the area. Meanwhile, orbital transport connections remain poor in many areas, which in turn see less footfall on their high streets and continue to see high levels of car use. This is having negative effects on some towns and high streets outside of London, where there are some signs of the 'dormitory towns' phenomenon in which residents spend little of their work or leisure time there, particularly given that these effects are often the result of enhanced radial transport links.

The high price of housing in London is compounding the challenges faced by some areas, where we heard there's been a rise in the number of people who commute into high value jobs in London rather than working in the area they live. This could be driven by rising housing costs in the capital, leading more people who work there to locate further out. A knock on effect of London's overheated housing market has been sustained pressure on house prices in some parts of the Heathrow region, which we heard is making it difficult for some local authorities to recruit and retain talent – a trend that may extend to other industries too.

Some local authorities in the region admit they lack or have lacked clear visions for growth in their areas. This has led to missed opportunities to proactively plan for and shape growth. In some cases, struggling town centres following the pandemic have acted as a wake-up call, and councils have begun taking a more active role in catalysing and shaping growth locally.

Such visions for growth should be tailored to each area, but would likely benefit from being focused on creating attractive, vibrant public spaces that encourage people to spend time in the area – this can help to manage development as demand for new homes continues to rise. Some

local authorities are focusing on attempts to revitalise struggling town centres with approaches such as relaxing planning restrictions on the mix of retail uses and bringing in meanwhile use, but these approaches face an uphill battle without improved public transport links between local areas.

Developing effective local visions requires local authorities working together across administrative boundaries to develop shared visions. In some places, local politics is a barrier to achieving this. In others, the functional economic area means that working more closely with London bodies such as the GLA and TfL would be welcome, but doing so at a local authority level can be challenging.

The creation of new subregional partnerships such as the Heathrow Strategic Planning Group and Transport for the South East is improving the opportunities for meaningful collaboration and integration, including with London. However, these bodies have limited powers compared to regional bodies in London like Transport for London or the GLA. Transport around Heathrow Airport might provide lessons for successful joined up working on transport provision, where multiple local authorities and bodies have a set of shared interests and are collaborating to deliver improvements to transport.

Conclusions and recommendations

These findings lead us to the following high-level conclusions and recommendations.

Local visions for growth are an essential building block in creating the conditions in which to influence change, particularly in relation to employment land, housing, public realm, and connectivity which taken together have a major impact on residential and employment patterns in each area. These are often currently lacking or insufficiently grounded.

1. **Local authorities in the wider south east should work together and with the GLA, TfL and other sub-national transport bodies to develop clearer local visions for growth.** What should be included will vary between areas, but they should focus on creating attractive, vibrant public spaces that encourage people to spend time in the area. They should identify areas for growth informed by current and future transport links, density and the mix of building uses. Each local authority should have its own local vision, but success in the design and delivery of these will often require meaningful collaboration with neighbouring local authorities and other governing bodies.

Collaboration and co-operation with neighbouring local authorities and other governing bodies is necessary to develop sufficiently compelling local visions.

2. **Partnerships like HSPG should provide a platform for local authorities to collaborate, share best practices, and develop a broader regional vision for the area's economic future following the pandemic.**

There is a significant asymmetry between the powers and duties of regional and local bodies across the London boundary. Addressing this imbalance would enable more meaningful collaboration between local bodies in the wider southeast and facilitate partnerships with large London bodies such as Transport for London and the Greater London Authority.

3. **Government should consider granting further powers or funding to regional bodies such as Transport for the South East and England's Economic Heartland.** This will enable more meaningful decision-making over prioritisation of limited resources between local bodies in

the wider south east and will facilitate partnerships with large London bodies such as Transport for London and the Greater London Authority.

4. **Organisations such as the HSPG that straddle local authorities and regional boundaries also have an important role to play by using their collective voice** to make a strong case for the benefits of increased regional cooperation and the need for more resources to support it.

Transport links between parts of HSPG region and London have improved in recent years, but orbital connectivity (within parts of HSPG) needs to be enhanced. This would allow more people to travel between parts of the HSPG region, potentially inducing demand for local retail and leisure, especially if paired with improved placemaking (see recommendation on local visions above).

5. **Local authorities, working together with TfL and other sub-national transport bodies, as well as Network Rail, National Highways and Active Travel England, should seek improvements in orbital transport connectivity**, or connections between local areas rather than into London.
6. **The government should use national funding to prioritise investments in the infrastructure necessary to expand access to reliable and quick public transport connections** in areas like the HSPG region.
7. **In the meantime, the HSPG should work with local authorities, transport providers, and other stakeholders to make improvements to connectivity within the region.** This could include advocating for increased investment in bus services, rail links, and active travel infrastructure to better connect local communities and employment centres, while reducing CO2 emissions from transport.

1. POPULATION AND DEMOGRAPHIC TRENDS

Key points

- The HSPG area's population represents just under 10% of the wider south east's, or just under 4% of England's, and it is growing faster than either.
- The HSPG region's population has a concentration of working age people and fewer older people, like London's. Local authorities told us that they were seeing increasing numbers of young people in their areas, partly driven by rising housing costs in London.
- In 2020 approximately 64,000 people moved to the HSPG region from elsewhere in the wider south east – mostly from London.
- Some parts of the HSPG region (e.g. Windsor and Maidenhead) are among the least deprived in England, while others (e.g. parts of Slough) are among the most deprived. This variation reflects that some parts of the HSPG region share similarities with the more urban parts of London, while some share more with parts of the South East.
- The domains of deprivation on which the area performs worst are barriers to housing and services followed by crime and living environment.

The HSPG area's population represents just under 10% of the wider south east's, or just under 4% of England's, and it is growing faster than either.

24.6 million people live in the wider south east region—43% of England's population.ⁱⁱ The most populous region of the three is the South East (9.4m people), followed by London (8.9m people) and the East of England (6.4m people).

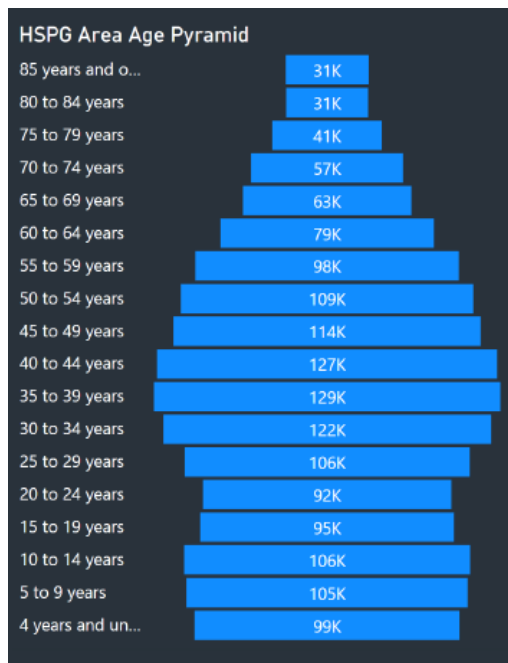
From 2011 to 2021, the population of the Wider south east grew by 7.8%. Growth was highest in the East of England (8.3%), with London and the South East seeing growth of around 7.5%.

The population of the HSPG region (2.2m people) grew faster than the wider south east as a whole, with 9.8% more people (193,000) living in the subregion in 2021 than 2011.

The HSPG region's population has a concentration of working age people and fewer older people, like London's.

The age profile of the HSPG area resembles elements of both London and the wider south east, with a concentration of people aged 30-44 and a relatively small share of people aged 60+.

Figure 1: Age profile of residents of the HSPG region



Source: ONS (2021) Census.

Some parts of the HSPG region are seeing a rise in their younger population – this could be caused by a number of things, but the high cost of housing in London is likely to be among them (more on this in Chapter 4).

“We've seen a big influx of students and co-living type accommodation. So we've continued to see a very strong young demographic. The issue of course is ... I'm not sure at what time they're ever going to fly the coop because cost of paying for a house or renting house is so astronomic in London.”

HSPG authority

“Over the last five to 10 years the population has continued to get younger ... [Caused by a] relatively high birth rate and I think it's that diversity, it's also proximity to London but with a significant discount on house prices and property prices even at the higher end.”

HSPG authority

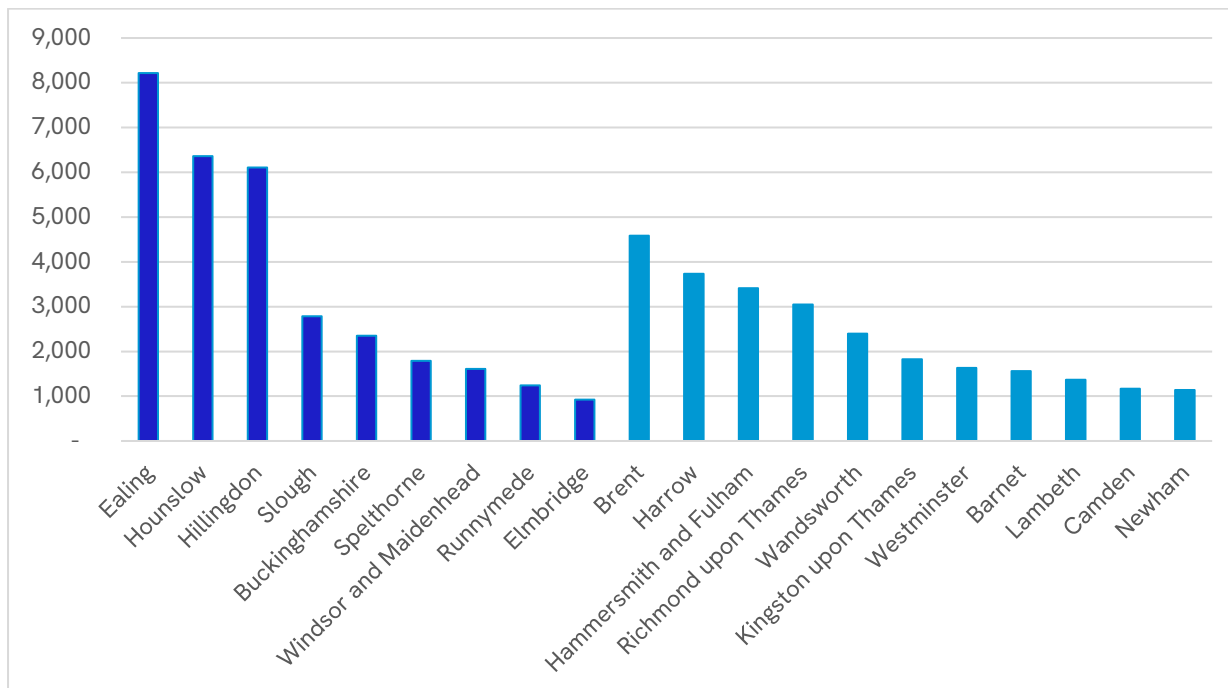
In 2020 approximately 64,000 people moved to the HSPG region from elsewhere in the wider south east – mostly from London.

Of the 64,000 people who moved to the HSPG region from elsewhere in the wider south east, 39,000 moved from somewhere in London, with most of the rest coming from the South East (16,000). In addition, approximately 33,000 people move from somewhere in the HSPG area to another local authority within the region.

Looking at which local authorities within the wider south east people moved from when they moved into the HSPG region, the greatest number of people moved from another local authority in the HSPG area – for instance, 8,000 people moved from Ealing to somewhere else in the HSPG region (see Figure 2 below). Elsewhere the local authorities from which the highest number of

people moved were from boroughs in west London such as Brent, Harrow, and Hammersmith and Fulham.

Figure 2: Where people move from when they moved to the HSPG region from the wider south east in 2020



Note: Top 20 local authorities split by those in and those not in the HSPG area. Source: ONS (2020) Internal migration - Matrices of moves between English and Welsh local authorities, English regions, Scotland and Northern Ireland, year ending June 2020 and 2012.

Some parts of the HSPG region are among the least deprived in England, while others are among the most deprived.

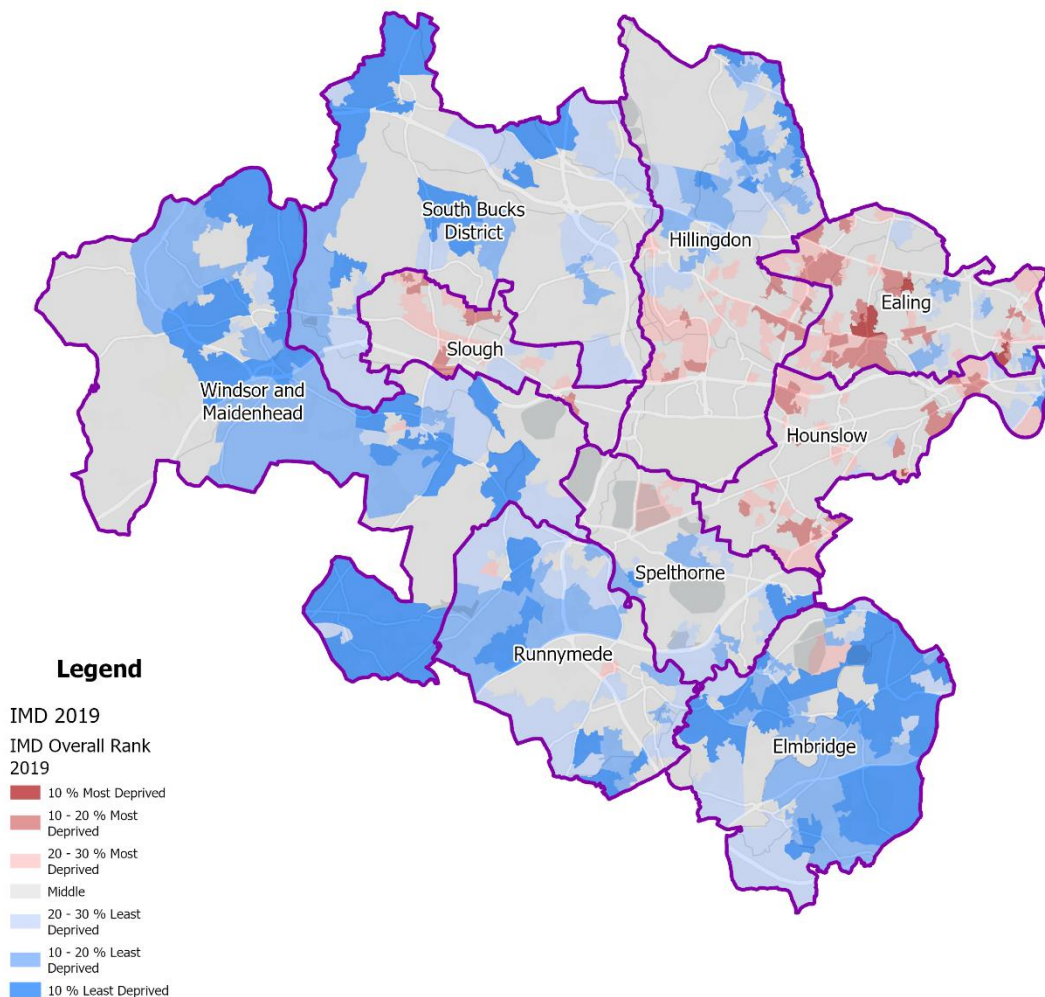
The Index of Multiple Deprivation (IMD) is the official measure of relative deprivation in England. Each area in the UK is ranked from the most deprived to the least. It is calculated using 39 separate indicators organised by seven domains, these are:

- Income Deprivation
- Employment
- Health Deprivation & Disability
- Education, Skills & Training
- Crime
- Barriers to Housing & Services
- Living Environment

There is considerable variation in the degree of deprivation in the HSPG area. For instance, Windsor and Maidenhead is the second least deprived local authority in England, while Slough ranks below 65% of local authorities.

As well as Windsor and Maidenhead, other areas among the least deprived parts of England include South Bucks, Runnymede and Elmbridge, in each of which some pockets are among the least deprived 10% of areas nationally. There are pockets in the most deprived 20% of England concentrated in Ealing, Hillingdon, and Hounslow.

Figure 3: Relative deprivation in the HSPG region



Source: Ministry of Housing, Communities & Local Government (2019) English indices of deprivation 2019.

The domains of deprivation on which the area performs worst are barriers to housing and services followed by crime and living environment.

These domains are like those seen in London, where the high cost of land is contributing to a shortage of housing, while crime is associated with more densely populated urban environments. The HSPG area overall performs much better on income, education, employment and health.

2. ECONOMIC LANDSCAPE

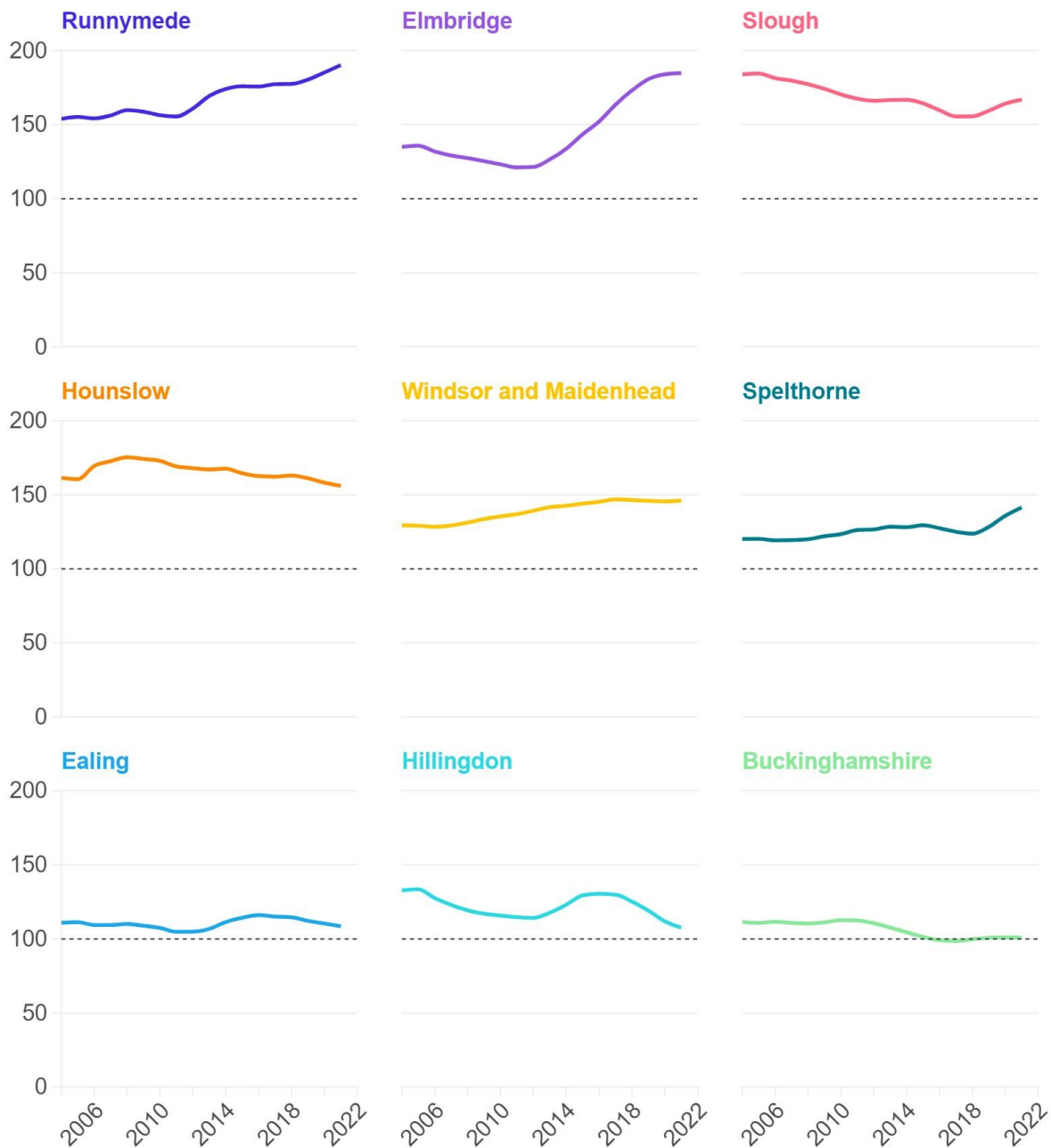
Key points

- Most local authorities in the HSPG region see higher levels of productivity than the UK average, especially Runnymede, Elmbridge and Slough.
- Compared to the wider south east, the HSPG region employs more people in business administration and the transport sector, and fewer people in health and retail.
- In the period from 2015 to 2022, the number of jobs in the HSPG region grew by 6%, driven by increases in business administration and support, accommodation and food services, and construction.
- Among those we spoke to, logistics, data centres and film industries are perceived as driving growth in the region – this is supported by the data, with 10,000 additional jobs in the information and communications sector.
- Proximity to the airport offers direct and indirect economic benefits, but this varies across the region.
- The areas seeing the highest growth among a number of indicators are Hillingdon, Slough, and Windsor and Maidenhead.
- There are strong economic connections with industrial areas in west London, as well as patterns of commuting into central on arterial train routes.
- Post-pandemic working patterns mean that demands for office space in the region are changing, with implications for the future shape of these economies.

Most local authorities in the HSPG region see higher levels of productivity than the UK average, especially Runnymede, Elmbridge and Slough

Economic productivity (as measured by output per hour worked) is higher in the HSPG region than the UK average. This is especially clear in the case of Runnymede (90% higher than UK), Elmbridge (85% higher) and Slough (67% higher).

Figure 4: Productivity is higher in most HSPG local authorities than the UK (UK=100)



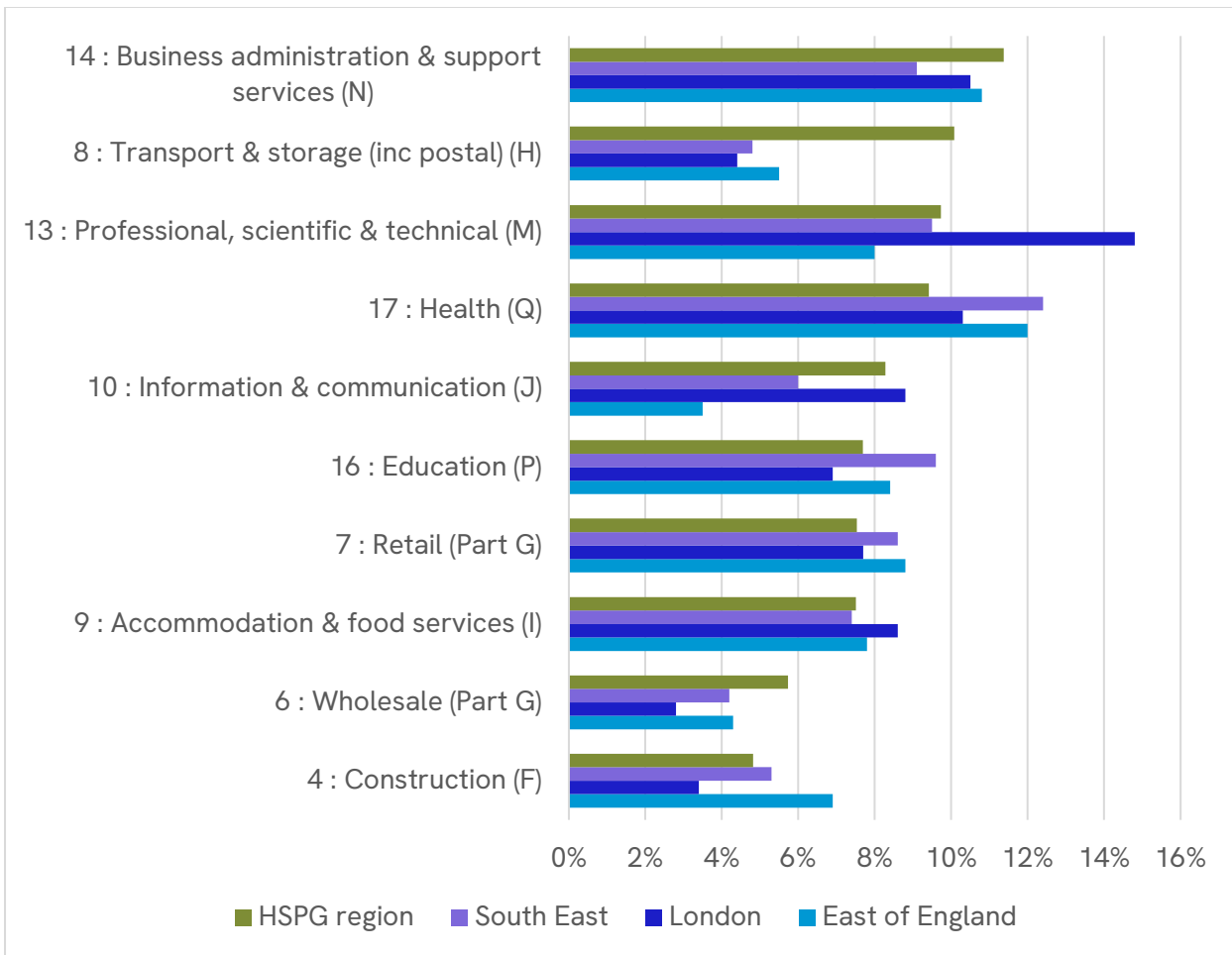
Note: Current Price output per hour worked for all HSPG local authorities, smoothed, 2021, UK=100. Source: ONS (2023) Subregional productivity: labour productivity indices by local authority district.

Compared to the wider south east, the HSPG region employs more people in business administration and the transport sector

The local authorities making up the HSPG sub-region have a very high concentration of jobs in business admin and support services (11.4% of jobs in the area vs 9% across England), transport & storage (10.1% vs 5.1%), information and communication (8.3% vs 4.7%) and the wholesale sector (5.7% vs 3.8%).

This is illustrated in Figure 5, which shows the proportion of people employed in each industry within each region for the top 10 employers in the HSPG region. This shows that the HSPG region also employs a greater share of workers in the wholesale sector while employing a slightly lower share than other regions in the retail sector. It also highlights the extent to which the HSPG region stands out in the level of employment in transport and storage, while London leads the pack in employment of professional, scientific and technical.

Figure 5: Proportion of jobs within each region that are in each industry, top 10 industries by employment in the HSPG region, 2022



Source: ONS (2022) Business Register and Employment Survey.

Logistics, data centres and film industries are perceived as driving growth in the region

Across the region there is increasing demand for industrial land for logistics, data centres as well as film industries in some areas. But these uses are land intensive, and are in competition with land

for housing. Many are relatively small employers for their footprint, despite some high value jobs and upskilling.

Data centres have high energy demand, but we heard positive feedback for the GLA’s infrastructure coordination group, raising the question of the need for a similar body for areas outside London.

“They don't create a huge amount of jobs, but they do create more jobs than people think. There was an industrial estate in [the area], Microsoft bought [it] and are building a data centre on that – several hundred jobs there operating and keeping it going and they're going to have a training facility.”

HSPG authority

“We've got a huge number of data centres which obviously all use a lot of power and it's becoming a limitation on housing development.”

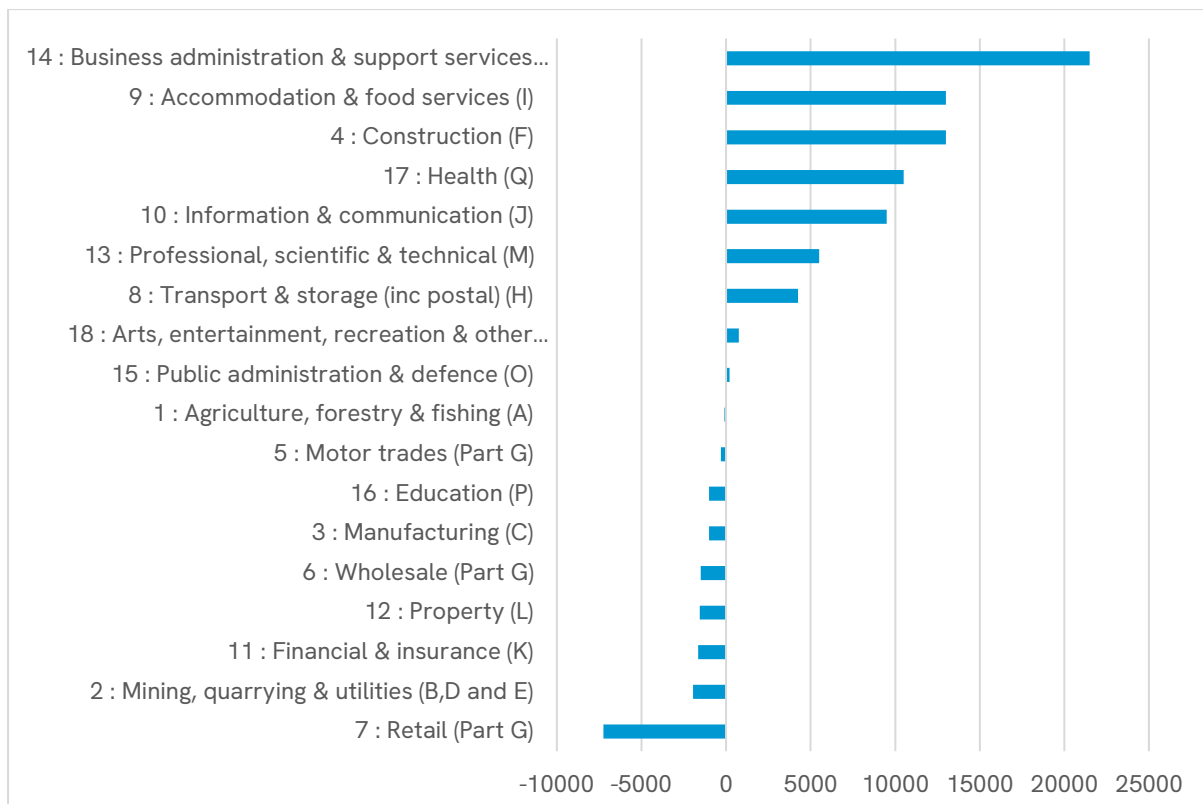
HSPG authority

While these sectors have seen growth, more new jobs have been added in other sectors such as business administration and support.

In the period from 2015 to 2022, the number of jobs in the HSPG region grew by 6%, driven by increases in business administration and support, accommodation and food services, and construction.

Indeed, the HSPG region has seen nearly 10,000 jobs in the information and communications industry added to the economy in the period 2015-22 (see Figure 4 below). This industry captures many of the jobs at data centres and in the film industries.

Figure 4: Change in number of jobs in the HSPG region, by industry, 2015-22



Source: ONS (2022) Business Register and Employment Survey.

However, as Figure 4 shows, even more jobs have been added in recent years in the business administration and support sector (23,000 additional jobs), as well as the accommodation & food and construction sectors (13,000 each). Meanwhile, there are 7,000 fewer jobs in the retail sector than there were in 2015, which speaks to the challenges that high streets have had in this period due in part to the pandemic and the rise of online shopping.

Proximity to the airport offers direct and indirect economic benefits, but this varies across the region.

In Slough, a large proportion of the population are directly employed in activities relating to the airport as well as the logistics industries. This reduced during the pandemic, but is bouncing back.

Elsewhere, relatively fewer residents are directly employed in activities related to the airport. Instead, the proximity has helped create demand for office space for large international businesses.

"[Businesses] understand that what they get in terms of our location is a fabulous kind of connection into London, a really nice place to live, you're close to Gatwick and Heathrow."

HSPG authority

"Pre-Covid, I think 9,000 people were working at the airport ... that is a big percentage ... So there's a direct link straight across that boundary."

HSPG authority

The areas seeing the highest growth among a number of indicators are Hillingdon, Slough, and Windsor and Maidenhead.

We combined measures of growth in the number of jobs, in house prices and population size, and in the fall in relative deprivation, to see which local authorities are performing better than others. Most of the HSPG region performed in line with the wide south east, but three local authorities were among those with the highest growth: Hillingdon, Slough and Windsor and Maidenhead.

There are strong economic connections with industrial areas in west London, as well as patterns of commuting into central on arterial train routes.

We heard that many businesses operating around Heathrow have premises both inside and outside of London's borders (primarily in Park Royal). So people may live and work in the local area, but across administrative boundaries.

By comparison, we also heard across the interviews that there are demographics of people working high value jobs in central London along the arterial train routes, some of whom are increasingly working from home. These links highlight the economic interdependence of London and areas in the area surrounding Heathrow.

"There are a lot of people who work in the IT sector in central London who live in [the area]. Crossrail is clearly going to facilitate that and make it an easier journey."

HSPG authority

"When the census data came out, there was that same chunk of people who were previously out commuting. You see the stats now saying, right, those

same chunk of people are now working from home at least one, two, three days a week. So it has changed that and we've seen that in our commuter car parks."

HSPG authority

Post-pandemic working patterns mean that demands for office space in the region are changing.

The region has been a popular location for primary and secondary headquarters for some time. But we heard that increased working from home patterns have led some major businesses to move their primary headquarters to London or close their secondary headquarters. Despite this, there is still demand for Class A office space close to the transport network.

This different demand for office space is likely to have implications for footfall and engagement of employees with other aspects of the local economy.

"They've taken a view to shut the [local] office, develop a nicer central London office for people who have to go in occasionally and basically get all the people who work in [the area] to work from home." – HSPG authority

"The demand is for grade A accommodation that meets all the relevant environmental regulations. If it's old, tired, secondary, it's often under threat."

HSPG authority

In the coming years, employment land is likely to be an essential part of what happens to the local economies in the HSPG region. If the region finds demand for office space falls to a new equilibrium below that seen before the pandemic, this land may be repurposed – for housing, for lower employment (but high output) uses like data centres, or used in a more determined way to shape the pattern of activity in the area. Further research into the changing nature of employment land would be valuable in identifying trends and opportunities for local government intervention.

3. TRANSPORT CONNECTIVITY AND TRAVEL PATTERNS

Key points

- Travel by rail in the HSPG region is mostly travel to and from London.
- In 2022, rail travel was still below pre-pandemic levels in most areas, with the region having a high concentration of jobs that people can work from home.
- Improved radial connectivity with London is creating growth opportunities. The opening of the Elizabeth Line has transformed the distance it is possible to travel within an hour of many parts of the HSPG region.
- But without a strong sense of place or local vision, improved radial connectivity with London is creating some dormitory towns in the region.
- Orbital connectivity remains poor across the region, limiting access to high value jobs and encouraging car use.
- Some parts of the region benefit from TfL services, but further collaboration is challenging.
- The area surrounding Heathrow Airport could serve as a model for joined up transport planning across regions, but regional bodies likely need more powers and funding.

Improved radial connectivity with London is creating growth opportunities.

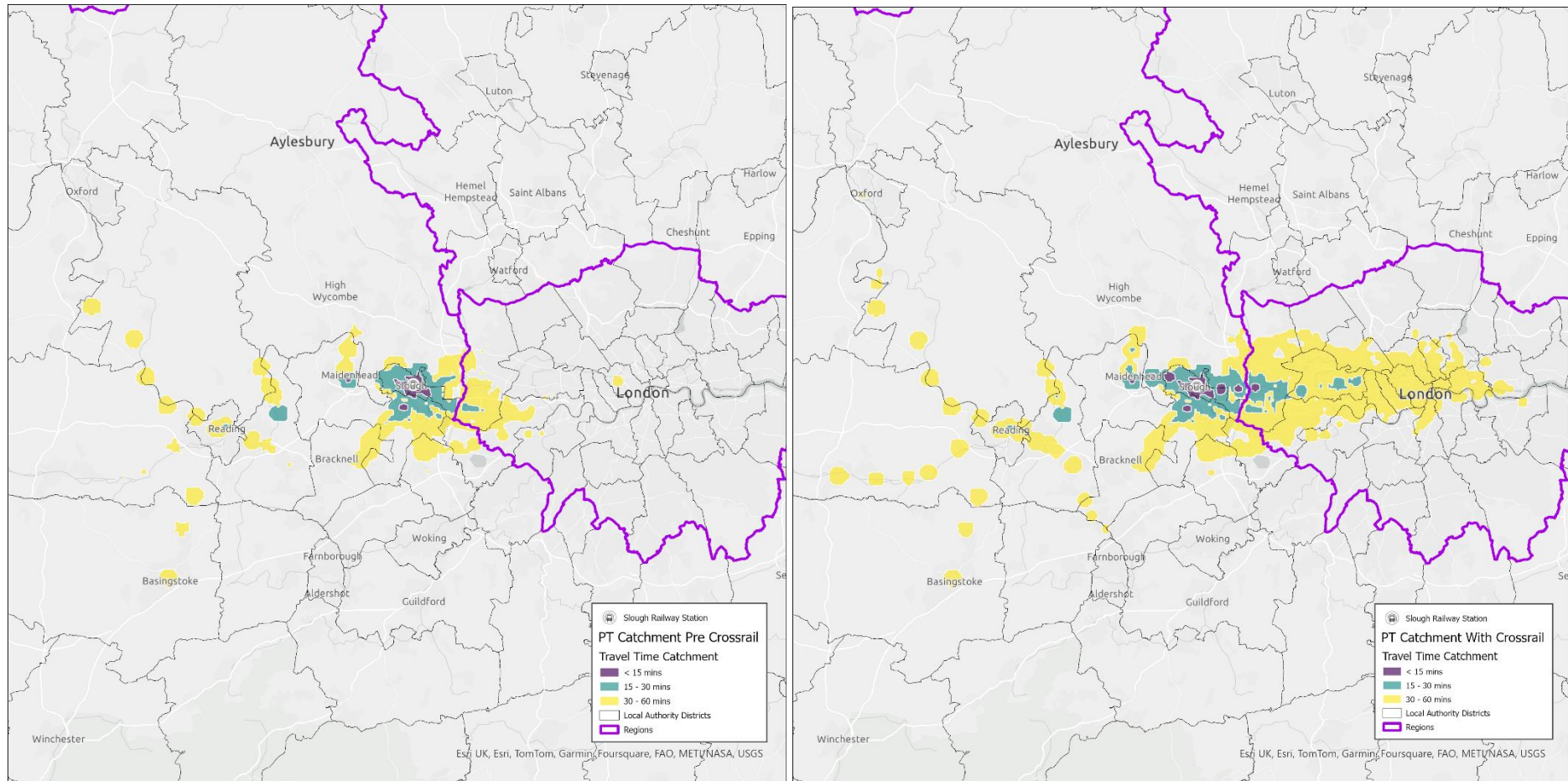
Since the introduction of the Elizabeth line, in Ealing there has been an increase in demand for Grade A office space from companies looking to relocate from the West End for cheaper rents. The area has also seen a growth in the number of hotels, benefiting from its connectivity with both Heathrow and central London.

"Our population has continued to grow across the piece and it reflects the fact [that] we benefited from ... Elizabeth line stations ... So they've been catalysts for new development, not just residential, although that's been the prime spur. But we've also seen some marked interest in things like office with some companies relocating from the West End because we [offer] lower rents but still have that great connectivity to the airport."

HSPG authority

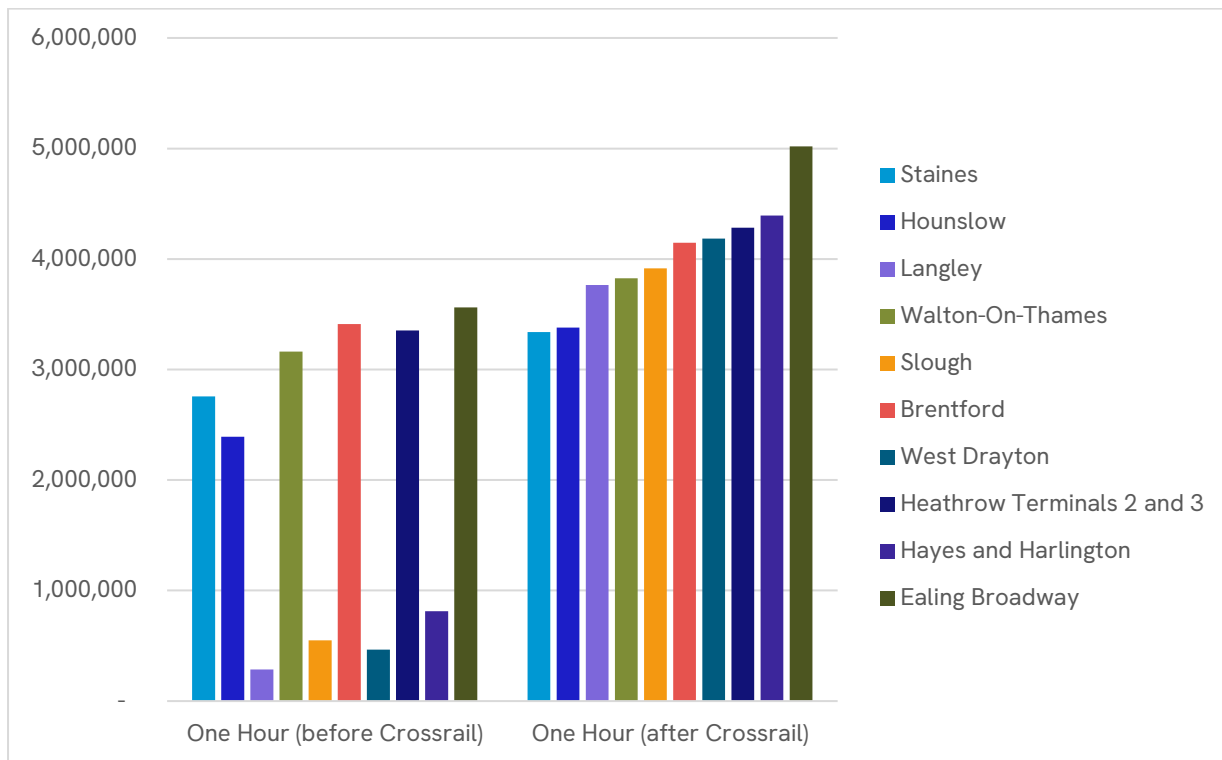
The Elizabeth Line (Crossrail) has had a sizeable impact on how far one can get by public transport in many parts of the wider south east. Figure 5, below, illustrates the impact it's had on Slough. The new line has expanded the area accessible within 30 to 60 minutes considerably, both to the west beyond Reading and – notably – to London to the east. Whereas previously it was possible to travel to a couple of outer London boroughs and to the centre of London within 60 minutes, the Elizabeth Line has opened up travel within that time to most inner and west London boroughs, and even to parts of Newham and Greenwich.

Figure 5: Areas reachable via public transport from Slough – before (left) and after (right) introduction of the Elizabeth Line



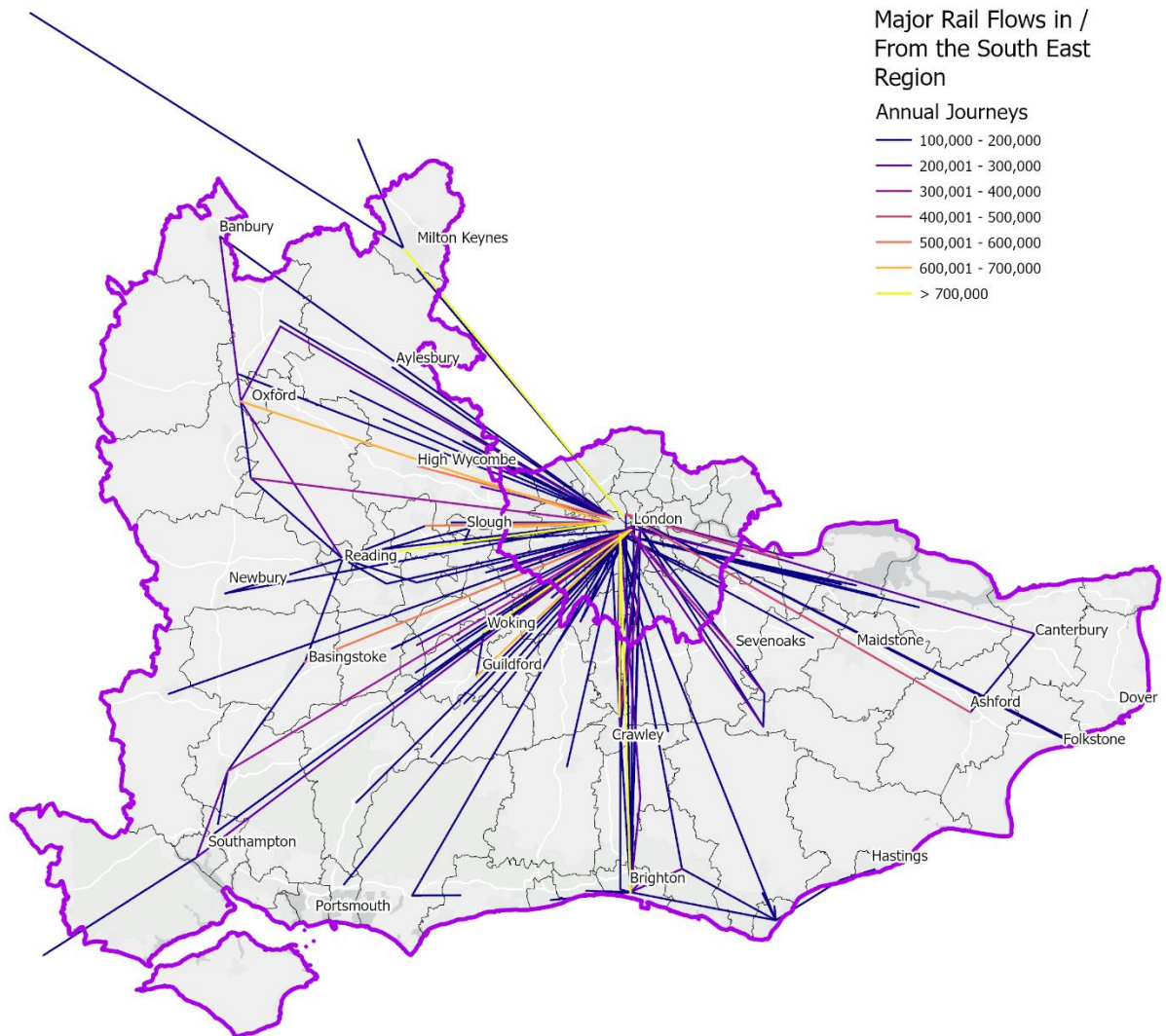
The Elizabeth Line has increased the number of jobs accessible to areas across the HSPG region. From Hayes and Harlington station, for instance, there were previously around 800,000 jobs accessible within an hour; following Crossrail, this has risen to 4.4 million jobs (see Figure 6). For each of the stations reviewed here, the number of jobs accessible within an hour’s travel increased by at least 20%, and in some cases many more – by 7x in the case of Slough, by 9x from West Drayton, and by 13x from Langley.

Figure 6: Number of jobs accessible by public transport within 1 hour, before and after the introduction of Crossrail, select stations



Looking at the journeys taken by rail passengers in the South East, we can see that journeys to and from the HSPG region are mostly journeys to and from London or in the opposite direction to Reading (see Figure 7 below). The total number of passenger journeys in the south east is lower than it was before the pandemic, due in part to the rise in working from home, with a high proportion of jobs in the HSPG region as in the wider south east of the kind that allow for hybrid working.ⁱⁱⁱ

Figure 7: Rail journeys taken in the South East



Office of Rail and Road (2023) Estimates of station usage.

Meanwhile in Slough, we heard that the Elizabeth line is boosting house prices and increasing access to high value jobs in central London.

“[There] are a lot of people who work in the IT sector in central London who live in [the area] and Crossrail is clearly going to facilitates that.”

HSPG authority

“If you've got high levels of connectivity, which certainly [the area] is blessed with, and you can provide the critical mass, then you are a growth

node for companies now perhaps wanting to downsize or cut costs from a central London location.”

HSPG authority

But without a strong sense of place or local vision, improved radial connectivity with London is creating some dormitory towns in the region.

The ease of connection to other places means that people living in some parts of the region don't spend their leisure or work time there. In one area we heard that Crossrail meant that there's been a lot of new development, but a lack of a strong local vision meant this has been driven by the market rather than the council, creating an area that isn't attracting people to spend time there. We heard that a lot of people who recently moved into the area don't spend a lot of time there, instead jumping on the train in the evening to other places.

Orbital connectivity remains poor across the region, limiting access to high value jobs and encouraging car use.

In Surrey, there is a pattern of poor transport connectivity driving economic inactivity in underperforming towns. People taking social housing may be getting cut off from opportunities. In some areas, although it's become easier to get into central London via a fast train, it remains difficult to get to local neighbouring towns on a network of often very slow buses. These areas suffer low footfall as a result.

We heard that in some areas, train stations are located outside of the town centres and public transport options of getting to the station are poor.

“It gets played out in the same set of patterns that it's actually you're often disconnected from the public transport that will get you into London.”

HSPG authority

“I think if you're not on the main arterial lines that get you into London on the exchange at Clapham Junction or something, I think you'll very quickly find it's actually very hard to get somewhere for jobs and the sort of jobs that require you to be on site, not the work from home three days a week.”

HSPG authority

“So although our train lines are incredibly well connected, the stations themselves aren't particularly easy to get to.”

HSPG authority

Some parts of the region benefit from TfL services, but further collaboration is challenging.

TfL run services such as the Elizabeth line, and some bus routes, outside of London. But further integration of transport services is difficult as existing subnational bodies, such as Transport for the South East, lack the same powers over funding, decision-making and delivery.

Subnational bodies like Transport for the South East (TFSE) are improving governance structures in the wider south east and allowing for better strategic planning and regional coordination. But there remain difficulties integrating transport networks within and outside London. This is partly because subnational bodies like TFSE lack key powers, including funding for large infrastructure projects and the authority to make decisions on certain matters (which local authorities or others make).

Funding for transport projects is largely controlled by central government. The absence of a comprehensive national transport strategy makes it difficult to have a national conversation about

what kinds of transport we want to be investing in, and undermines efforts to align policies and investments across regions to do so effectively.

“A key problem is the lack of the integrated strategy for and integrated thinking about funding that really prevents us from making significant progress.”

HSPG authority

The area surrounding Heathrow Airport could serve as a model for joined up transport planning across regions.

In the area surrounding Heathrow Airport, there is a shared interest across multiple authorities in improving access while reducing car trips to the airport.

Initiatives have been put in place to promote sustainable modes of transportation, such as by introducing a forecourt charge for drop-offs, funding early morning bus services, and offering free travel within certain areas. Various organisations are working together to join up various public transport routes, run by different providers - notably buses. These efforts aim to shift travellers away from unsustainable modes of transport and towards more sustainable options.

As integration between transport planning agencies around Heathrow evolves, it could serve as a model for elsewhere. Here, TfL, Heathrow Airport and LB Hillingdon share the aim to improve public transport and active travel. The three bodies have a strong relationship, with regular meetings at a senior level. There are also multi-stakeholder forums like the Heathrow Area Transport Forum, which brings together local authorities, rail operators, and bus companies to discuss and coordinate transport planning.

Limitations persist in that the funding and decision-making powers of some relevant governing bodies (especially elsewhere in the WSE) are limited. This would be supported by greater devolution and a national transport strategy which provides room for discussion about how to align funding with priorities around mode share and infrastructure.

4. HOUSING AFFORDABILITY

Key points

- House prices in the HSPG region are higher than the average in the South East and the East of England, but lower than London.
- House prices in London have risen faster than the wider south east, making it unaffordable for many. Pressures on the cost of living in London are pushing some households, such as families, out of inner London.
- The capital's housing shortage is having knock-on effects for the HSPG region, for example as people living in the area look to London for higher wage jobs without moving there due to the cost of housing.
- Meanwhile, we heard that people working in better paying jobs within the HSPG area often choose not to live in the area, instead living further out – this speaks to the perception of place and quality of life in these areas.
- Rising placement of people into temporary accommodation from London across the wider south east is putting pressure on the housing markets of some areas in the HSPG and on those local authorities' ability to place local residents.

House prices in London have risen faster than the wider south east, making it unaffordable for many.

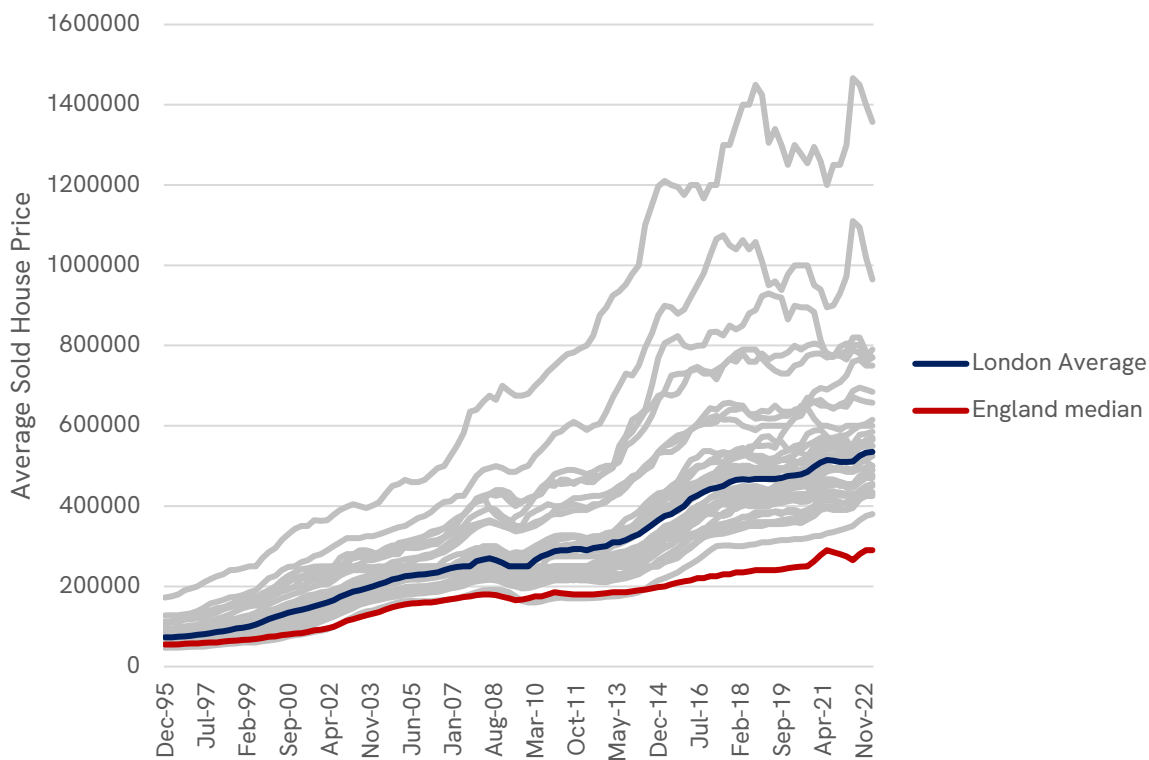
The average house price in London has risen from 1.4x the national average to 1.8x in the period from 1995 to 2023 (see Figure 8). This rise in house prices has had a substantial impact on the cost of living in London, with rents representing around 40% of average earnings across the capital. This has led to families increasingly being priced out of some parts of inner London, where house prices are among the highest in the country and double the national average. Here, some areas have seen a fall in the proportion of households made up of families with young children, with Islington, Hackney, Lambeth and Southwark seeing this proportion fall by between 7% and 11% from 2011 to 2021.^{iv}

Demand for homes in the capital is far higher than existing supply. This means that many people are falling into poverty – 1 in 4 households – or need to leave London completely because they have no affordable option for living here.^v High housing costs could push key and skilled workers out of the capital, reduce disposable income, with knock-on effects for the economy, and push councils towards bankruptcy by increasing their bills for temporary accommodation. There's a risk that these challenges spread further out to the wider south east, particularly those areas with the best transport connections to London like parts of the HSPG region.

While reports that people would leave London altogether in pursuit of fully remote work appear to be exaggerated, it does seem that a mix of office and home working will become the norm for knowledge economy workers. Indeed, many parts of the HSPG region have higher house prices than many parts of London, which may attract increasing numbers of Londoners to locate there as transport links improve.

The proportion of homes in London that are privately rented has doubled in the past two decades – an exaggerated version of a pattern that has played out across the country.^{vi}

Figure 8: House prices in every London borough are higher and rising faster than the English average.



Source: ONS (2023) Median Sold House Prices in England and Wales.

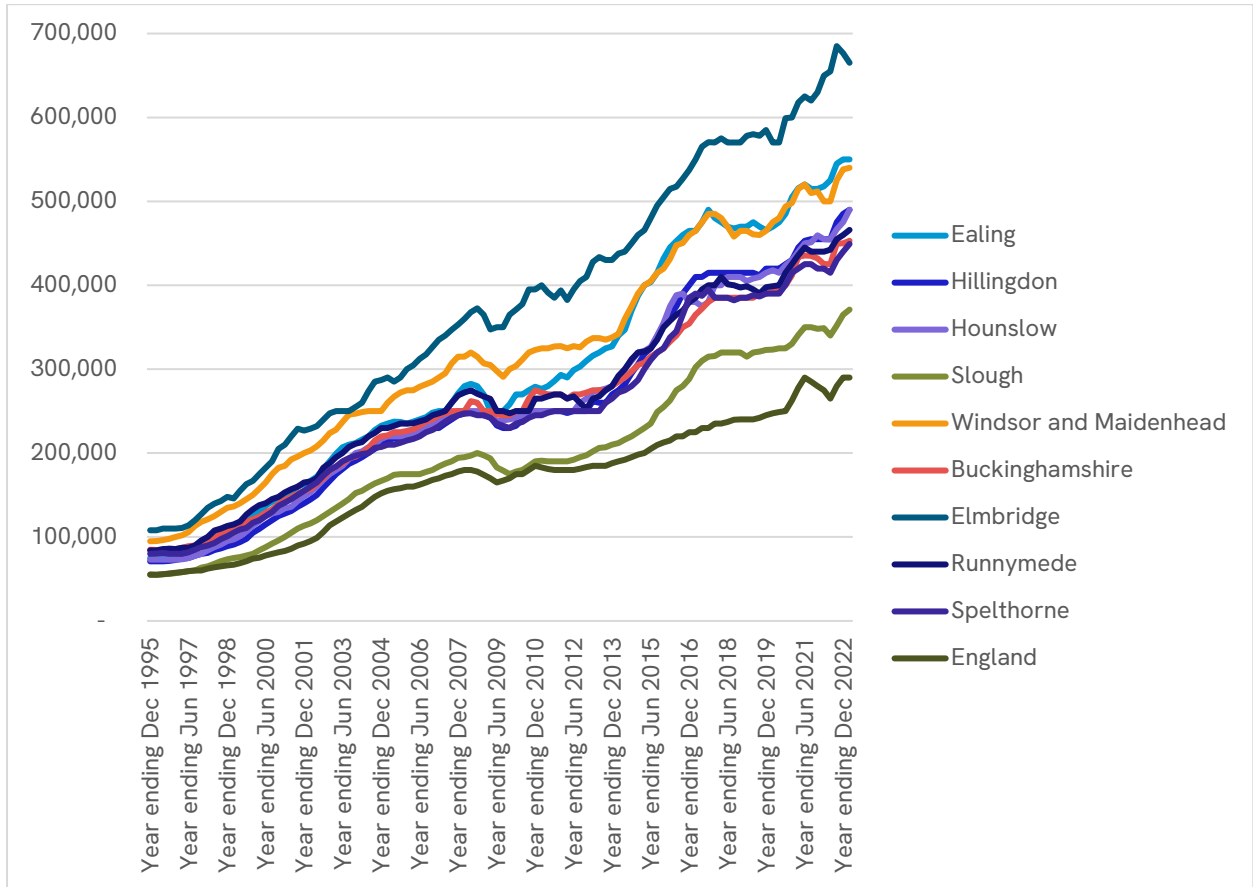
House prices in the HSPG region have risen faster than the English average

House prices in the HSPG region are higher than the average in the South East and the East of England, but lower than London.¹

Over the past few decades, house prices in the HSPG region have risen compared to the English average. For instance, in 1995 prices in Slough were about equivalent to the average across the country, but by 2023 prices were 1.3x higher in Slough than England. In Elmbridge the average house went from 2x higher to 2.3x higher than the English average (see Figure 9 below).

¹ The median house price in each HSPG local authority was higher than the median for the East of England in every case, than the median for the South East in every local authority except Slough, and lower than the London median in every local authority except Elmbridge, Ealing, and Windsor and Maidenhead.

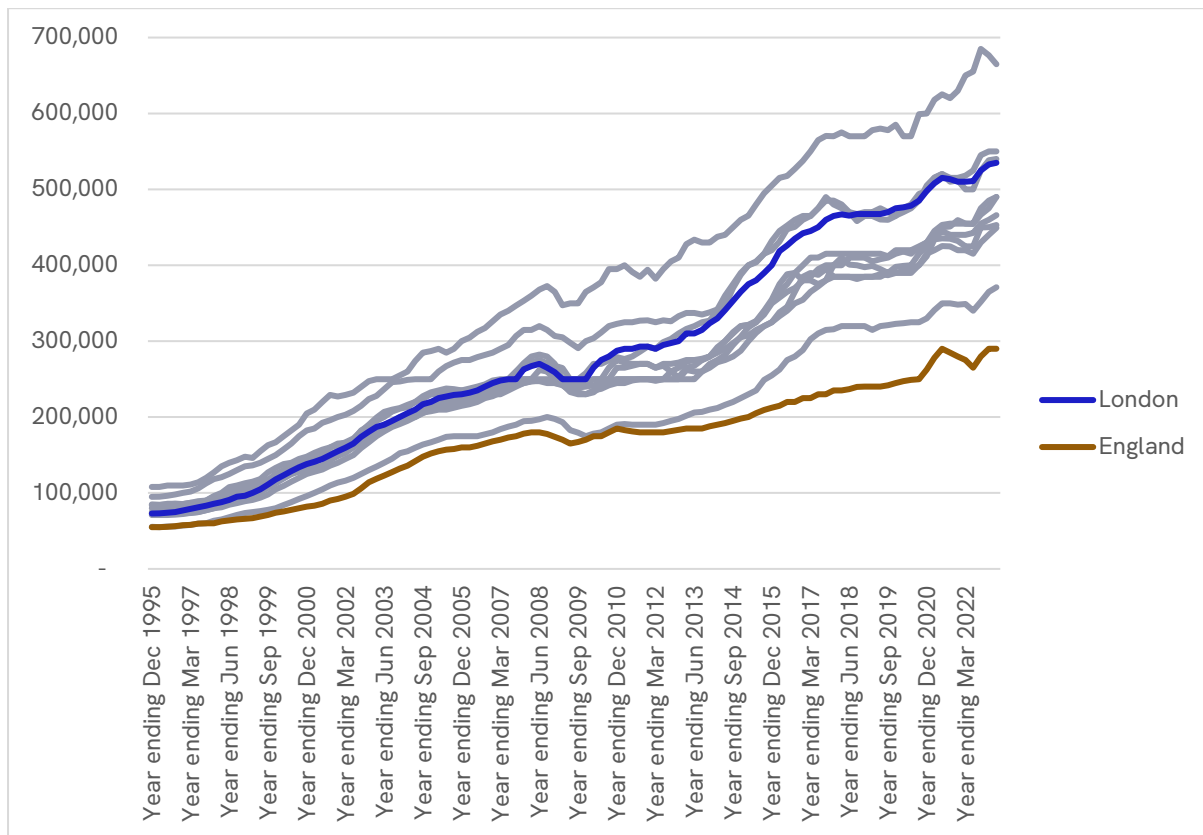
Figure 9: House prices in the HSPG region have risen at varied rates, but in all local authorities faster than the English average. House prices, 1995-2023



Source: ONS (2023) Median Sold House Prices in England and Wales.

Prices have kept up with London in Ealing and Windsor and Maidenhead, and in Elmbridge prices are 24% higher – but in all other local authorities in the HSPG region, prices remain below the London average, not to say the average for Inner London (see figure 10).

Figure 10: House prices in most local authorities in the HSPG region remain lower than the London average. House prices, HSPG authorities, 1995-2023



Source: ONS (2023) Median Sold House Prices in England and Wales.

High housing costs in London make it difficult for local authorities there to recruit and retain talent. But local authorities outside London struggle to match London salaries.

In Slough, we heard that being on the edge of the London labour market means that people employed in the public sector can benefit from London salaries. This poses challenges for recruiting staff. For instance, some areas see levels of crime comparable to parts of London, but local police forces have to compete with the better-resourced Metropolitan Police for staff.

The inverse was seen in another borough, where we heard that the council struggles to recruit and retain staff locally. It is possible that this pattern holds for other kinds of employment.

“I see this reflected in terms of just people we employ that youngsters increasingly are moving if not to the suburbs beyond London in search for affordable housing. And that's the biggest, I think, [employment] challenge facing us as a council”

HSPG authority

Rising placement of people into temporary accommodation across the wider south east is putting pressure on some areas outside London.

Placements into temporary accommodation have risen substantially in recent years due to rising housing costs and shortages of housing (especially in London), and because the benefits that people receive have not reflected these costs.^{vii}

High house prices in London mean that when London boroughs need to place people in temporary accommodation, they sometimes look outside of London. With more than half of all people in temporary accommodation in England living in London, and households placed from London outside of London being most commonly placed in the home counties,^{viii} this can put additional pressure on local housing markets.

People working higher value jobs are less likely to live locally in some parts of the region.

In Slough, we heard that people working higher value jobs in the trading estate were likely to choose to live elsewhere. This is in part a result of the quality of housing, public realm and amenities in Slough, as well as higher rates of car ownership among people on higher incomes.

Yet greater investment in housing and public realm, coupled with the connectivity with London for leisure, could turn this picture around. If it did, this would offer benefits for those working in the lower value jobs in the area.

“One of the interesting things with the trading estate is that the higher value jobs, a lot of those are filled by people who live out in Berkshire and Buckinghamshire not by people from Slough, which is our sort of employment challenge is how you get more people from Slough into those jobs.”

HSPG authority

We heard that young people are increasingly moving out of London to find more affordable housing, which poses challenges for local authorities in terms of retaining talent and maintaining a diverse workforce.

"I see this reflected in terms of just people we employ that youngsters increasingly are moving if not to the suburbs beyond London in search for affordable housing. And that's the biggest, I think, challenge facing us as a council. Well, it's not the only challenge, but certainly in terms of employment, that's one of the biggest factors."

HSPG authority

5. GOVERNANCE AND COLLABORATION

Key points

- Several local authorities in the region admit that they do not currently have a strong vision for growth for the area. As a result, areas without strong local visions are missing out on opportunities for growth.
- Failing town centres have been a wakeup call for the need to plan for growth.
- There is an appetite for strategic spatial planning but siloed working and imperfect existing geographies are holding it back.
- Some new partnerships between local authorities and other bodies are improving collaboration.
- But these bodies have limited powers, meaning they are limited in their ability to work on a level playing field with the GLA and other bodies in London.

Several local authorities in the region admit that they do not currently have a strong vision for growth for the area.

“The council has no growth strategies ... there's no real proper strategy in terms of how do we want the place to evolve.”

HSPG authority

“I think we we're desperately trying to get that strong vision about what is [the area's] future role at the heart of the borough? And then what are those different communities? What role do they play moving forward? What is our identity as a place? I don't think we've got that yet.”

HSPG authority

“Part of the problem with [the] undermining of local plan making has been we've almost lost the art of placemaking and visions and why they are important.”

HSPG authority

As a result, areas without strong local visions are missing out on opportunities for growth.

For example, in places the Elizabeth line has arrived without local authorities actively planning for it. We heard that in one area this has led to an influx of new housing, driven by the market, without the infrastructure to support it. Economically, the lack of infrastructure combined with the radial connectivity means that new residents typically work and leisure outside of the borough. We also heard about other examples of overlooked opportunities for proactive growth.

“I don't think we've planned for social infrastructure as well as we could have done if we'd managed it from the front as a council. And I think that might start to create more issues if that population keeps on growing.”

HSPG authority

In one area, falling footfall in the town center in recent years has been caused by changing retail patterns, a low residential population and not much in the way of a night time economy. The council has started working on a master plan to address this, looking at bringing in some meanwhile uses over the summer and having relaxed planning restrictions on the mix of retail uses

that were allowed in shopping centers to try to attract more leisure activity providers such as bowling and crazy golf to locate there.

Failing town centres have been a wakeup call for the need to plan for growth.

In several of the interviews, we've heard that failing town centres and high streets have been a catalyst for local councils recognising the need to plan for growth. There is a sense that the market can't be relied upon to drive growth alone anymore and there is a need for more active involvement from the councils.

Whilst the decline in highstreets is a national story local factors are influencing how councils respond. For instance, town centres with a low resident population and poor transport links present challenges, even as local authorities try to bring about new leisure opportunities in the area.

"I think about three or four years ago, [the area] had reached a sense of bottoming out. I think there was something like 40 empty units across the town ... we'd never seen anything like it"

HSPG authority

There is an appetite for strategic spatial planning but siloed working and imperfect existing geographies are holding it back.

In one local authority, we heard that there is an appetite for regional strategic spatial planning within current powers (i.e. even if such plans weren't statutory). But in some cases siloed working within the council was seen as a barrier to achieving this.

In some places, the way that local authorities are currently grouped together isn't working. For instance in Slough we heard that there are substantial differences in the kinds of challenges that Slough and its neighbouring local authorities face. Regional planning bodies which reflect functional areas – areas that share meaningfully similar characteristics, needs or opportunities – could help to bring about better outcomes.

"There's nothing stopping us, even if it's not statutory, but if we are out, open and honest about where we think the investment needs to lie, I think we can be a lot more nuanced than about the multiple benefits."

HSPG authority

"It's almost the worst case scenario for everything in terms of no regional authority, no county authority, individual unitary, some of whom with more or less financial strength than others, not necessarily a clear travel to work area because obviously once you get further out then you go Reading becomes the focus, Oxford then becomes the focus as well."

HSPG authority

"If you are, for example, an urban authority surrounded by a rural inland, there isn't an incentive for the neighbours to help you out if you can't meet your own identified or defined needs. So many of us have resorted to these joint planning frameworks as a way of trying to rediscover the art of cooperation and collaboration across geographies."

HSPG authority

Some new partnerships between local authorities and other bodies are improving collaboration.

We heard that the cross-local-authority groups such as the Heathrow Strategic Planning Group have had a positive effect on the ability of the area to plan and to negotiate with other large bodies, from TfL to the Government.

"By having that bigger geography and having more people around the table, it just increased our bargaining power with government and with other agencies to get heard."

HSPG authority

But these bodies have limited powers, meaning their limited in their ability to work on a level playing field with the GLA and other bodies that areas outside of London aren't part of.

One interviewee highlighted that even though economically they share lots of similarities with neighbours outside London - perhaps more so than their neighbours within London - they had clearer links with their London neighbours, due to the role of the GLA and other London bodies.

We also heard that being near to London and sharing some of its characteristics without being part of the GLA or other bodies posed challenges.

"We don't get the benefit of being part of TfL or part of the Met or part of the GLA. So you haven't got that umbrella which a London borough would in terms of access to funding and expertise support from those organisations."

HSPG authority

APPENDIX: TRENDS IN THE WIDER SOUTH EAST

This appendix provides describes how some of the trends discussed in the main report are playing out across the wider south east, using a range of data sources.

Population and demographic trends

The population has grown considerably, with the fastest growth seen in the East of England.

24.6 million people live in the Wider South East region—43% of England's population. The most populous region of the three is the South East (9.4m people), followed by London (8.9m people) and the East of England (6.4m people).

From 2011 to 2021, the population of the Wider South East grew by 7.8%. Growth was highest in the East of England (8.3%), with London and the South East seeing growth of around 7.5%. Within each region, there are pockets of areas seeing greater levels of population change (see Figure A1).

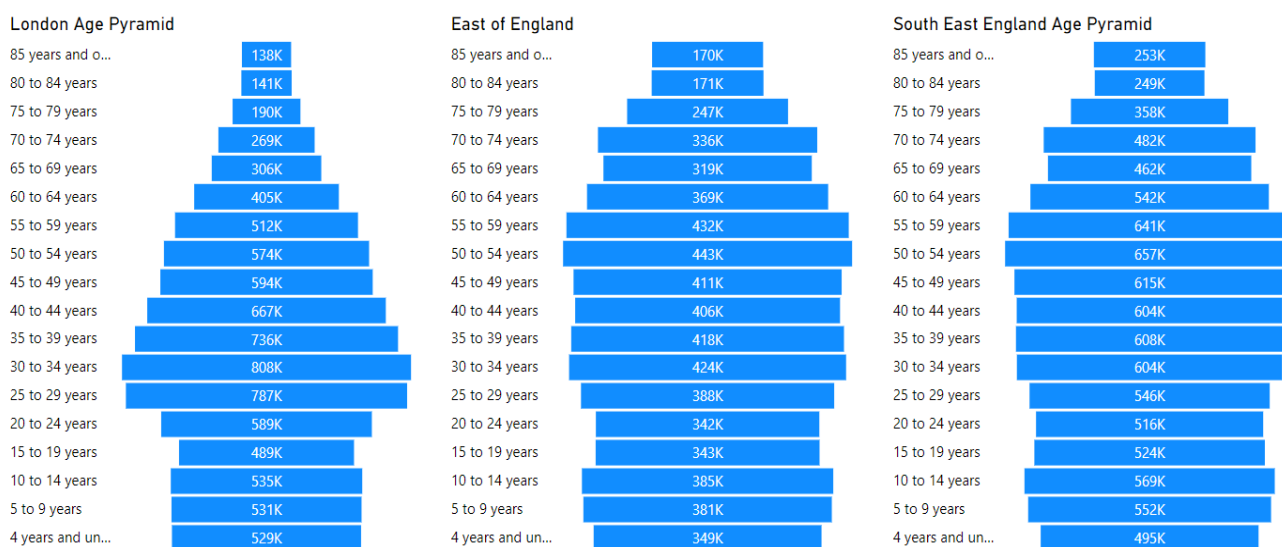
Figure A1: Population change, 2011-21

London has a notably higher concentration of young people of working age than the East or the South East.

Looking at the age profile of the population, London stands out as having a younger population, with a higher share of people aged 25-34 (see Figure A2). The East of England and the South East share a more even distribution of ages, with the greatest share of people being those aged 40-49. This pattern is unchanged from 2011.

Figure A2: Age profile of population, by region, 2021

Age Pyramids 2021



Source: ONS (2021) Census.

While London's younger population is smaller as a proportion than in the East and South East, looking at smaller geographical areas we can see that there are places in all three regions with a high share (greater than 35%) of people aged 16-24. The population of older people (aged 65 plus), on the other hand, is more concentrated in some parts of the East and South East, especially in coastal areas, while London has a very low concentration of older people. This has implications for the kinds of public services that areas within each region require, such as greater resources for health and social care.

London's greater concentration of working-age residents reflects the high costs of living in the capital, with the cost of raising children or of retiring leading many to move elsewhere. It also reflects the capital's concentration of jobs compared to the East and South East.

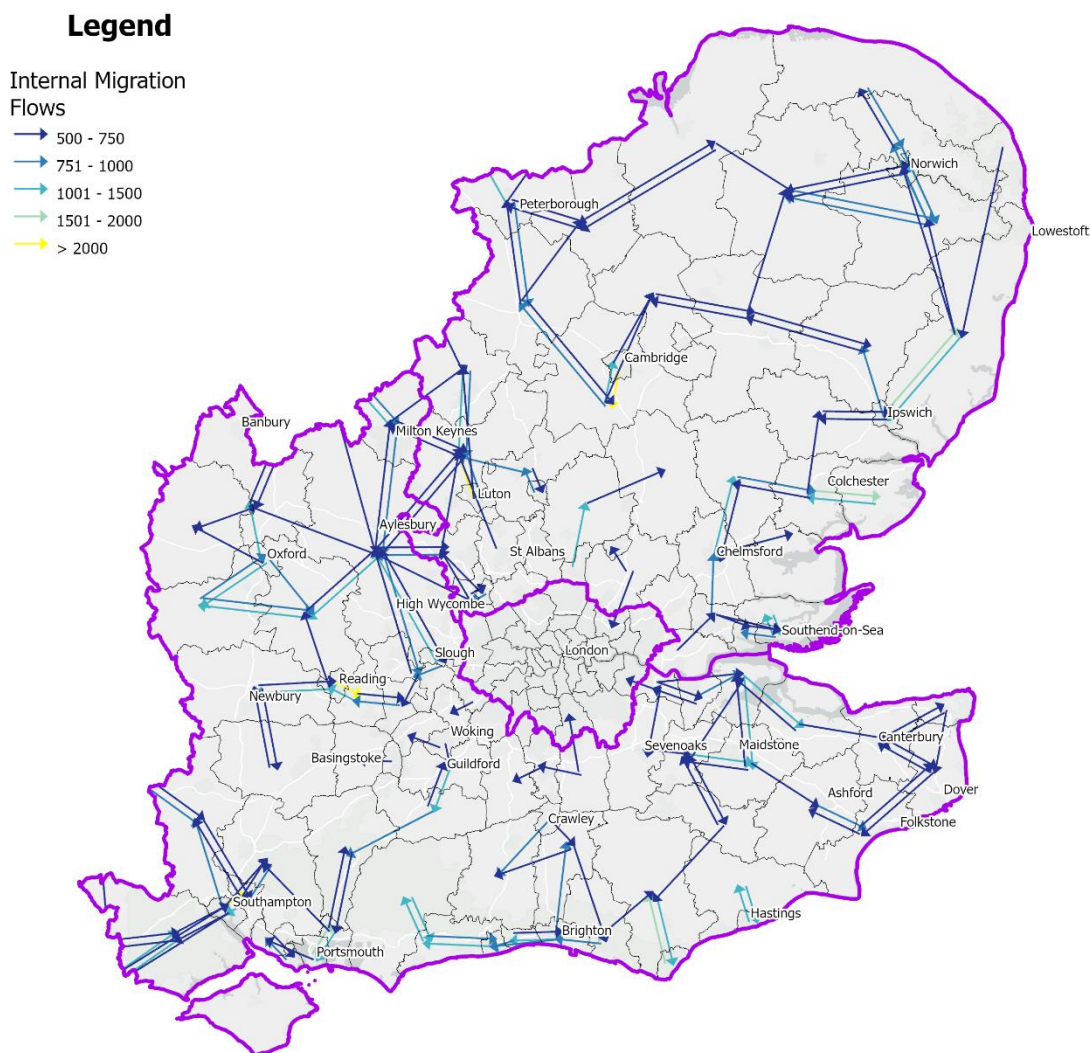
Lots of people move between areas around the Solent, East and West Sussex Coast, Kent, the M40 Corridor, within Norfolk and around Cambridge.

One way to look at how the population of the wider south east is changing is to explore where people within the region move to when they relocate.

Most people move to somewhere else within the same region – for instance, of those moving from Slough, the highest numbers move to Buckinghamshire or to Windsor and Maidenhead (see Figure

A3). Outside of London there are some strong regional movements around the Solent, East and West Sussex Coast, Kent, the M40 corridor and within Norfolk and around Cambridge. This likely reflects the relatively strong economies of these areas. Areas seeing high net inward migration will have to invest in improvements to transport infrastructure and expansions to public service delivery.

Figure A3: Migration between local authorities in the East and South East of England



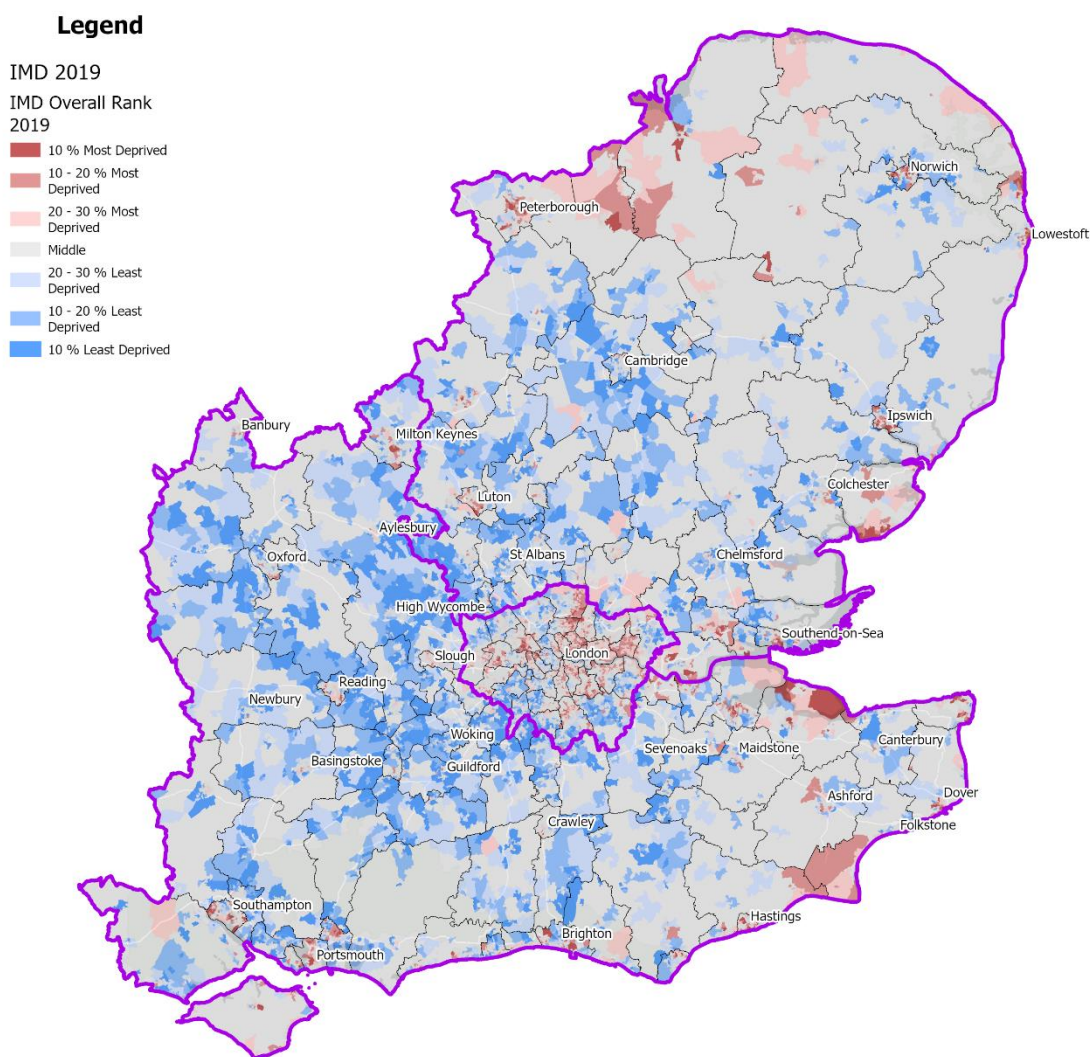
Source: ONS (2021) Internal migration - Matrices of moves between English and Welsh local authorities, English regions, Scotland and Northern Ireland, year ending June 2020 and 2012.

Of all the people who move from London to somewhere else in the UK, 60% move to the East (24%) or South East (36%) of England.^{ix} The total number of people who moved from London to these regions in the year to June 2020 (193,000), was 18% higher than it had been in the year to June 2012. However, over the same period, the number of people moving from London to other regions across the UK had risen by 25%, showing a slight reduction in the role of the wider south east as a new home to people moving from London.

In the East of England and the South East, people are less likely to live in deprived areas compared to the national average, unlike in London.

For the Wider South East as a whole, areas are less likely than the national average to find themselves ranked as among the most deprived. In the East and South East, there's a greater concentration of areas in the least deprived 30% of areas in England than there are in the 30% most deprived (see Figure A4). However, in London the opposite is true, with more people living in the 30% most deprived areas in England than in the 30% least deprived. However, the situation in London is considerably improved compared to nine years earlier, in 2010, when 42.7% of people lived in the 30% most deprived areas, compared to 33.9% in 2019.

Figure A4: Relative deprivation by area, 2019



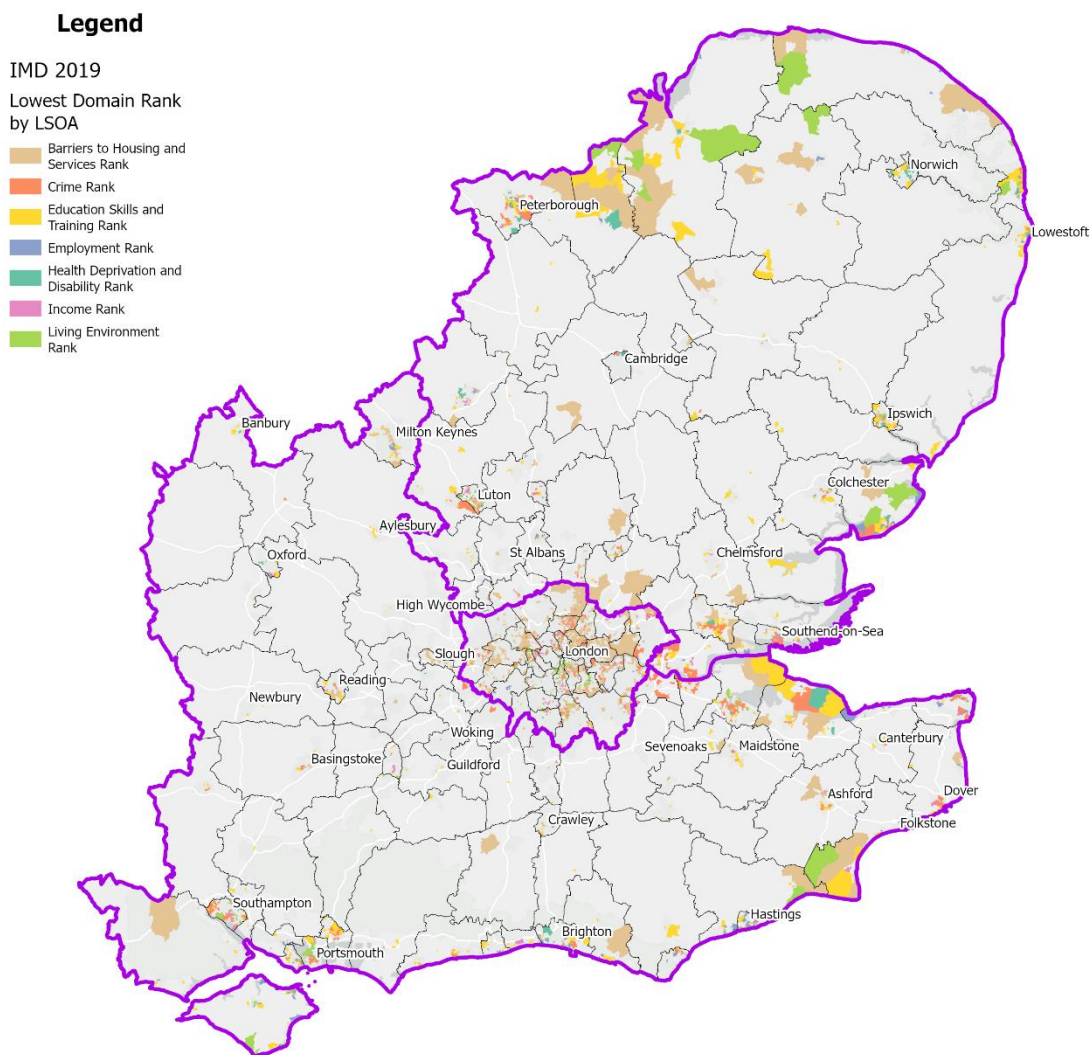
Source: Ministry of Housing, Communities & Local Government (2019) English indices of deprivation 2019.

The most common domain of deprivation in worst-performing areas is access to housing, followed by crime and education.

The index of multiple deprivation is a composite of several measures. We can explore which of these is driving the relatively poor performance of some areas in the Wider South East. Looking at each local area that is in the 30% most deprived areas in England, we can see which domain that area is performing worst on (see Figure A5).

This tells us that nearly 1.9 million people in the Wider South East live in areas which are among the 30% most deprived and where "barriers to housing and services" is the lowest ranked domain in the area—38% of people who live in the Wider South East in the 30% most deprived areas. This compares to 900,000 (18%) who live in areas in the bottom 30% of the distribution where crime is the lowest ranked domain, and 880,000 (17%) who live in similar areas where education is the lowest ranked domain. These patterns largely hold in the Heathrow region too.

Figure A5: Among 30% most deprived areas in England, domain ranked lowest in IMD score, 2019



Source: Ministry of Housing, Communities & Local Government (2019) English indices of deprivation 2019.

London is the epicentre of the nation’s housing crisis. Housing pressure in the capital is likely leading people to locate elsewhere, where costs are lower. For those seeking a job in the capital, transport connections to central London will determine where they choose to live, which in turn influences the kinds of economies that develop in the Wider South East – see the chapter on transport for more on this.

Economic landscape

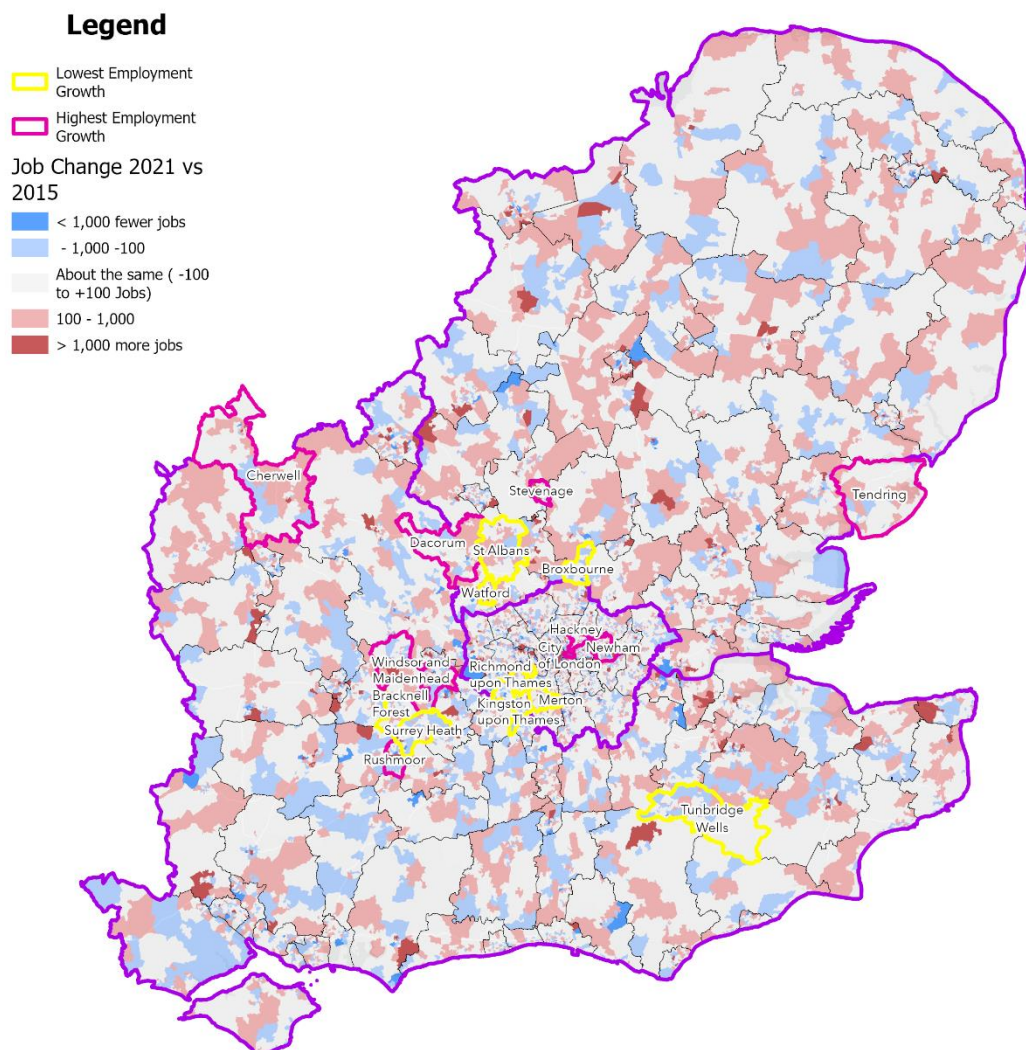
Together, the regions of the Wider South East represent 47% of the UK's output,^x 12.7 million jobs (38% of the UK total),^{xi} and 47% of the UK's tax revenue.^{xii} Economic output grew by about 15% in the decade to 2021 in the East and South East, in line with the average for England, but behind London which grew by 21%.^{xiii}

London is leading the way in job growth in recent years.

The number of jobs available in the Wider South East grew by 9.5% from 2015 to 2021. London has seen the highest growth at 13.9%, followed by the East of England (8.3%) and the South East (5.1%). The HSPG region saw a lower rate of growth than the wider south east, with 6.5% more jobs in 2022 than 2015. The local authorities which have seen the highest and lowest levels of growth are described in the table below and displayed in Figure A6, below.

East of England	London	South East
<i>Top 3 Growth Local Authorities</i>		
Dacorum	Hackney	Windsor & M
Tendering	City of London	Rushmoor
Stevenage	Newham	Cherwell
<i>Bottom 3 Growth Local Authorities</i>		
Broxbourne*	Richmond*	Bracknell Forest*
St Albans*	Merton*	Tunbridge Wells*
Watford*	Kingston*	Surrey Heath*

Figure A6: Change in number of jobs, 2015-21



Source: ONS (2022) Business Register and Employment Survey.

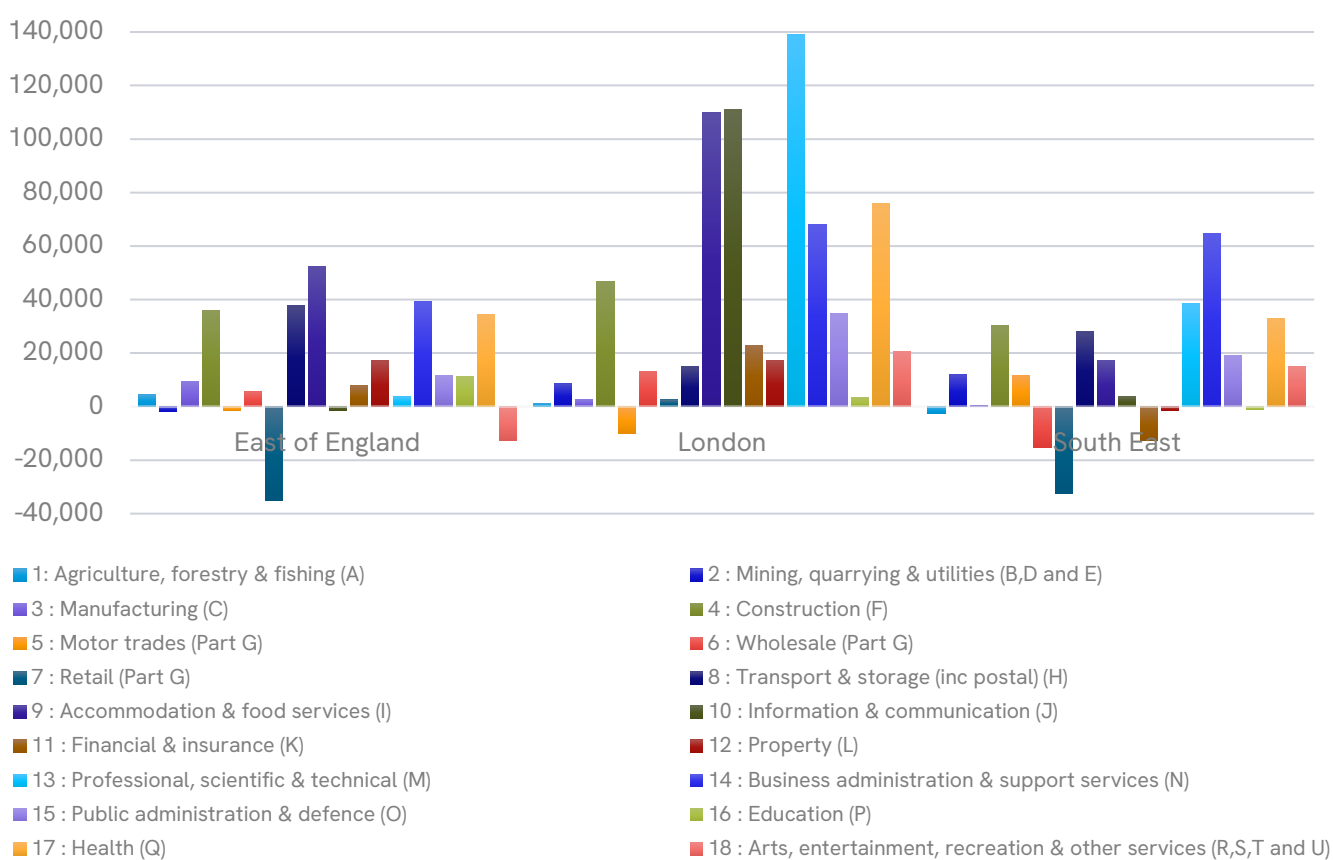
There are differences in which industries employ the most people in each region.

Compared to the rest of the country, London stands out for its concentration of jobs in information and communication (8.8% of jobs in London vs 4.7% in England), professional, scientific and technical sector (14.8% vs 9.5%), and finance and insurance (6.7% vs 3.3%). The East meanwhile has a higher concentration of jobs in business administration and support services (10.8% of jobs in the region vs 9% in England) and construction (6.9% vs 4.9%). The South East has a concentration of jobs in education (9.6% of jobs compared to 8.3% across England) and information and communication (6% vs 4.7%).

London's new jobs have been driven by the professional, scientific and technical sector, while in the South East it's business administration & support services and in the East of England it's accommodation and food services.

London has seen the strongest growth in the professional, scientific & technical sector, reflecting the sector's large role in the region's economy (see Figure A7 below). In the East of England, the highest growth has been in the accommodation & food services sector, which in 2022 was the sixth largest sector in the region by number of jobs. In the South East, the highest growth has been in business administration & support services, reflecting the sector's place as second largest employer in the region. Both the East and South East have seen negative growth in the retail sector. Retail is one of the five biggest employers in both regions.

Figure A7: Change in the number of jobs, by region and sector, 2015-21



Source: ONS (2022) Business Register and Employment Survey.

New jobs were more commonly highly paid ones in London than in the South East and East.

Looking at the earnings of each of these professions, we can see that London has seen the highest increase in highly paid jobs in the period 2015-21 (see Figure A8). The South East has seen growth in some highly paid sectors such as the Professional, Scientific and Technical sector, but fewer highly paid jobs have been added to the economy than in London. In the East, meanwhile, most job growth has been in sectors with average earnings. This could reflect a widening of the economic gap between London and its neighbouring regions. Median weekly earnings in London for a full-time

role are £796, compared to £724 in the South East and £706 in the East of England – the three highest rates of all UK regions.^{xiv}

Figure A8: Change in the number of jobs, by region and average earnings, 2015-21



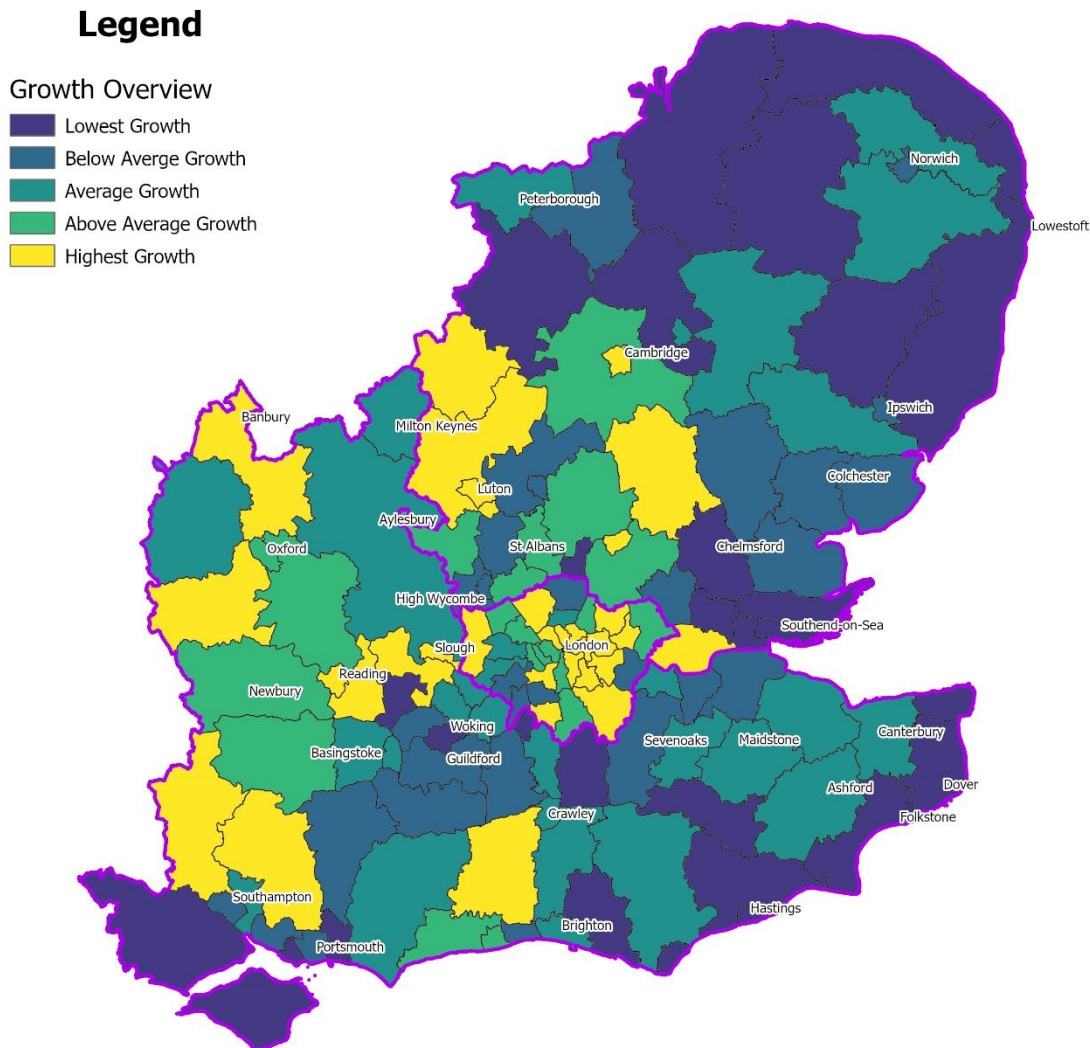
Legend: Jobs with high earnings (red), average earnings (orange), low earnings (white).
 Source: ONS (2022) Business Register and Employment Survey.

The highest growth across a range of measures has been in pockets of London, the M4 corridor, and the Oxford-Milton Keynes-Cambridge corridor

For each local authority we have examined the strength of population growth, job growth, house price increase and change in IMD scores. Bringing these together into one composite measure, the results are displayed in Figure A9 below. This involved comparing each local authority against the average across the region for each of the four indicators and then ranking them by the same indicators to see which ranked highest. These were then split into five groups, from highest to lowest growth.

The Local Authorities which have seen the most growth are along the M4 corridor, East London and the Oxford – Milton Keynes – Cambridge Corridor (see Figure A9). This suggests that these areas are attracting more people, creating more new jobs, experiencing rising property values, and/or seeing improvements in their IMD scores.

Figure A9: Composite growth measure, local authorities



Note: Population change 2011 vs 2021 Census; Indices of Multiple Deprivation 2010 vs 2019; Jobs Business Register and Employment Survey 2015 vs 2021; House Prices – Change in house prices between 2012 and 2022.

In the South East, the areas that have seen the highest levels of growth across these measures are Vale of White Horse, Reading, and Windsor & Maidenhead. All three show high levels of growth in employment, with Vale of White Horse seeing high population growth and house price growth, and Reading seeing high population growth and an improvement in its IMD score. The areas in the South East that performed worst were Tandridge, Isle of Wight, and Gosport, which saw low employment growth and poor IMD scores across the board.

Transport connectivity and travel patterns

Travel by rail in the Wider South East is mostly travel to and from London

Looking at travel patterns in the Wider South East highlights London's gravitational pull, with strong flows of rail passengers towards the capital from both the South East and the East of England (see Figures A10 and A11, below). The top rail flows in the South East are predominantly to London, with some notable intra-regional journeys, such as Haywards Heath to Brighton and Oxford to Bicester Village. Similarly, in the East of England, most passenger journeys terminate in London, with smaller local flows around the edge of the capital. For a detailed breakdown, see the appendix.

Figure A10: Number of journeys per year from each station in the South East and their destination

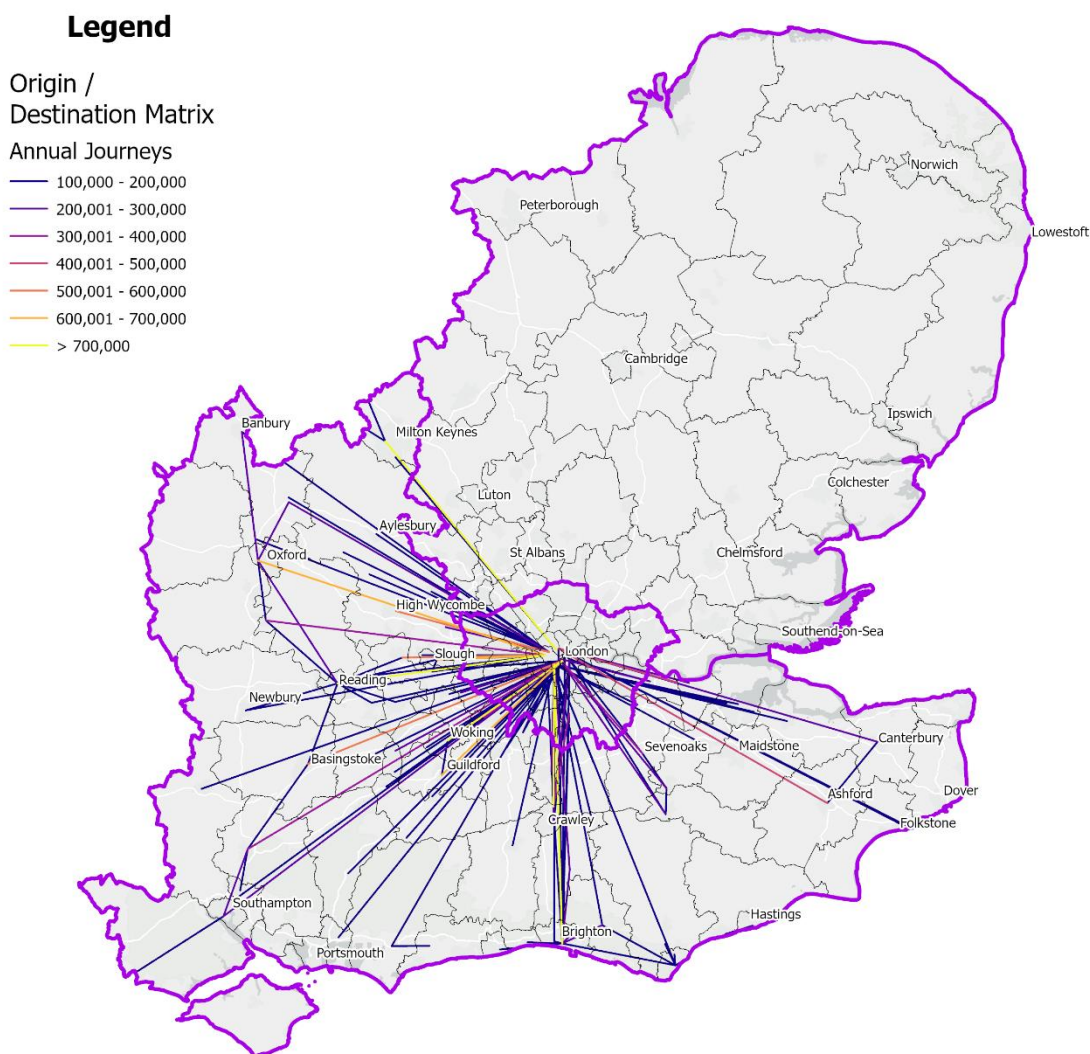
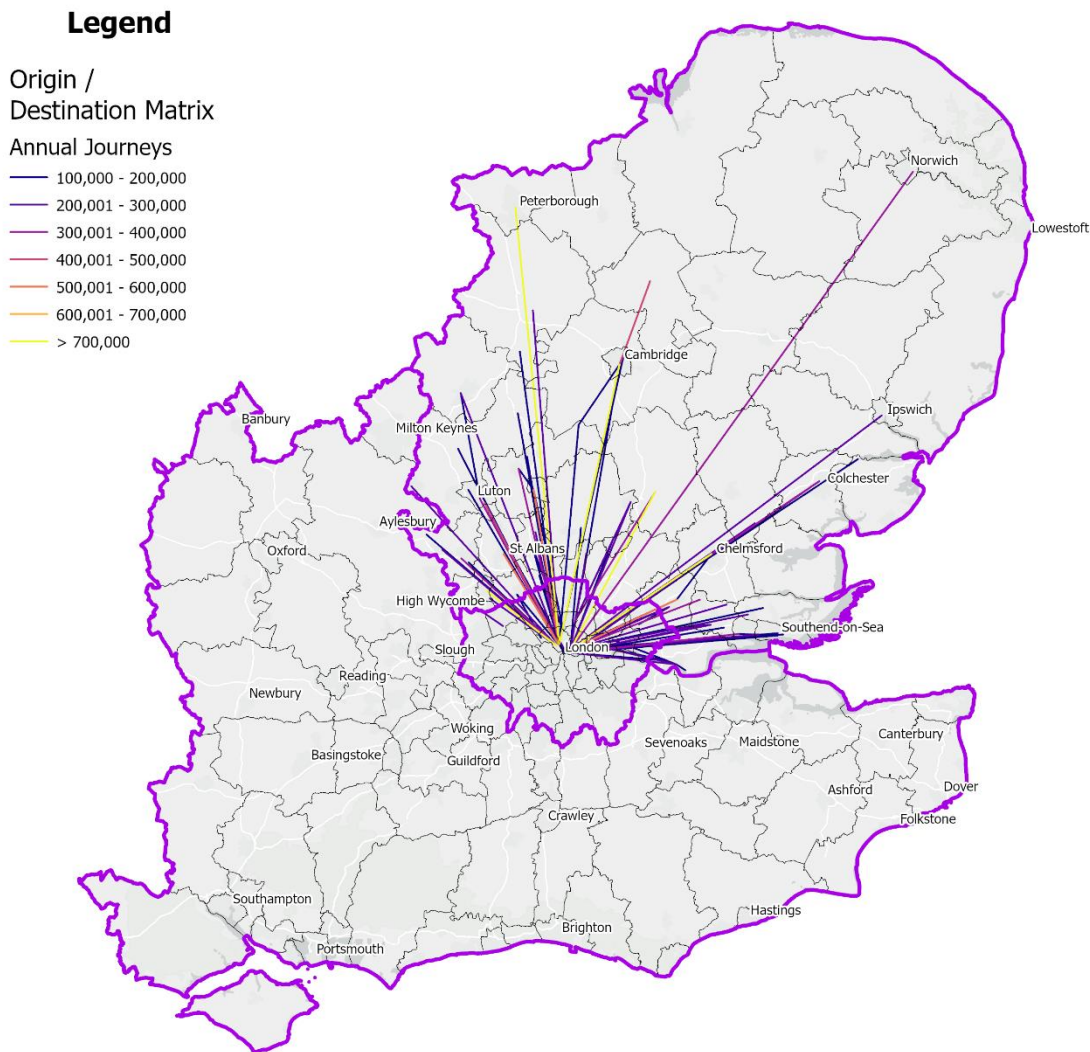


Figure A11: Number of journeys per year from each station in the East of England and their destination



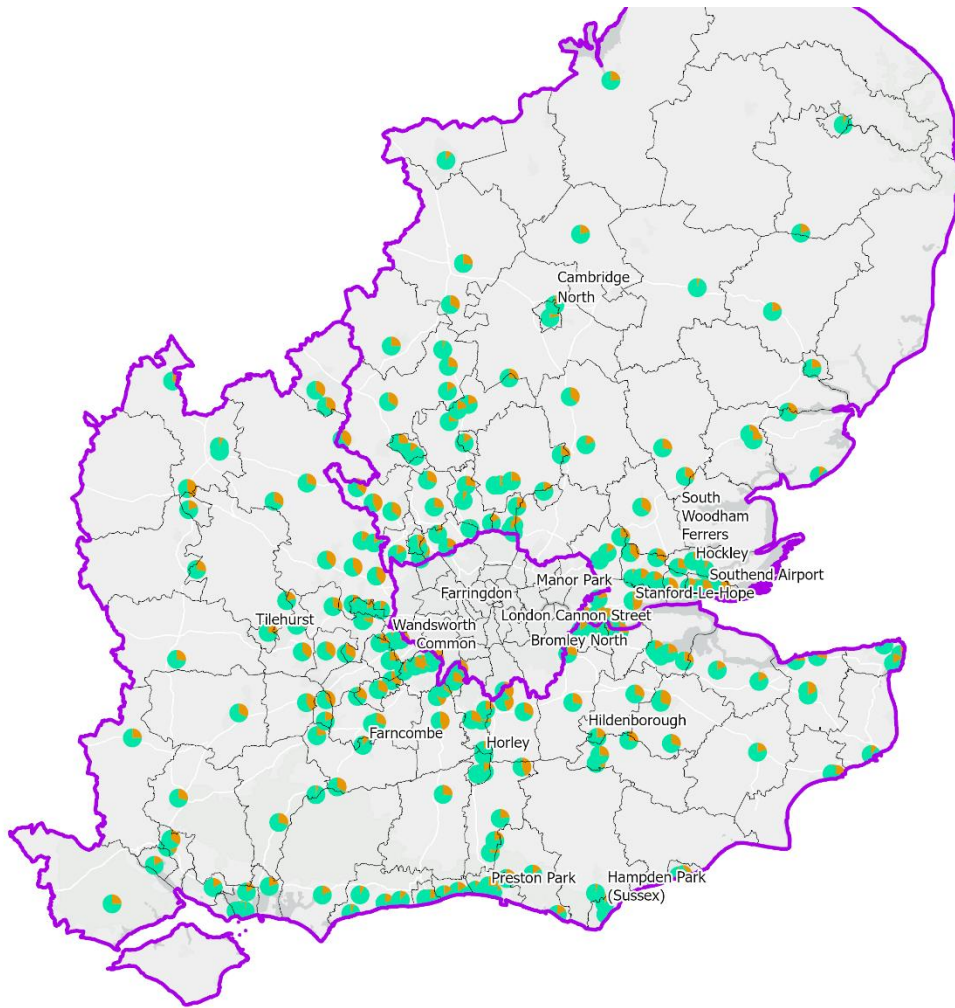
Source: Office for Rail and Road (2023) Estimates of Station Usage.

In 2022, rail travel was still below pre-pandemic levels in most areas.

The Covid-19 pandemic had a significant impact on the amount and way that people travel. Looking at data from 2022, and comparing it to before the pandemic, we can see that most rail stations in the Wider South East were seeing fewer passengers than before (see Figure A12).

Figure A12: Estimates of rail station usage, 2022 compared to pre-pandemic

Note: A full green circle represents 100% recovery, while orange represents a gap between 2022 and pre-pandemic passenger numbers



Source: Office for Rail and Road (2023) Estimates of Station Usage.

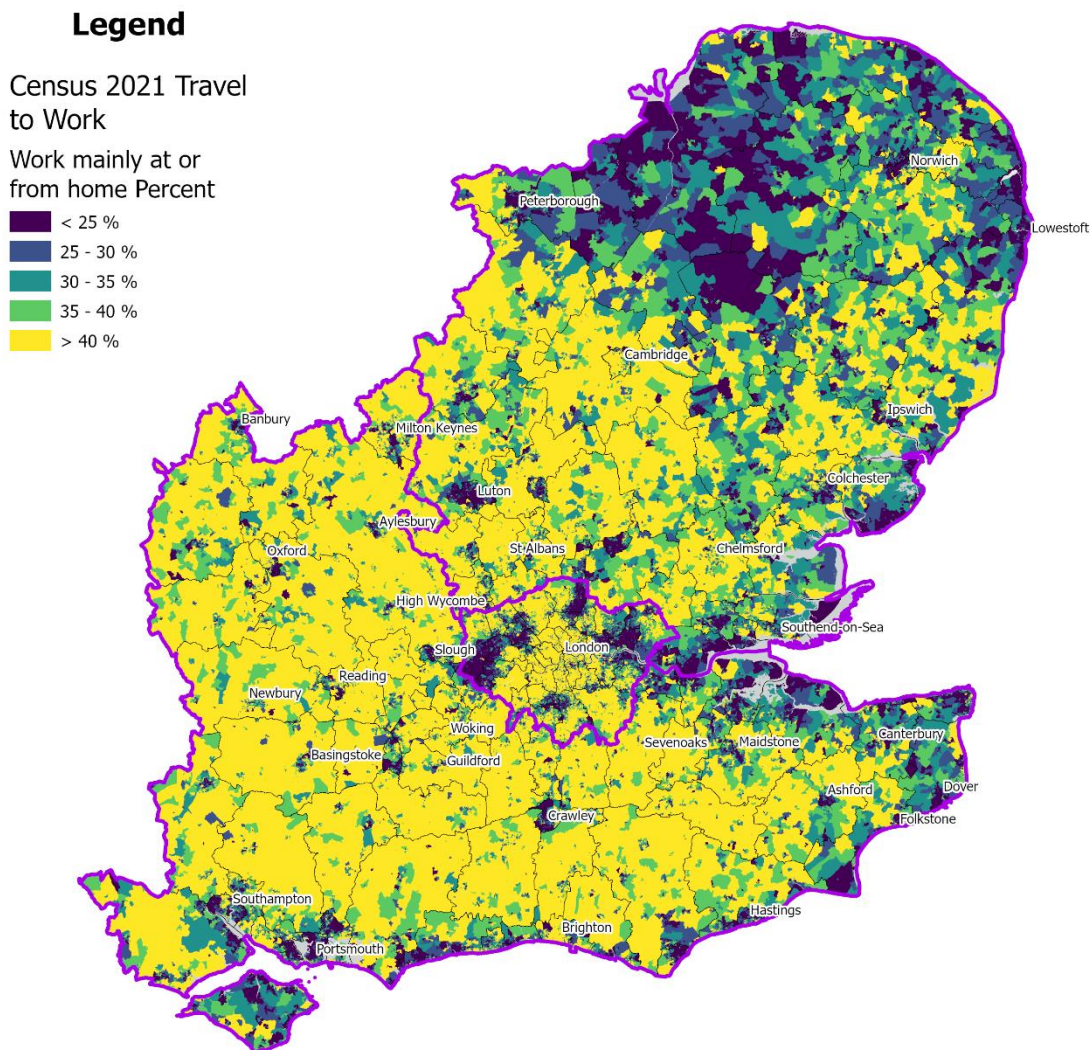
In each region, some stations have seen substantial increases in usage following the pandemic while some others have seen substantial falls. The best and worst performing stations compared to before the pandemic are outlined in the table below:

East of England	London	South East
<i>Best Station Recovery</i>		
Cambridge North 32%	Maryland 122%	Preston Park 54%
Shenfield 23%	Manor Park 118%	Hampden Park 9%
Hockley 6%	Farringdon 108%	Horley 6%
<i>Worst Station Recovery</i>		
Stanford-Le-Hope - 48%	Wandsworth Common - 52%	Tilehurst - 46%
South Woodham Ferrers -51%	Bromley North -64%	Farncombe -49%
Southend Airport -76%	London Cannon Street -67 %	Hildenborough -51%

The Wider South East has a high concentration of jobs that people can work from home, which will have implications for how people travel.

The rise of working from home some or all of the time mean that the need to travel to commute into the office is reduced. Data from the midst of the pandemic, collected in the 2021 Census, shows that in many areas in London, the South East, and some parts of the East of England surrounding London, the proportion of people working mainly from home was greater than 40% (see Figure A13).

Figure A13: Proportion of people who worked mainly from home, 2021



Source: ONS (2021) Census.

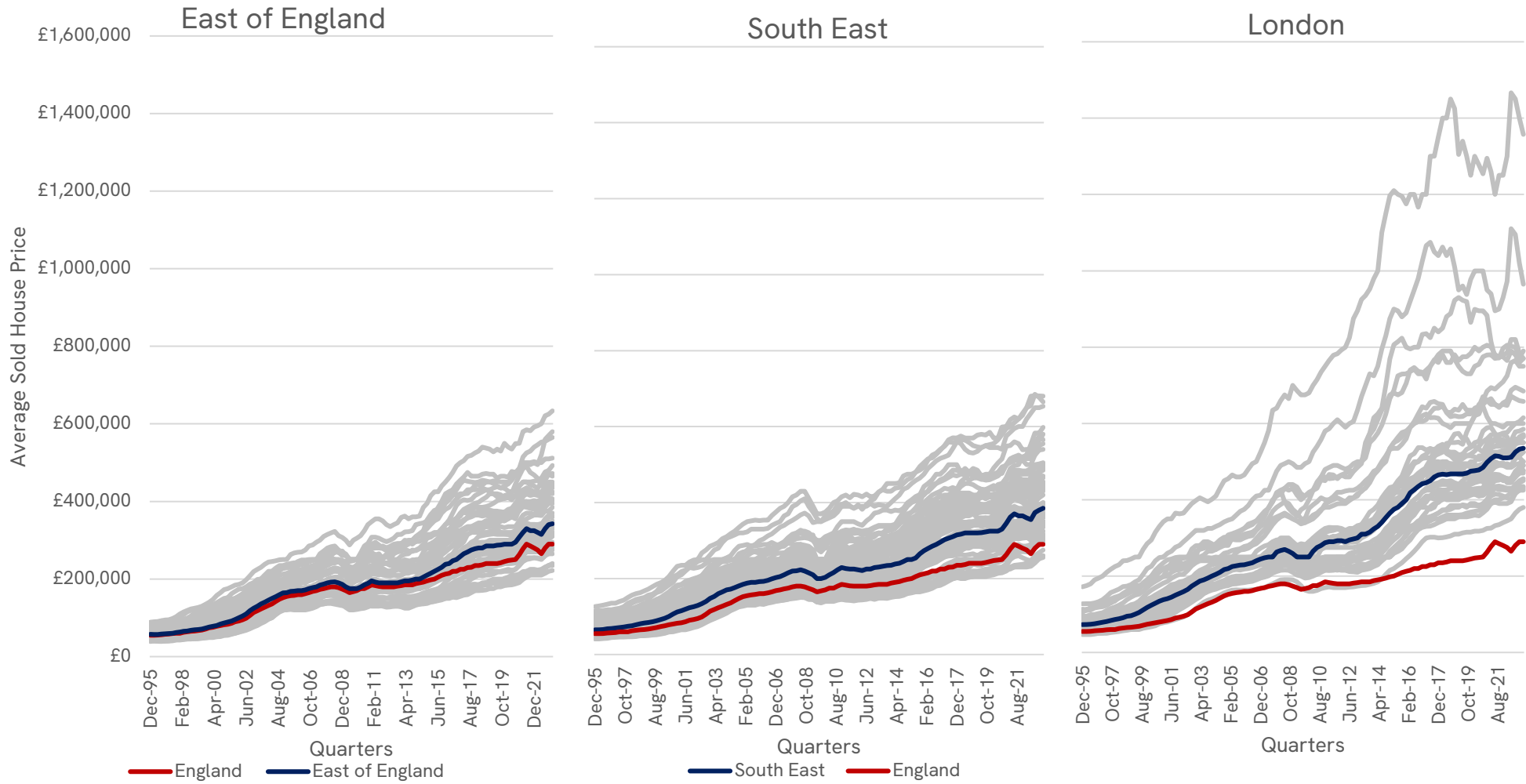
The rise of hybrid and remote working could open up possibilities for more polycentric growth, with residential and employment centres in the Wider South East attracting more residents and businesses. To achieve this will require investments to strengthen transport links between hubs like Cambridge, Milton Keynes, Oxford, and also the more local transport links that enable people to commute and spend time locally in a way that competes with travelling into London via established routes. These hubs may also need investment in other kinds of infrastructure, such as energy and housing supply, to accommodate new growth.

Housing affordability

House prices in the wider south east are higher than the national average and growing at a faster rate than the national average in all three regions (see Figures A14 below).

House prices in the Wider South East are among the highest in the country, as the regions' concentration of relatively high productivity jobs attracts demand to live there. Prices in London are 1.8x the national average (median), while in the South East they are 1.3x and in the East they are 1.2x. However, these averages mask significant variation across the region.

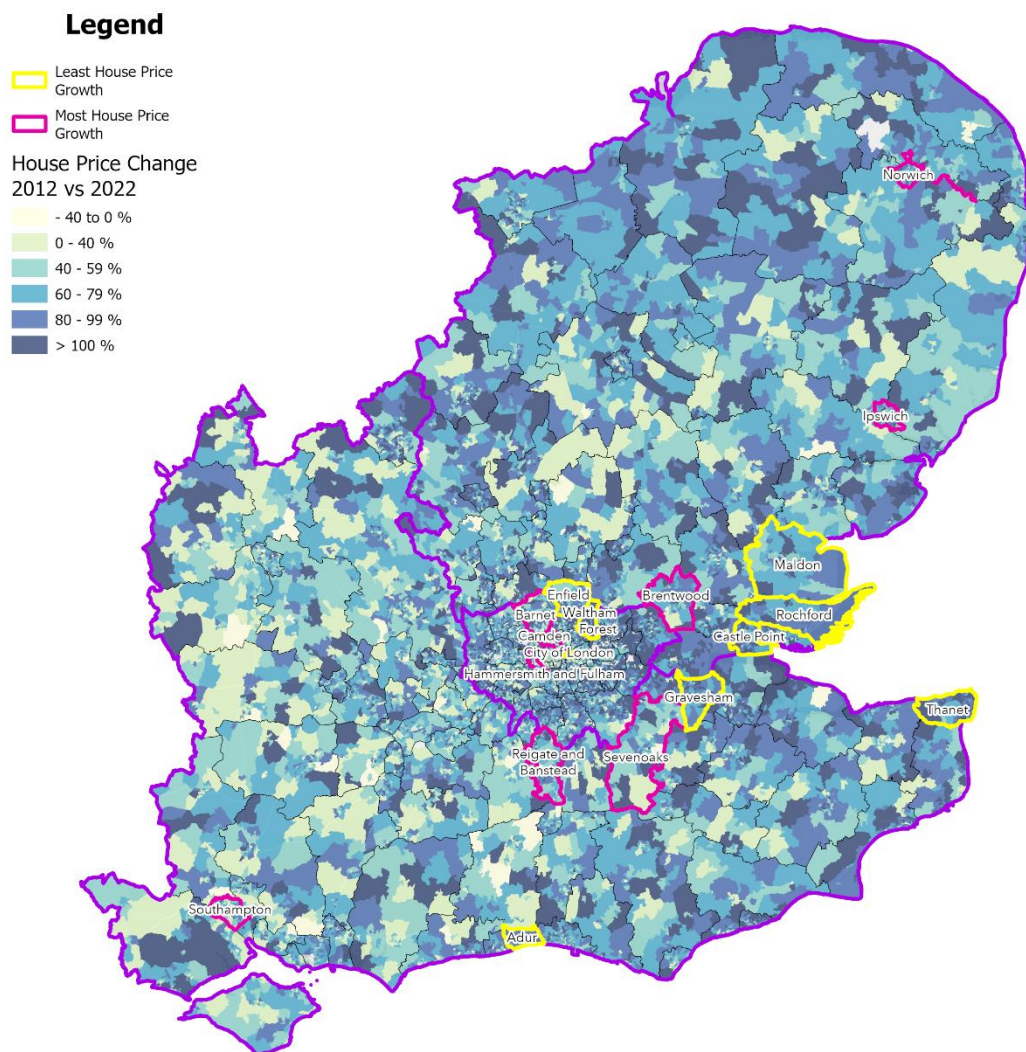
Figure A14: House prices in the wider south east, 1995-2023 (grey lines represent local authorities within each region)



At a local level, there is considerable variation (see Figure A15). The local authorities in each region seeing the highest and lowest levels of growth are given below:

East of England	London	South East
<i>Top 3 Growth Local Authorities</i>		
Brentwood	Hammersmith	Reigate & Ban
Ipswich	Camden	Sevenoaks
Norwich	Barnet	Southampton
<i>Bottom 3 Growth Local Authorities</i>		
Maldon	Enfield	Thanet
Castle Point	Waltham Forest	Gravesham
Rochford	City of London	Adur

Figure A15: Change in house prices, 2012-22



Source: ONS (2024) House price data: annual tables.

About Centre for London

London faces complex and evolving challenges.
We develop policy solutions to tackle them.
Help us make London better for everyone.

We are London's independent think tank. We are uniquely dedicated to developing new solutions to our city's challenges, for the benefit of all its people. We help policymakers and city leaders think for the long term about London's biggest issues and plan for a better future. We do this through:

Research and evidence: conducting robust, unbiased research and analysis, and collaborating with Londoners and stakeholders across all sectors, to generate new ideas and recommendations.

Convening and collaborating: bringing together citizens, experts and decision makers from diverse standpoints to discuss complex issues in a safe space, devise solutions and work out how to implement them.

Awareness raising and advocacy: being an authoritative policy voice on London and promoting our research and ideas to those with the power to act on them – from the grassroots to London's and the nation's leaders – through briefings, publications, social media, press and events.

ENDNOTES

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