

London Borough of Bexley

An Economic Assessment

Prepared by Insight Team, April 2018

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Introduction

Building on the work of Regeneris Consulting from Summer 2013 the Insight Team, (Strategy Performance and Insight, London Borough of Bexley) updated and expanded the overall Economic Assessment of Bexley in early 2018.

Summary

Bexley is a London Borough to the South East of the Capital and is considered a commuter area that feeds the City of London. The employment rate of those living within Bexley has traditionally been higher than that of London, and often higher than Great Britain as a whole. By September 2017 this figure was 74.7%. It is likely that this employment rate is underpinned by older people working and also by the fact that the Ethnic Minority employment rate is as high for Bexley as their White counterparts; not seen in London as a whole.

The people that live within Bexley do a range of jobs, in terms of the skill level needed to carry out the job. Those people that work within the Borough (and may not necessarily live here) do carry out a range of jobs, but they tend to be of the lower to mid skill level. Also, people working in London, whilst doing a range of jobs, are employed to a higher proportion within the highly skilled jobs. These facts combined could imply that; many people live in Bexley and work in London.

The gender profile of people working within the Borough reflects the population (c50/50), predominantly individuals work full time, while it is noted that those working part time are in the majority female. Considering age, people working within Bexley are split across the entire working age population (16-64) with proportionately more individuals aged 50+ working in Bexley compared to those working in London. Those aged 50+ are often working in part time jobs; 49% of part time jobs are done by a 50+ employee within Bexley.

The most popular industries for people to work within the Borough are: Business and Administration, Retail, and Education. The occupations people have within these industries, are split across all the classifications fairly equally; professional occupations just showing a majority at 17.7% of all roles in September 2017.

Earnings of Bexley residents are generally in line with the London average and residents of surrounding Boroughs. However, when the earnings of Bexley workers are examined, it is noted that they fall below their London counterparts, yet remain similar to neighbouring Borough workers.

By 2016, Bexley residents contributed £20k per head to Gross Value Added (GVA) (a constituent part of Gross Domestic Product (GDP)). The largest contributing industry over time has been 'Distribution', however in 2016 'Real Estate' saw a sharp increase and became the largest contributor for Bexley. Interestingly, a similar rise was noted in the whole of London for 'Real Estate', but 'Finance and Professional' occupations are generally contributing the most to their GVA.

Bexley Demographics – Who lives in Bexley?

Bexley is a London Borough to the South East of the City of London



In 2017 the Greater London Authority (GLA) projected that of the 9 million people that live in London, 247,200 individuals reside in Bexley; comparable to the other outer London Boroughs, and near neighbours of Greenwich (282,800) and Havering (256,200)¹. Since 2011, London has seen population growth of 8% (c680,000) whereas Bexley has seen a 6% growth (c14,000).

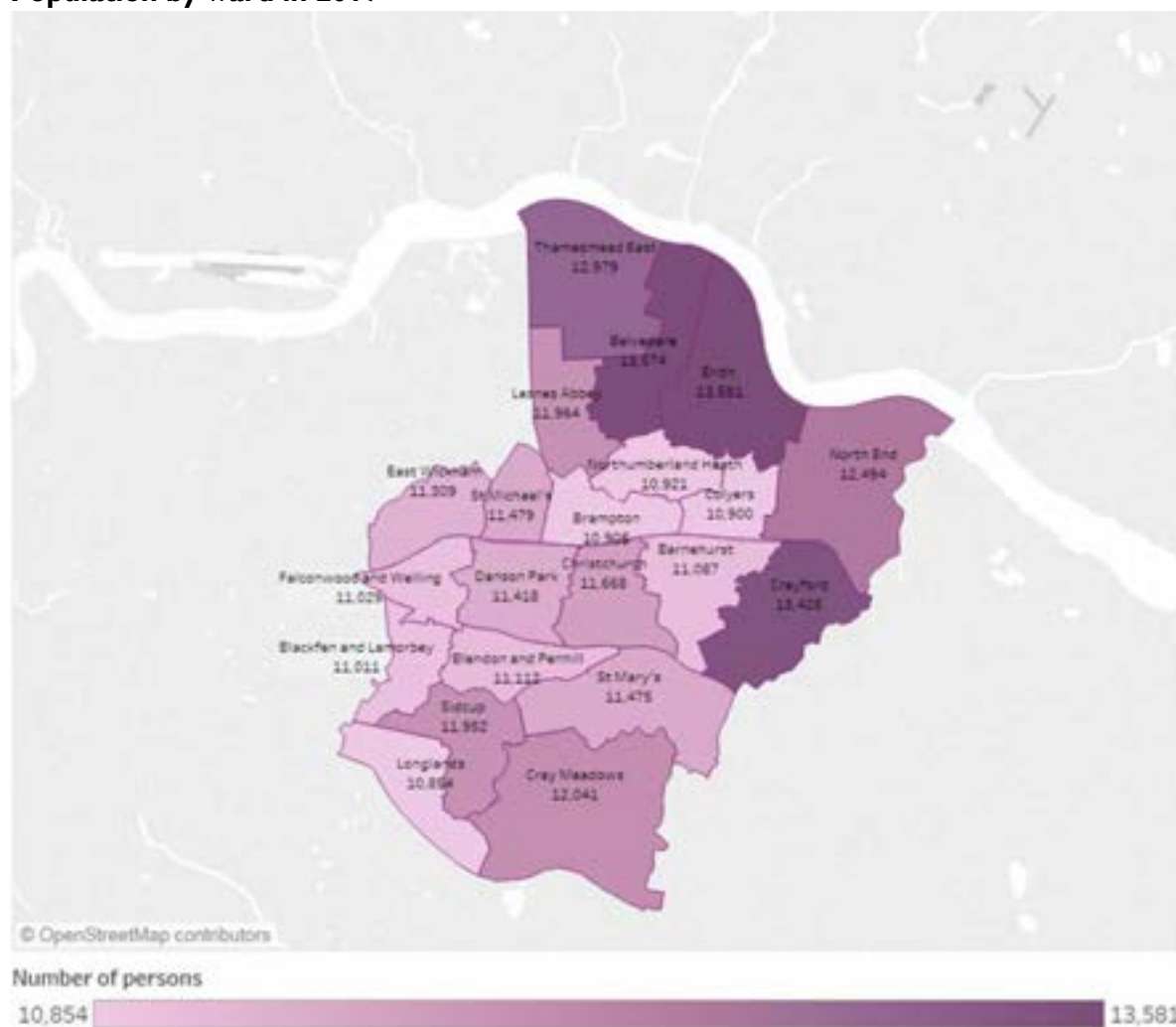
The majority of Bexley residents are White (78%)² while 22% are from Black and Minority Ethnic (BME) group backgrounds, with Black African comprising the largest proportionate share (9%). 23% of Bexley's population¹ is under 18, and 60% is of the population is aged 18 to 64. The over 75's make up 8%. This trend is seen across Outer London, with the whole of the Greater London area seeing similar patterns but slightly more people aged 18 - 64 (66%).

The over 75's are anticipated to grow by 90% between 2017 and 2050. This will see the number of individuals aged 75+ living in the Borough rise from 20,000 (in 2017) to 37,000 by 2050.

¹ GLA November 2017(base 2016) housing led population projections (rounded)
(<https://data.london.gov.uk/dataset/projections/>)

² GLA's Ethnicity projections for 2017, base 2016.

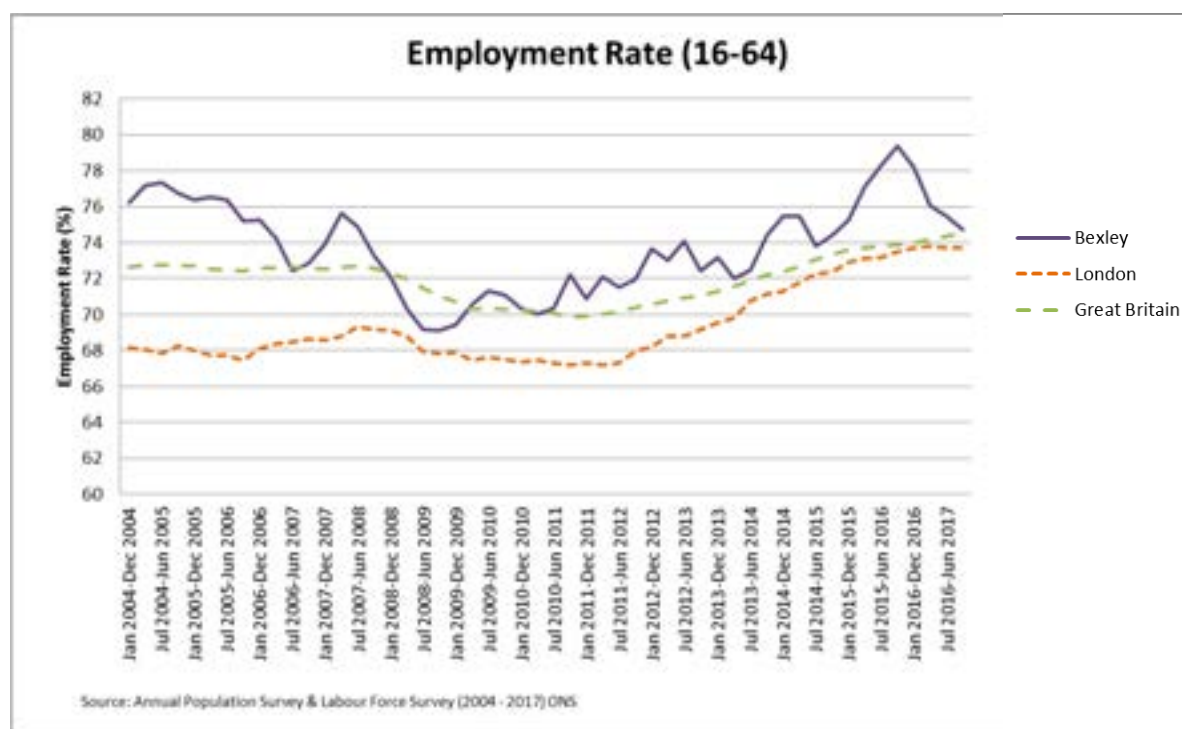
Population by ward in 2017²



This map shows pictorially how the population of Bexley is split across the wards in 2017. As can be seen by the darker colour the wards with the largest population are in the North; Belvedere, Erith and Thamesmead East. Crayford also stands out as having over 13,000 residents in 2017.

Bexley Employment – Who works in Bexley? (*Resident analysis*)

By the end of September 2017 the employment rate (16-64 year olds) for residents of Bexley stood at 74.7%³, compared to 73.7% for the whole of London. The comparative figure for Great Britain was 74.5%. For Bexley, this has fallen from the highest level seen a year ago (Oct 2015-Sep 2016) of 79.4%.

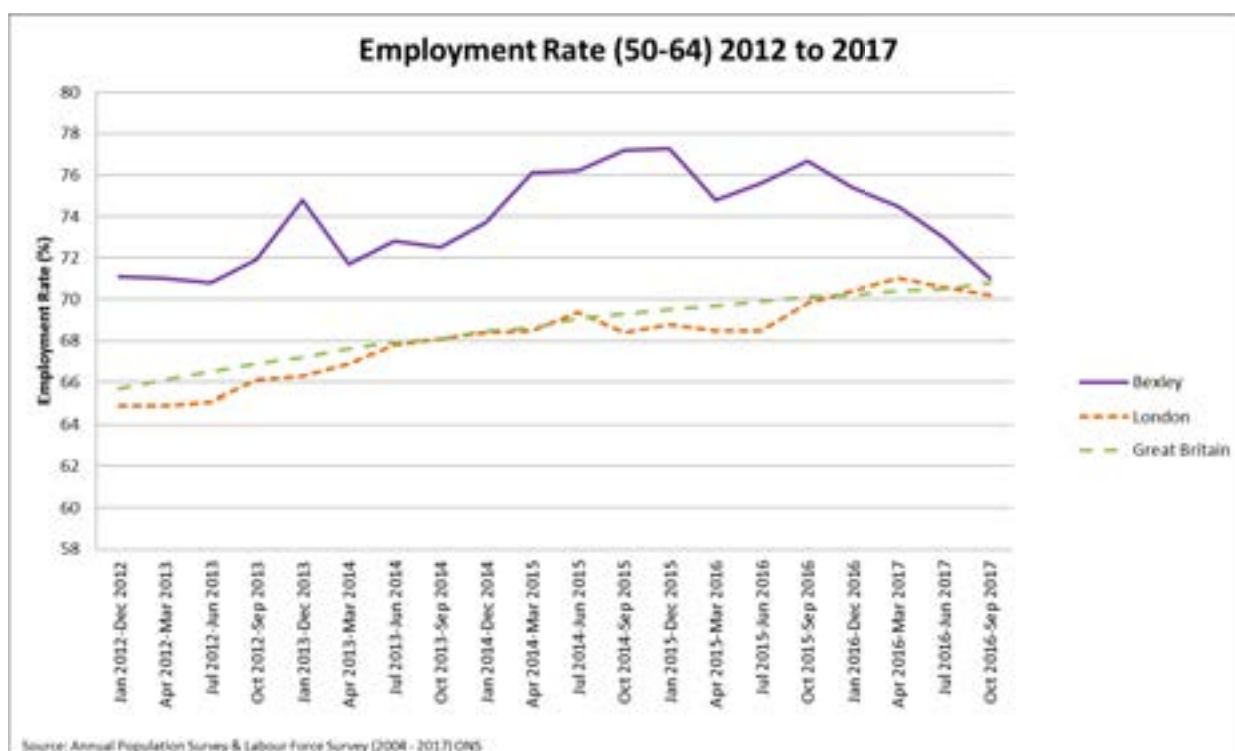


Bexley has traditionally had a higher rate of employment than London, but since 2011 the rate for London has been growing faster than Bexley. In fact, Bexley has seen a decline for the last four reporting periods; Jan 2016 – Dec 2016 until Oct 2016 – Sep 2017.

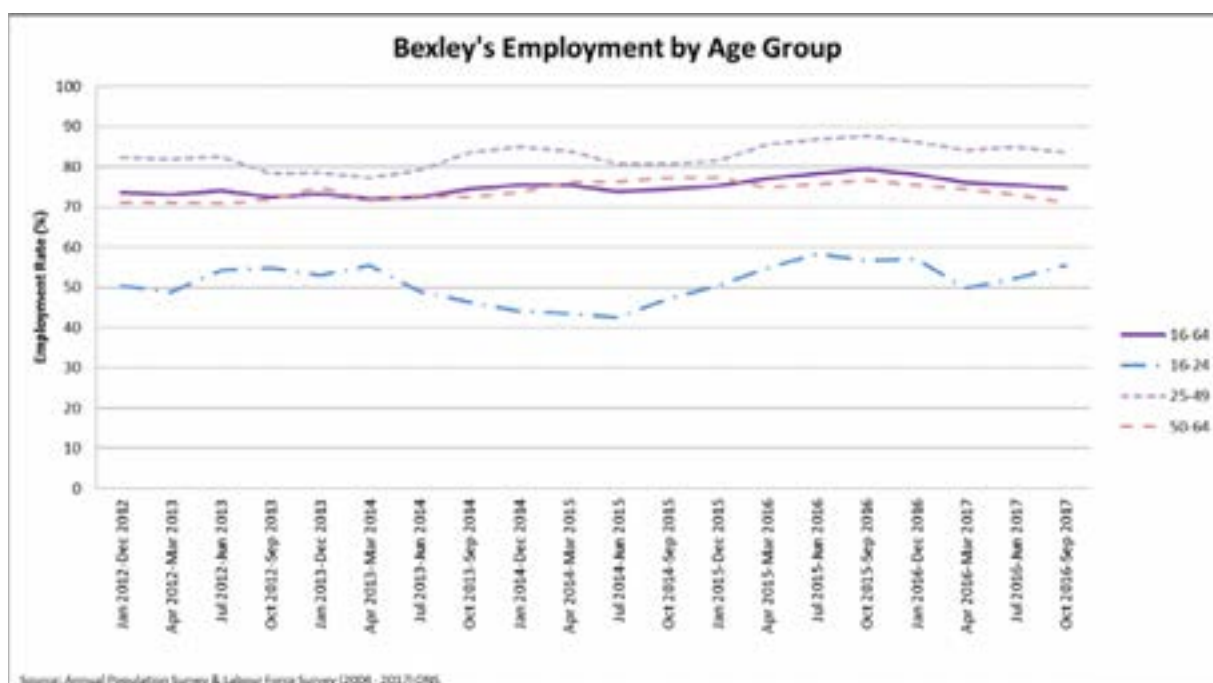
Note: The school leaving age rose to 18 during 2015 however, employment rates are still calculated for those aged between 16-64. In time this will change however, it is likely that the change in employment rate since 2015 has been influenced by this law adjustment.

Examining the data which looks at employment by age-band illustrates how Bexley has higher rates of employment among those aged 50-64 compared to London and Great Britain. The last few recorded periods, shown in the chart, see the rate for Bexley falling to be in line with London and Great Britain. By looking over the entire time period shown, Bexley has a more variable rate than the other areas, and this is simply survey fluctuations being shown and the long terms trend is a better indicator of how well Bexley performs for employment. Other age bands, where there is no standard trend for Bexley being above or similar to London, can be found in the Appendix.

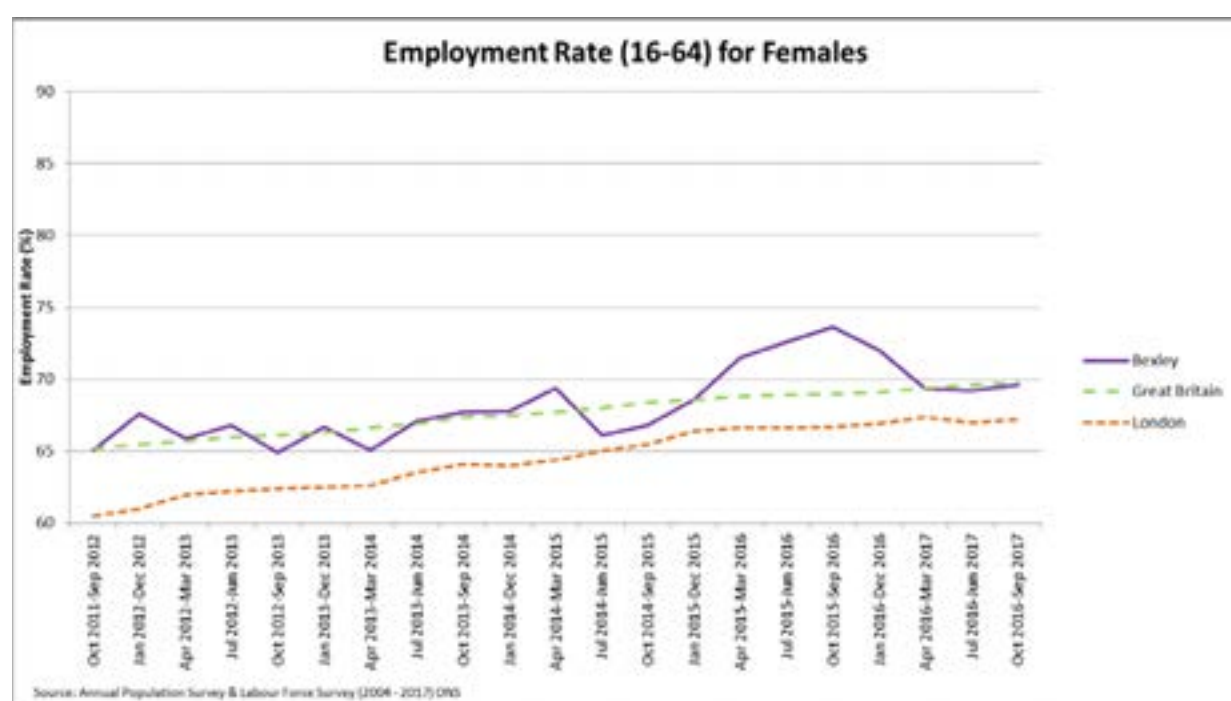
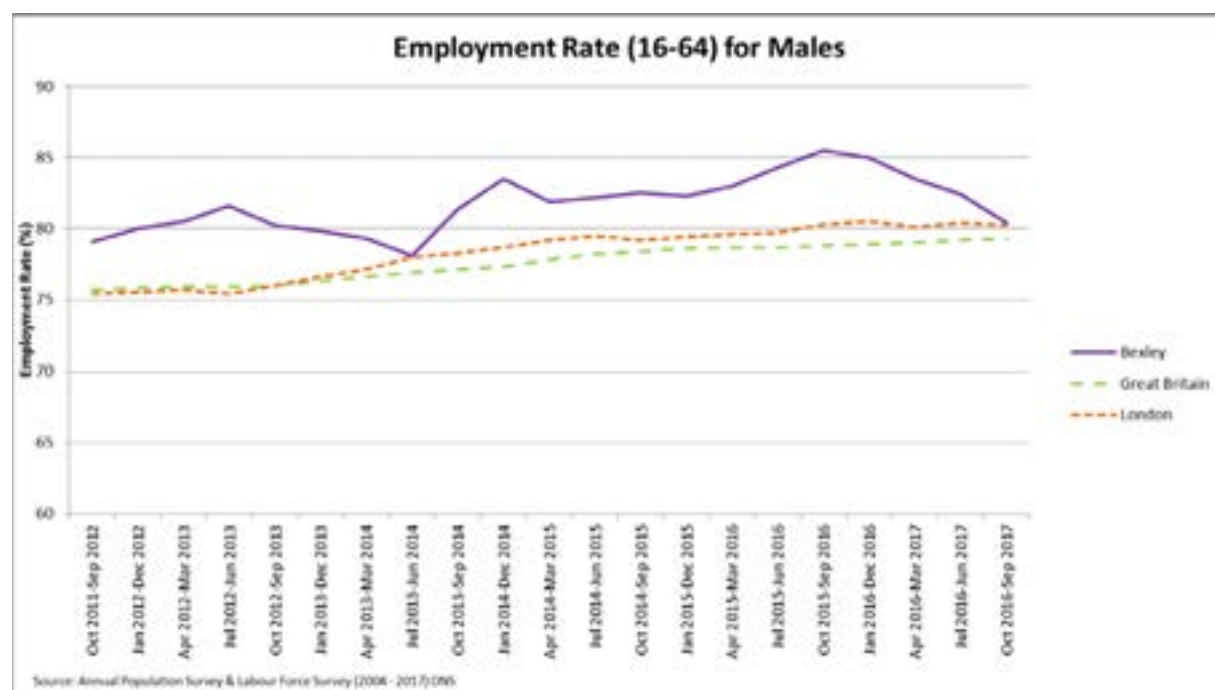
³ Source: Annual Population Survey (APS), ONS – via NOMIS (<https://www.nomisweb.co.uk/>)



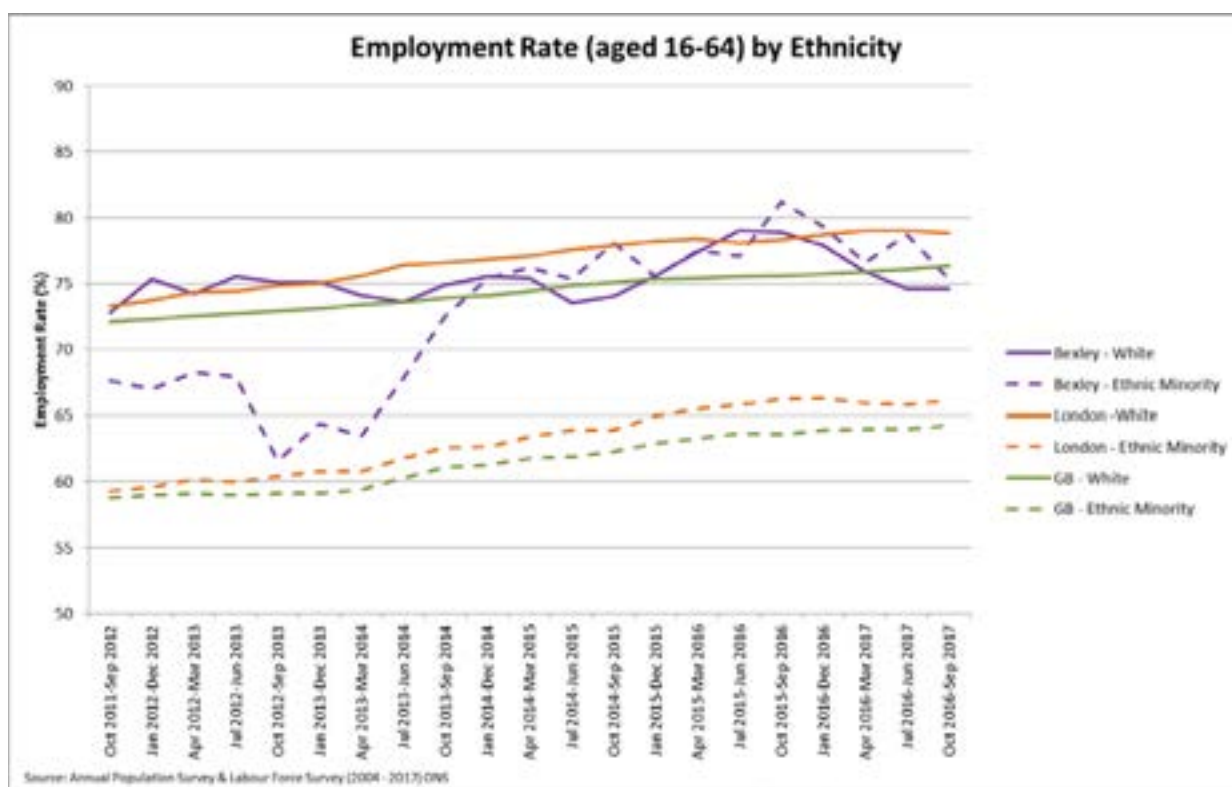
As we have already seen Bexley has an ageing population, and a higher proportion of older people than London. We can therefore surmise that Bexley residents continue working longer than others across Great Britain. However, the reason Bexley's employment rate stands higher than London and Great Britain is likely because the rate for 25 to 49 year olds is consistently high, and as such, keeps our overall rate (of 16-64 year olds) up.



Considering the employment rate of residents, by gender, we can see that males living in Bexley have a higher rate than London and Great Britain, whereas females are more in line with Great Britain but still above London for the last five years. The greater variability shown in Bexley's rate is simply due to the way data is collated via the Labour Force Survey (LFS) where the number of respondents at the local level will in itself be more variable, due to smaller sample sizes than at the larger areas of London and Great Britain. For the period October 2016 – September 2017 the male employment rate for Bexley stood at 80.4% and for females at 69.6%.



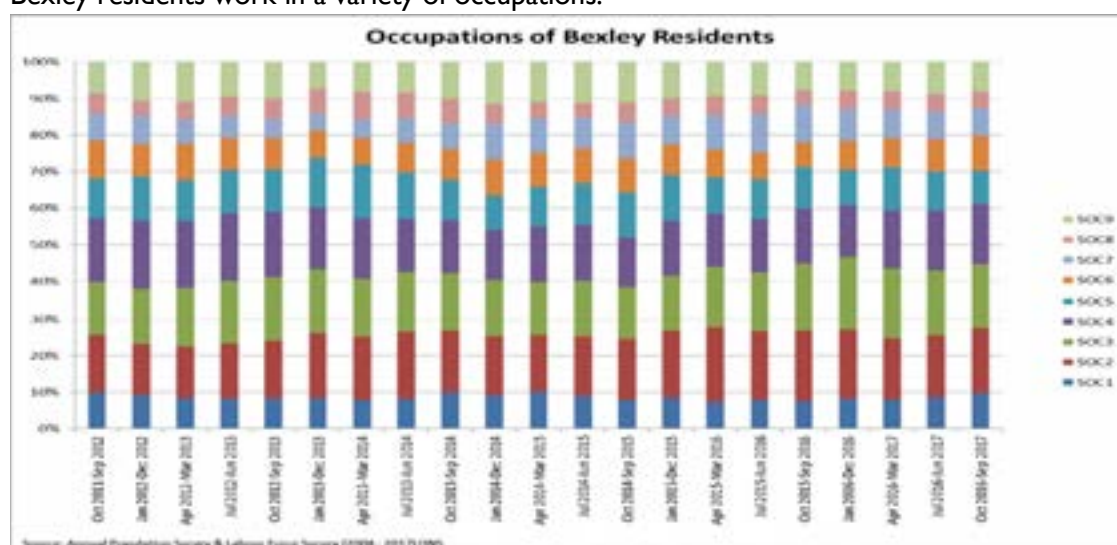
Examining the working age population (16-64 year olds) of Bexley; 48% are male and 52% female. For those in employment 51% are male and 49% female.



Looking at the data which explores employment rate by ethnicity it is apparent that over the last couple of years the rate for the white population and the ethnic minority population in Bexley have both been high (>70%) and very similar. In the period October 2016 to September 2017 Bexley's white employment rate was 74.6% and for the ethnic minority population the employment rate was 75.3%. This was an interesting observation as London and Great Britain have found that the rate of employment for the white population is more commonly higher, by some 10 percentage points, than that of ethnic minority populations.

Occupations and Skills:

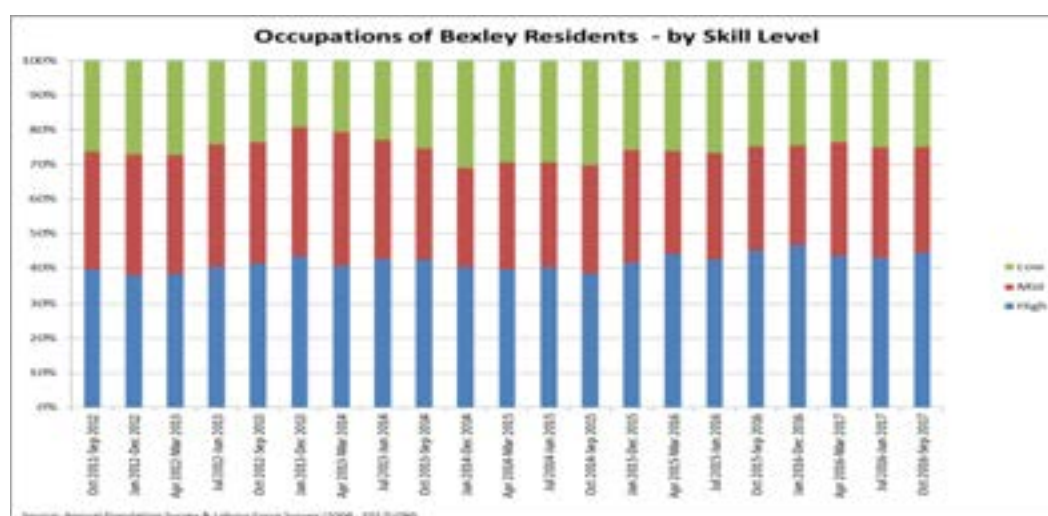
Bexley residents work in a variety of occupations:



Key:

- SOC1 1: managers, directors and senior officials
- SOC2 2: professional occupations
- SOC3 3: associate prof & tech occupations
- SOC4 4: administrative and secretarial occupation
- SOC5 5: skilled trades occupations
- SOC6 6: caring, leisure and other service occupations
- SOC7 7: sales and customer service occupations
- SOC8 8: process, plant and machine operatives
- SOC9 9: elementary occupations

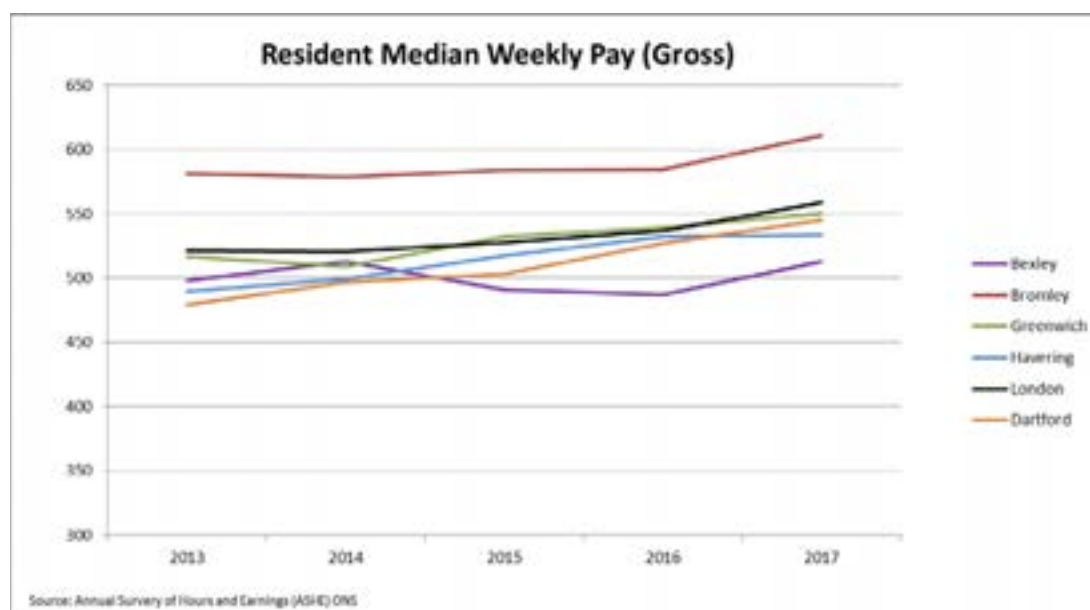
With so many occupations to consider, three groups are often created to simplify the analysis. These groups work by skill level needed to carry out a job. A high skill level is considered needed for SOC 1 to 3, mid-levels straddle SOC 4, 5 and 8, while low level skill commonly is regarded to fall within SOC 6, 7 and 9. Grouping Bexley residents in this way reveals the following:



Interestingly, the most common occupations noted among Bexley residents are those which require the highest set of skills. In the latest reporting period this was 44%.

Earnings:

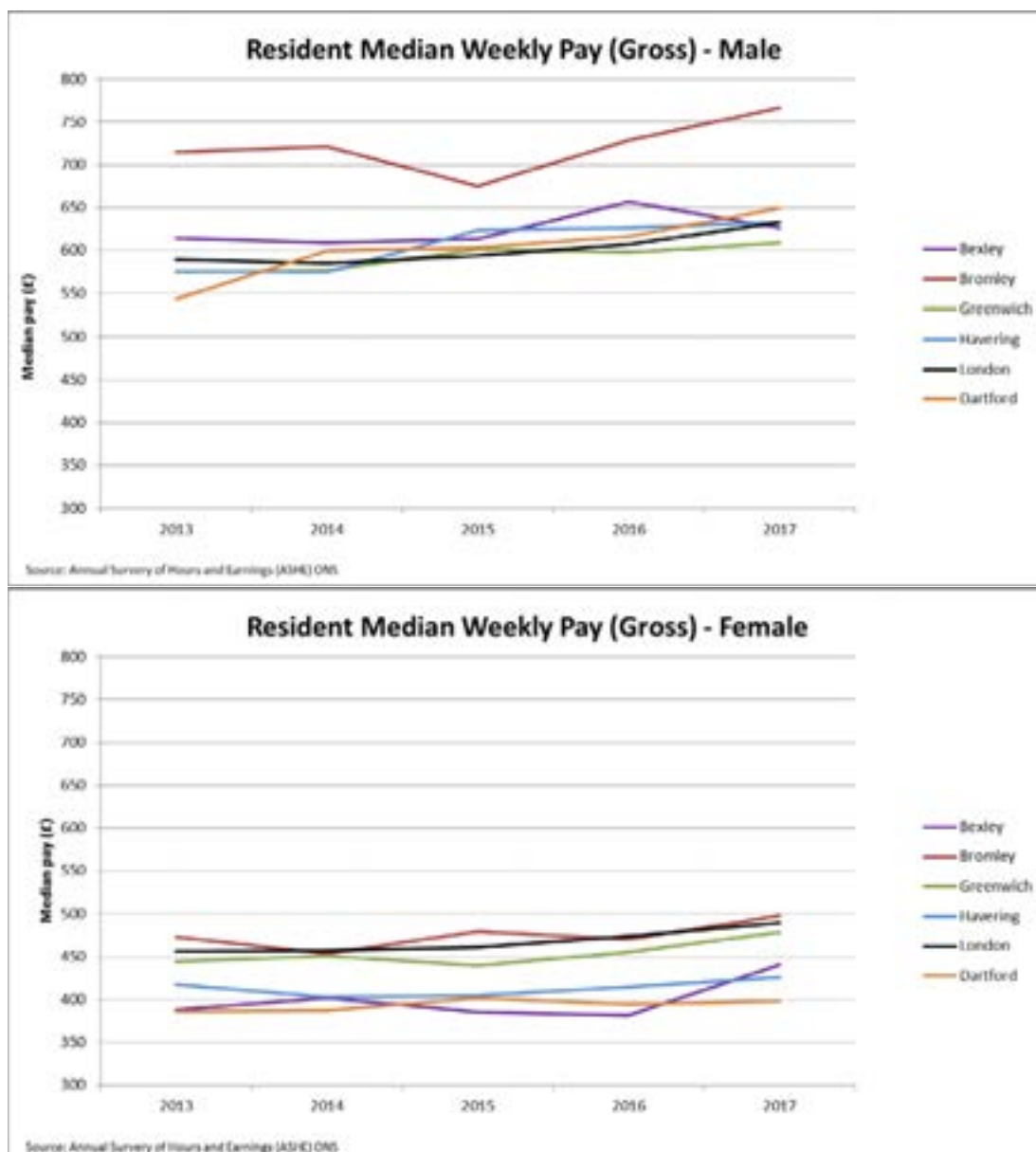
Using the Annual Survey of Hours and Earning (ASHE)⁵, which takes a snapshot of earnings in April each year, taking 1% of PAYE records from HMRC and asking firms directly about employees and pay, we can see pay at the local level.



The figure above considers weekly median pay across London, and our neighbouring Boroughs. In 2013 Bexley residents ranked 22 out of the 33 London Boroughs for workers; in terms of weekly pay. By 2017, Bexley had fallen to 26th place. In this same time-frame, median weekly pay had increased by 3% for the workers residing in Bexley.

ASHE⁴ data also provides us with full time and part time splits and has the ability to examine gender differences. The data actually allows us to consider both gender and hours together, for example full time male employees. However, at this breakdown the sample sizes from the survey become small and variation in the trend data is more likely to be caused by changes in the sample as opposed to real changes, and as such is not included in the current analysis.

⁴ Annual Survey of Hours and Earnings (ASHE) ONS, downloaded from NOMIS



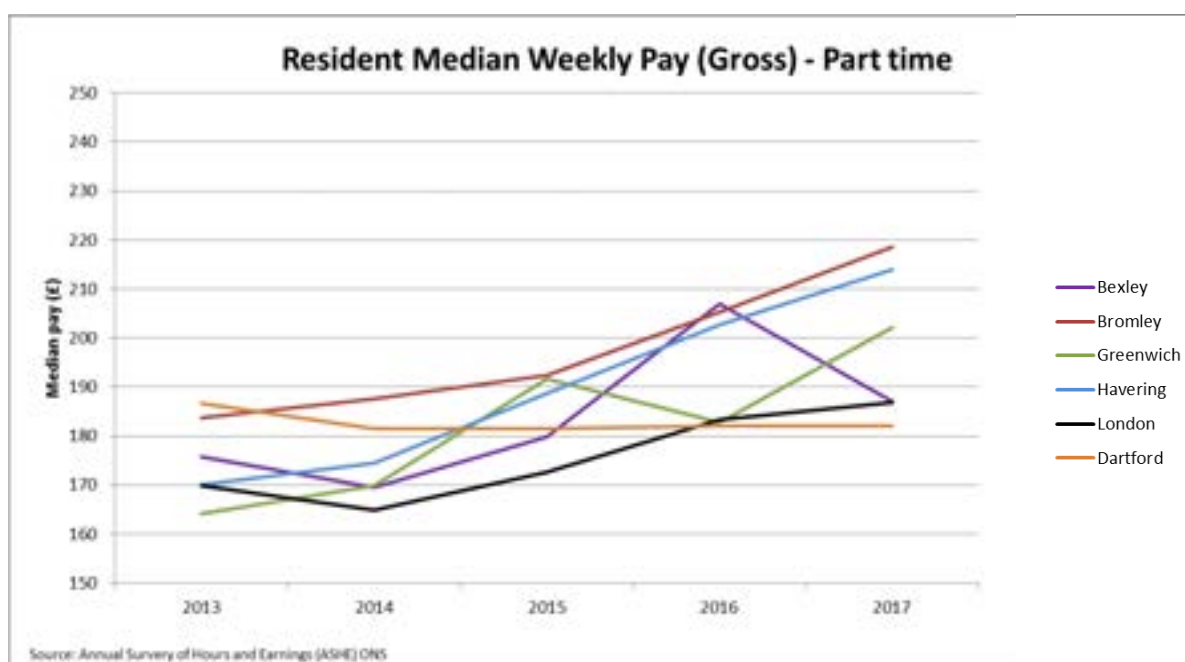
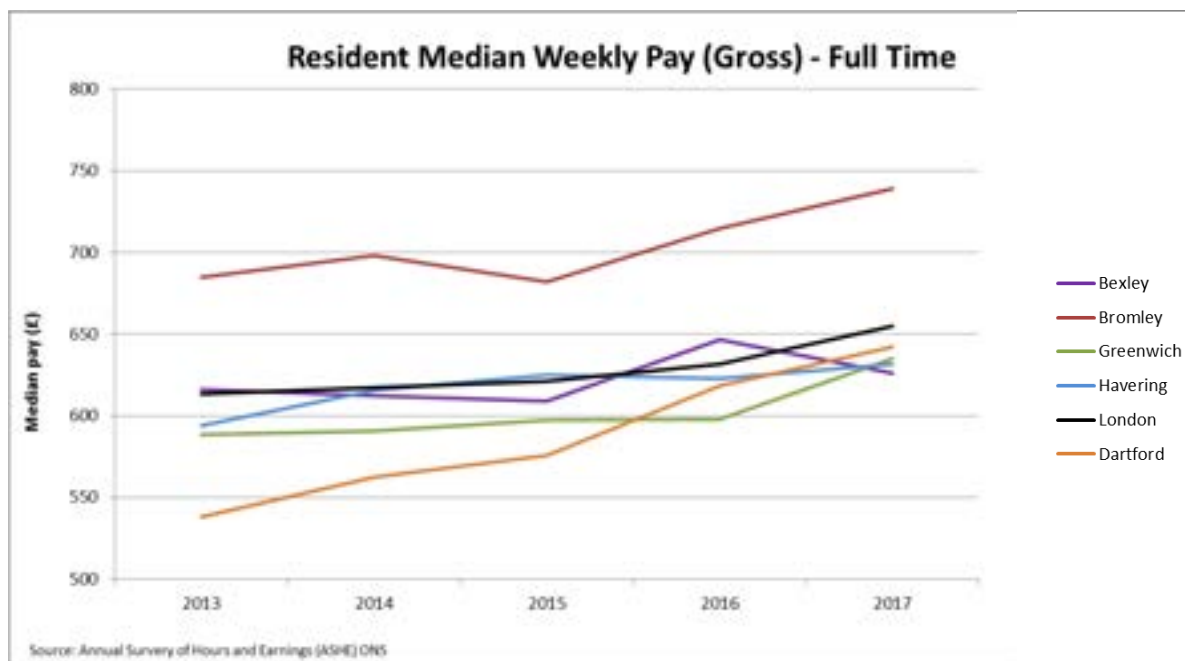
Evidently, the above two figures demonstrate that the median pay of female residents who live across London is lower than that of their male counterparts. Females living in Bexley, Dartford and Havering⁵ are the lowest of those compared. In 2013, Bexley men ranked 12 out of all London Boroughs; following a 2% increase in pay by 2017 they then ranked 17. For females, living in Bexley, in 2013 they ranked 29 out of all London Boroughs; by 2017 after receiving a 13% increase, this ranking had risen to 24.

Turning to look at full- and part-time workers, we note that Bromley still remains higher than London and the other Borough's considered. Understandably, part-time pay is less than full-time pay in all areas and the trend over the last few years for Bexley is similar for both.

⁵ Small sample sizes – lead to wider confidence intervals for any Borough results

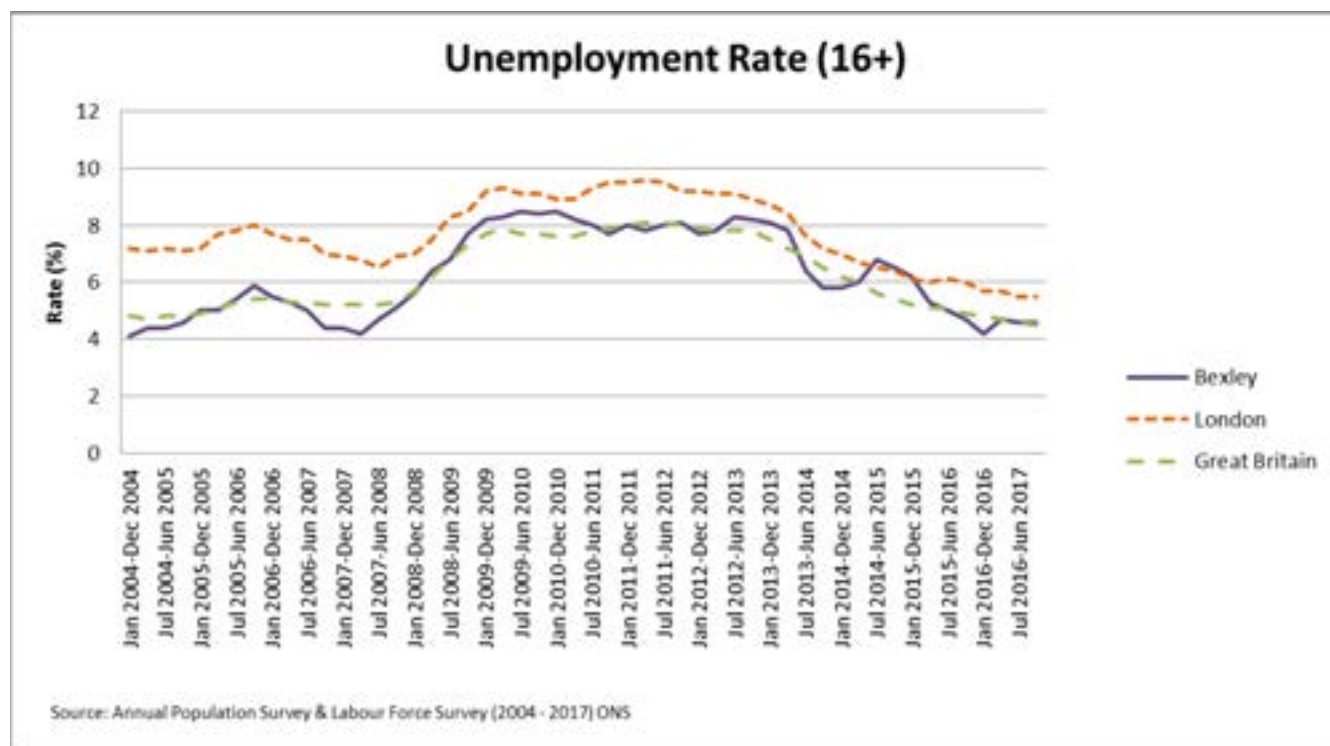
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/qmis/annualsurveyofhoursandearningslowpayandannualsurveyofhoursandearningspensionresultsqmi>

Whilst data is available for gender and full-time/part-time splits, the sample sizes become very small and discrepancies in the data are more likely to be due to sample size rather than true trends. Thus no further data breakdown were undertaken here.



Bexley Unemployment and Inactivity

Unemployment in Bexley has remained relatively low with the rate being 4.6%⁶ for the latest period Oct 2016-Sept 2017. For the majority of time Bexley's rate has been below the London rate of unemployment and relatively in line with the unemployment rate for Great Britain. There was a short period at the end of 2015 where Bexley's rate just crept above London's for three quarters of reporting. However, by the year ending September 2017 London's unemployment rate was 5.5%; 0.9 percentage points above Bexley.

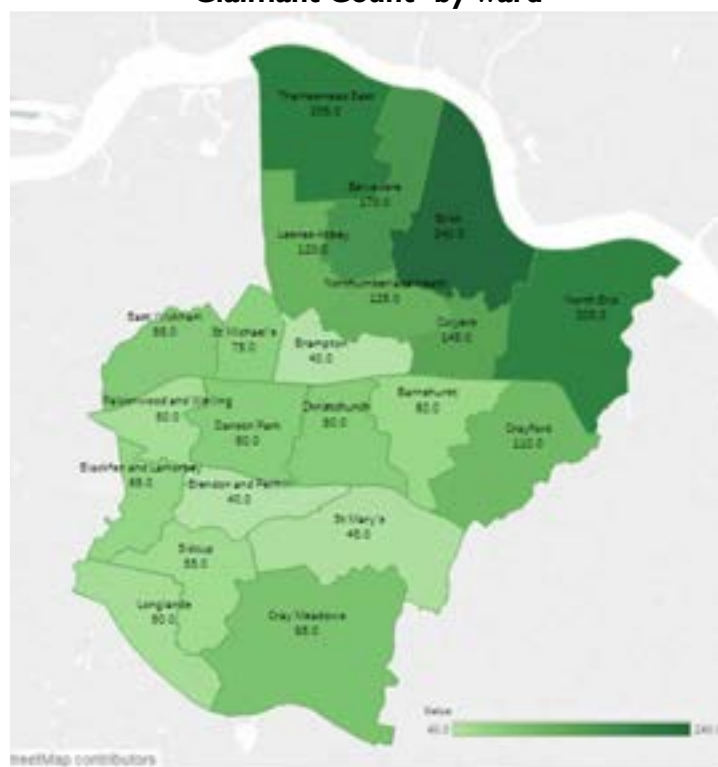


This measure of unemployment is from the Labour Force Survey (LFS), an alternative measure can be considered by looking at the number of people who claim unemployment benefits. Currently, for Bexley this is Job Seekers Allowance (JSA). The rollout of Universal Credit is set to reach Bexley in October 2018 which will see the gradual phasing-out of JSA.

Bexley's rate of Claimant Count (those people claiming an out-of-work benefit, who are looking for work as a proportion of the 16-64 year old population) has been lower than London and Great Britain for the last 10 years whenever figures have been available.

⁶ Unemployment rate is the number of people (aged 16+) who are unemployed as a proportion of the economically active population (aged 16+). The economically active population is defined as those in employment plus those who are unemployed.

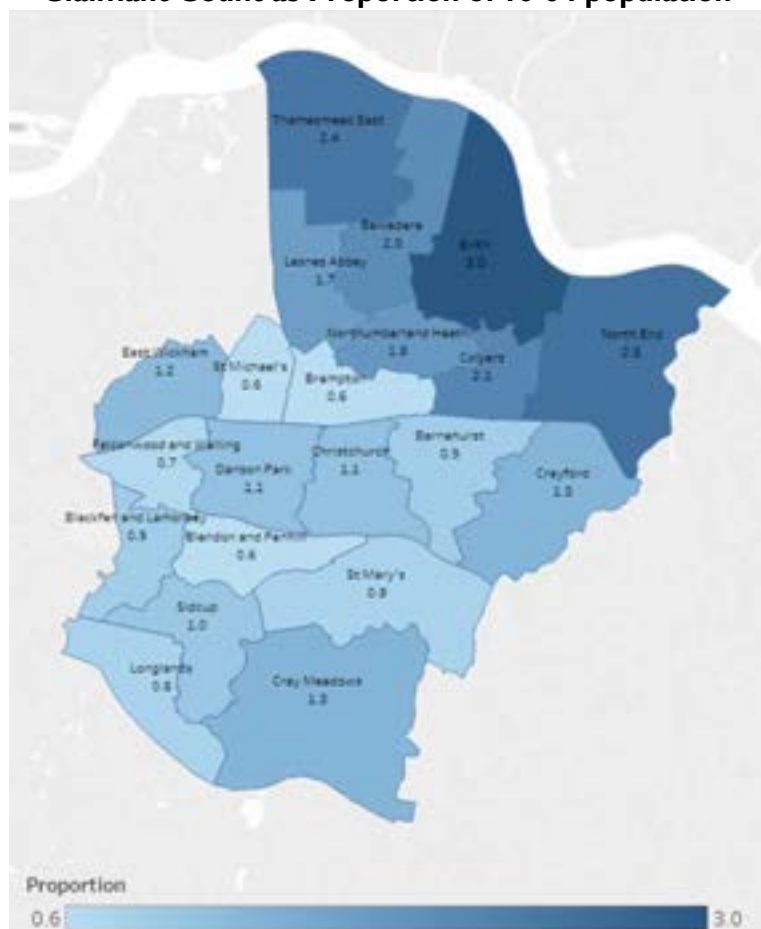
Claimant Count⁷ by ward



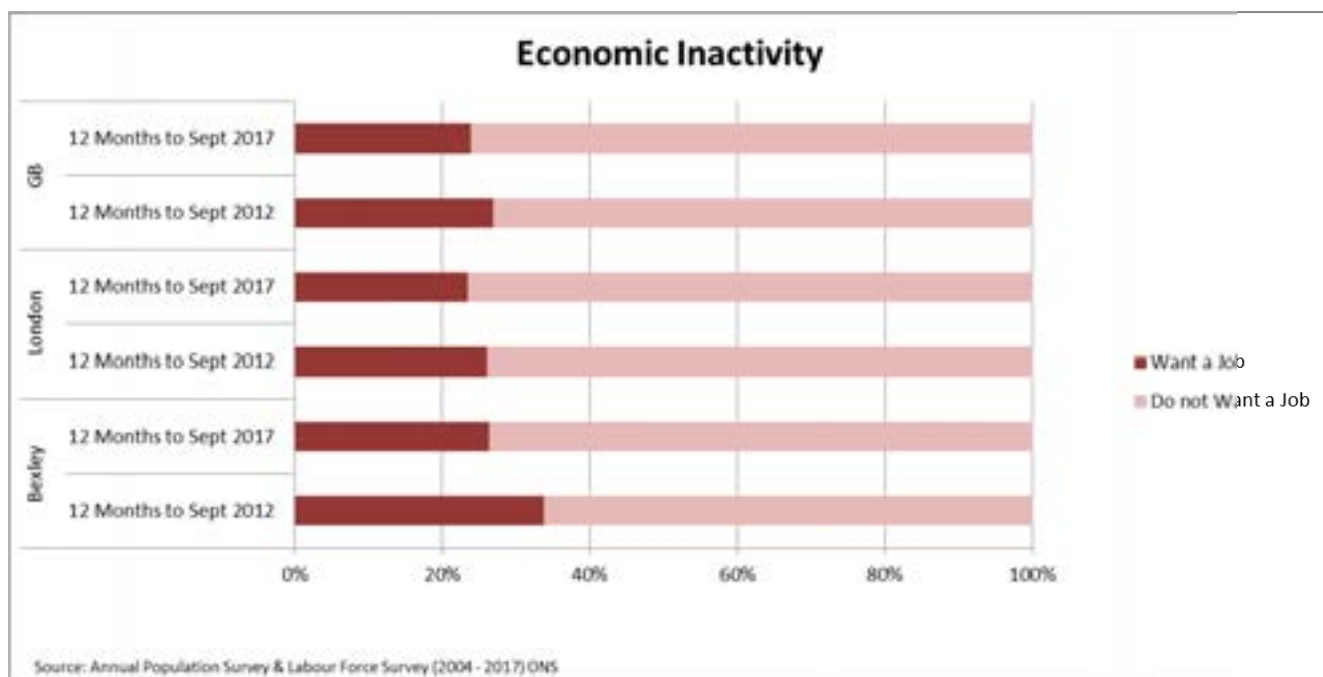
⁷ Claimant Count from DWP – downloaded from NOMIS

within Erith ward and they represent 3% of the 16-64 population (based on mid-year 2016 population estimate). Over half of these claimants (145) are identified as being male.

Claimant Count as Proportion of 16-64 population⁶

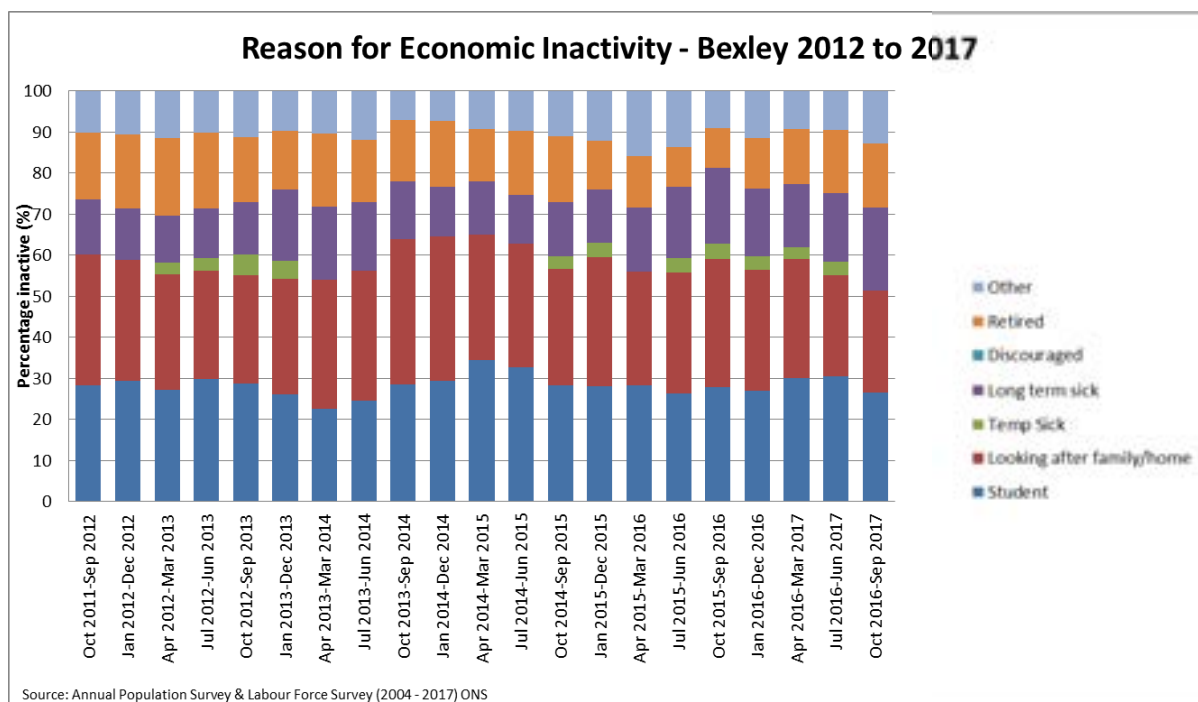


A further measure to understand those people not in employment is Economic Inactivity – *People not in employment who have not been seeking work in the last 4 weeks, and/or who are unable to start work within the next 2 weeks*⁸. The rate is calculated as a proportion of the total working age population (16 -64 year olds). All three geographic areas (Bexley, London and Great Britain) have similar inactivity rates of around 22% for the last few years. Looking at those who are classed as inactive, the majority do not want a job:



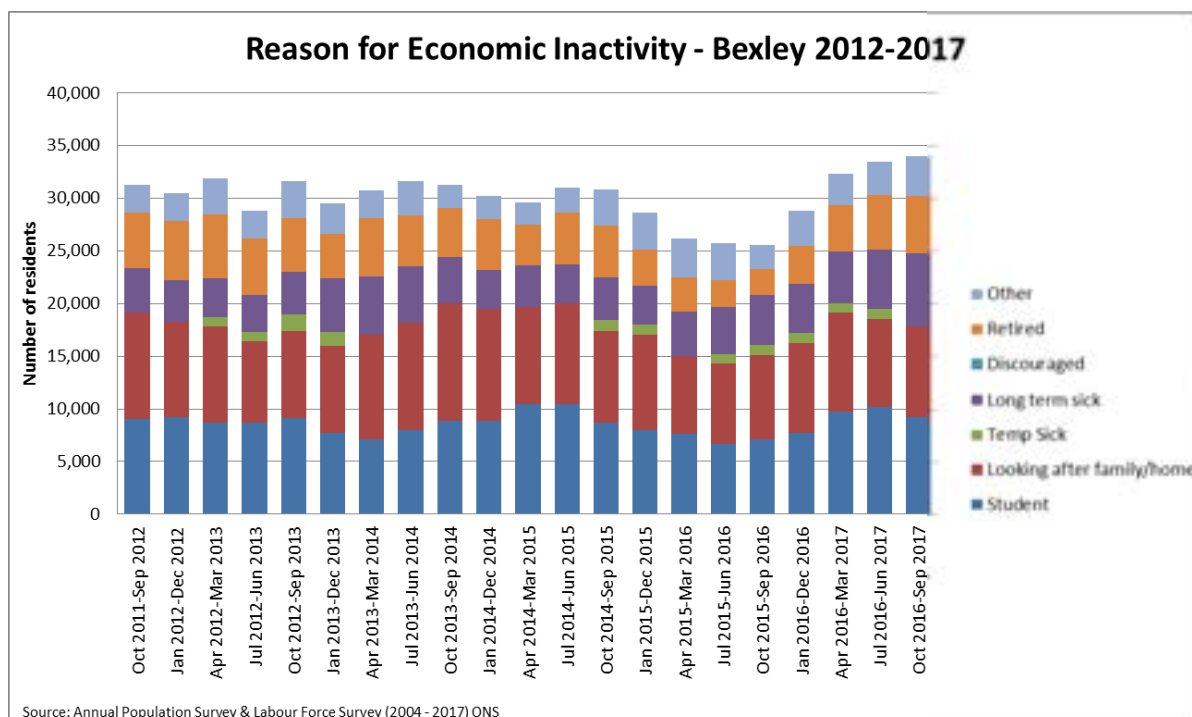
Among all three areas around 75% of people who are economically inactive do not want to find a job. There are many reasons for economic inactivity and people often have good reasons for not wanting to be economically active. For example, they may be looking after family and home. The next figure shows all the reasons recorded as to why people are economically inactive.

⁸ ONS definition <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity>



The two most common reasons people within Bexley report for being economically inactive include being a student or looking after family and home. This is also true for London and Great Britain. In total for the period Oct 2016 – Sep 2017 there were 34,700 people economically inactive in Bexley, comprising 22% of the working age population (16-64 years).

Considering just the number of people, rather than percentage of all economically inactive, for Bexley, gives the following picture: Whilst the most common reasons above account for around 20,000 people, 5,000 people are retired and another 5,000 sick.

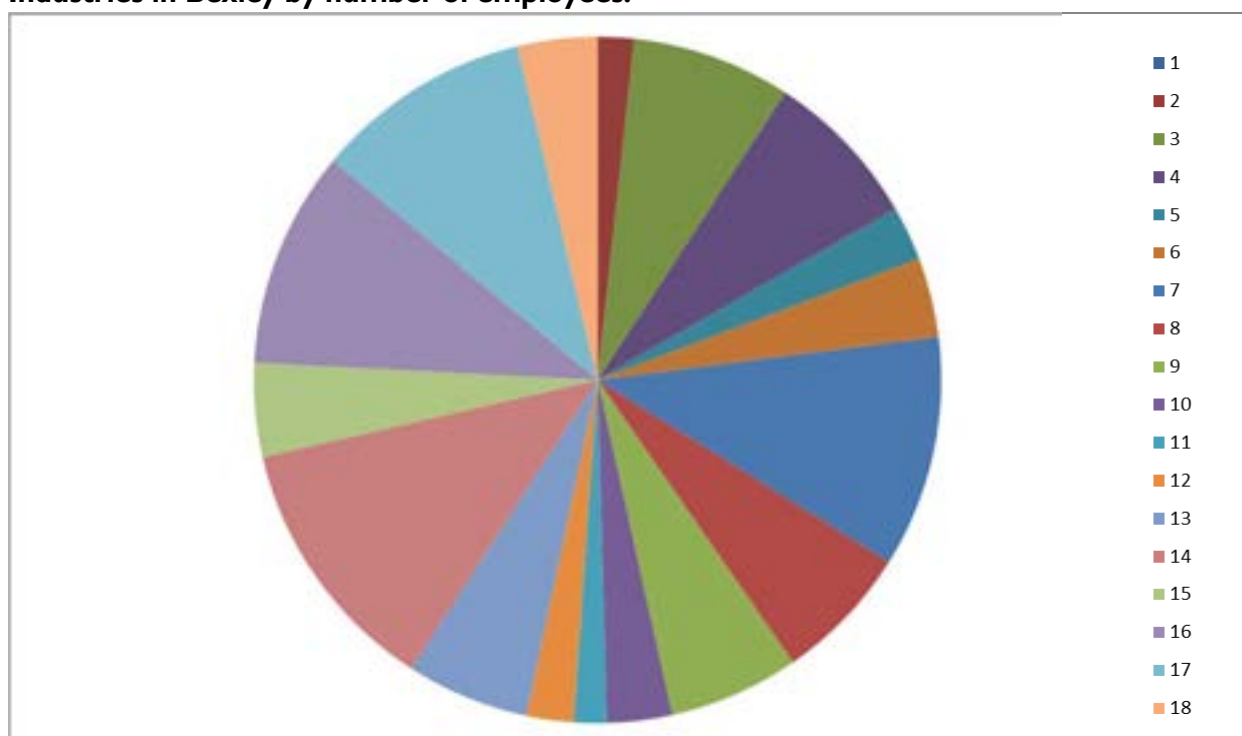


Jobs in Bexley

The Business Register Employment Survey (BRES)⁹ is the official source of employee and employment estimates by detailed geography and industry. It is a sample survey and surveys 80,000 businesses each year. Using this data it is possible to look at which sectors of industry have jobs within the Borough. This can also be broken down to ward level, although some numbers are small and have been rounded thus all figures should be considered as estimates.

The latest data for BRES is up to end of 2016 and at that time there were no industries within the Borough in the Agricultural, Forestry and Fishing Industry. All other major groups have a number of employees within the Borough, as shown:

Industries in Bexley by number of employees.



Key:

- 1 : Agriculture, forestry & fishing (A)
- 2 : Mining, quarrying & utilities (B,D and E)
- 3 : Manufacturing (C)
- 4 : Construction (F)
- 5 : Motor trades (Part G)
- 6 : Wholesale (Part G)
- 7 : Retail (Part G)
- 8 : Transport & storage (inc postal) (H)
- 9 : Accommodation & food services (I)
- 10 : Information & communication (J)

⁹ BRES ONS downloaded from NOMIS. More details on methodology of survey:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/businessregisteremploymentsurveybresqmi>

- 11 : Financial & insurance (K)
- 12 : Property (L)
- 13 : Professional, scientific & technical (M)
- 14 : Business administration & support services (N)
- 15 : Public administration & defence (O)
- 16 : Education (P)
- 17 : Health (Q)
- 18 : Arts, entertainment, recreation & other services (R, S,T and U)

The largest three of these industries (from largest to smallest) are: 14. Business administration and support services, 7. Retail, and 16. Education. As BRES allows us to look at these for each ward within the Borough, the following maps show the more localised picture:

Industry Concentration Maps (in order of size)

Business Administration and Support



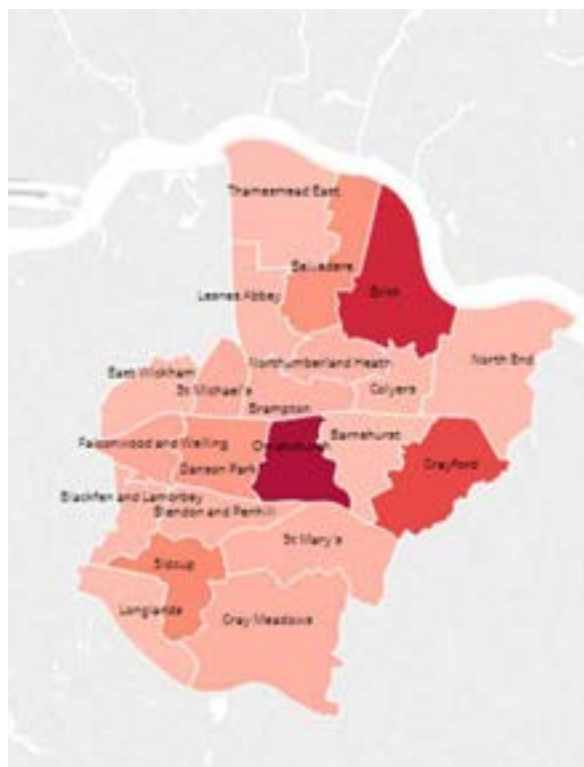
Please note: * Farm agriculture has been excluded from this data (SIC subclass 01000).

Employee Count

35

2,375

Retail



Please note: * Farm agriculture has been excluded from this data (SIC subclass 01000)

Employee Count



Education



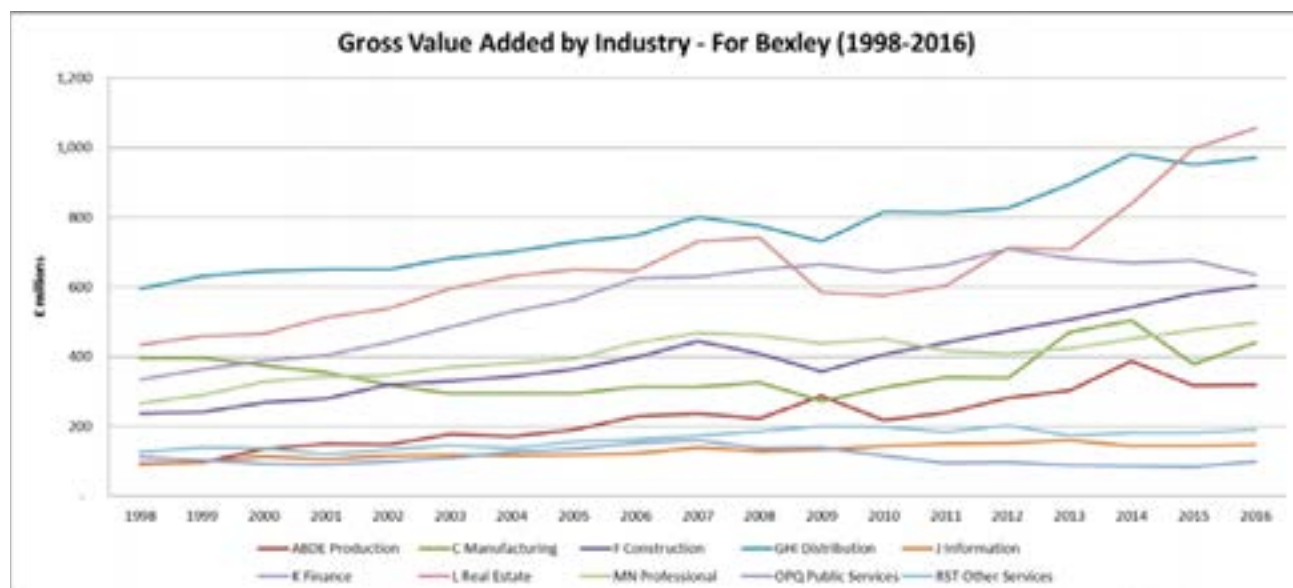
Please note: * Farm agriculture has been excluded from this data (SIC subclass 01000)

Employee Count



Gross Value Added (GVA)

This is a measure of how much value is generated within an area (Bexley is the smallest area these statistics are broken down to), by any unit engaged in the production of goods and services¹⁰. Figures are provided by the Office of National Statistics (ONS). The industrial groups have to be aggregated to a level in order to produce reliable estimates and these groupings show that by the end of 2016 Bexley generated the highest levels of GVA for Real Estate Activities. Until then, 'GHI Distribution' (distribution, transport, accommodation and food industries) had produced the highest level of GVA within the Borough.



The whole of London in 2016 saw a GVA per head of c£200k whereby Bexley had a figure of c£20k per head. Of the Boroughs used as comparators to Bexley earlier, Dartford had the largest GVA per head; £30k per head by 2016. The lowest was Greenwich at £15k per head (a chart showing all comparator Boroughs for the period 1998 to 2016 is in the Appendix). As a proportion of London's total GVA, Bexley provides just 1%. In terms of pound values Bexley provides £4,966m of London's £408,500m.

Calculating the proportion of Industries within Bexley that contribute to those specific industries in total to London's GVA; Bexley contributes the most for ABDE Production (agriculture, mining, electricity, gas, water and waste), and C Manufacturing at 7% and 5% of London's GVA respectively.

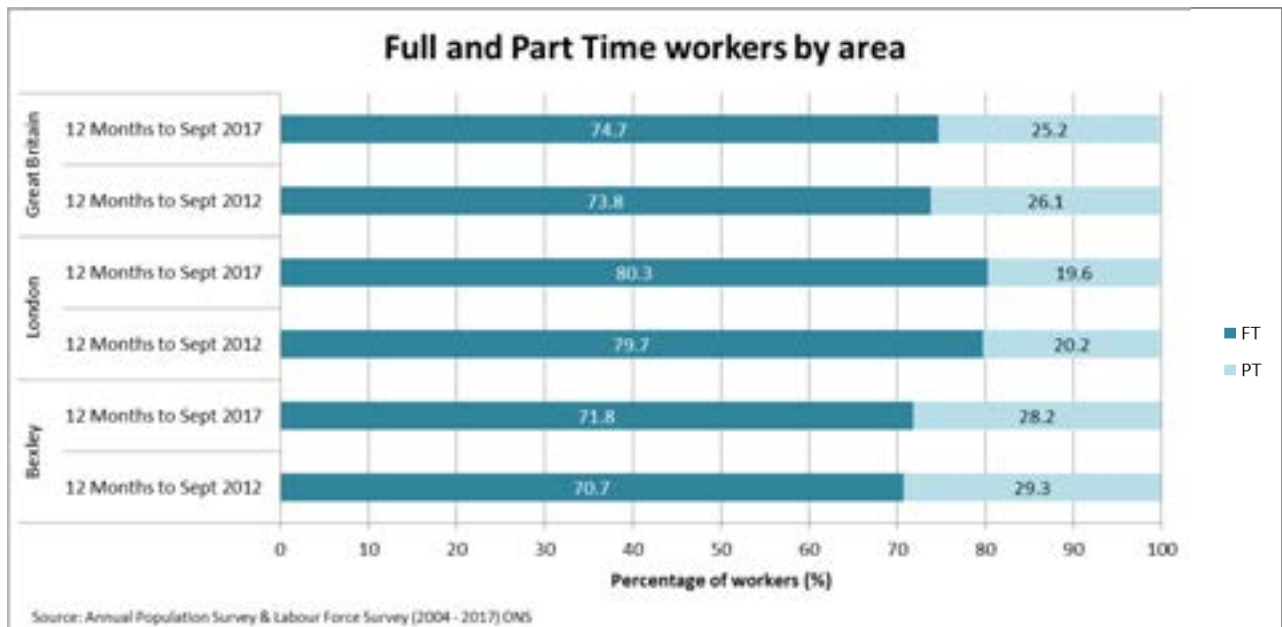
The increasing contribution from Real Estate seen in Bexley over the last few years, has similarly been apparent in London however, it is yet to be the biggest contributor for London of all industries, a place still held by Professional and Administrative services; in 2016 at £72,800m – and accounts for 18% of London's total GVA. (A similar graph to the above for London can be found in the Appendix).

¹⁰ <https://www.ons.gov.uk/economy/grossvalueaddedgva>

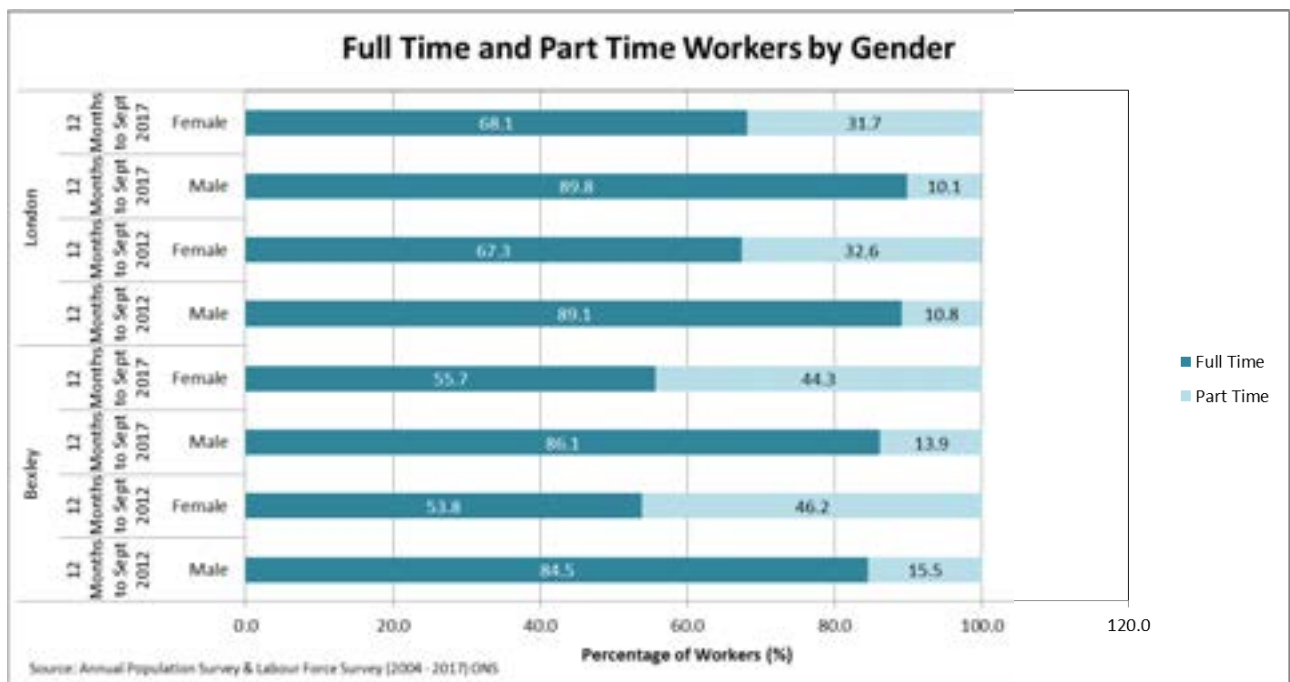
Bexley Employment – Who works in Bexley? (Workplace analysis)

Having looked at the jobs within Bexley, we now look at the people who work within those jobs, the industries they work in, the hours they work, and their earnings. This analysis concentrates only on people who work within Bexley, and takes no account of where they live.

Evidently, most people working within Bexley work full time hours:

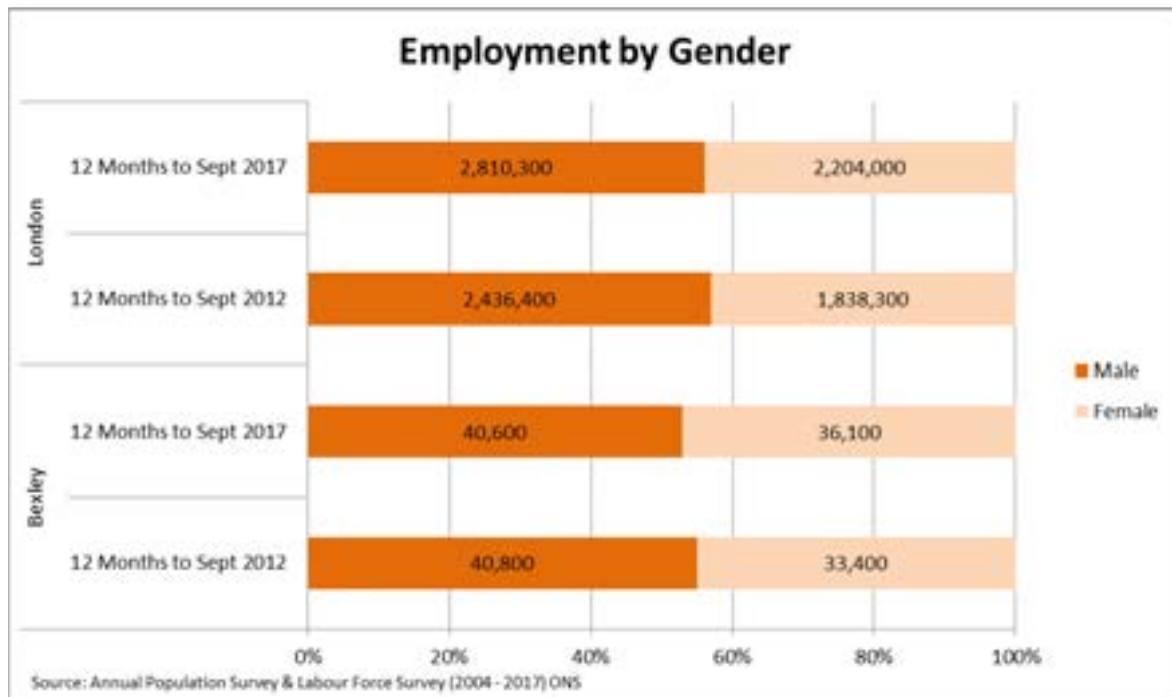


This can also be further broken down by gender (as Bexley was seen to be very similar to Great Britain for full-time and part-time workers, this comparison is not shown on the next graph).

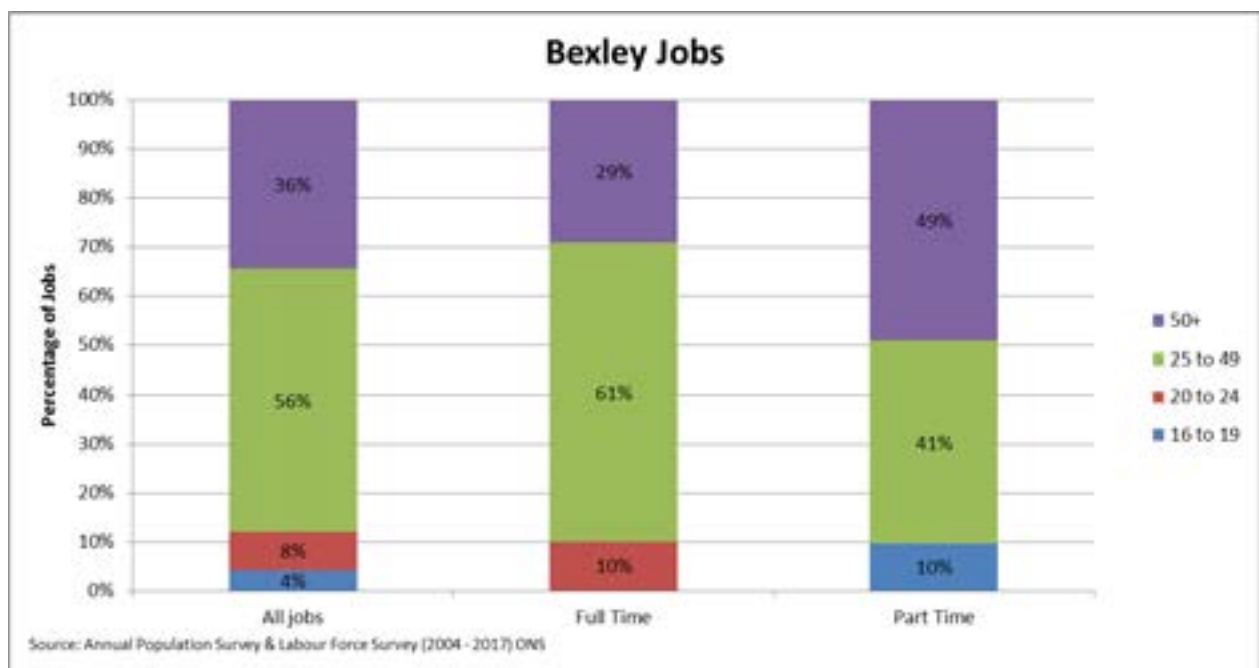


The analysis reveals that in Bexley, Great Britain and London a larger proportion of females are in part time employment, compared to males. For the 12 months ending September 2017, 44.3% of employed females in Bexley were identified as working part-time. This is higher than the proportion across London, which stood at 31.7%.

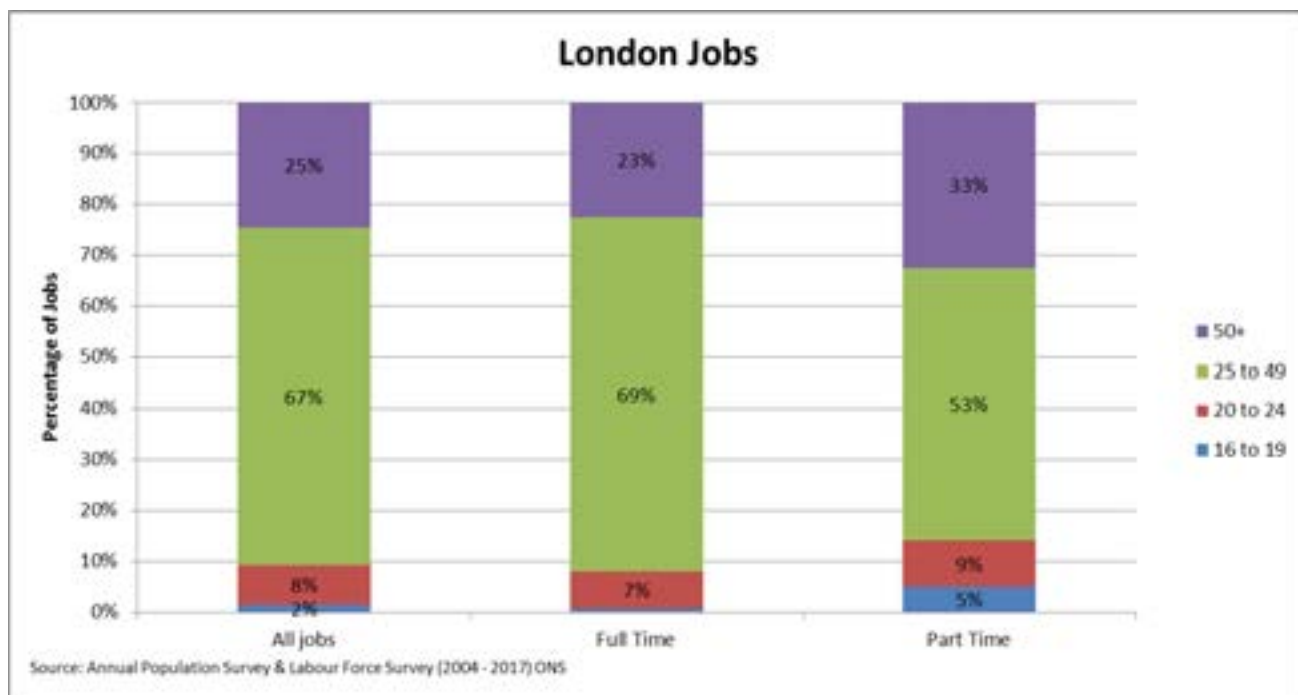
Regardless of hours worked, the total number of males in work, is greater than females, for London, Great Britain and Bexley however, the proportions are roughly equal with around 55% of the workforce being male, and 45% female.



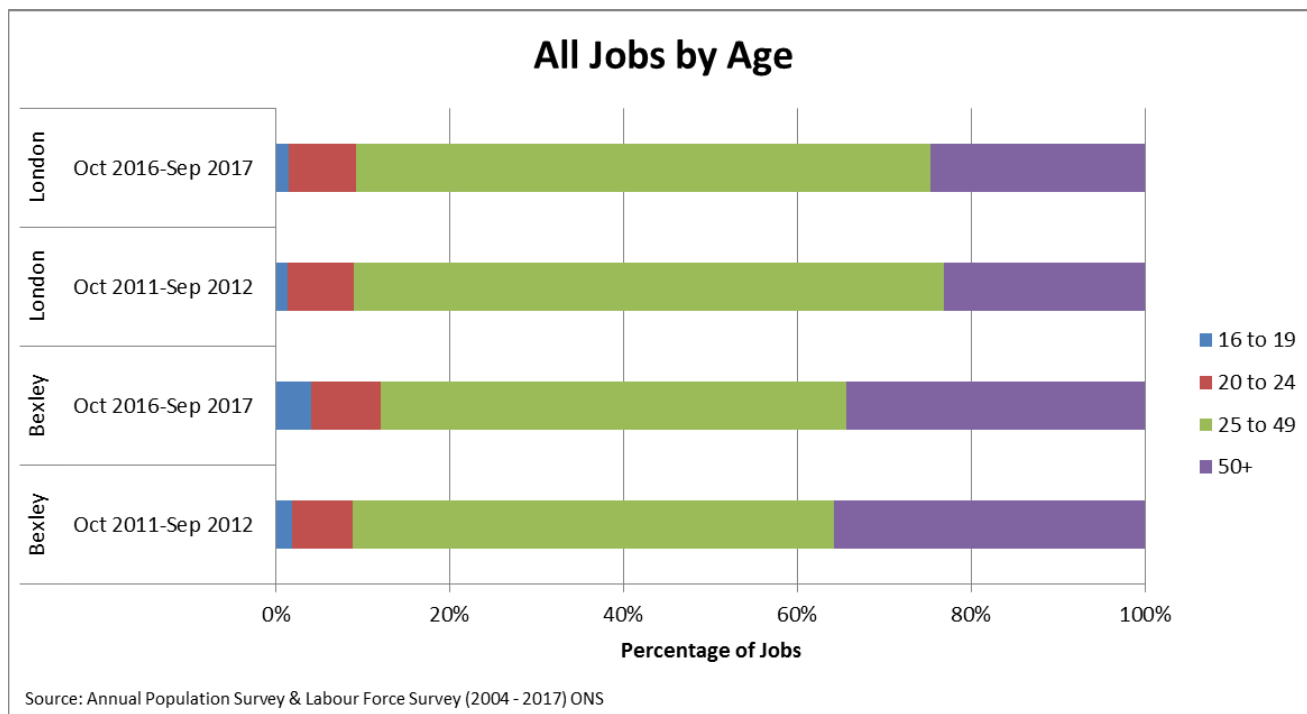
The age groups of people working in Bexley differ by hours worked:



Whilst the majority of full-time jobs in Bexley are held by people aged 25 to 49 (61%), the majority of part-time jobs are held by those in the 50+ age group. This pattern is different to that of London where the age group 25 to 49 is the majority for both full and part-time work:

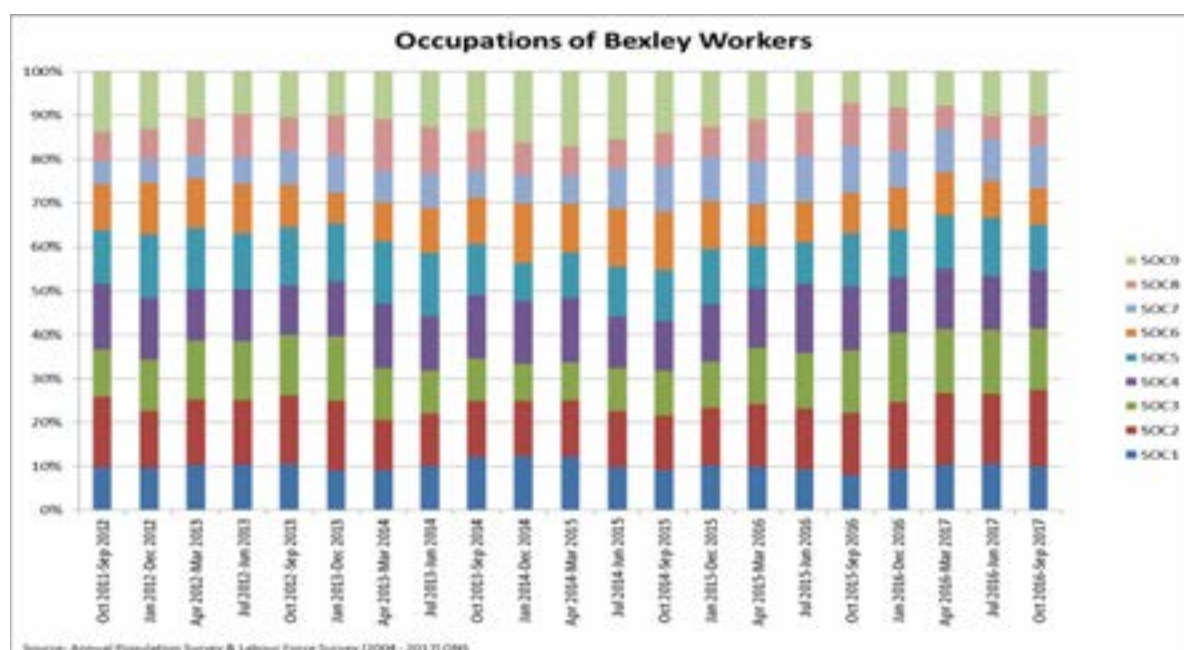


For ease of comparison, looking at just the 'All jobs' category:



As was noted earlier, the employment rate of people over the age of 50 is higher in Bexley than London, showing how proportionately many more jobs in Bexley are being done by those aged 50 years and above.

The occupations people work within Bexley are shown below.

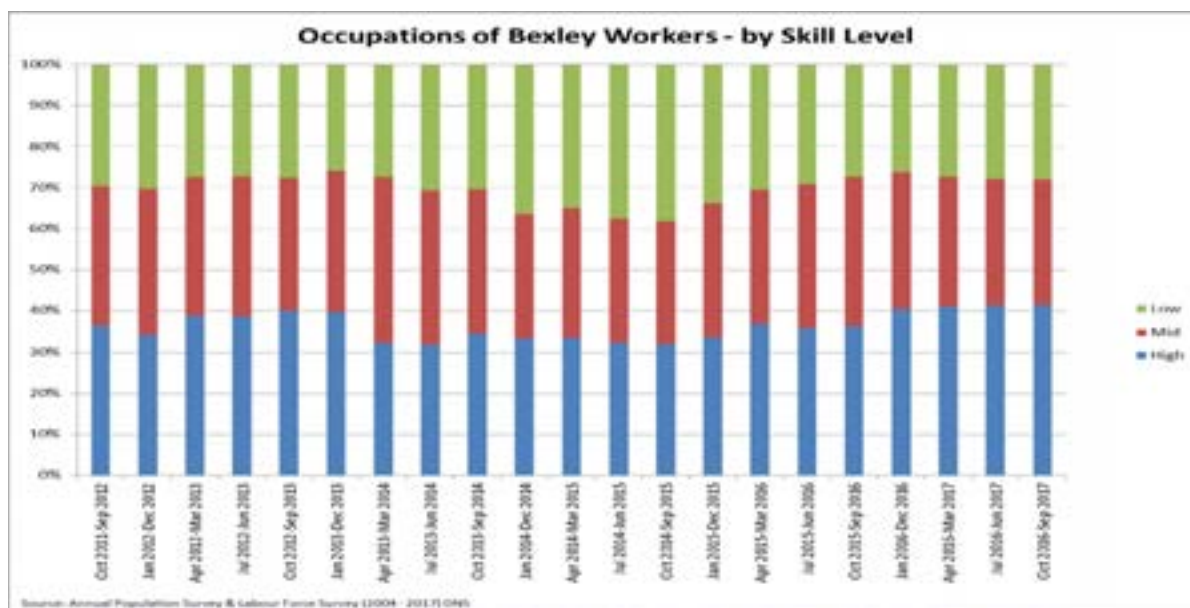


Key:

- SOC1 1: managers, directors and senior officials
- SOC2 2: professional occupations
- SOC3 3: associate prof & tech occupations
- SOC4 4: administrative and secretarial occupation
- SOC5 5: skilled trades occupations
- SOC6 6: caring, leisure and other service occupations
- SOC7 7: sales and customer service occupations
- SOC8 8: process, plant and machine operatives
- SOC9 9: elementary occupations

The largest occupation by the last reporting period shown (Oct 2016-Sep 2017), is SOC2 – professional occupations (17.1%). In fact, a similar finding is true for all residents of Bexley – who don't necessarily work within Bexley – where SOC2 also has the greatest proportion of workers (17.7%) (This graph can be found in the Appendix).

As seen earlier, grouping the occupations by skill level gives a clearer picture of the roles undertaken within Bexley:



Evidently, roughly a third of people working in Bexley work in each of the three categories of occupations. This is quite different to those working in London where we see the majority of people (58% in Oct 2011 to Sep 2012) working in occupations that require a high set of skills.

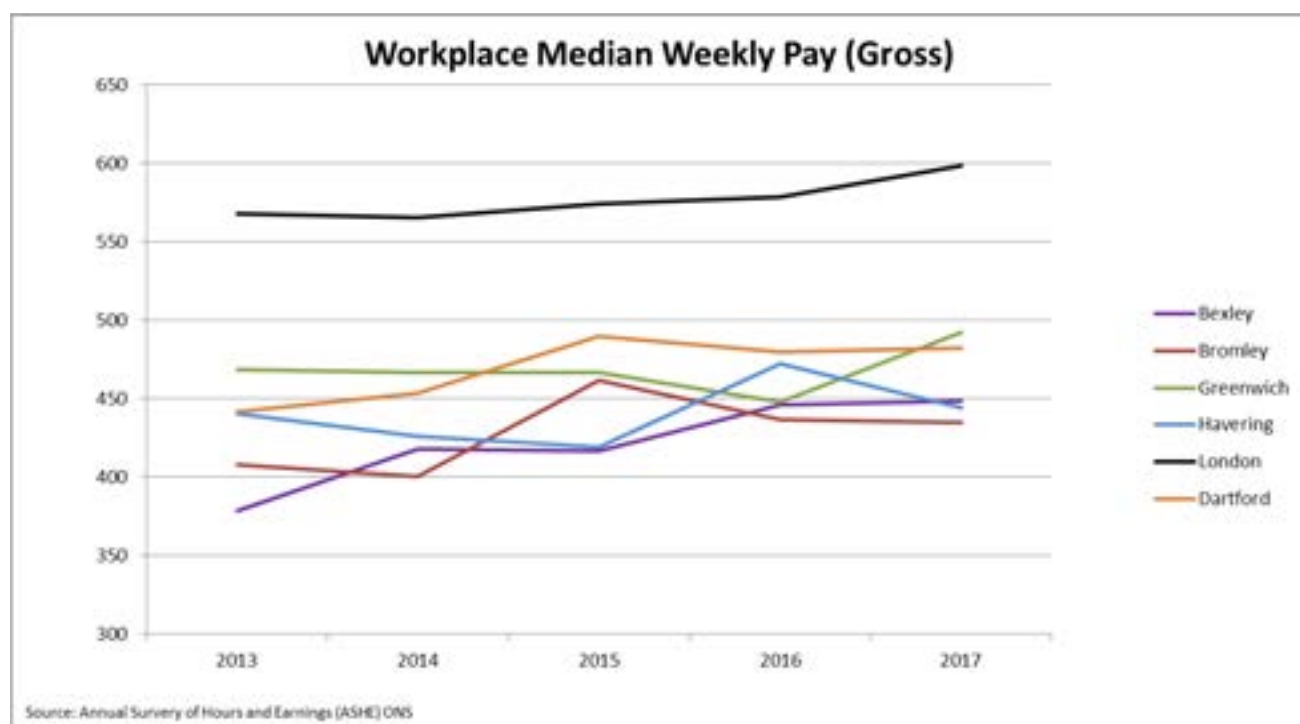


Earlier in this report it was noted that Bexley residents work in more highly skilled jobs and as there are more of these in London, we can surmise that people live in Bexley and work in London – unsurprising for a commuter Borough. There is a possibility that if there were more highly skilled jobs on offer in the Borough, more residents would opt to work locally¹¹.

¹¹ There is no evidence to back this up, based on Insights interpretation of the data.

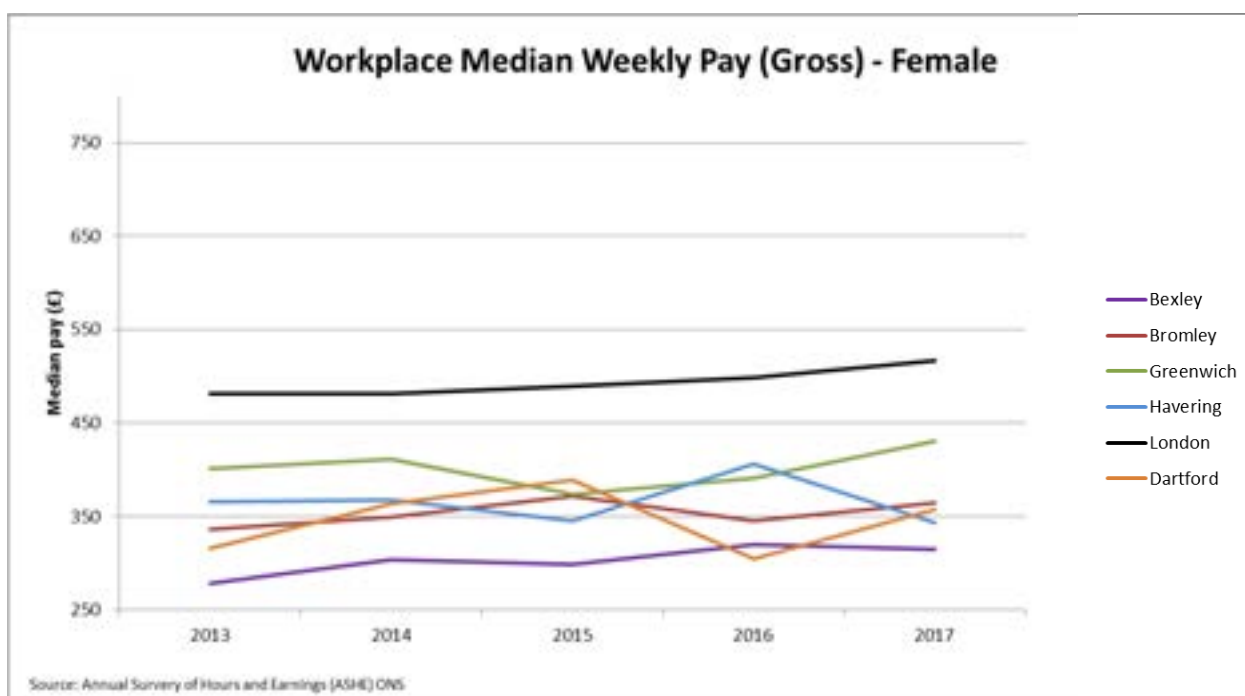
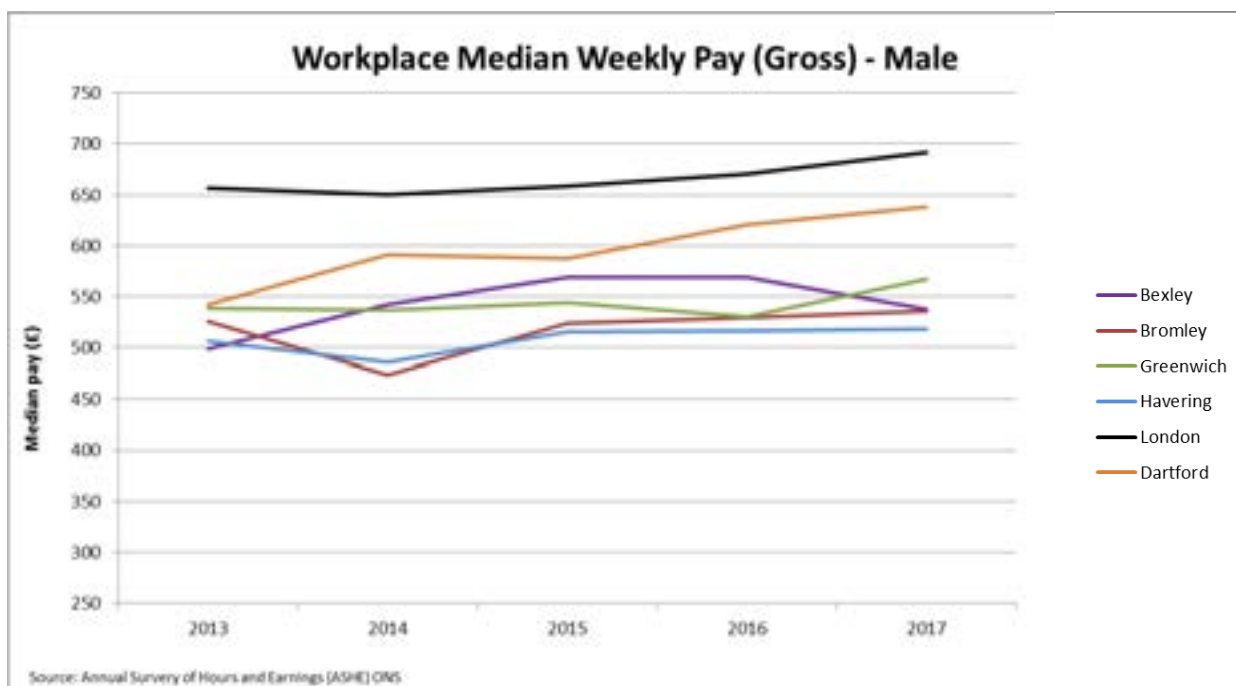
Earnings:

ASHE, used earlier in the resident section, also provides data for those that work within Bexley, regardless of where they live. This gives more insight into Bexley's position in attracting businesses, and providing the opportunity for workers to be paid similar levels to elsewhere in London.

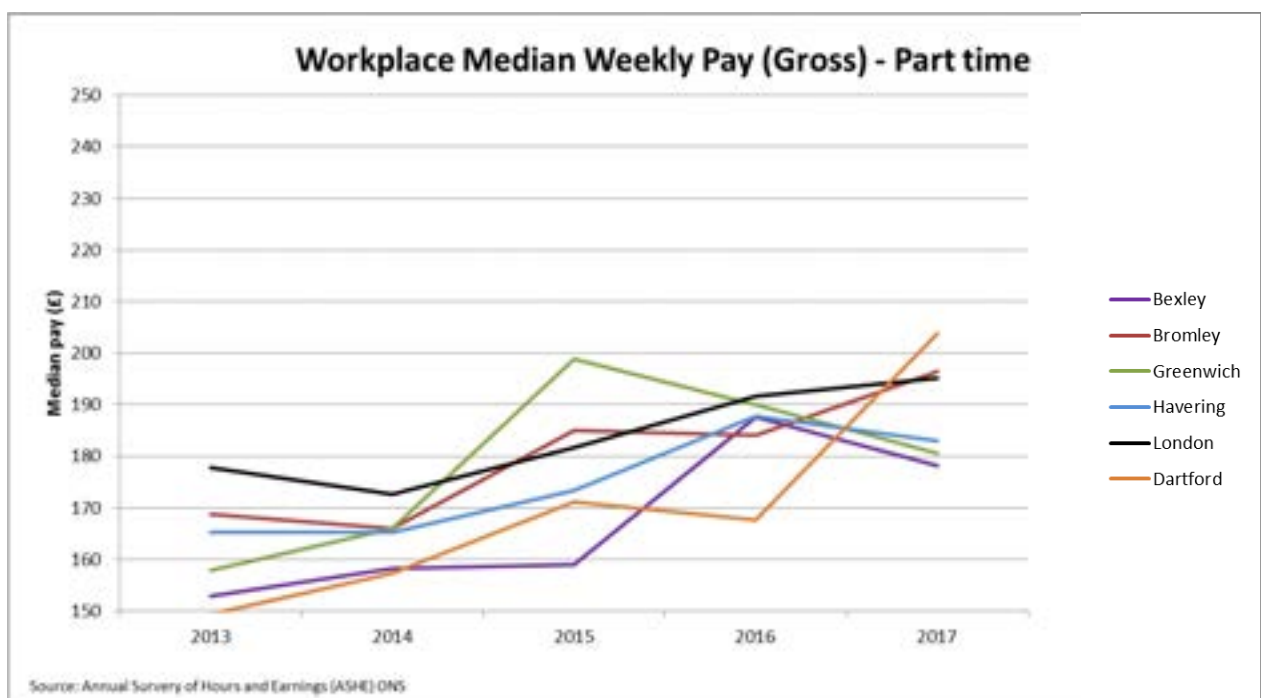
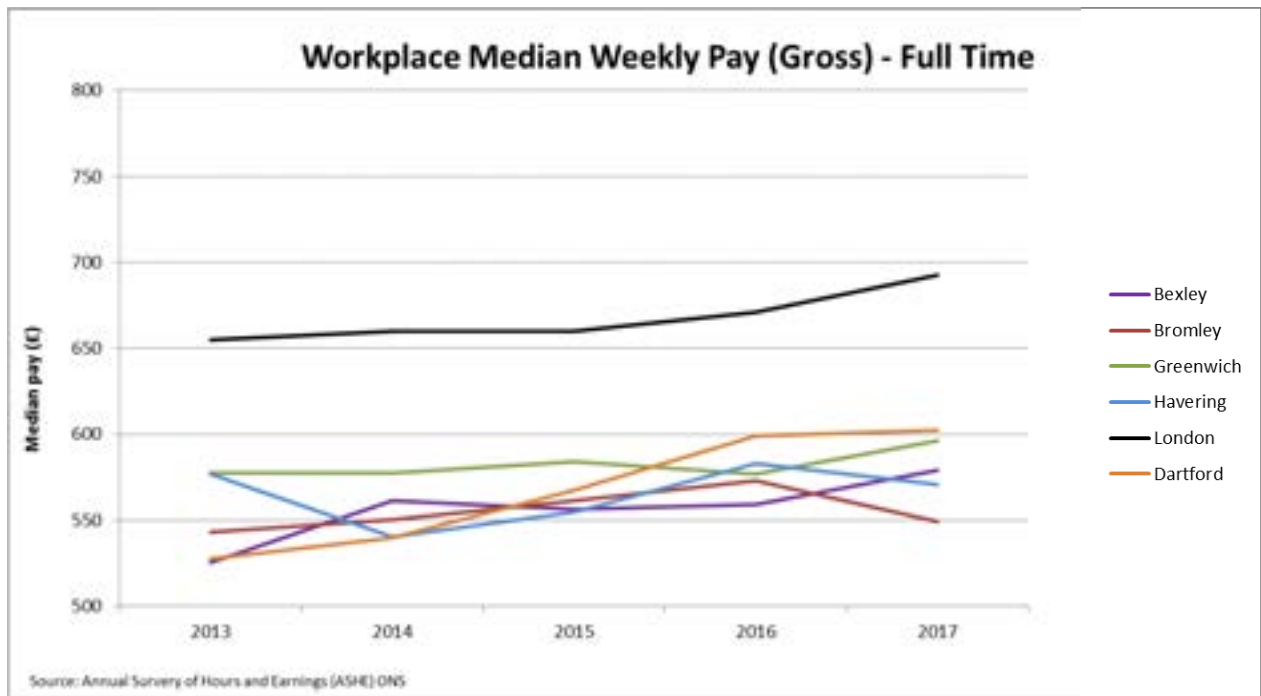


In 2013, Bexley had the lowest weekly pay of the London Boroughs considered and rose until 2017 to be more in line with the others. Over the same time frame, Greenwich generally had the highest of these comparators leading in 2017. Bexley has seen an 18% rise in pay from 2013-17 whilst over the same period Greenwich only rose by 5%. By 2017 Bexley ranks 25th for total pay across all London Boroughs.

As was done for the resident population of Bexley, gender splits of those working and whether they worked part-time or full-time are now also considered.



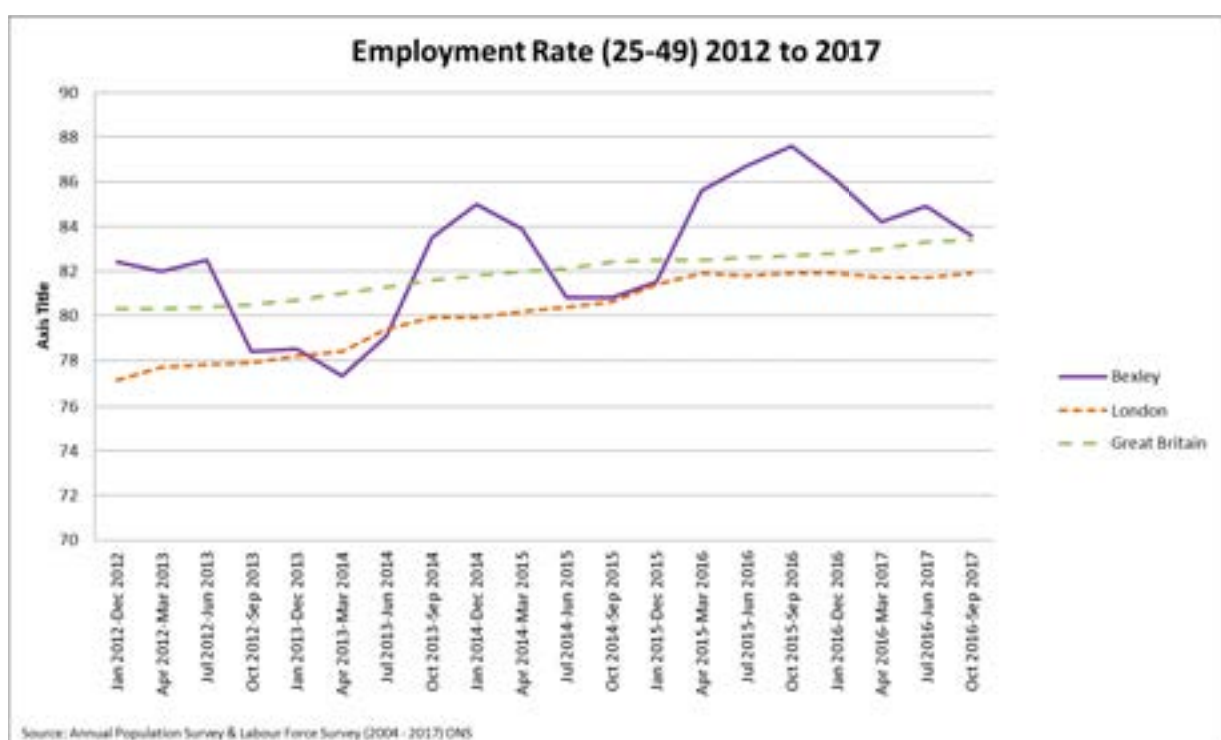
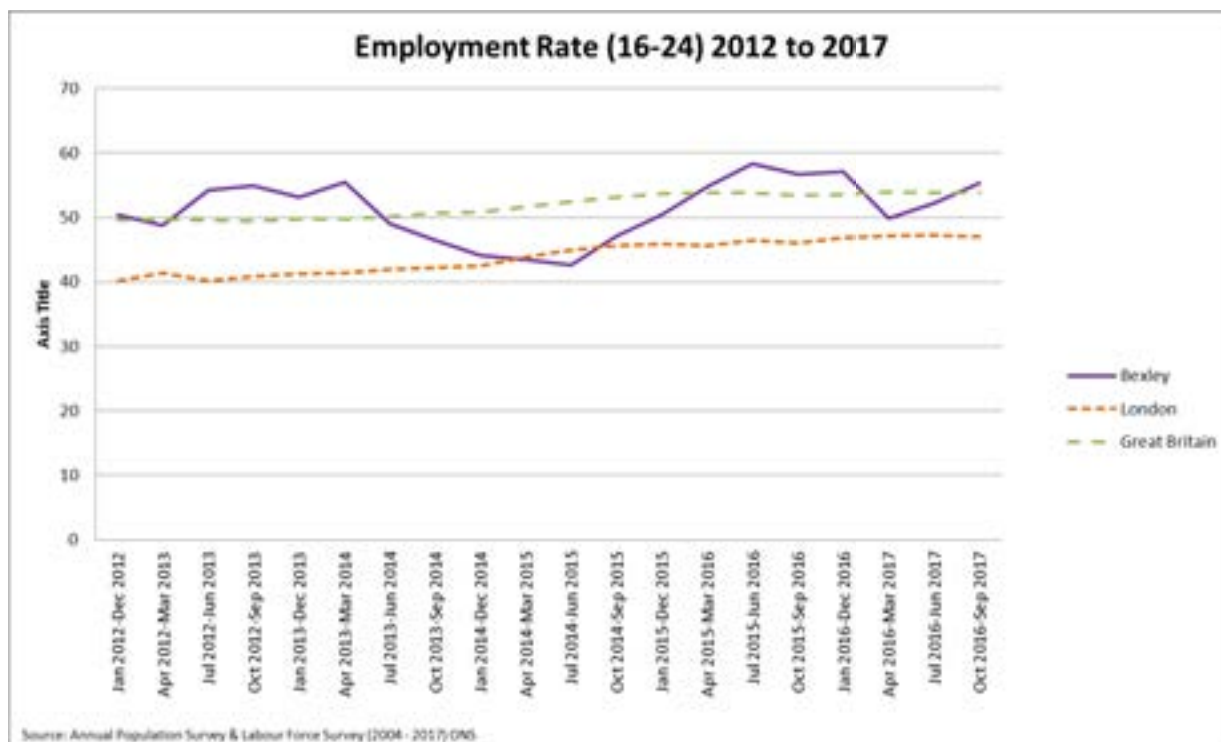
By 2017 males were earning on average £537 per week and were the 24th placed Borough in London. At the same time, females were only earning £314 on average per week and were ranked 32 (out of 33). Both genders saw significant pay rises between 2013 and 2017; males experiencing an 8% rise and females a 13% rise.

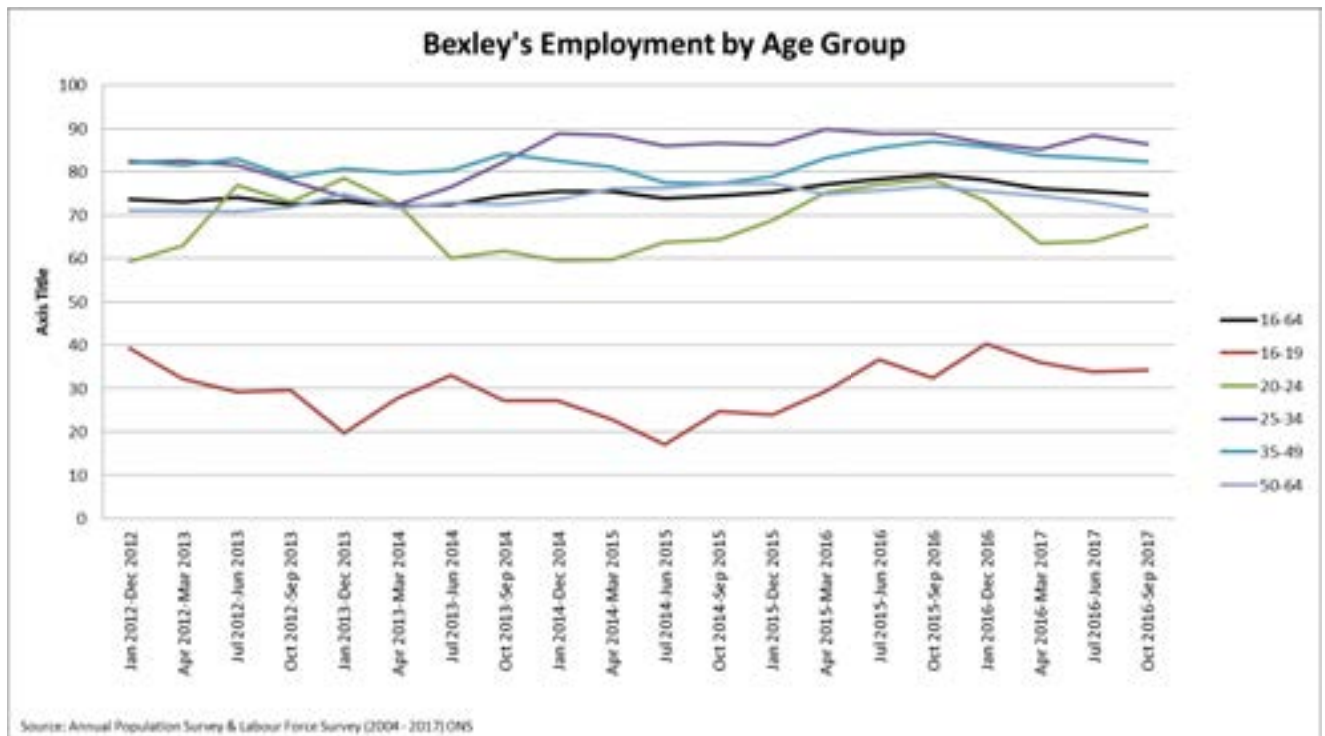


Turning to look at full-time and part-time median weekly pay, by 2017 Bexley full-time workers were earning on average £578 a week, a 10% rise since 2013. This placed them 21 out of the 33 London Boroughs. For part-time workers by 2017 they earned on average £178 a week, seeing a 17% rise since 2013 placing them 24 out of the 33.

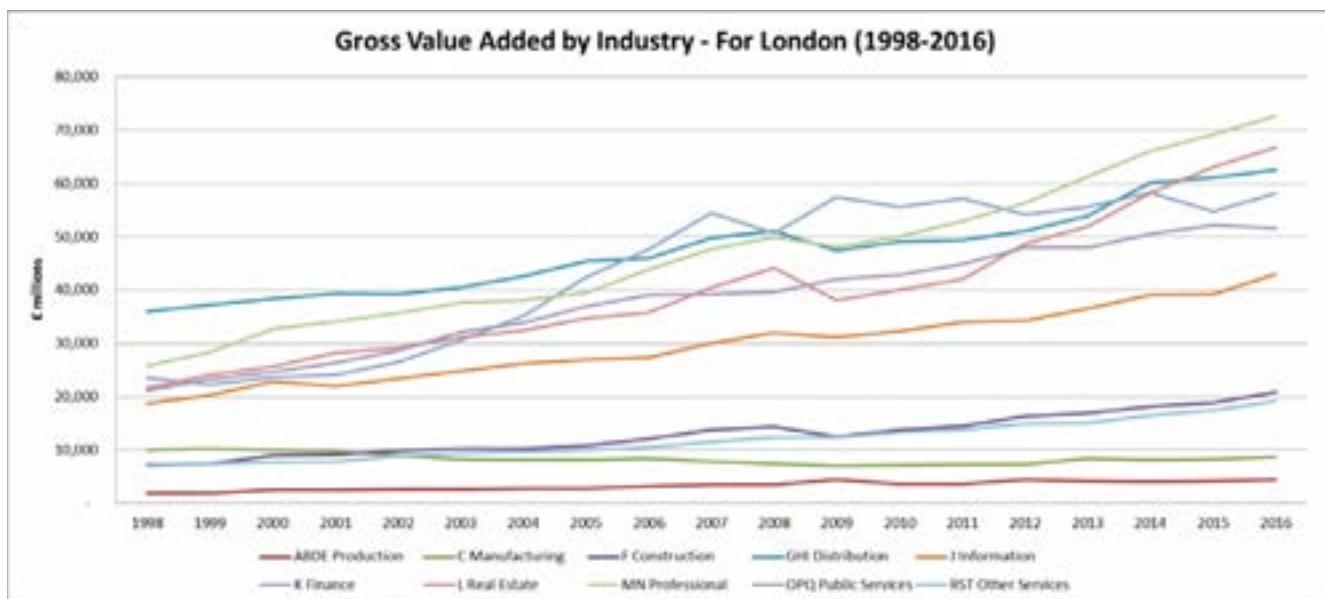
Appendix

Bexley Employment – Age groups

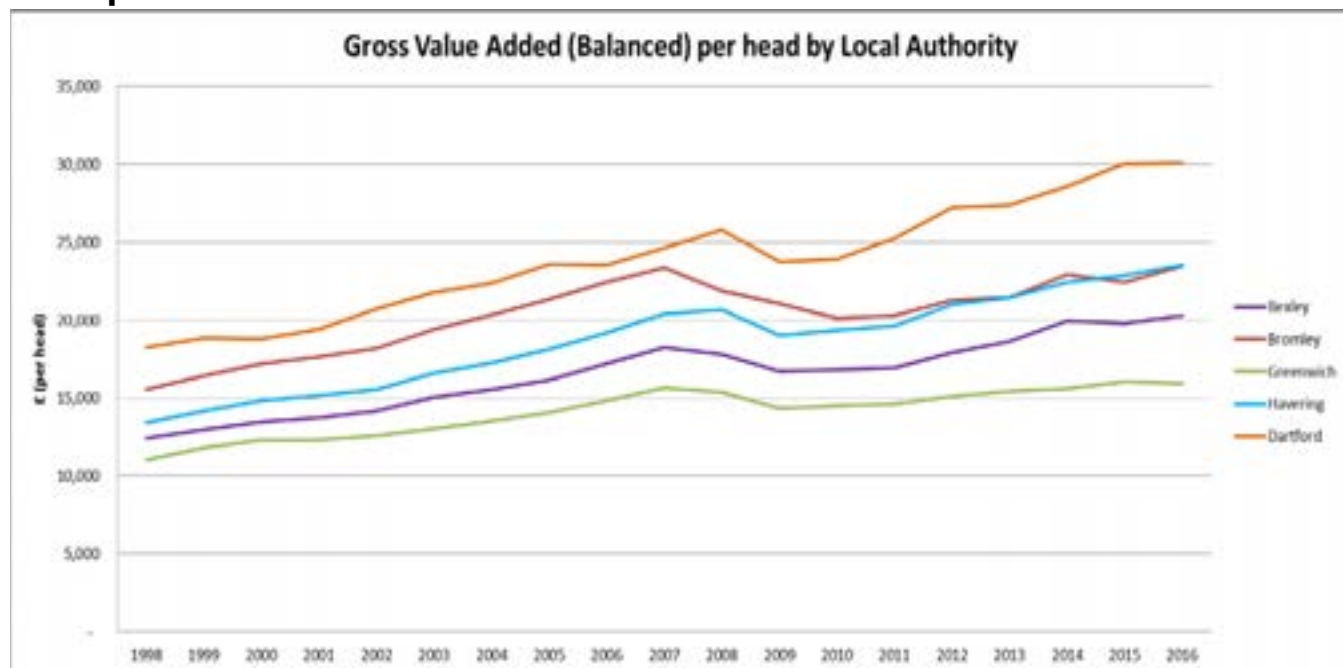




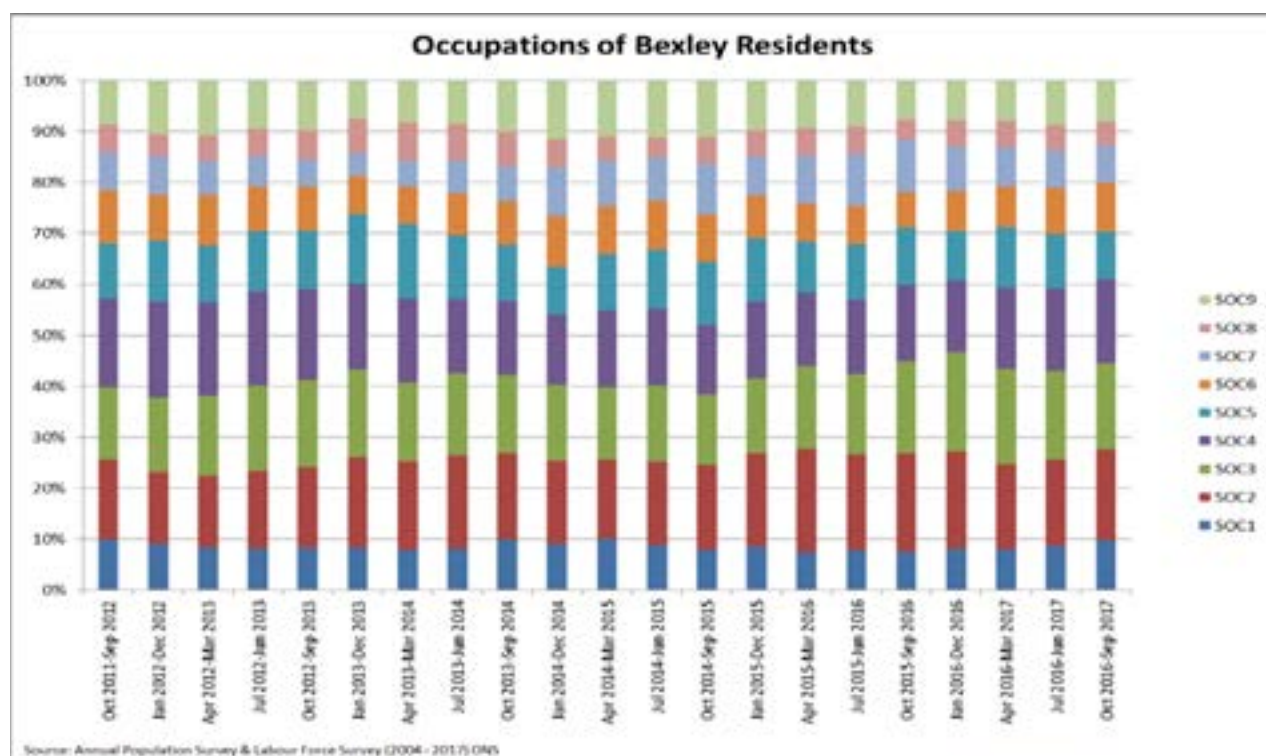
London GVA by Industry



GVA per head



Bexley Resident Occupations



Data Sources

- **Annual Population Survey (APS)**

The Annual Population Survey (APS) is a continuous household survey, covering the UK. The topics covered include employment and unemployment, as well as housing, ethnicity, religion, health and education.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/annualpopulationsurveyapsqmi>

- **Annual Survey of Hours and Earnings (ASHE)**

The Annual Survey of Hours and Earnings (ASHE) is based on a 1% sample of employee jobs taken from HM Revenue and Customs PAYE records. Information on earnings and hours is obtained from employers and treated confidentially. ASHE does not cover the self-employed nor does it cover employees not paid during the reference period. In 2013 information related to the pay period which included 17 April.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2017provisionaland2016revisedresults>

- **Business Register and Employment Survey (BRES)**

The Business Register and Employment Survey (BRES) publishes employee and employment estimates at detailed geographical and industrial levels. It is regarded as the definitive source of official government employee statistics by industry.

Employment is calculated by adding the number of working owners to the number of employees employed by a business, where working owners include sole traders, sole proprietors and partners who receive drawings and/or a share of the profits, but are not paid via pay-as-you-earn (PAYE).

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/businessregisteremploymentsurveybresqmi>

- **Claimant Count**

The Claimant Count is a measure of the number of people claiming benefits principally for the reason of being unemployed, based on administrative data from the benefits system.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/claimantcountqmi>