



The Royal Borough of Kingston upon Thames

Economic Baseline 2017

April 2017

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Executive Summary

Kingston is situated in South West London and has a successful local economy. It is comprised of sixteen wards, all of which have a similar size of population. The ward with the fewest residents is Chessington North and Hook (8,741 residents) and the ward with the most residents is Canbury (12,373 residents).

Kingston boasts a population of 173,500 with 67.2% of working age (16-64 years old). There has been significant population growth in the last number, with the number of Kingston residents increasing by 21,000 or 14% between 2005 and 2015. This is expected to continue. Both the ONS and the GLA project a rising population in Kingston, with the ONS projecting a 54,500 increase between 2014 and 2039, and the GLA projecting a 32,500 increase.

Employment, unemployment, commuting and benefits

In 2015, Kingston had an employment rate of 74.2%, up from 70.3% in 2010, above the London rate (73%) and the national rate (73.8%). However, there has not been a smooth rise in the rate of employment in Kingston. The rate dipped from 70.3% in 2010 to 67.9% in 2011 before recovering to 70.5% in 2012.

In 2011, Kingston had 35,964 people commuting in the LA for work, with 45,424 commuting out. The most popular destination for out-commuters from Kingston is Westminster (8,867 residents), followed by Richmond (3,755) and Elmbridge (3,145).

Kingston's 4.6% unemployment rate in 2015 was below both London's (6.1%) and England's (5.3%). Unemployment in Kingston has been on a constant downward trend since 2010, from its peak of 9.4% in 2010. Since then the rate has dropped sharply, by 4.8pp, reflecting the regional and national trend of falling unemployment.

Kingston also has a lower percentage of out-of-work benefit claimants than the London average and national rate. In February 2016, 4.9% of 16-64 year olds were claiming out-of-work benefits in Kingston compared to 8.1% for London and 8.7% for England as a whole.

Economic growth and performance

The Merton, Kingston and Sutton economic entity, according to ONS data, was worth just over £14 billion in 2015. From 2005-2015, the average annual growth rate in GVA was 3.4% per annum (in nominal terms), compared to 2.3% for South London and 3.2% for England. In 2015, year on year growth in the Merton, Kingston and Sutton economy was 2.7%, above South London (2.3%) and England (3.2%).

With regards to productivity, GVA per hour worked was £35.10 per hour in Merton, Kingston and Sutton, compared to £36.00 in South London and £32.40 for England as a whole. This was 2.7% below the South London average and 7.6% above the national average. With regards to GVA per filled job, another common measure of labour productivity, Merton, Kingston and Sutton outperforms England but not South London.

Industry and enterprise

Kingston has relatively high rates of employment in wholesale and retail (14,200 jobs), as well as public administration; education and health (23,300 jobs). There was a total of 81,100 employees working in the Kingston economy in 2015. Of these, 37% of employees in Kingston were working in part-time positions, above the London average of 25.5% and national average of 31.5%.

Employment trends since 2009 show that Kingston has sustained its growth in both market and non-market activities, with significant jobs growth in financial and business services (+2,100) and public administration; education and health (+1,200). It is also noteworthy that, between 2009 and 2015, 100 jobs have been lost in the information and communications sector.

Entrepreneurship

Entrepreneurship is currently above the national average in Kingston and there has been considerable growth in the business base in recent years. There were 8,150 active enterprises in Kingston in 2016 (up from 6,295 in 2010) according to official estimates. This was equivalent to 46.7 enterprises per 1000 in Kingston, above the England average of 40.4.

The vast majority of the business base in Kingston comes in the form of micro businesses. 91.7% of businesses in Kingston employ 0 to 9 people, with 83.7% employing 0 to 4. In contrast, there are only 30 businesses that employ 250 or more employees, 0.4% of the total business base.

Skills

Kingston boasts a highly skilled workforce. In 2015, 53.6% of working age residents in Kingston were qualified to NVQ Level 4+ (degree and higher). In contrast, the proportion across London was 49.8% and the whole of England was 36.8%. Kingston also had a lower proportion of working age residents with no qualifications (5.9%) in 2015.

Nevertheless, local businesses do face an issue with regards to the availability of skills. According to the UKCES Employer Skills Survey 2015, Kingston employers had hard-to-fill vacancies at all levels of employment. Respondents in Kingston listed their reasons why they had hard-to-fill vacancies. These included:

- Low number of applicants with the required skills – 15%;
- Lack of qualifications the company demands – 16%;
- Quality of applicants – 41%.

Housing

As with the rest of London, Kingston has experienced rapid rises in house prices in the past twenty years. In 2016 the average house price in Kingston was £465,254, an increase of 475% on 1995 when the average house price was £80,876. In 2015/16, there were 70 affordable housing completions in Kingston, a fall from 210 in 2014/15.

Transport

Kingston is located 12 miles from Central London and only 8 miles from London's M25 orbital motorway. It is also conveniently located for the M3, M4 and A3. Compared with other outer London boroughs and towns in Surrey, a high proportion of trips are made by bicycle in Kingston. The 2011 census identified that 2.8% of journeys to work were made by bicycle.

Unsurprisingly, the majority of traffic on Kingston's major roads comes from cars. Although, the total traffic has fallen by 8.6% from 2005 to 2015.

In terms of commuting to work, according to the 2011 Census, 35.7% of Kingston's resident commuters travelled by car in 2011, 35.7% by train or bus (reflecting close commuting links with other parts of London). In 2011, 44.2% of residents travelled less than 10km to work, with 32.6% travelling 10-30km. 11% worked mainly at, or from, home.

Culture

As a cultural centre, Kingston is home to Kingston Museum Art Gallery, Kingston Museum and the Rose Theatre. The Rose Theatre opened in January 2008 and its presence has attracted a more diverse cross-section of visitors to the Borough, which in turn has led to new types of amenities opening in the town. The wide range of bars and restaurants on offer contribute to Kingston's thriving night-time economy.

1 Introducing Kingston

- 1.1 The Royal Borough of Kingston upon Thames has a rich history and heritage. It is the oldest of the four Royal Boroughs in England and its recorded history dates back to 838 AD. Six Saxon Kings were crowned there from the 10th Century onwards.
- 1.2 Kingston is located 12 miles from Central London and 8 miles from London's M25. Its geographical location is close to the M3 and M4 for access to the West, and is served by the A3. The borough is served by 11 train stations, with trains to London Waterloo a key service and Crossrail 2 plans are anticipated to provide additional trains to ten routes and stations.
- 1.3 It is in south-west London with a relatively small population for a London borough. Around a fifth of residents are from a black and minority ethnic background, and the borough is home to the largest Korean community in Europe. Kingston is relatively wealthy and is one of the least deprived areas in London, although pockets of deprivation remain. Kingston has experienced house price increases at a rapid rate in the past twenty years. Although the number of households is forecast to rise, the average household size is expected to fall. Wards within Royal Borough of Kingston, of which there are 16 in total, are of similar sizes in population but vary significantly in numbers of businesses and employees.
- 1.4 Its business population has a strong concentration of a number of industries including Wholesale and Retail, Financial and Business Services, Public Administration, Education and Health as well as Arts, Entertainment and Recreation. It has grown its employee base by 5,500 since 2009.
- 1.5 There are significant growth plans in place across a number of sites in the borough including development in Kingston Town Centre, Tolworth and alongside the Kingston Riverside. With this will come new and improved infrastructure and growth in housing, economy and facilities for the community.
- 1.6 Its international perspective is key to its success with links to the cities of Oldenburg in Germany, Gwanak-Gu in South Korea, Jinju and the province of Jaffna in Sri Lanka. As the UK navigates new trade agreements in a post-Brexit economy, the Royal Borough of Kingston will be well placed to support its business base.
- 1.7 Alongside its links with the rest of London, Kingston has also been the location of Surrey County Hall since 1893. Kingston has important links with Surrey, particularly in the south of Kingston where the greenbelt borders Chessington South and Elmbridge. As explored further below, Elmbridge is the most popular origin of in-commuters into Kingston, with nearly 4,000 people making the commute. Meanwhile, over 3,100 Kingston residents commute into Elmbridge for work.¹

¹ ONS Census (2011)

South London Partnership

- 1.8 There are numerous references in this document to the South London Partnership (SLP). The SLP is a sub-regional collaboration of five London boroughs: Croydon, Kingston, Merton, Richmond and Sutton. Together, the SLP boroughs make a significant and distinctive contribution to London as a World City and are well positioned to contribute to wider growth opportunities in the capital and south east of England. If it were a city, the SLP would be the 4th biggest in the UK.²
- 1.9 The South London Partnership is committed to:
- Working together and with partners sub-regionally to unlock and support the delivery of key economic development, growth and regeneration opportunities.
 - Connecting and enhancing individual growth opportunities to increase their total potential and accelerate delivery.
 - Working with surrounding areas to support their growth ambitions.
 - Exploring new and innovative mechanisms to fund and support growth.
 - Securing the social infrastructure and enhancing the quality of life to ensure that growth in our area is sustainable.

Key findings

- 1.10 This baseline document assesses the state of the Kingston economy in several different areas. Some of the key findings from this study include:
- Average annual growth rate in GVA of 3.4% from 2005-15.
 - A higher employment rate and lower unemployment than the London and England averages.
 - Employment growth of 5,500 since 2009.
 - A jobs density of 0.72 implying capacity for employment growth.
 - Part-time employment in Kingston is significant (37% of all jobs) compared to the London average (25.5%).
 - A concentration of employment in business services and public administration.
 - A significant, and growing, tourism sector, accounting for 24.3% of all employment in the borough in 2015.
 - 26 FDI projects in Kingston between 2004 and 2016, resulting in 175 new jobs.
 - Over half of working age residents qualified to degree level or higher.

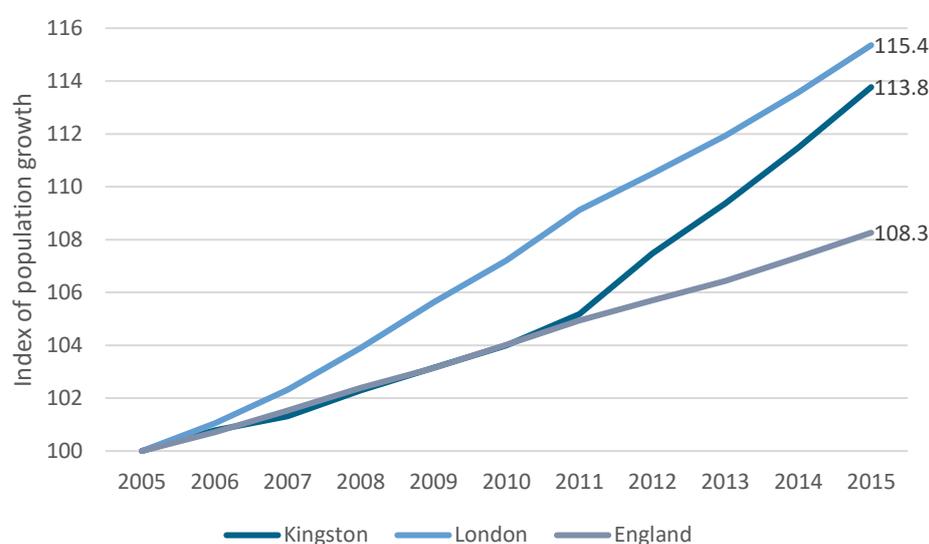
² South London Partnership Growth Prospectus (2016)

- Lower labour productivity levels than the South London average, but higher than England.
- 4.9% of working age residents on out-of-work benefits.
- An increase of 1,810 new businesses since 2010.
- A business base dominated by micro businesses (91.7% of all businesses).
- A fall in industrial and office floorspace.
- Total traffic falling by 8.6% from 2005 to 2015.

2 The Kingston population

- 2.1 Kingston has a population of 173,500, with a 49/51 male-female split (85,500 males, 88,100 females). Of its residents, 67.2% are of working age (16-64), below the rate for London (68.1%), but higher than Great Britain (63.3%).³ Section 3 looks at this data at a ward level.
- 2.2 There has been significant population growth in the last decade: the number of Kingston residents has increased by 21,000 or 14% between 2005 and 2015, compared to 8% growth nationally and 15% for London.⁴

Figure 1: Index of population growth (2005 = 100)



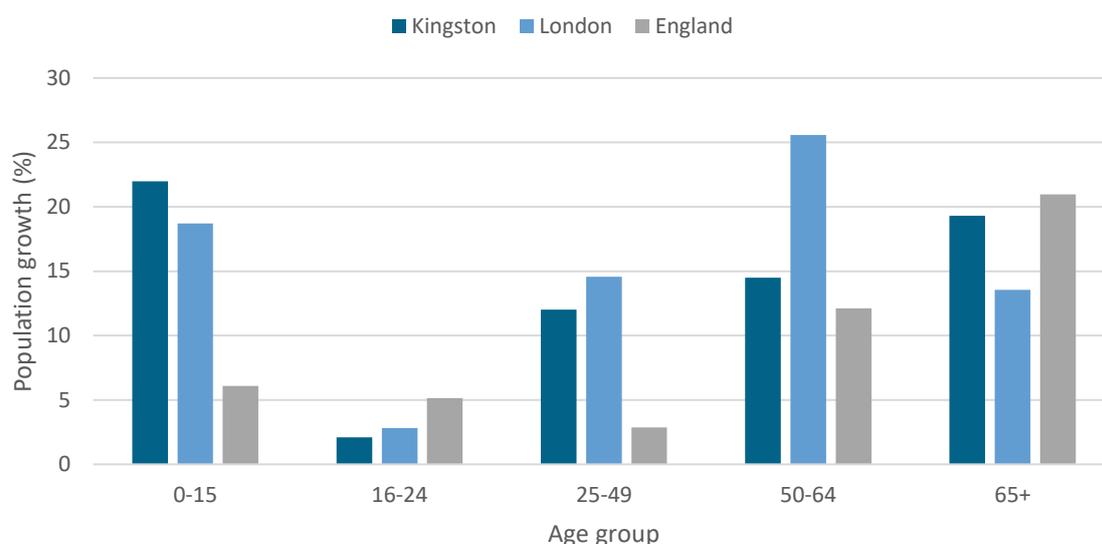
Source: ONS MYPE

- 2.3 During this time, Kingston has seen particularly strong growth in the number of young people and working age residents. More specifically, there was an increase of 6,200 people in the 0-15 age group from 2005-2015, with the rate of growth for this age group way above the national average (22% in Kingston, 6.1% for England).⁵ While there was also an increase of 7,400 25-49 year olds – a growth rate of 12% compared to 2.9% nationally. Factors that may be driving the increase in the young and working age population in Kingston include the migration of families out of central London, welfare reform and slightly higher housing costs there.

³ ONS Annual Population Survey (2016)

⁴ ONS Mid-Year Population Estimates (2016)

⁵ ONS Mid-Year Population Estimates (2016)

Figure 2: Population growth 2005-2015, by age group (%)

Source: ONS MYPE

Table 1 below offers a more detailed breakdown of the age structure of residents in Kingston.

Table 1: Age structure in Kingston (2015)

Age	Number of residents	% of all residents
0-4	11,850	6.8%
5-9	11,238	6.5%
10-14	9,067	5.2%
15-19	9,479	5.5%
20-24	13,429	7.7%
25-29	13,737	7.9%
30-34	14,702	8.5%
35-39	14,261	8.2%
40-44	13,590	7.8%
45-49	12,081	7.0%
50-54	10,728	6.2%
55-59	8,869	5.1%
60-64	7,510	4.3%
65-69	7,300	4.2%
70-74	5,076	2.9%
75-79	4,048	2.3%
80-84	3,067	1.8%
85+	3,493	2.0%

Source: ONS MYPE (2015)

Kingston's migrant population

- 2.4 According to the 2011 Census, 73% of residents in Kingston were born in either the United Kingdom or Ireland. 11,021, or 6.9% were born in other European Union countries. It is also interesting to note that 19,453 (12.2%) were born in the Middle East or Asia. This is unsurprising given that the borough is home to the highest number of South Koreans in Europe in New Malden. As of 2014

there were about 10,000 ethnic Koreans in New Malden, and as of the same year the Korean population in the area around New Malden was 20,000.⁶

Table 2: Population by country of birth (2011)

Country of birth	Number of residents
Europe: Total	129,804
United Kingdom	114,820
Ireland	1,981
EU Countries	11,021
Rest of Europe	1,982
Africa	6,679
Middle East and Asia	19,453
The Americas and the Caribbean	2,978
Antarctica, Oceania and other	1,146

Source: ONS Census (2011)

Population projections

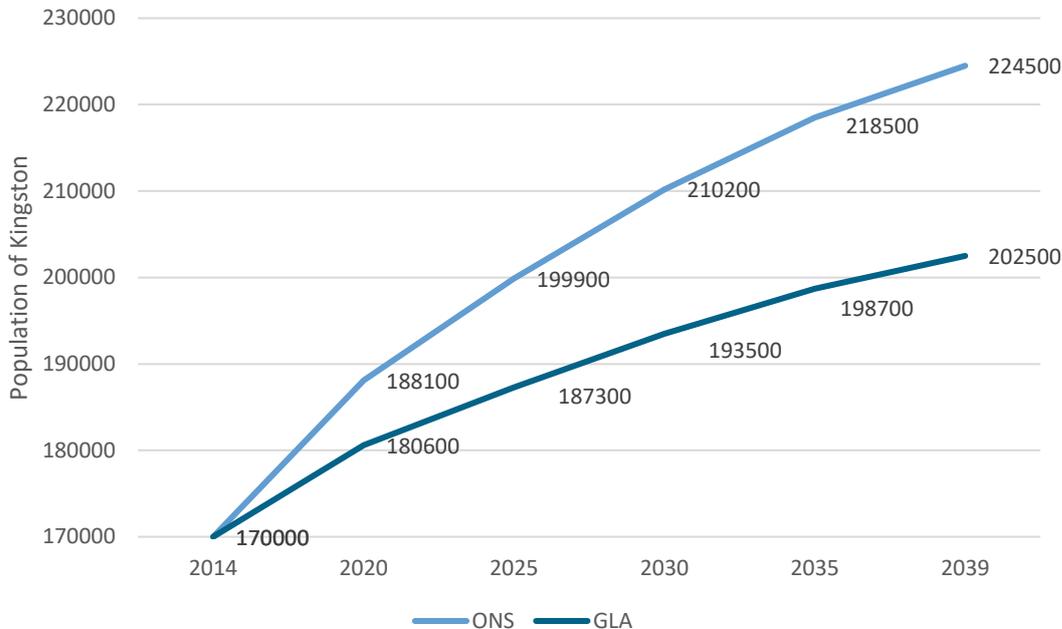
- 2.5 Both the ONS and GLA project rising population in Kingston, with the ONS projecting a rise of 22,000 more than the GLA for the period 2014 to 2039.
- 2.6 Over the 25-year period, the total forecast increase in population in the borough is:
- 54,500 or +32.1% as forecast by the ONS;
 - 32,500 or +19.1% as forecast by the GLA.
- 2.7 Part of the reason for the difference is the assumptions about which age segments will drive growth.
- 2.8 Under GLA assumptions, 41.2% (+17,600) of the total increase in the population between 2014 and 2039 is expected within the over 65's group, contrasted against a lower figure of 32.2% (+13,400) from the ONS. The GLA also expected 50.4% (+16,400) of population growth to come from the 16-64 age group, while the ONS expects 53.5% (+29,200) to come from the 16-64 age group. The GLA expect 8.4%, and the ONS expect 14.3%, of total growth to be within the 0-15 age group.
- 2.9 This may reflect differences in assumptions about housing stock growth which are not stated explicitly. However, there appears to be an implication that the difference in figures also entails an assumption about higher levels of housing completions helping to mitigate issues associated with an ageing demographic.
- 2.10 According to ONS population projections, the total population in Kingston is forecast to rise to 224,500 in 2039, an increase of 32% on 2014. The number of males is forecast to rise from 83,400 in 2014 to 111,600 in 2039, an increase of 33.8%. The number of females is forecast to rise from 86,500 in 2014 to 113,500 in 2039, an increase of 31.2%. This means that the 49.1/50.9 male/female split in 2014 will shift slightly to a 49.6/50.4 male/female split.⁷

⁶ 'The Korean Republic of New Malden: How Surrey became home to the 70 year-old conflict', *The Independent*, 22 February 2015.

⁷ ONS Population Projections

- 2.11 The ONS, with the higher projection figure, include an implicit assumption about working age-inward migration from people who are also more likely to have children over the period to 2039. This has implications in terms of the tenure needs of new housing development. There is likely to be tension, given any level of constraint in expanding supply, between tenures demanded by younger students and single workers and the development of more family oriented housing.

Figure 3: Kingston population projections (2014-2039)



Source: ONS and GLA

- 2.12 The table below breaks down the ONS population projections for 2039 by age group, allowing for a comparison with 2014 figures. There is projected to be growth in the size of all age groups, with the smallest amount of growth coming in the 35-39 age bracket (5% growth). It is significant that by 2039 there will be an increasingly aging population, fitting in with the national trend. There is forecast to be a 157.1% increase in the 90+ population in 2039, compared to 2014. This is compared to growth of only 9.4% in the population aged 0-4.⁸

⁸ ONS Population Projections

Table 3: Kingston population by age group (ONS, 2014 and 2039)

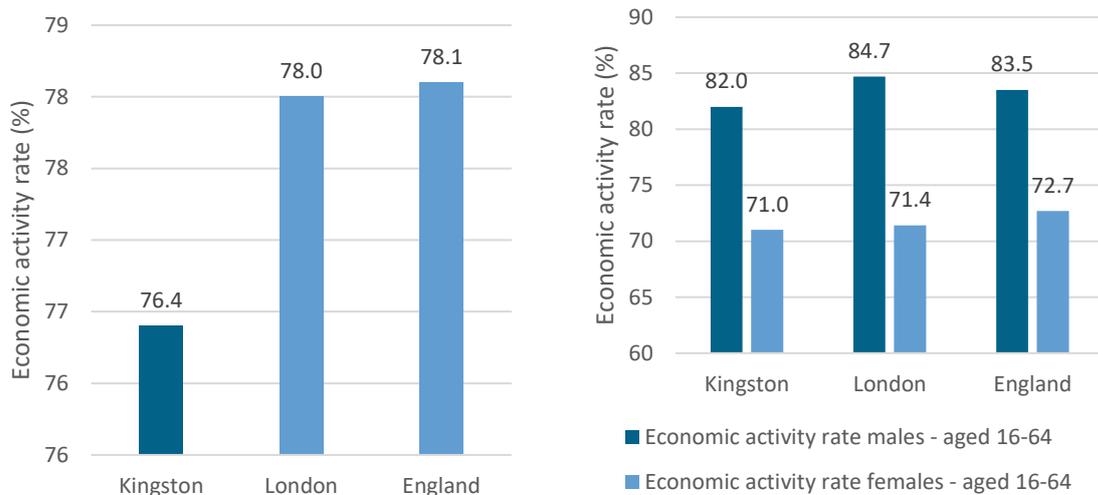
Age Group	2014 pop	2039 pop	% increase
0-4	11,700	12,800	9.4
5-9	10,800	13,100	21.3
10-14	8,800	13,100	48.9
15-19	9,300	14,000	50.5
20-24	13,600	16,500	21.3
25-29	13,300	15,000	12.8
30-34	14,400	15,300	6.3
35-39	13,900	14,600	5.0
40-44	13,200	15,200	15.2
45-49	11,900	15,300	28.6
50-54	10,400	14,500	39.4
55-59	8,600	13,500	57.0
60-64	7,500	11,600	54.7
65-69	7,100	10,200	43.7
70-74	4,900	9,000	83.7
75-79	3,900	7,600	94.9
80-84	3,100	5,600	80.6
85-89	2,100	4,100	95.2
90+	1,400	3,600	157.1

Source: ONS

Economic activity

2.13 There are 76.4% economically active working aged residents in Kingston, which is below the rates for both London (78%) and England (78.1%). In addition, the economic activity rate is significantly higher for males compared to females. In Kingston, 47,300 (82%) of working age males are economically active, below the rates for London (84.7%) and England (83.5%). 42,000 (71%) of working age females in Kingston are economically active, marginally below the rates London (71.4%) and England (72.7%).⁹

⁹ ONS Annual Population Survey (2016)

Figure 4: Economic activity rate (2016)

Source: ONS APS

- 2.14 Of the 27,600 working age residents classed as economically inactive, 9,300 are students, 3,100 are long-term sick and 4,700 are retired.¹⁰

Employment and unemployment

- 2.15 In 2015 Kingston had an employment rate of 74.2%, up from 70.3% in 2010, above the London rate (73%) and the national rate (73.8%). Figure 5 shows that, although the Kingston employment rate has increased over the period, and is higher than London, there has not been a smooth rise in its rate of employment. The rate dipped from 70.3% in 2010 to 67.9% in 2011 before recovering to 70.5% in 2012. It is also noteworthy that in 2015 the rate fell 0.9pp to 74.2% (compared to 2014).¹¹
- 2.16 Kingston's 4.6% unemployment rate in 2015 was below both London's (6.1%) and England's (5.3%). Unemployment in Kingston has been on a consistent downward trend since 2010, from its peak of 9.4% in 2010. Since then the rate has dropped sharply, by 4.8pp, reflecting the regional and national trend of falling unemployment. This is shown in Figure 5.¹²

¹⁰ ONS Annual Population Survey (2016)

¹¹ ONS Annual Population Survey (2016)

¹² ONS Annual Population Survey (2016)

Figure 5: Employment and unemployment rates



Source: ONS APS

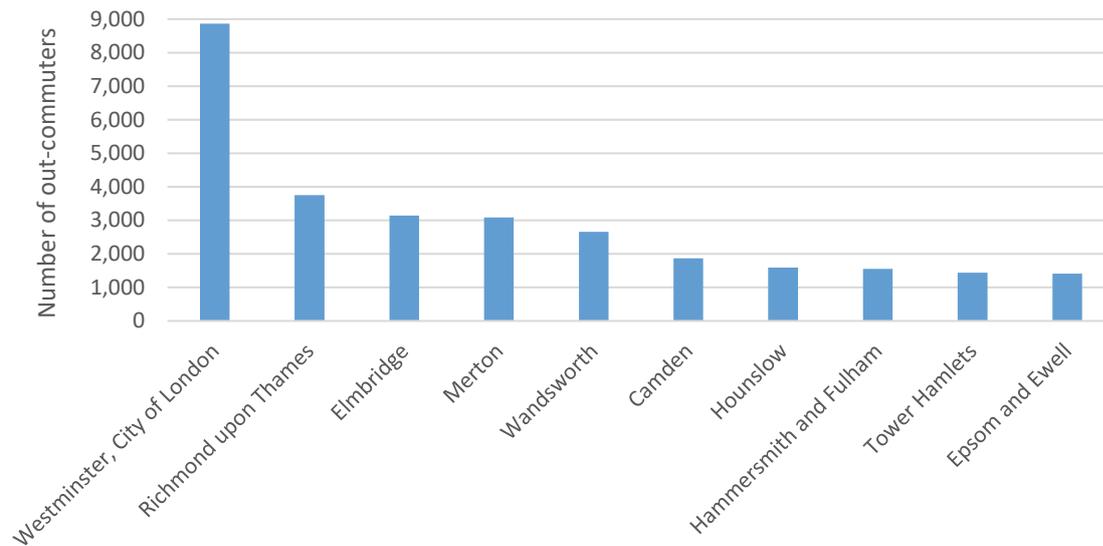
Commuting

- 2.17 Commuting patterns illustrate the significant flows of people travelling in and out of Kingston for work and, therefore, the importance of the transport network to the local and sub-regional economy. Given its location, Kingston has strong commuting links within London. In 2011 Kingston had 35,964 people commuting into the LA for work, with 45,424 commuting out.¹³
- 2.18 In 2011 20,982 residents commuted to a single workplace within the Kingston LA. Figure 6 below shows in more detail the main destinations for out-commuters from Kingston. Moreover, the most popular destination for out-commuters from Kingston is Westminster (8,867 residents), followed by Richmond (3,755) and Elmbridge (3,145).¹⁴

¹³ ONS Census (2011)

¹⁴ ONS Census (2011)

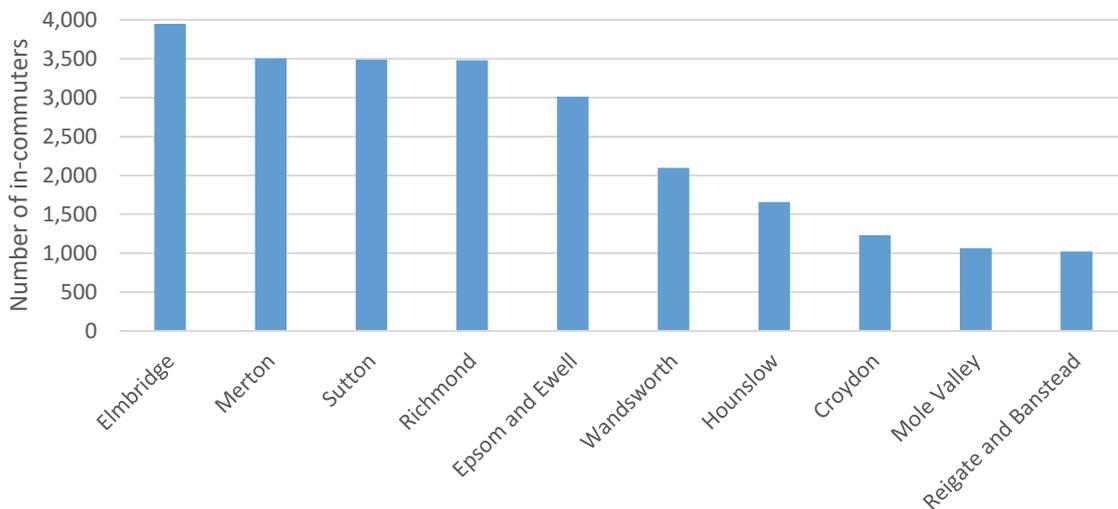
Figure 6: Destination for Kingston's out-commuters (2011)



Source: ONS Census (2011)

- 2.19 With regards to people that commute into Kingston to work, again the relationship with the rest of London is key. However, the most popular origin of in-commuters to Kingston is Elmbridge in Surrey (3,947 people). This is followed by Merton (3,504) and Sutton (3,488).¹⁵

Figure 7: Origin of Kingston's in-commuters (2011)



Source: ONS Census (2011)

Resident and workplace earnings

- 2.20 Two of the main drivers of commuting are access to job opportunities and the potential to earn higher salaries elsewhere. At £701.9 weekly gross median earnings are very high in Kingston (the national average is £532.6).¹⁶ However, median workplace earnings, at £557.3 a week, were far

¹⁵ ONS Census (2011)

¹⁶ ONS Annual Survey of Hours and Earnings (2016)

lower than resident earnings, although above the national average. This suggests that out-commuting workers are benefitting from higher pay working elsewhere.¹⁷ This will be explored later with regards to the business and industry base in chapter 4.

Table 4: Median weekly pay for full-time workers (gross), resident vs. workplace (2015)

Area	Resident	Workplace
Kingston	£701.9	£557.3
Croydon	£602.8	£574.9
Merton	£622.4	£537.2
Richmond	£744.2	£604.6
Sutton	£605.9	£553.9
London	£621.1	£659.9
England	£532.6	£532.4

Benefits

2.21 Looking at out-of-work benefits, Kingston has a lower percentage of out-of-work benefit claimants than the London average and national rate. In February 2016, 4.9% of 16-64 year olds were claiming out-of-work benefits in Kingston compared to 8.1% for London and 8.7% for England as a whole.¹⁸

2.22 As Table 5 shows, ESA and incapacity benefit claimants account for the largest share of those on out-of-work benefits in Kingston. At 3.2% of 16-64 year olds, the rate of ESA/IB claimants is below the rates for both London (5.1%) and England (5.9%).¹⁹

Table 5: Out-of-work benefits (February 2016)

	Kingston		London	England
	No.	%	%	%
Total Claimants	7,360	6.4%	10.3%	11.4%
Job seeker	1,040	0.9%	1.7%	1.5%
ESA and incapacity benefits	3,670	3.2%	5.1%	5.9%
Lone parent	720	0.6%	1.1%	1.1%
Carer	890	0.8%	1.2%	1.6%
Others on income related benefit	120	0.1%	0.2%	0.2%
Disabled	750	0.7%	0.8%	1.0%
Bereaved	170	0.1%	0.1%	0.2%
Main out-of-work benefits	5,540	4.9%	8.1%	8.7%

Source: DWP benefit claimants – working age client group. Main out-of-work benefits includes the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits. % is a proportion of resident population of the area aged 16-64

2.23 In total, there were 950 Jobseeker's Allowance (JSA) claimants in Kingston in September 2016, down from 2,005 in September 2010.²⁰ Kingston has seen the share of working age people claiming JSA decline significantly in recent years, from 1.8% of working age residents in 2010 to 0.8% in

¹⁷ ONS Annual Survey of Hours and Earnings (2015)

¹⁸ DWP Benefit Claimants (2016)

¹⁹ DWP Benefit Claimants (2016)

²⁰ ONS Claimant Count (2016)

September 2016. As a result, the pool of unemployed people who are available for work in the local area is diminishing.

- 2.24 The JSA claimant rate in Kingston is below the England rate (1.2%). Moreover, with regards to the South London Partnership authorities, only Sutton has a lower JSA claimant rate (0.4%).²¹
- 2.25 Table 6 overleaf provides a further breakdown of claimants by age and duration. It suggests that unemployment is a more acute problem for 50-64-year-old residents, compared to younger residents. The JSA claimant rate for 18-24 year olds in Kingston is nearly half the national rate, testament to both Kingston's proximity to job opportunities throughout London and opportunities within the borough.

²¹ ONS Claimant Count (2015)

Table 6: JSA claimants by age and duration (September 2016)

Age/duration	Kingston		Croydon	Merton	Richmond	Sutton	England
	No.	%	%	%	%	%	%
<i>Aged 16 To 64</i>							
Total	950	0.8	0.9	1.1	0.8	0.4	1.2
Up To 6 Months	555	0.5	0.2	0.5	0.4	0.1	0.6
Over 6 And Up To 12 Months	150	0.1	0.3	0.3	0.2	0.1	0.2
Over 12 Months	245	0.2	0.4	0.4	0.2	0.2	0.4
<i>Aged 18 To 24</i>							
Total	110	0.6	0.8	1.3	0.7	0.3	1.1
Up To 6 Months	80	0.4	0.2	0.7	0.4	0.1	0.6
Over 6 And Up To 12 Months	10	0.1	0.4	0.3	0.2	0.1	0.2
Over 12 Months	25	0.1	0.2	0.2	0.1	0.1	0.2
<i>Aged 25 To 49</i>							
Total	545	0.8	0.9	1.0	0.7	0.3	1.3
Up To 6 Months	335	0.5	0.2	0.5	0.4	0.1	0.7
Over 6 And Up To 12 Months	95	0.1	0.3	0.2	0.1	0.1	0.2
Over 12 Months	115	0.2	0.4	0.3	0.2	0.2	0.4
<i>Aged 50 To 64</i>							
Total	295	1.1	1.2	1.5	1.1	0.6	1.3
Up To 6 Months	145	0.5	0.2	0.5	0.6	0.1	0.6
Over 6 And Up To 12 Months	45	0.2	0.3	0.3	0.2	0.1	0.2
Over 12 Months	110	0.4	0.6	0.7	0.4	0.3	0.5

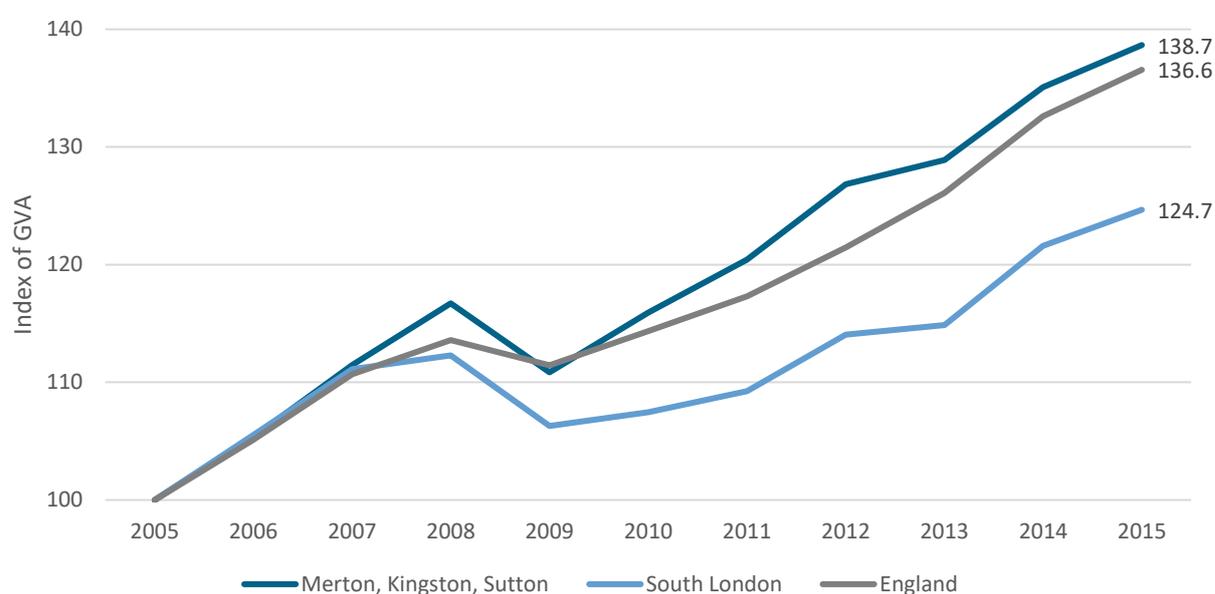
Source: ONS Jobseekers Allowance by age and duration with proportions. Note: % is number of persons claiming JSA as a proportion of resident population of the same age.

3 Local economic performance

Economic performance

- 3.1 ONS Regional Gross Value Added data at the NUTS3 level combines Merton, Kingston and Sutton into one economic entity. Using this data, the local economy was worth just over £14bn (unadjusted for inflation and local price variations) in 2015. Moreover, long term growth in economic output (GVA²²) has been above regional and national trends.
- 3.2 From 2005-2015, the average annual growth rate in GVA was 3.4% per annum (in nominal terms), compared to 2.3% for South London and 3.2% for England. In 2015, year on year growth in the Merton, Kingston and Sutton economy was 2.7%, above South London (2.3%) and England (3.2%).²³

Figure 8: Index of total GVA (2005 = 100)



Source: ONS Regional GVA

Economic performance: GVA per head

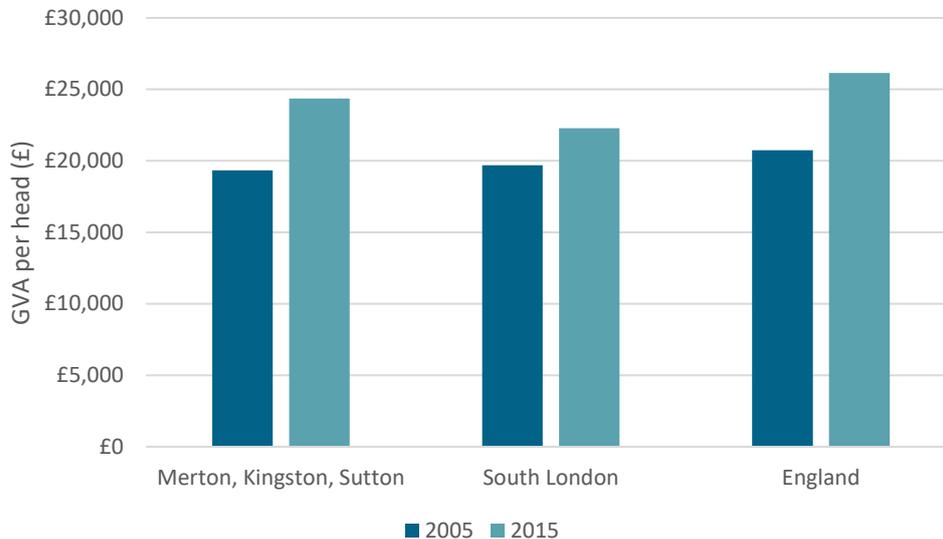
- 3.3 Looking in more detail, GVA per head data can be a useful way of comparing regions of different sizes and provides an indicative guide to the relative economic performance of the area. On this measure, the Merton, Sutton and Kingston economy looks to be performing above the regional average, but below the national.

²² Gross Value Added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. It is measured at current basic prices, which include the direct effect of inflation, excluding taxes (less subsidies) on productions (for example, Value Added Tax). GVA plus taxes (less subsidies) on products is equivalent to Gross Domestic Product (GDP).

²³ ONS Regional GVA (2016)

- 3.4 GVA per head of the population was £24,352 in Merton, Sutton and Kingston in 2015 –7.4% below the England average of £26,159 and 8.5% above the South London average of £22,292.²⁴

Figure 9: GVA per head (2005 and 2015)



Source: ONS Regional GVA. Data is in nominal terms.

- 3.5 As Figure 9 shows, the gap in GVA per head in Merton, Kingston and Sutton is £1,807 compared to England (down from £1,401 in 2005).²⁵

Economic performance: labour productivity

- 3.6 Labour productivity measures the amount of output produced by each unit of labour input. Increasing productivity is often seen as the key to raising local economic performance.
- 3.7 In 2015, GVA per hour worked was £35.10 per hour in Merton, Kingston and Sutton, compared to £36.00 in South London and £32.40 for England as a whole.²⁶ This is 2.7% below the South London average and 7.6% above the national average. With regards to GVA per filled job, another common measure of labour productivity, Merton, Kingston and Sutton outperforms England but not South London. This is shown in Figure 10.

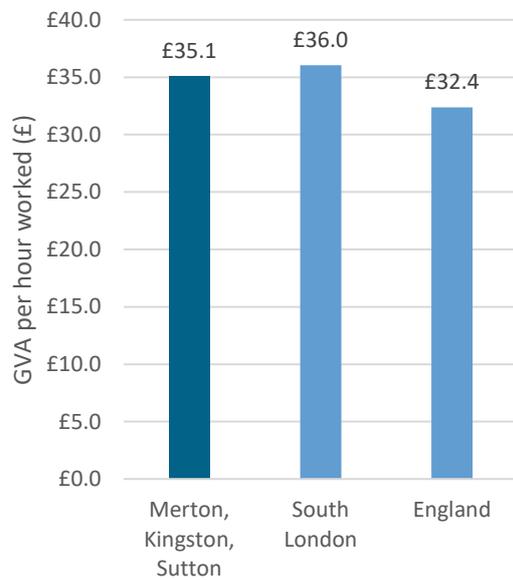
²⁴ ONS Regional GVA (2016)

²⁵ ONS Regional GVA (2016)

²⁶ ONS Subregional Productivity (2017) – data is smoothed using a weighted 5 year moving average.

Figure 10: Labour productivity (2015)

GVA per hour worked



GVA per job



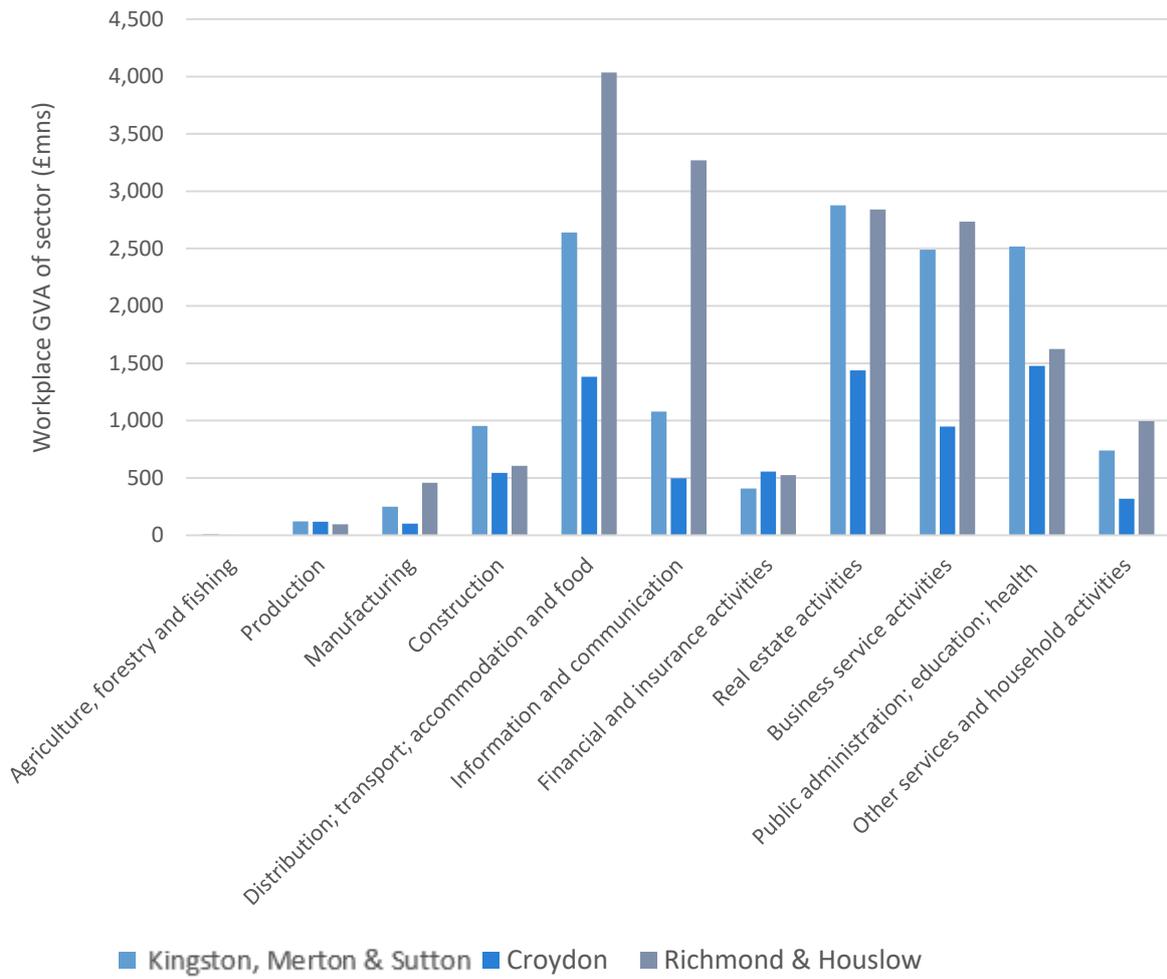
Source: ONS Subregional Productivity

Spotlight on GVA

3.8 As mentioned above, GVA data for Kingston is only available at a level where Kingston is grouped together with Merton and Sutton, making it harder to track changes in GVA at the 'Kingston-only' level. However, in the context of the increased intra-connectivity in South London, and Kingston's emergent knowledge industry entrepreneurial cluster, it is reasonable and sensible to address Kingston's potential to take a lead on productivity growth and diversification across a slightly wider area.

3.9 Figure 11 below shows the GVA per-sector in 2015, compared to surrounding South London areas:

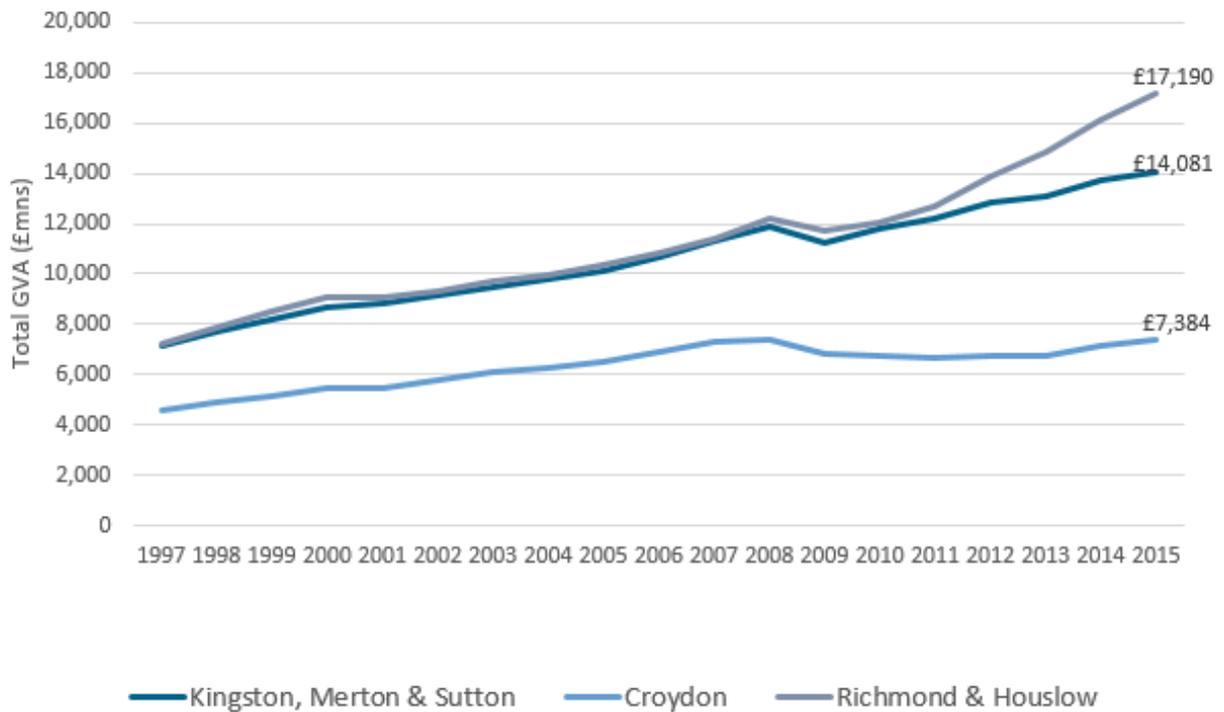
Figure 11: Workplace GVA (£millions) by sector in 2015, South London NUTS3 groups



Source: ONS

3.10 Figure 12 below shows the total GVA growth for all sectors between 1997 and 2007 compared to south London neighbour groups.

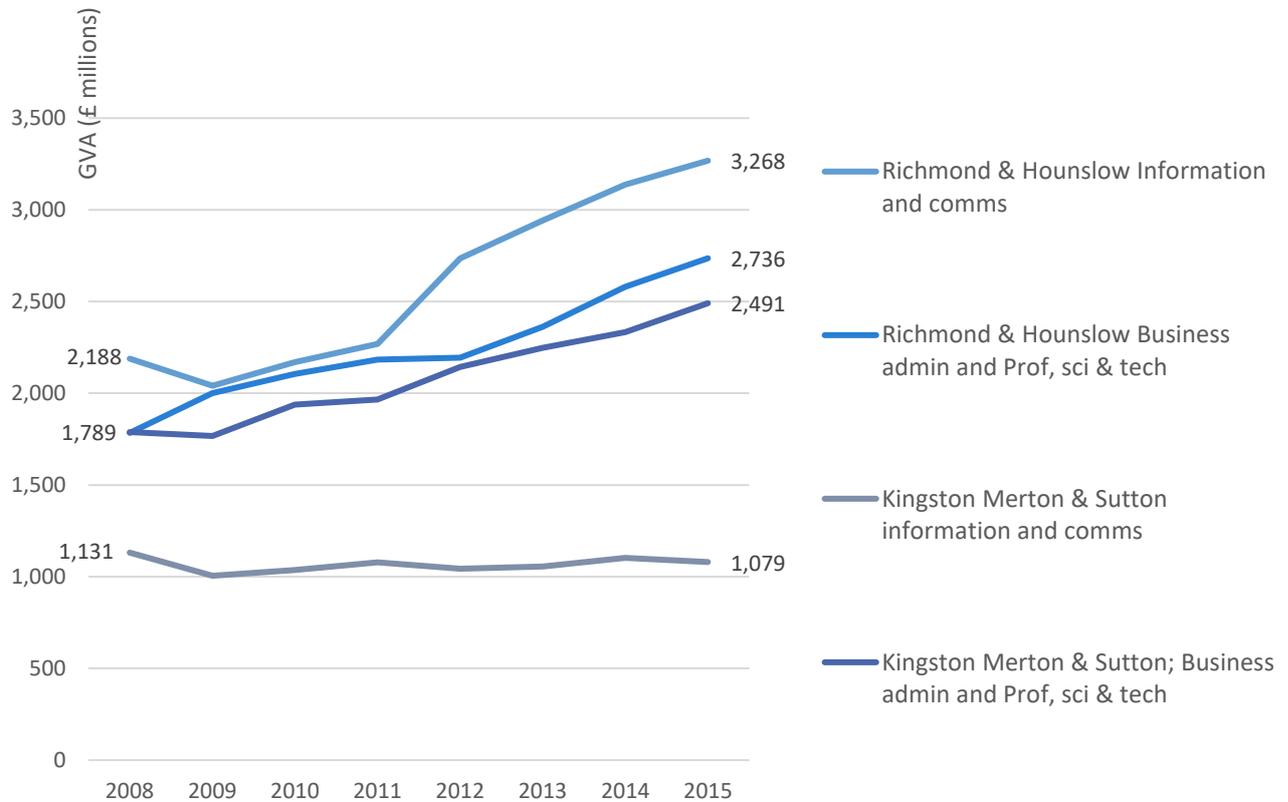
Figure 12: Total GVA growth (£millions) 1997-2015, South London NUTS3 groups



Source: ONS

- 3.11 There is a clear tracking pattern between Kingston, Merton & Sutton and Richmond & Hounslow between 1997-2008. Croydon, with a smaller total economic output, has also grown marginally less quickly in the period. But post-2008 there is a clear divergence between the output growth of Kingston Merton & Sutton, and Richmond & Hounslow which has culminated in a difference of £3bn per annum.
- 3.12 Looking at Kingston's key entrepreneur-driven growth sectors, information and communications and professional scientific and technical services, Richmond and Hounslow appear to have capitalised on sector growth potential significantly more than Kingston, Merton and Sutton. In 2008, Richmond and Hounslow produced £1bn more from these two sectors than Kingston Merton and Sutton, and this difference was accounted for fully from the difference in ICT output.
- 3.13 By 2015 the difference in output from information and communications between the two area groups had grown to over £2.2bn. The output gap between business administration and professional scientific and technical output had grown to around £2.5bn.
- 3.14 The different GVA growth trajectories in these two sectors therefore explains 50% of the emergent output gap since 2008. This highlights the need to facilitate entrepreneurialism to enable it translate into subsequent employment opportunities at greater scale and associated output growth.

Figure 13: Sector GVA growth spotlight (£millions) since 2008: Information and communications; business administration and professional, scientific and technical



Source: ONS

- 3.15 'Business administration', a sector which has seen volume employment growth in Kingston, is merged with the 'professional scientific and technical' group in GVA data. This makes it harder to understand whether significant business-base growth, or employment growth at a small number of sites, may be driving overall observed output growth.
- 3.16 Of the remaining £1.5bn output gap, £1.2bn is accounted for by faster growth in 'distribution, transport, retail, accommodation and food' in Richmond and Hounslow (+£1.6bn growth compared to +£0.3bn growth).
- 3.17 This last finding adds weight to the argument that the co-location of higher value sectors, which create disposable income growth, can be a powerful formula supporting labour demand and wages in complementary services sectors.

Economic performance: total jobs

- 3.18 There were 82,000 jobs in the Kingston economy in 2014. This was equivalent to 0.72 jobs per working age resident (or jobs density), below the London (0.96) and national (0.83) averages. Jobs density measures the number of jobs in an area as a proportion of the working age population. A jobs density of 1.0 would mean that there is one job for every resident aged 16-64. A jobs density of 0.72 portrays a significant gap between the available pool of labour and total jobs on offer. There appears to be capacity within the Kingston labour market to accommodate future employment growth.

Table 7: Total number of jobs and jobs density (2014)

Area	Total no. jobs	Jobs Density
Kingston	82,000	0.72
Croydon	142,000	0.58
Merton	97,000	0.70
Richmond	95,000	0.76
Sutton	78,000	0.61
London	5,600,000	0.96
England	28,445,000	0.83

Source: ONS Jobs density

4 Industry and enterprise

Employment by sector

- 4.1 Looking at employees by industrial sector, as the table below shows, Kingston has relatively high rates of employment in wholesale & retail (14,200 jobs), as well as public administration; education and health (23,300 jobs). At the same time, employment is below the national average in a number of service activity industries.

Table 8: Employee jobs (2015)

Employment type/sector	Kingston		London	England
	No.	%	%	%
Total Employee Jobs	81,100	-	-	-
Full-time	51,100	63.0	74.5	69.5
Part-time	30,000	37.0	25.5	31.5
Employee Jobs by Industry				
Primary sector & utilities	100	0.1	0.6	1.7
Manufacturing	1,700	2.0	2.3	8.1
Construction	2,300	2.8	2.8	4.5
Motor trades	800	0.9	0.8	1.8
Wholesale & retail	14,200	17.5	11.8	14.0
Transport & storage	1,500	1.8	4.6	4.7
Accommodation & food	4,800	5.9	7.6	7.0
Information & communication	3,400	4.2	7.8	4.4
Financial & other business services	24,100	29.6	34.2	23.1
Public admin; Education; Health	23,300	28.7	22.5	26.1
Arts; Entertainment; Recreation; Other	5,100	6.3	4.9	4.4

Source: ONS BRES

- 4.2 There was a total of 81,100 employees working in the Kingston economy in 2015. Of these, 37% of employees in Kingston were working in part-time positions, above the London average of 25.5% and national average of 31.5%.²⁷ The table below gives a breakdown of part-time employment by industry. The three sectors with the highest number of part-time workers are public administration; education; health (9,000 jobs), financial and business services (8,400 jobs) and wholesale & retail (6,100 jobs).²⁸

²⁷ ONS Business Register and Employment Survey (2016)

²⁸ ONS Business Register and Employment Survey (2016)

Table 9: Part-time employee jobs (2015)

Sector	No.	%
Total part-time jobs	30,000	-
Part-time Jobs By Industry		
Primary sector & utilities	0	0.0
Manufacturing	100	0.4
Construction	300	1.1
Motor trades	100	0.4
Wholesale & retail	6,100	20.2
Transport & storage	200	0.8
Accommodation & food	2,500	8.2
Information & communication	400	1.3
Financial & other business services	8,400	28.0
Public admin; Education; Health	9,000	30.2
Arts; Entertainment; Recreation; Other	2,800	9.2

Source: ONS BRES

Zero-hours workers in Kingston

- 4.3 The prevalence of zero-hours workers is reported at a regional level only but we can adjust this for the differences between the local Kingston employment profile and the London-regional employment profile to make a reasonable estimate of the proportion of workers on zero-hours contracts by industry in Kingston.
- 4.4 In 2016 there were 903,000 UK workers, 95,000 London workers and an estimated 8,445 people in Kingston working in zero-hours employment contracts. Across the UK this figure has risen by just over 54% since 2013 and more than quadrupled since 2001.
- 4.5 Zero hours contracts are more common in certain industries than others, and table 10 below estimates the prevalence of zero-hours contracts based on the prevalence by industry at a national level and local sector employment in Kingston:

Table 10: Zero hours contracts by industry

Sector	Kingston sector employees	Zero-hours prevalence by sector	Zero-hours local Kingston estimate
A-E Production including Agriculture	1,789	5.3%	94
F Construction	2,250	2.1%	46
G Wholesale and Retail	14,942	10.0%	1,492
I Accommodation and Food	4,803	24.7%	1,187
J-M Information, Finance, Professional	11,763	4.5%	525
N Admin and support services	15,676	6.5%	1,027
O Public admin	3,672	2.1%	77
P Education	9,140	8.7%	792
Q Health and Social work	10,470	21.6%	2,264
R,S+H Transport, Arts, Other services	6,581	14.3%	942
Total	81,086	100.0%	8,445

Source: ONS BRES

4.54 Figure 14 below ranks the prevalence of zero hours contracts by industry.

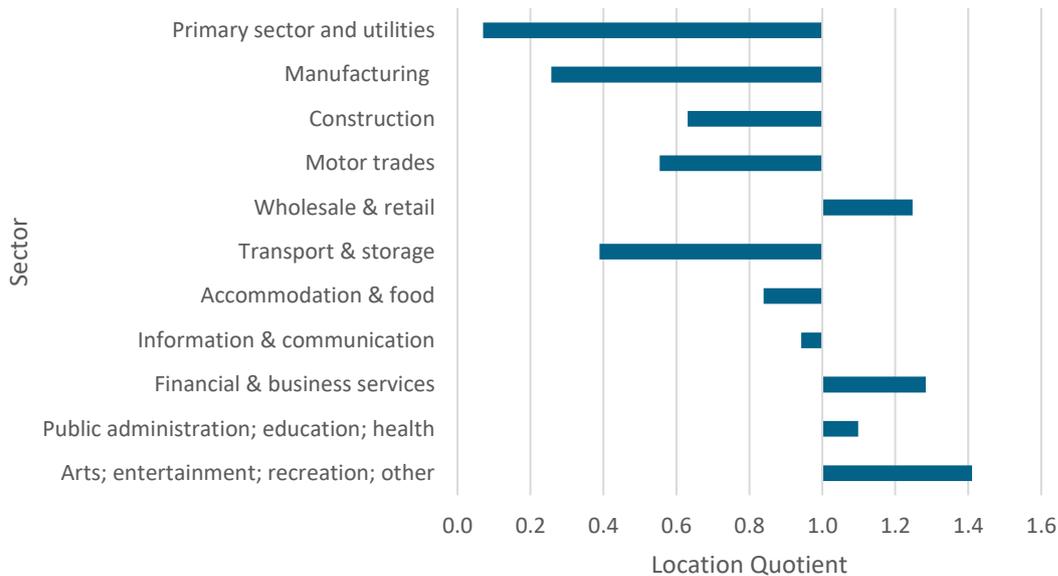
Figure 14: Prevalence of Kingston's zero hours employees by industry



Source: ONS BRES

- 4.55 Figure 15 identifies particular sector strengths in Kingston in more detail. These are calculated as 'location quotients' (LQ), which compare the proportions of employment by industrial section in the local area with England. An LQ of greater than one implies relative concentration of employment compared to the England average; and an LQ of less than one implies a relative lack of concentration in a given sector.

Figure 15: Location quotient, 2014 (vs. England)



Source: ONS BRES

4.56 Figure 15 shows that Kingston's industrial structure is fairly uneven and distinct compared to the industrial structure of the country as a whole. Key points to note are:

- There is a higher concentration of employees in the arts, entertainment, recreation and other services sector (with an LQ of 1.4). The same can be said of financial business services (LQ of 1.3), public administration (LQ of 1.1) and wholesale & retail (LQ of 1.2).
- There is a very low concentration of employees in the manufacturing (LQ of 0.3) and transport and storage (LQ of 0.4) sectors compared to the national industrial structure.

Recent change in employment by sector (2009-2015)

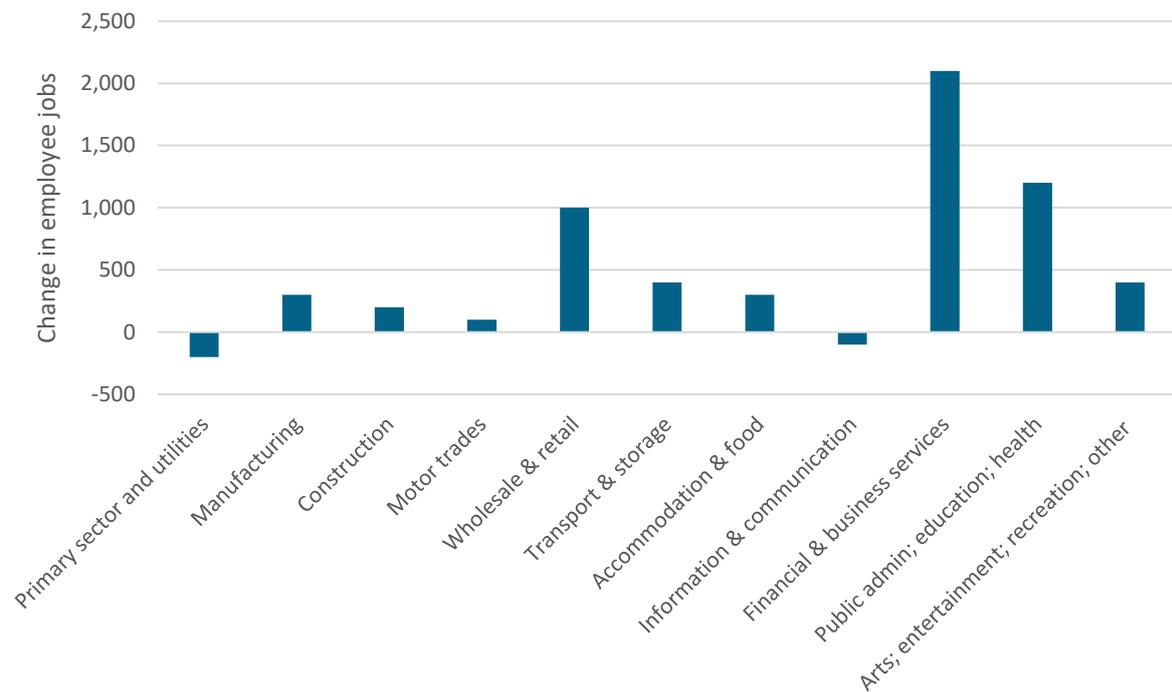
4.57 Recently, employment trends since 2009 show that Kingston has sustained its growth in both market and non-market activities, with significant jobs growth in financial & business services (+2,100) and public administration, education and health (+1,200).²⁹ It is also noteworthy that, between 2009 and 2015, 100 jobs have been lost in the information & communication sector. Other than information & communication, the only other sector to lose jobs was primary sector and utilities (-200).

4.58 The total number of employees in the Kingston economy has increased by 5,500 or 7.3% from 2009-2015, compared to 7.8% growth nationally.³⁰

²⁹ ONS Business Register and Employment Survey (2015)

³⁰ ONS Business Register and Employment Survey (2015)

Figure 16: Kingston: net change in employees (2009-2015)



Source: ONS BRES

- 4.59 As Figure 16 shows, the top three sectors for employment growth were: financial and business services; public administration, education and health; and wholesale and retail. Charts 16-18 below break these sectors down as a percentage of total employment, and compared to London and England.
- 4.60 As Figure 17 shows, the proportion of all employees in Kingston working in financial and businesses and increased dramatically in recent years. Between 2014 and 2015 there was an increase of 9.4pp in employment in the sector. Between 2011 and 2015 the financial and business services sector has grown from 21.7% of all employees in Kingston to 29.6%, with 8,600 jobs added in the process.³¹

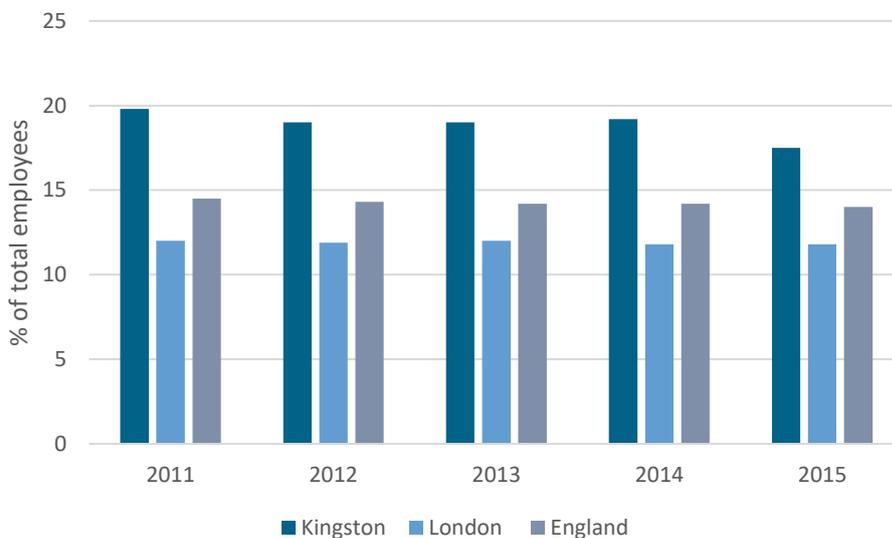
³¹ ONS BRES (2016)

Figure 17: % of employees working in financial and business services (2011-2015)



4.61 Although between 2009 and 2015 1,000 extra jobs were added in the wholesale and retail sector, in recent years employment in the sector as a proportion of all employment has fallen. In 2011, 19.8% of all jobs in Kingston were in wholesale and retail, falling to 17.5% in 2015.³²

Figure 18: % of employees working in wholesale and retail (2011-2015)

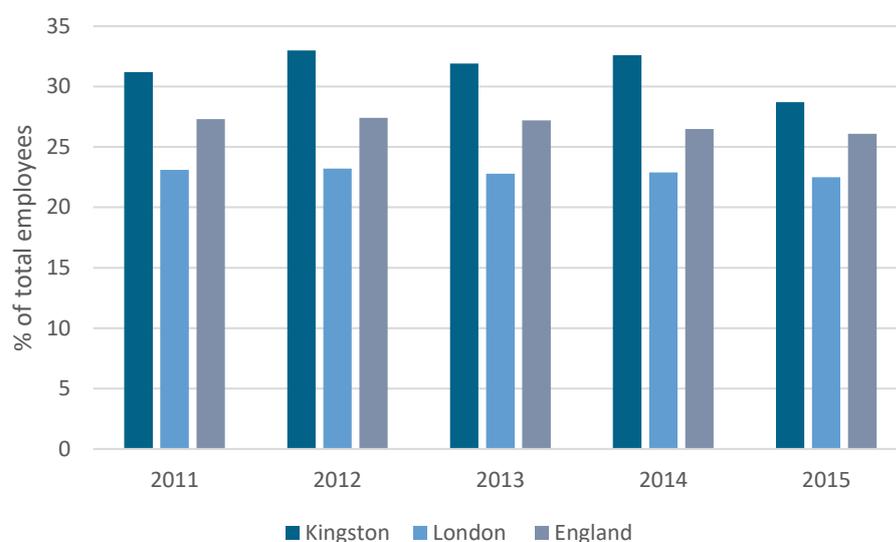


4.62 It is a similar story for public administration, education and health. Although there has been strong growth in the number of jobs, the proportion of all employment the sector accounted for in Kingston fell from 31.2% in 2011 to 28.7% in 2015.³³

³² ONS BRES (2016)

³³ ONS BRES (2016)

Figure 19: % of employees working in public administration, education and health (2011-2015)



4.63 The table below breaks down where the jobs growth in Kingston has come from between 2009 and 2015 at a more detailed sector level.

Table 11: Detailed breakdown of jobs growth

Sector	Growth in jobs (2009-15)
Agriculture, forestry and fishing	0
Mining and quarrying	0
Manufacturing	300
Electricity, gas, steam and air conditioning supply	0
Water supply and waste management	-200
Construction	200
Wholesale and retail	1,000
Transport and storage	400
Accommodation and food	300
Information and communication	-100
Financial and insurance activities	-400
Real estate activities	200
Professional, scientific and technical activities	300
Administrative and support service activities	2,000
Public administration and defence	100
Education	500
Human health and social work activities	600
Arts, entertainment and recreation	800
Other service activities	-400
Activities of households as employers	0
Activities of extraterritorial organisations and bodies	0

Source: ONS BRES

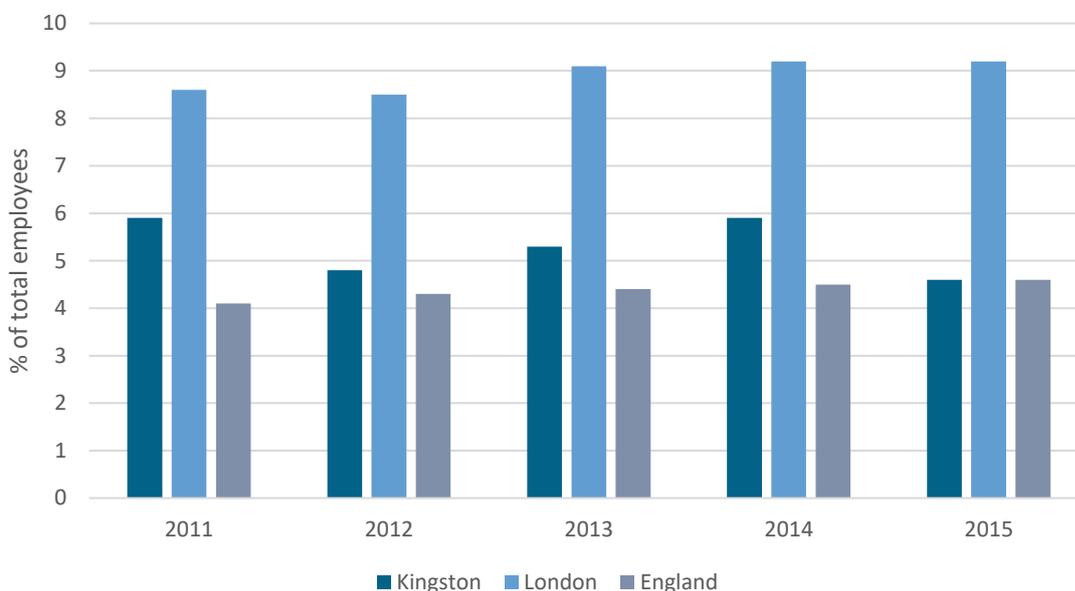
Opportunities in the creative sector

4.64 Both the creative and cultural industries are central to the national rebalancing agenda, and the government's ambition to deliver private sector jobs growth. The growth of the UK's creative

industries is beginning to create new challenges for the sector. Their significance transcends and goes beyond a purely economic one, and the headline economic impacts are large, growing, and out-pacing traditional sectors. In 2015, the creative industries in the UK added £84.1bn to the economy, equating to £9.6m per hour – driving productivity, wages and export growth. Therefore, areas have strong incentives to support the development and growth of the creative industries, which are not spread evenly. Those areas with strong active local clusters stand to capture and benefit from a range of direct and indirect impacts, and spill over into the wider economy.

- 4.65 Using the DCMS definition³⁴, the creative industries accounted for 3,800 jobs in Kingston in 2015. At 4.6% of total employment, this was below the average for London (9.2%), but in line with the national average (also 4.6%).³⁵ Within the creative industries, computer consultancy was the sub-sector with the largest number of employees in Kingston (1,400) followed by computer programming (500) and specialised design activities (300).

Figure 20: % of employees working in creative industries (2011-2015)



Source: ONS BRES

- 4.66 Creative industries employment in Kingston fell by 400 or 9.5% between 2011 and 2015. In contrast, the number of employees working in the creative industries grew by 3% in London and 3.8% nationally during this period.³⁶
- 4.67 As a cultural centre, Kingston is home to Kingston Museum Art Gallery, Kingston Museum and the Rose Theatre. The Rose Theatre opened in January 2008 and its presence has attracted a more diverse cross-section of visitors to the Borough, which in turn has led to new types of amenities

³⁴See: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/394668/Creative_Industries_Economic_Estimates_-_January_2015.pdf

³⁵ ONS Business Register and Employment Survey (2015)

³⁶ ONS Business Register and Employment Survey (2015)

opening in the town. The wide range of bars and restaurants on offer contribute to Kingston's thriving night-time economy.

Culture	Heritage	Events	Voluntary and community
Rose Theatre	Coronation Stone	Ignition Dance	Go Kingston Volunteering
Kingston Museum	All Saints Church	Kingston Carnival	Hook Centre Voluntary Care Scheme
Kingston Artists Open Studios	Kingston History Centre	Regatta and river festival	Hook Centre Music and rehearsal studio
Fusion Arts	The Riverside (inc. access to Hampton Ct)	Voice Festival	Rose Theatre (121 volunteers)
Global Arts	Castle Hill Earthworks	Youth arts festival	Go Kingston Volunteering
Kingston Choral Society	Clattern Bridge	Enjoying later life festival	Corner House Community Arts Centre
Kingston Music Service	Gallows Tamkin	The Food Festival	Kingston international partnerships cultural exchange
Stanley Picker Gallery	Kingston Bridge	Freshwater Sardine Festival	VS
Hawks Road Studios	The Druids Head		

The visitor economy (see RBK International strategy: evidence report April 2017 for full analysis)

4.68 The tourism sector is a significant employer in Kingston, accounting for 19,700 jobs and 24.3% of all employment in the borough in 2015. This was an increase of 0.7pp on 2010, or 1,700 jobs. In 2015, the biggest sub-sectors with regards to employment were:

- Retail sale in non-specialised stores – 4,500 jobs;
- Retail sale of other goods in specialised stores – 3,600 jobs;
- Restaurants and mobile food service activities – 2,500 jobs;
- Sports activities – 1,500 jobs;
- Travel agency and tour operator activities; amusement and recreation activities – both 1,300 jobs.³⁷

Links with tourism and the international strategy

4.69 Both Visit Britain and the International Passenger Survey conducted by the ONS produce information on tourism in London, though this is to some extent limited at a borough level. London & Partners have analysed ONS and Visit Britain data to attempt to generate figures at a borough level.

4.70 Overall across London 80% of all trips by volume originate from Western Europe and North America, reflecting our close cultural and economic ties with the USA, Canada and EU neighbours. This does

³⁷ ONS BRES (2016)

not, however reflect the FDI profile of Kingston very well with very low proportions of FDI projects being initiated from these locations compared to London.

4.71 International exposure of a location is a hugely important aspect of generating initial awareness and interest from individuals, entrepreneurs and investors. There are three primary channels through which this can happen, often in combination:

1: Existing international ties and networks (people; businesses)

2: Direct exposure via tourism (visitors)

3: External marketing of the location (business; leisure)

4.72 The international connection provided by the existing established community of Koreans in Kingston appears to be more powerful driver of FDI than the balance of visitors suggested by L&P analysis of tourism data. Understanding what mechanism this effect operates through, (e.g. Business networks; attraction of the existing cluster; sector links; community links to foreign networks) could be a priority for understanding with a view to exploring which other communities may be able to provide links to FDI markets as the Korean community has done.

4.73 Kingston benefits from its cultural heritage and location, though attracts a lower share of London's tourism and associated spend than it could. It is of note that Richmond attracts 75% more visitors and 79% more spend than Kingston. This may relate to the proximity of the borough to Heathrow airport, offering a convenient destination for many, and also Hampton Court Palace which is marketed extensively in international media.

4.74 L&P also note however, that Outer South London has just a 5% share in Hotel establishments and a 4% share in hotel beds in the capital³⁸. The study also notes that 60% of London's hotel rooms are concentrated in just 6 boroughs (none in South London). This is a significant finding, though unsurprising as establishments are clustered around the capital's main attractions.

4.75 L&P note that there is the potential for growth from 'Longer-haul' destinations, and this is borne-out by the data: Growth from Central and south America has been 81% over 5 years, and growth from Asia has been 48% compared to 24% growth from Europe (including Eastern Europe) and just 6% 5-year growth from North America.

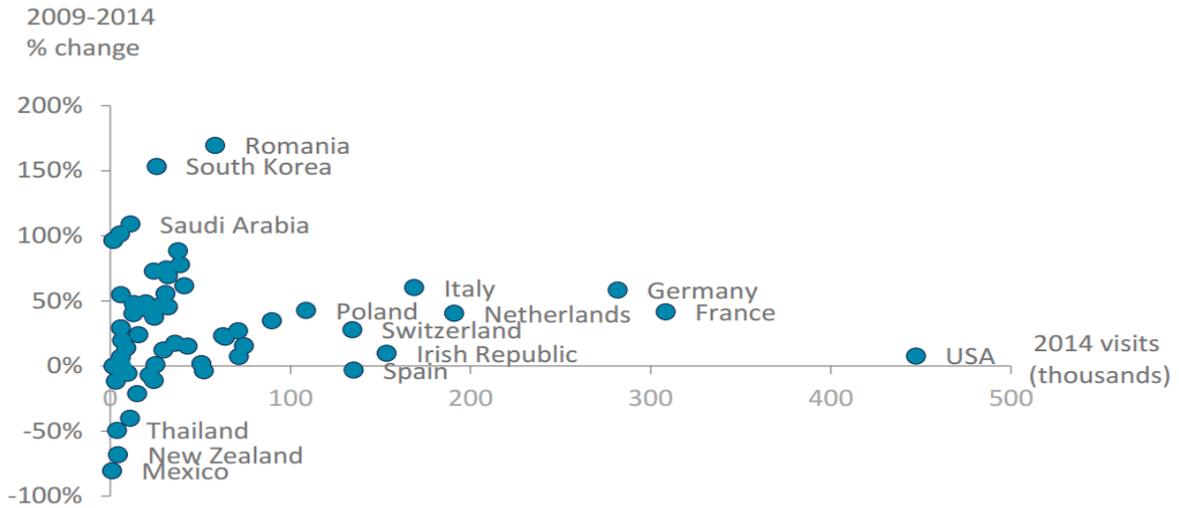
4.76 In terms of trip value in terms of visitor spend, Kuwait has seen a 5-year growth trend of 288%, and the UAE 122%, putting them at 7th and 8th respectively in terms of the value of visits by country of origin.

4.77 Below we can see that the pattern of which origin-locations are growing in value and visits does not necessarily reflect the existing high value origin countries for business visits, and L&P tip Mexico as a top growth prospect in coming years:

³⁸ London has 1,500 hotels with a total capacity of 137,000 rooms, or >50 million 'room-nights' per-year.

Figure 21: Business visits (volume) 2014 and 5-year growth by market

4.8 Business visits (volume) 2014 and 5 year growth by market



Source: Office for National Statistics; International Passenger Survey, 2009-2014

Source: ONS

Enterprise performance

- 4.78 Entrepreneurship is currently above the national average in Kingston and there has been considerable growth in the business base in recent years (see Figure 29). There were 8,105 active enterprises in Kingston in 2016 according to official estimates.³⁹ This was equivalent to 46.7 enterprises per 1000 in Kingston – above the England average of 40.4.
- 4.79 As the table below shows, entrepreneurship rates across the South London Partnership paint a mixed picture with regards to the average for London and England.

Table 12: Total number of active enterprises

Area	Total no. enterprises (2016)	Enterprises per 1,000 population (2015)
Kingston	8,105	46.7
Croydon	13,915	36.7
Merton	10,920	53.4
Richmond	12,875	66.1
Sutton	7,825	39.1
London	476,890	55.0
England	2,213,650	40.4

Source: ONS Business Counts and MYPE

- 4.80 Table 15 shows the size of businesses in Kingston in relation to the number of employees. The vast majority of the business base in Kingston comes in the form of micro businesses. 91.7% of

³⁹ ONS Business Counts (2015)

businesses in Kingston employ 0 to 9 people, with 83.7% employing 0 to 4. In contrast, there are only 30 businesses that employ 250 or more employees, 0.4% of the total business base.

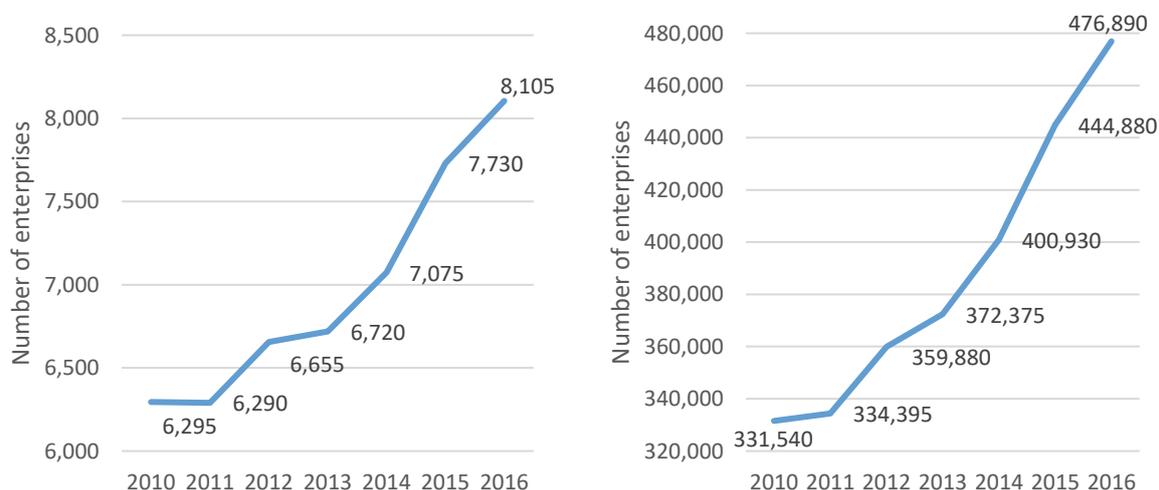
Table 13: Business size by employees in Kingston (2016)

Size of business by employees	Number	%
Micro (0 to 9)	7,435	91.7
0 to 4	6,785	83.7
5 to 9	650	8.0
Small (10 to 49)	540	6.7
10 to 19	345	4.3
20 to 49	195	2.4
Medium-sized (50 to 249)	100	1.2
50 to 99	60	0.7
100 to 249	35	0.4
Large (250+)	30	0.4
250 to 499	15	0.2
500 to 999	5	0.1
1000+	10	0.1
Total	8,105	100.0%

Source: ONS BRES

- 4.81 As Figure 29 shows, the number of enterprises in Kingston has steadily increased over the 2010 to 2016, with growth accelerating from 2011 onwards. In 2016, there was 8,105 enterprises listed in Kingston, an increase of 29% on 2010. Over the period 2010-16 an additional 1,810 enterprises were added to the Kingston economy.⁴⁰

Figure 22: Kingston and London enterprise counts



Source: ONS Business counts

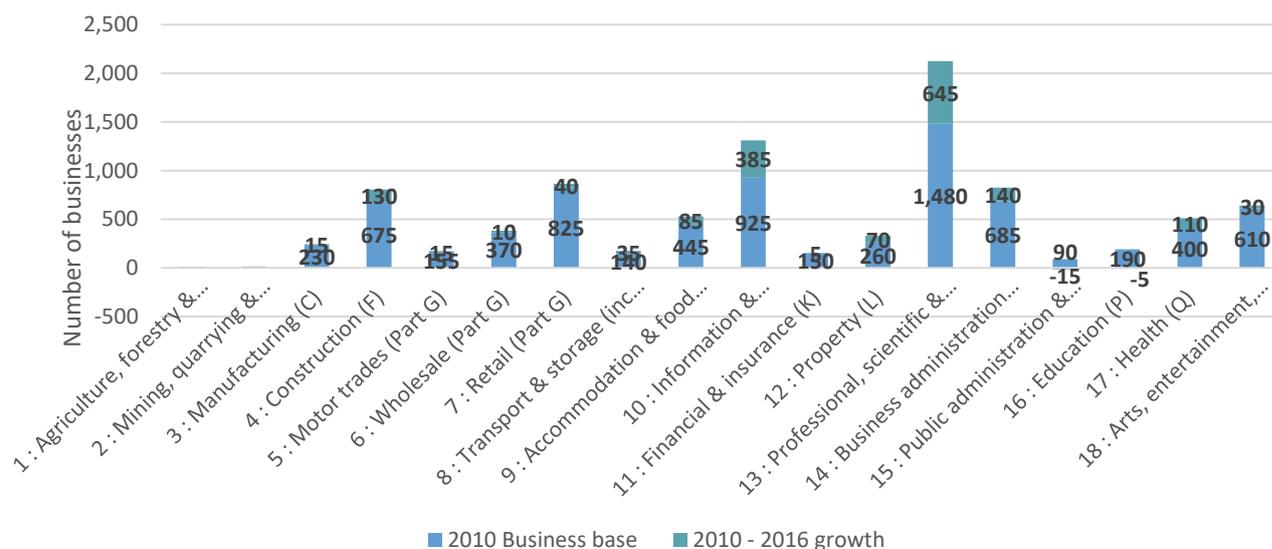
- 4.82 The data in Figure 30 shows that 3 of 18 sectors make up disproportionate amounts of the growth in the chart above, accounting for 1,170 out of 1,690 or (69.2%) of total growth:

⁴⁰ ONS Business counts (2016)

- Professional, scientific and technical;
- Information and communication; and
- Business administration and support

4.83 These business growth sectors reflect the proportionate difference between sectors where London has higher proportion of employment, and which Kingston's more qualified residents may be more likely to commute out to.

Figure 23: Sector business formation 2010 - 2016, Kingston



Source: ONS Business counts

Entrepreneurial activity

4.84 Looking in more detail at the nature of business performance in Kingston, Table 16 gives an overview of business birth rates, death rates and growth from 2009-2014. Overall, business demography data (based activity at any point in the year) shows an increase of 900 active enterprises in Kingston between 2009 and 2014.⁴¹

Table 14: Kingston: Business birth and death rates (2009-2014)

Date	Active enterprises	Births		Deaths		Net rate ⁴²
		No.	%	No.	%	
2009	7,620	905	11.9%	995	13.1%	-1.2
2010	7,725	885	11.5%	915	11.8%	-0.4
2011	7,770	985	12.7%	760	9.8%	2.9
2012	8,060	980	12.2%	980	12.2%	0.0
2013	8,130	1,185	14.6%	845	10.4%	4.2
2014	8,520	1,270	14.9%	835	9.8%	5.1

⁴¹ The total stock of active businesses is greater than business counts above. This is mainly because the definition of an active business is based on activity at any point in the year, whereas ONS Business Counts is based on an annual snapshot at a point in time.

⁴² Net rate = birth rate minus death rate.

Source: ONS Business Demography

Business survival performance

- 4.85 Business survival rates in Kingston have fluctuated between 2009 and 2013, although the broad story is one of both improvement and being in line with the national trend. The 24-month business survival rate is above national standards. Of all the VAT registered businesses registered in 2012, 79.1% were still trading in 2013. This was above the England average (73.7%). One-year survival rates were 0.3pp higher in 2013 than 2009, although there have been fluctuations during period. Notably, both Kingston and England's one-year survival rate dipped in 2010, Kingston's to 85.3% and England's to 86.6%.⁴³

Table 15: Survival rates of businesses born in Kingston since 2009

Years of birth / age in years	Kingston					England				
	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
1 year	93.4	85.3	93.4	92.9	93.7	90.9	86.8	93.1	91.1	93.5
2 year	78.5	72.3	79.2	79.1	--	73.9	72.5	75.5	73.7	--
3 year	65.2	57.6	65.0	--	--	59.7	57.1	60.4	--	--
4 year	50.3	48.0	--	--	--	48.9	48.1	--	--	--
5 year	42.0	--	--	--	--	41.8	--	--	--	--

Source: ONS Business demography

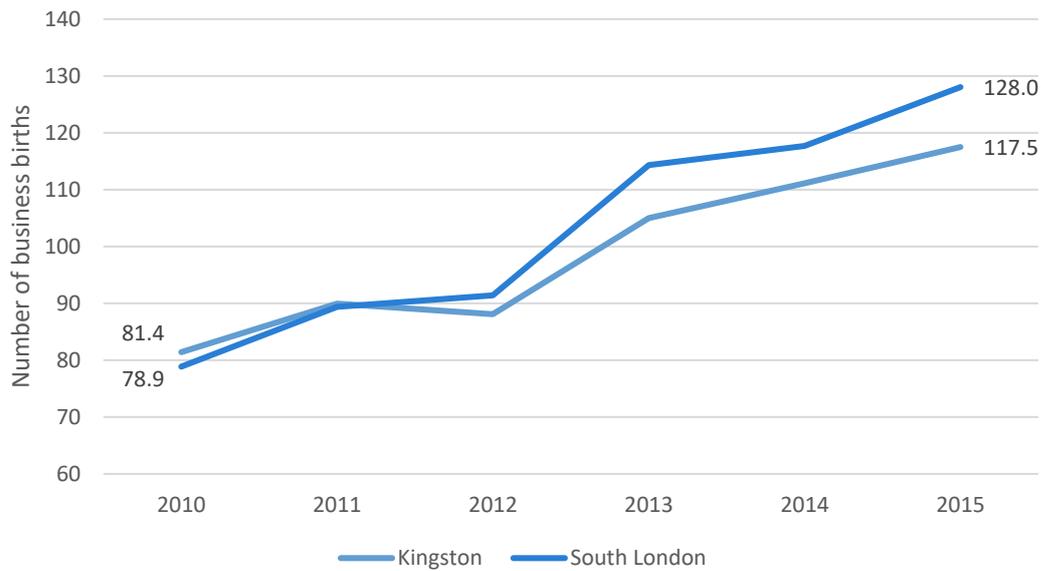
Spotlight on Start-ups

- 4.86 The ONS business demography dataset allows us to look at the annual births and deaths of enterprises in Kingston.
- 4.87 The level of business births per 10,000 working age population compared to South London⁴⁴ can be seen below.

⁴³ ONS Business Demography (2015)

⁴⁴ 'South London' refers to the partnership of 5 boroughs of Croydon, Kingston (inclusive), Merton Richmond and Sutton.

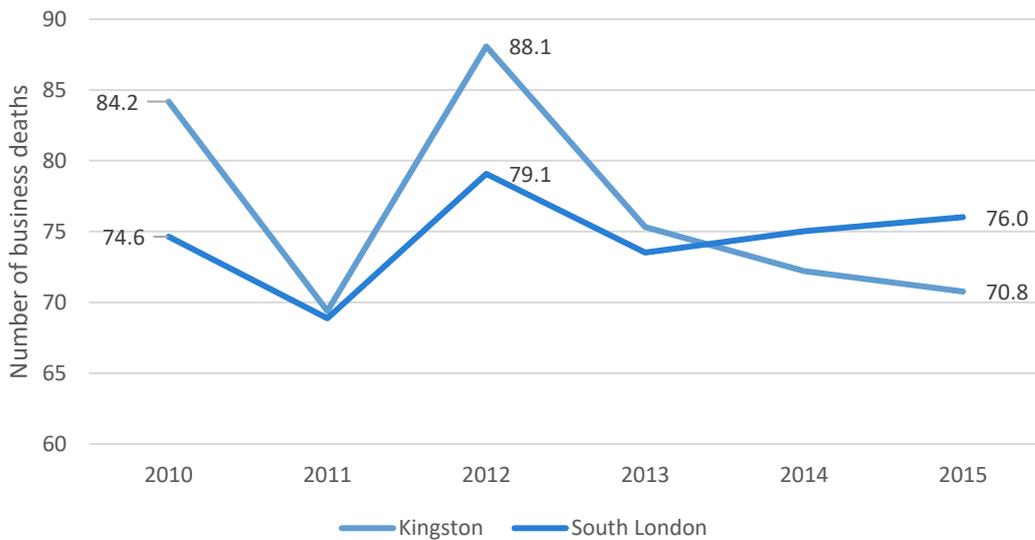
Figure 24: Business births per 10,000 working age population: Kingston; South London, 2010-2015



Source: ONS

- 4.88 Kingston started the period in 2010 with a marginally higher business birth rate than the average for the five South West London Boroughs. However, between 2011 and 2015 the rate of entrepreneurial activity among residents in South London has overtaken Kingston with 10.5 (8.9%) more businesses being started annually per 10,000 South London residents compared to Kingston.
- 4.89 Kingston has a very healthy start-up rate when compared to the average for England (99.3 per 10,000 working age people in 2015). That said, over time Kingston may be losing opportunities for cumulative business formation compared to its neighbours, with implications for the level of total business stock growth.
- 4.90 The level of business deaths in Kingston per 10,000 working age population compared to South London can be seen in Figure 32.

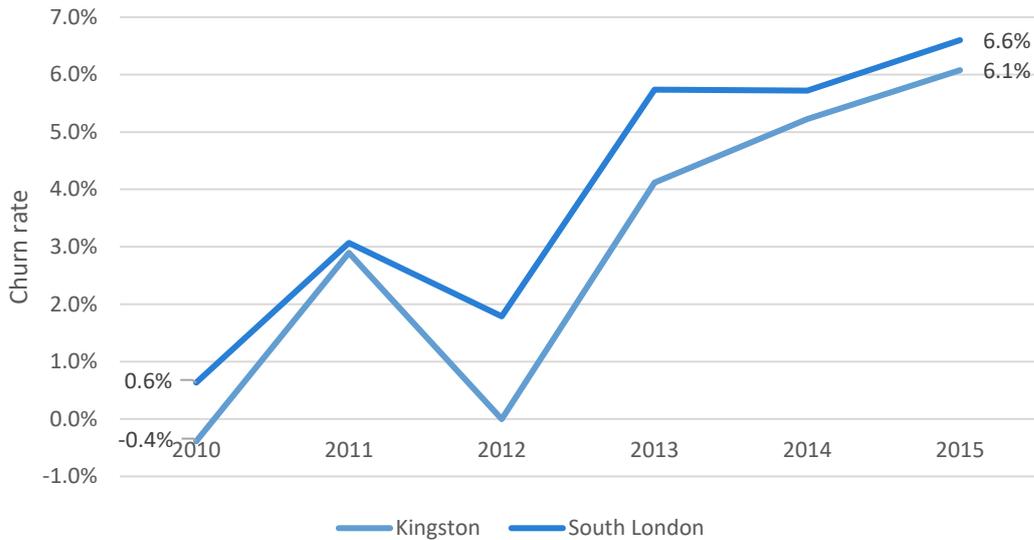
Figure 25: Business deaths per 10,000 working age population: Kingston; South London, 2010-2015



Source: ONS

- 4.91 In contrast to the picture for business births, Kingston began the period in 2010 with a higher level of business deaths than the average for South London, which remained above the South London level until 2014 before falling below the South London rate. In 2015, the rate of deaths per 10,000 working age residents in Kingston was 5.2 (6.8%) lower than in South London.
- 4.92 Business deaths are often higher where business births or stock per 10,000 working age people are higher. This means care should be taken in interpreting any high business deaths figures which are in part a consequence of past success.
- 4.93 The overall business formation rate or 'churn' is a measure of the proportionate growth in the business base, and for any year is calculated as $\text{Births} - \text{Deaths} / \text{Active businesses at the start of period}$. The churn rate for Kingston compared to South London can be seen in Figure 33.

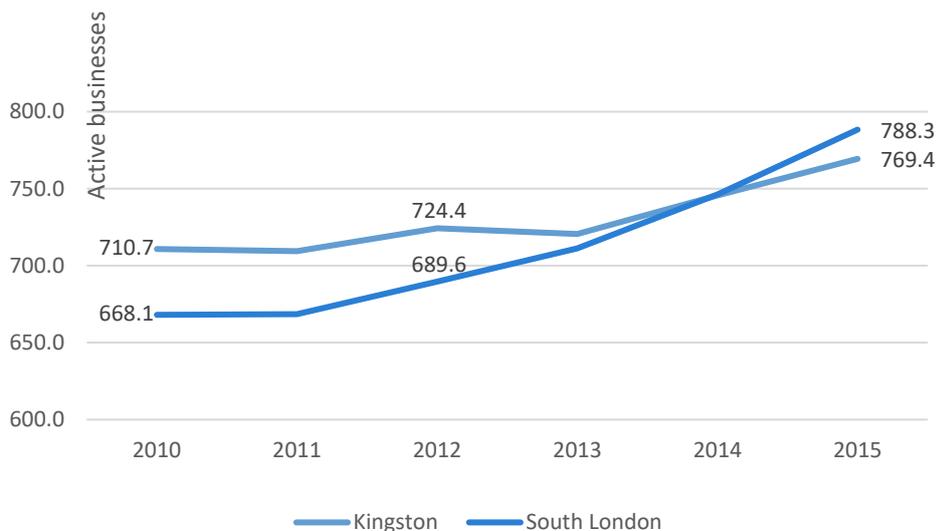
Figure 26: Business formation ('churn') rate: Kingston; South London, 2010-2015



Source: ONS

- 4.94 For the whole of the period 2010 – 2015 Kingston’s business formation rate has been below the average for South London boroughs. Differences in the business formation rate vary from year to year, but appear to be driven more by differences in the business death rate than the business birth rate. In 2015 England achieved a churn rate of 5.2%, and both Kingston and South London compare favourably to the national average in terms of recent business formation.
- 4.95 The total level of business stock per 10,000 working age people can be seen in Figure 34 below:

Figure 27: Active businesses per 10,000 working age population: Kingston; South London, 2010-2015



Source: ONS

- 4.96 Kingston compares favourably to South London between 2010 and 2012/13, but in 2014 South London exceeded the level of business stocks per head in Kingston. We can see the effect of the higher death rate in Kingston in 2012, with negative net-growth in business stocks between 2012 and 2013. Between 2013 and 2015 however, the difference in formation rates has been primarily driven by a higher relative birth rate compared to the death rate in South London, rather than a change within Kingston.
- 4.97 Both Kingston and South London compare favourably to England, which in 2015 had 677 businesses per 10,000 working age population.
- 4.98 Factors enabling South London to develop and consolidate its business base relatively more successfully can be explored. This includes the quality and mix of business premises and also the balance of sectors in the initial mix.

Commercial premises

- 4.99 Looking at business floorspace, Kingston has actually seen a fall in business space in recent years, with significant falls in office and industrial space since 2004. The total amount of business floorspace in Kingston has fallen from 1163 thousand m² in 2000/1 to 1119 thousand m² in 2015/16, a fall of 3.8%.⁴⁵

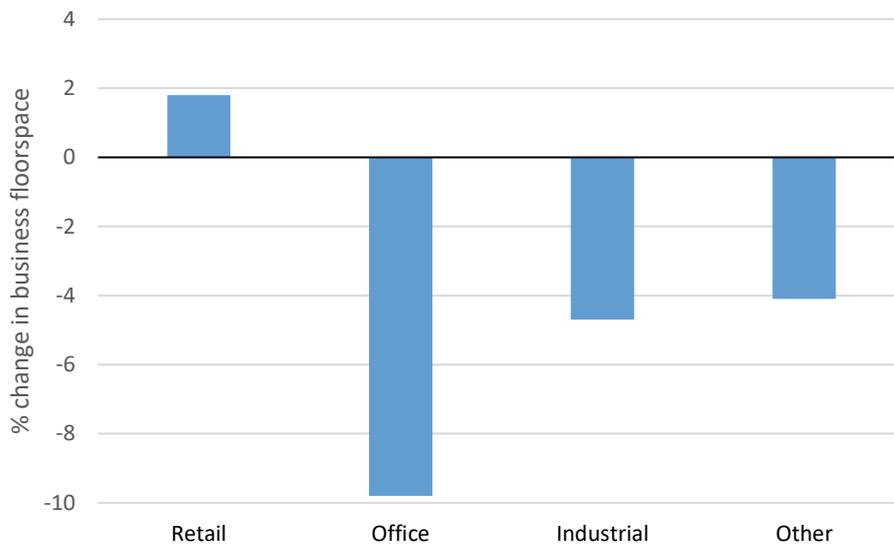
Table 16: Kingston: Business floorspace, by type (thousands m²)

Year	Retail	Office	Industrial	Other	Total
2000/1	379	295	342	147	1163
2001/2	387	289	338	148	1162
2002/3	386	300	319	151	1156
2003/4	384	300	324	154	1162
2004/5	385	290	322	151	1148
2005/6	374	279	323	167	1143
2006/7	381	278	334	169	1162
2007/8	383	272	326	168	1149
2008/9	382	259	324	169	1134
2009/10	380	261	322	169	1132
2010/11	377	262	330	161	1130
2011/12	380	263	318	164	1125
2012/13	380	258	316	164	1118
2013/14	381	269	327	148	1125
2014/15	380	266	325	152	1123
2015/16	386	266	326	141	1119

Source: VOA

⁴⁵ VOA Floorspace (2017)

Figure 28: % change in business floorspace, by type (2000/1-2016/17)



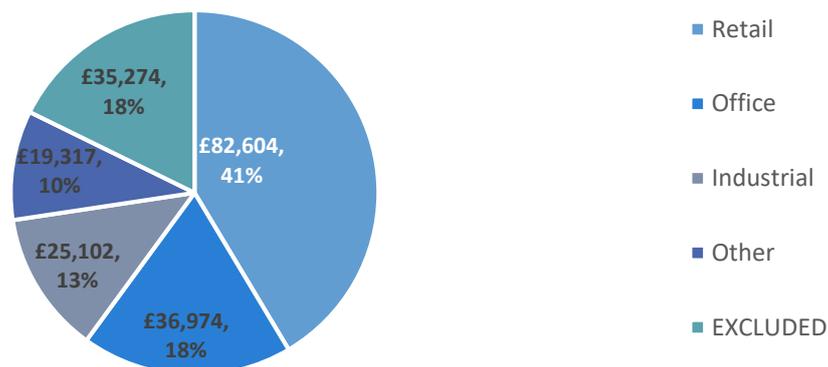
Source: VOA

National Non-Domestic Rates (NNDR / Business rates) in Kingston

4.100 In 2015/16 Kingston had a gross notional income of £199,271,000 from business rates⁴⁶. Due to temporary relief and other discretions £35,274,000 of this has been discounted⁴⁷ by Kingston, leaving a total due of £163,997,000.

4.101 The composition / breakdown of the types of establishment-uses contributing to the total notional business rates take can be seen below.

Figure 29: Source of NNDR business rates by use class of floorspace Kingston 2015/16 (£000's)

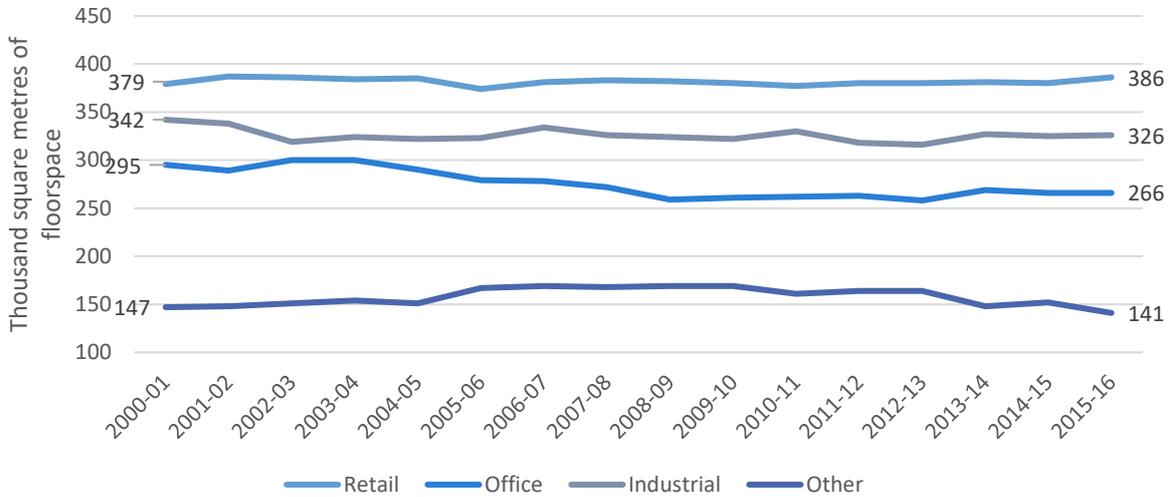


⁴⁶ For information about how business rates are calculated see: <https://www.gov.uk/introduction-to-business-rates/how-your-rates-are-calculated>

⁴⁷ For information about business rates relief and conditions for exemption see: <https://www.gov.uk/apply-for-business-rate-relief/exempted-buildings-and-empty-buildings-relief>

4.102 Business rates are calculated using a £ multiplier per square metre of floorspace, and below we can see how the total space given over to each type of use has changed over time since 2000/1

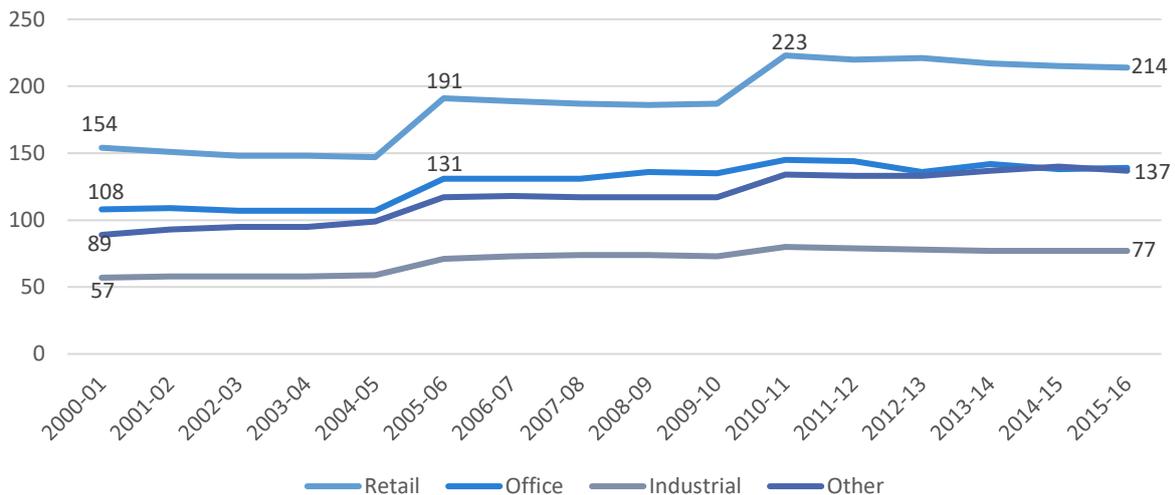
Figure 30: Thousand square meters of rateable floorspace: change by use-class; Kingston (2000-16)



4.103 All use-types except retail have reduced their total square metre area. Overall the expansion of 7,000sqm of retail has been offset by falls of -16,000sqm in Industrial uses, -29,000sqm of office uses and -6,000sqm of Other uses, leading to a net fall of -44,000sqm of taxable commercial area.

4.104 In April 2017 NNDR rates will be 'reset'. The graph below highlights the effect of the April 2005 and April 2010 resets, which adjust the business rates bill of each use-type to reflect changes in land values and rents.

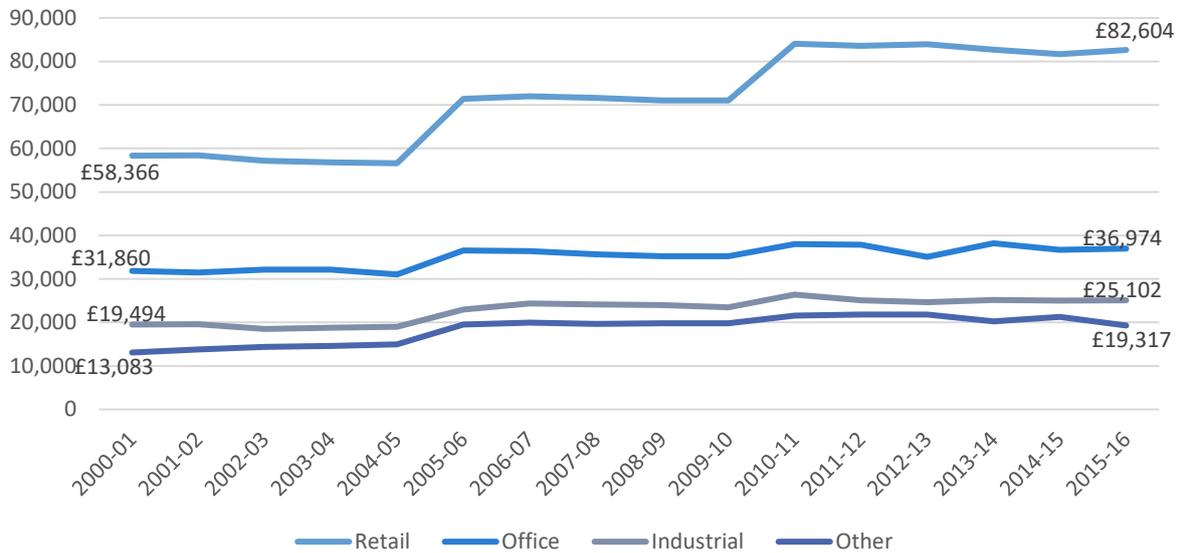
Figure 31: Rateable value per sqm: change by use-class; Kingston (2000-16)



4.105 In terms of the total NNDR bill, the fall of 44,000sqm, or -3.8% of total commercial floorspace is offset by greater proportionate rises in the rateable value of each square metre of space. The RV per sqm for retail has risen by 39%, for Office it has risen by 27%, for 'other' uses 54% and for industrial 35%.

- 4.106 Directly below we can see the effect on the total notional bill over time of the changes in total space, and changes to the rateable value before any discretion or rate relief has been applied.

Figure 32: Total Rateable Value by use class per year; Kingston (2000-16, £000s)



- 4.107 In terms of the shift-share of the total bill – Office and industrial have lost 3.5% and 0.5% of the total share of the NNDR bill, with retail gaining 3% and ‘other’ 1% of the share. There is a clear incentive for the council to ‘plan for retail’ in financial terms, though this may conflict with other priorities in terms of diversification and creates an effective opportunity cost in terms of delivering an expanded Grade-A office supply.

Vacancy rates in Kingston’s retail sector:

- 4.108 ‘Springboard’ undertakes vacancy surveys for local town centre across London and the UK, focussing on empty ground floor retail units. (A1; A2; A3; A4, and A5 uses).
- 4.109 Three of Kingston’s local town centres are covered by the survey: New Malden, Surbiton and Tolworth⁴⁸.
- 4.110 Vacancy rates in New Malden and Surbiton are lower than average when compared to London or the UK, however the vacancy rate in Tolworth is above average.

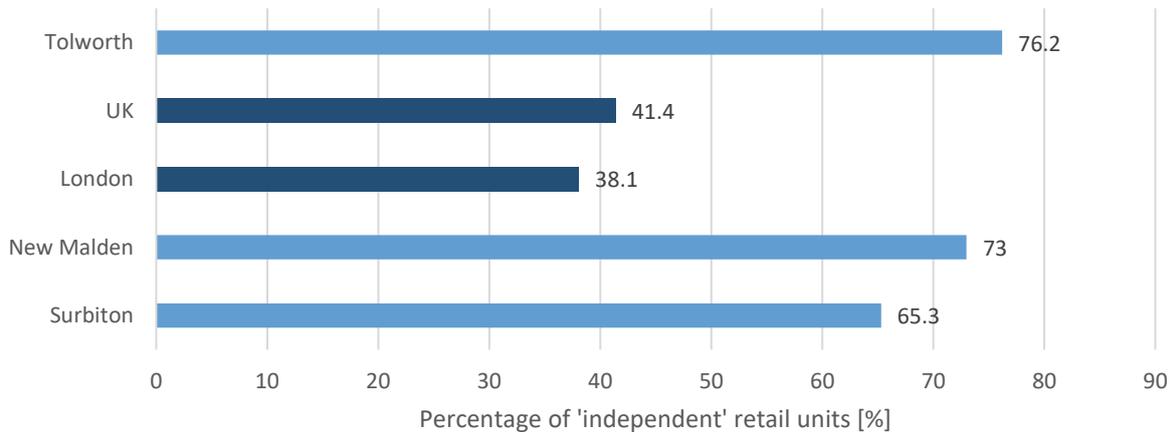
⁴⁸ As Kingston town centre retail units are concentrated in and around Bentalls Shopping Centre the survey does not cover the town centre, which is not strictly comparable with the local high streets’ ‘ground floor’ vacancy measure.

Figure 33: Ground floor retail vacancy in Kingston local town centres (January 2017)



- 4.111 Compared to Surbiton and New Malden Tolworth lacks a 'comparison' goods offer and is more focused on convenience retail, reflecting high levels of through-commuting as the primary driver of footfall, whereas Surbiton and New Malden present more of an offer as retail 'destinations' with several key anchor stores, and restaurants able to generate evening footfall.

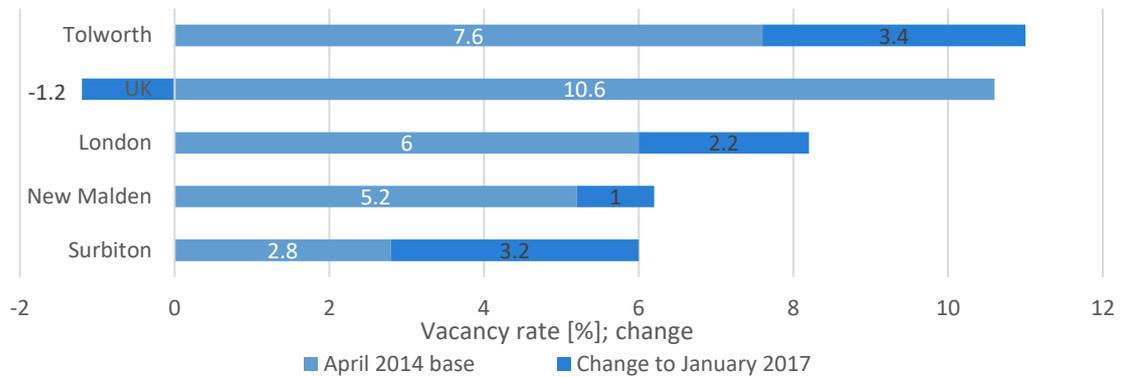
Figure 34: Proportion of independent retailers in Kingston local town centres, January 2017



- 4.112 The mix of independent retailers can be revealing. Accounting for Tolworth's higher vacancy rate, the remaining mix of ground-floor outlets is more heavily skewed towards independent retailers, and with the high vacancy rate this suggests that the area needs to consolidate a core offer to attract a better balance of daytime and evening footfall.

- 4.113 Looking at how vacancy rates have changed over the past few years (April 2014 to January 2017) we can see that Vacancy rates are increasing in all Kingston local town centres, and across London as a whole, though not nationally.

Figure 35: Kingston vacancy rates - changes between April 2014 and January 2017)



4.114 Of the three local town centres, Surbiton has seen the greatest increase in percentage terms (+114%), followed by Tolworth (+45%) and New Malden (+19%). Overall London-wide vacancy rates have increased by 37% on the April 2014 measure of 6%, but across the UK have fallen by -11%.

Table 17: Vacancy rates and change since April 2014

Vacancy rates and change since April 2014			
Area	April 2014 vacancy rate [%]	Jan 2017 vacancy rate [%]	Percentage change
Tolworth	7.6	3.4	45%
UK	10.6	-1.2	-11%
London	6	2.2	37%
New Malden	5.2	1	19%
Surbiton	2.8	3.2	114%

4.140 With developments such as Crossrail likely to have significant impacts on the levels of through-commute footfall in Kingston's local town centres it will be important to understand how these centres - especially Tolworth - can position to benefit from investment; and also how any potential disruption can be mitigated.

5 Kingston's wards

- 5.1 Kingston is comprised of sixteen wards: Alexandra; Berrylands; Beverley; Canbury; Chessington North and Hook; Chessington South; Coombe Hill; Coombe Vale; Grove; Norbiton; Old Malden; St James; St Mark's; Surbiton Kill; Tolworth and Hook Rise; and Tudor.
- 5.2 As the table below shows, all the wards have a similar size of population. The ward with the fewest residents is Chessington North and Hook (8,741 residents) and the ward with the most residents is Canbury (12,373 residents).⁴⁹

Table 18: Population in each ward (2011)

Ward	Population
Alexandra	9,246
Berrylands	9,437
Beverley	10,109
Canbury	12,373
Chessington North and Hook	8,741
Chessington South	10,232
Coombe Hill	10,357
Coombe Vale	9,750
Grove	10,955
Norbiton	10,107
Old Malden	9,431
St James	8,969
St Mark's	10,483
Surbiton Hill	10,459
Tolworth and Hook Rise	9,833
Tudor	9,578

Source: ONS Census

Household composition

- 5.3 Census data also allows for a breakdown of household composition in each of Kingston's wards. As the table below shows, most households are either the traditional one family household or one-person household. With regards to lone parent households, the ward with highest number of this type of household is Norbiton (522), and the ward with the fewest is St Mark's (208).⁵⁰

⁴⁹ ONS Census (2011)

⁵⁰ ONS Census (2011)

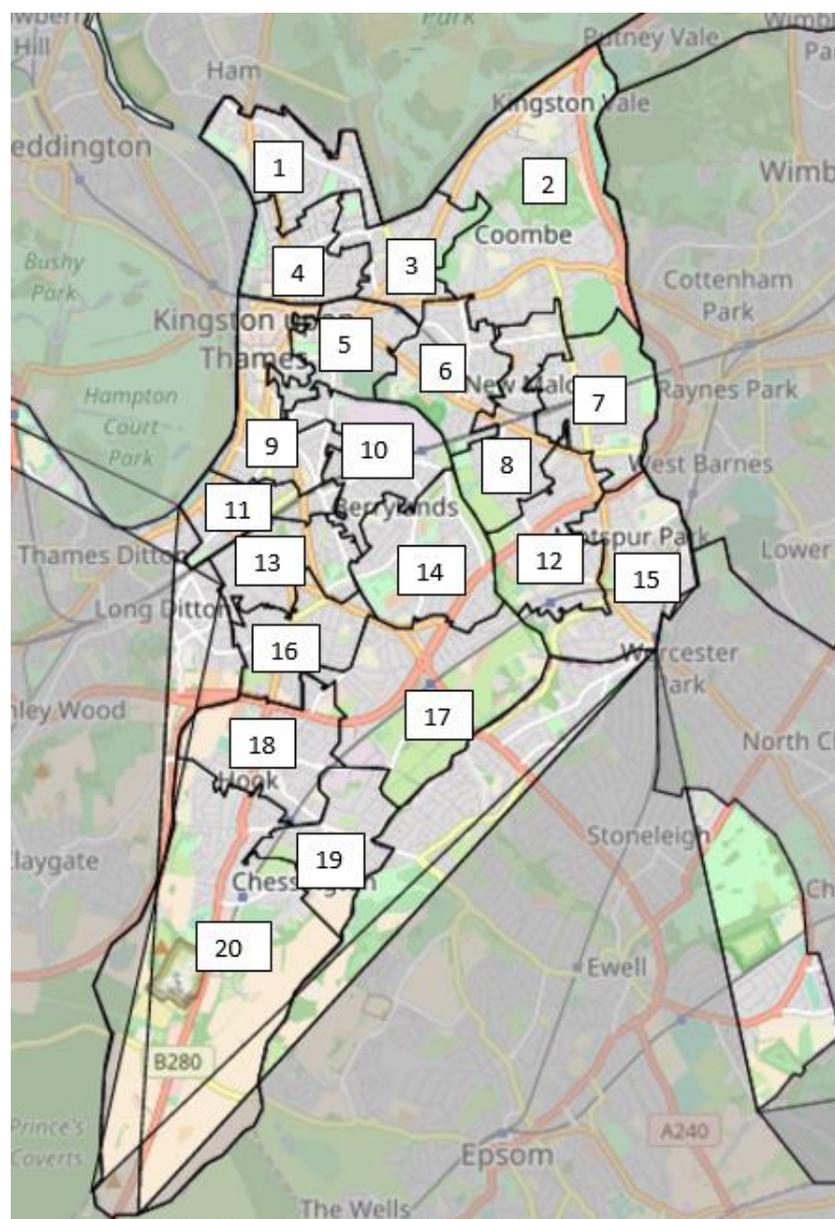
Table 19: Household composition by ward (2011)

Ward	One person household	One family household	Cohabiting couple	Lone parent	Other household types
Alexandra	711	2,297	219	305	365
Berrylands	1,646	2,257	443	288	402
Beverley	1,093	2,385	257	393	446
Canbury	1,440	3,064	604	396	568
Chessington North and Hook	835	2,246	299	407	293
Chessington South	1,003	2,730	465	467	302
Coombe Hill	915	2,164	252	341	607
Coombe Vale	827	2,373	214	286	400
Grove	1,847	2,121	541	312	910
Norbiton	1,151	2,210	406	522	689
Old Malden	789	2,420	250	345	349
St James	844	2,050	151	270	414
St Mark's	1,740	2,118	694	208	552
Surbiton Hill	1,546	2,599	652	311	458
Tolworth and Hook Rise	895	2,372	321	433	465
Tudor	916	2,356	277	315	279

Source: ONS Census

Ward employment data

- 5.4 The map below shows Kingston wards, numbered to correspond to the table opposite showing total net business formation in each ward. The table also highlights which sector or sectors have displayed the highest growth or decline in each ward.
- 5.5 There is a very clear pattern in terms of growth: regardless of the ward, (with only a single exception) it is professional, scientific and technical businesses, and information and communications businesses which have driven growth. In many wards both sectors have seen growth.
- 5.6 The pattern of sectors declining is more complex. Education, public administration and finance are the only three sectors to see total net decline across the borough, while arts and entertainment have seen declines in business stocks at the extreme north and south but overall net growth due to consolidation in the middle wards of the borough.
- 5.7 Growth overall is strongest around the central-riverside wards which have higher business and employment density.
- 5.8 These wards seeing stronger growth are also those with larger existing stocks of business premises, and stronger direct connections to the city or towards Surrey and Guildford. There is also a pattern of business formation being stronger in wards with stronger road transport connections and motorway access.
- 5.9 Overall the pattern of specialisation appears to be driven by Kingston's start-up sectors reflecting the employment sectors of highly qualified residents.



Super Output Area	Total net business formation	Top Growth Sector	Largest decline sector
1	0	Information & Comms	Arts, entertainment, recreation
2	90	Professional, scientific and technical	Arts, entertainment, recreation
3	85	Information & Comms; Professional, scientific and technical	Education
4	30	Professional, scientific and technical	Education; Health; Finance; Retail; Construction
5	70	Information & Comms	Wholesale
6	70	Professional, scientific and technical	Wholesale, finance and insurance
7	55	Information & Comms	n/a
8	85	Professional, scientific and technical	Property
9	130	Professional, scientific and technical	Finance and insurance; motor trades
10	85	Professional, scientific and technical	Education
11	105	Information & Comms	Property, transport and storage
12	50	Professional, scientific and technical	Finance and insurance; transport and storage
13	55	Professional, scientific and technical	Manufacturing, construction, business admin
14	25	Professional, scientific and technical	Construction, education
15	90	Professional, scientific and technical	n/a
16	85	Professional, scientific and technical	Manufacturing, wholesale, education, health
17	85	Professional, scientific and technical	Utilities, business admin, education, health
18	40	Professional, scientific and technical	Arts, entertainment, recreation
19	10	Information & Comms	Construction, wholesale, transport
20	55	Construction	Utilities, transport, finance, business admin, arts, entertainment etc

Ward Sector Profiles⁵¹:

5.10 The following section covers the sub-sector performance across Kingston's wards, and begins to address some of the questions raised directly above.⁵²

5.11 The table below ranks wards according to their total contribution to jobs growth.

Table 20: Wards by total contribution to jobs growth

	Emp 2015	Change 2010-2015	% change
Tolworth and Hook Rise	5979	1540	34.7%
Chessington South	4568	1027	29.0%
Coombe Hill	7701	905	13.3%
Norbiton	4145	792	23.6%
St Mark's	4451	776	21.1%
Surbiton Hill	2171	400	22.6%
Canbury	4183	378	9.9%
Beverly	13488	277	2.1%
St James	1763	261	17.4%
Berrylands	1962	260	15.3%
Old Malden	1146	201	21.3%
Tudor	1686	20	1.2%
Chessington North and Hook	2196	-38	-1.7%
Coombe Vale	1903	-65	-3.3%
Alexandra	1936	-455	-19.0%
Grove	21804	-1124	-4.9%
TOTAL	81082	5155	6.8%

Source: ONS

5.12 A summary of the general trends:

- Top employment areas (Grove; Beverly) are among the weak performers in terms of % employment growth (though Beverly does better on total numbers).
- Chessington South and Tolworth are very dynamic – with the top absolute and percentage growth in employment 2010 to 2015. Chessington North however is not, and cuts these two dynamic wards in half.
- Grove (retail town centre) is losing the most jobs in absolute terms, and as a percentage.
- In the top half of 16 wards for absolute and percentage growth are three wards surrounding Grove: Canbury, Norbiton and St Marks.

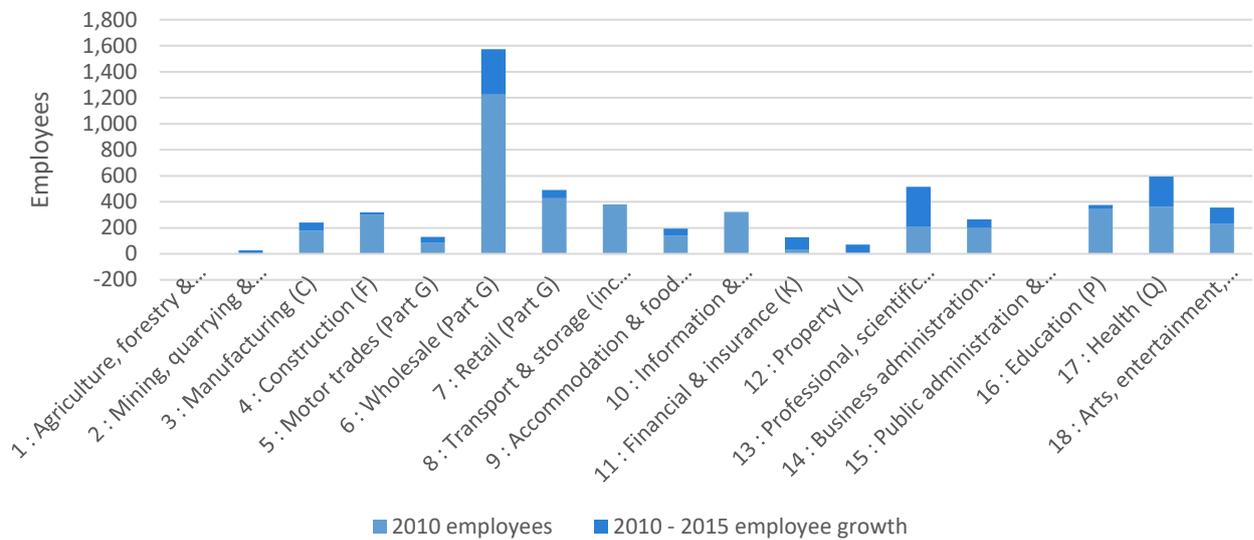
⁵¹ Please note the diagram on the previous page uses ONS Super Output Areas NOT wards. Any attempts to link super output areas with wards would not be wholly accurate.

- There are three identifiable 'groups' of wards growth in terms of percentage employment since 2010:
 - High (+34 to +29%);
 - Medium (+23 to +9.9%); and
 - Low (+2.1 to -19%).

High growth group (n = 2):

Tolworth and Hook Rise experienced 34.7% employee growth from 2010 to 2015. Wholesale and Professional scientific and technical activities, followed by health, arts and leisure are the fastest expanding sectors. Finance is also growing fast, but from a smaller base.

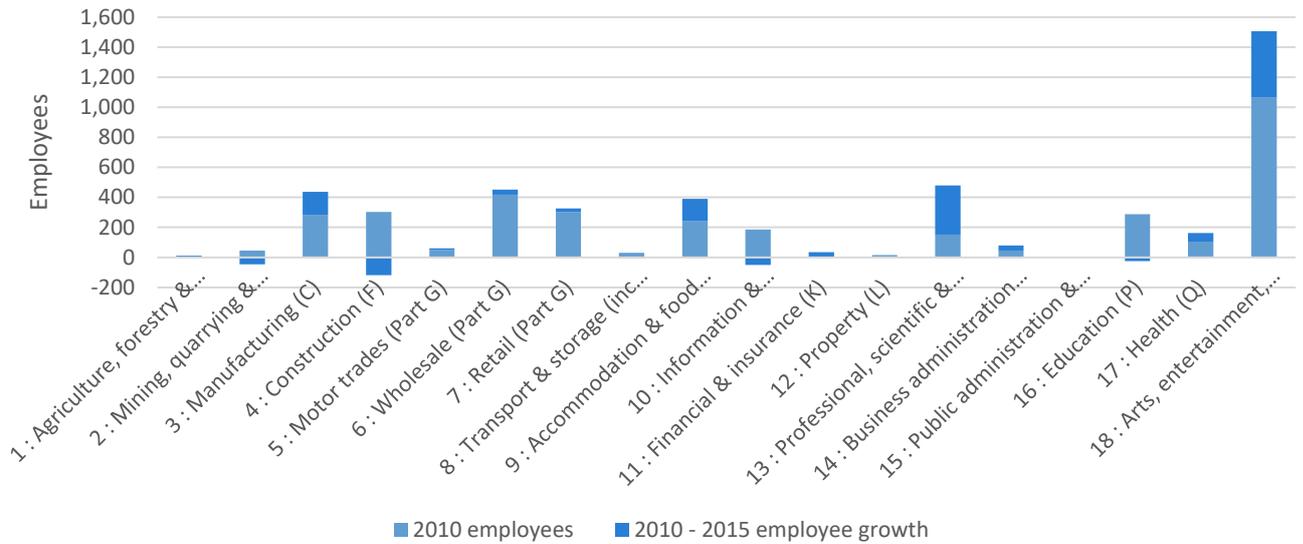
Figure 36: Tolworth and Hook Rise - sector employees and growth (2010-15)



Source: ONS

In Chessington South, there was 29% employee growth from 2010 to 2015. Art, leisure and recreation, followed by Professional scientific and technical were the fastest growing sectors.

Figure 37: Chessington South - sector employees and growth (2010-15)

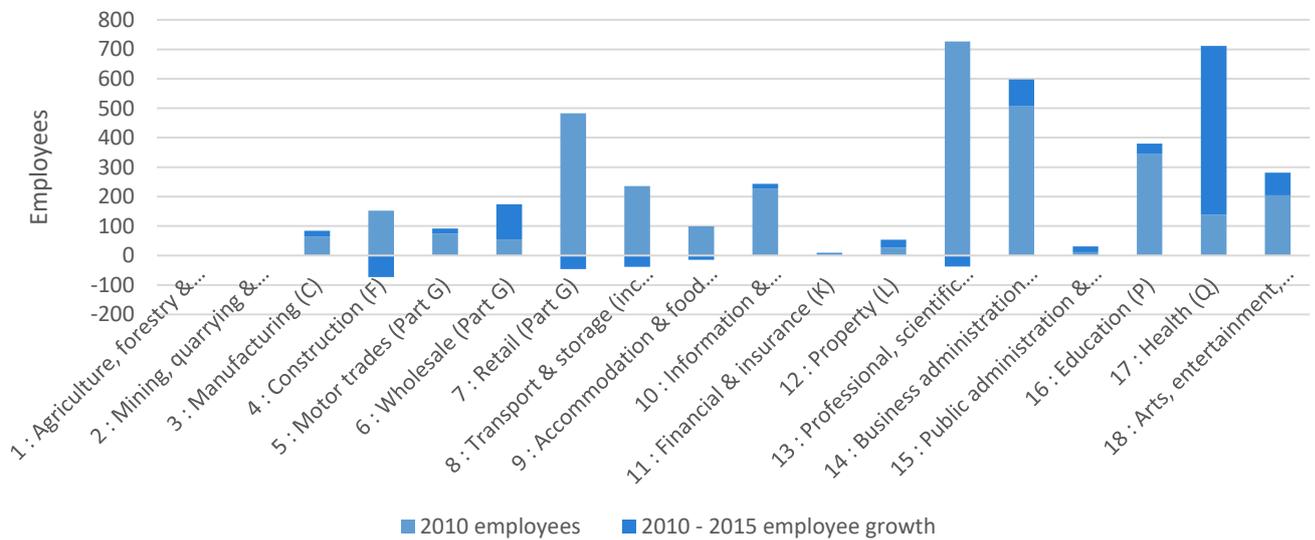


Source: ONS

Medium growth group (n = 8):

In Norbiton there was 23.6% employee growth from 2010 to 2015. Health, Wholesale and Professional scientific and technical services were the fastest growing sectors.

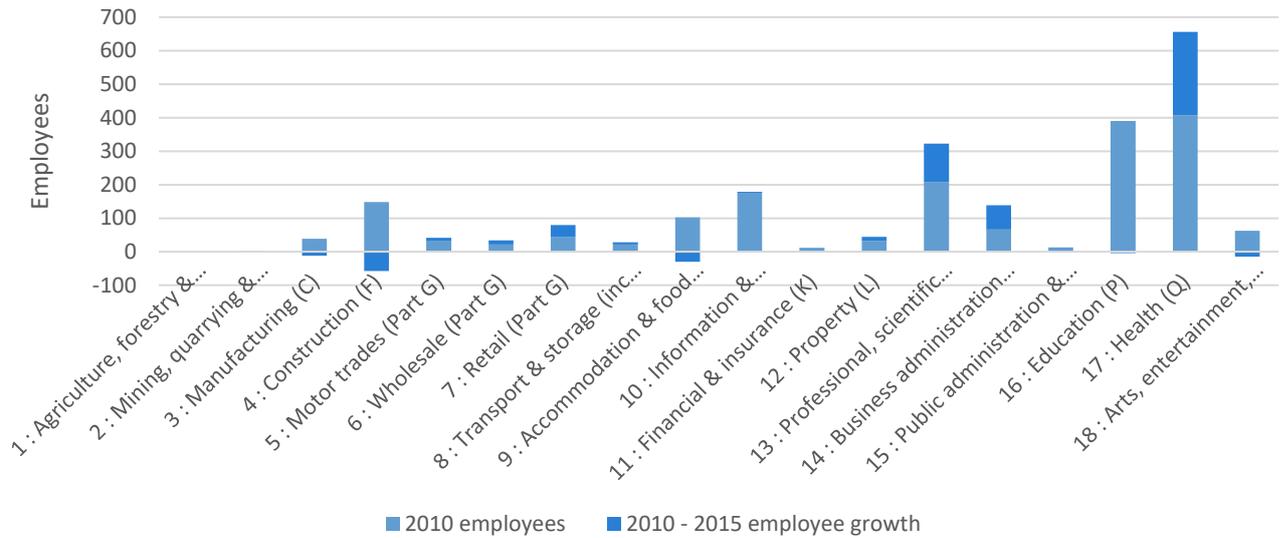
Figure 38: Norbiton - sector employees and growth (2010-15)



Source: ONS

In Surbiton Hill there was 22.6% employee growth from 2010 to 2015. Health and Professional scientific and technical, and Business administration were the fastest growing sectors.

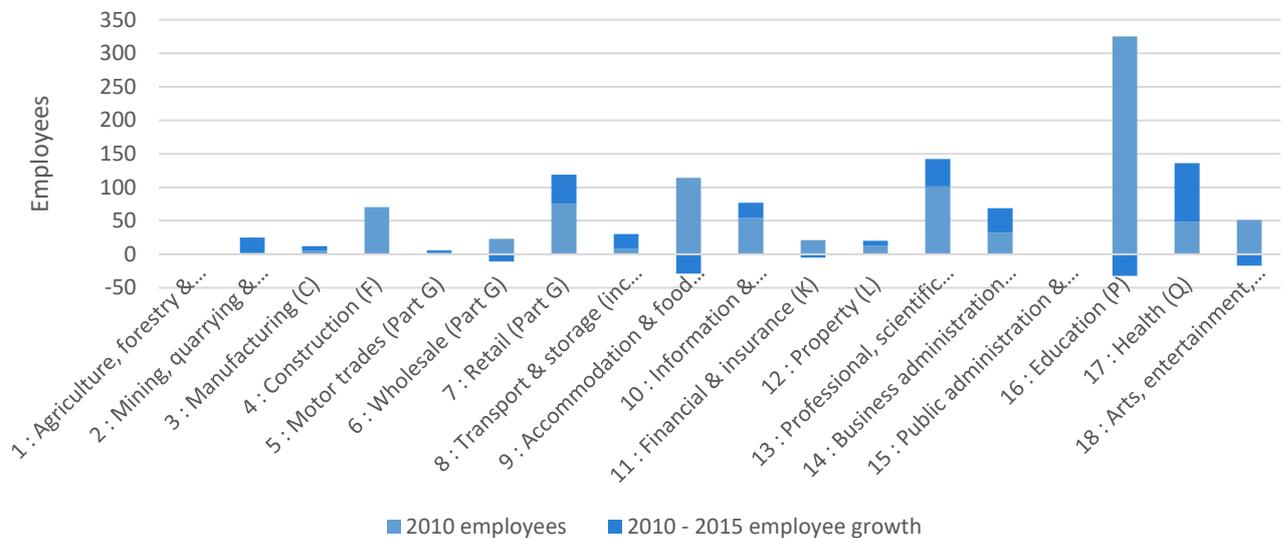
Figure 39: Surbiton Hill – sector employees and growth (2010-15)



Source: ONS

In Old Malden there was 21.3% employee growth from 2010 to 2015. Health and retail were the fastest growing sectors.

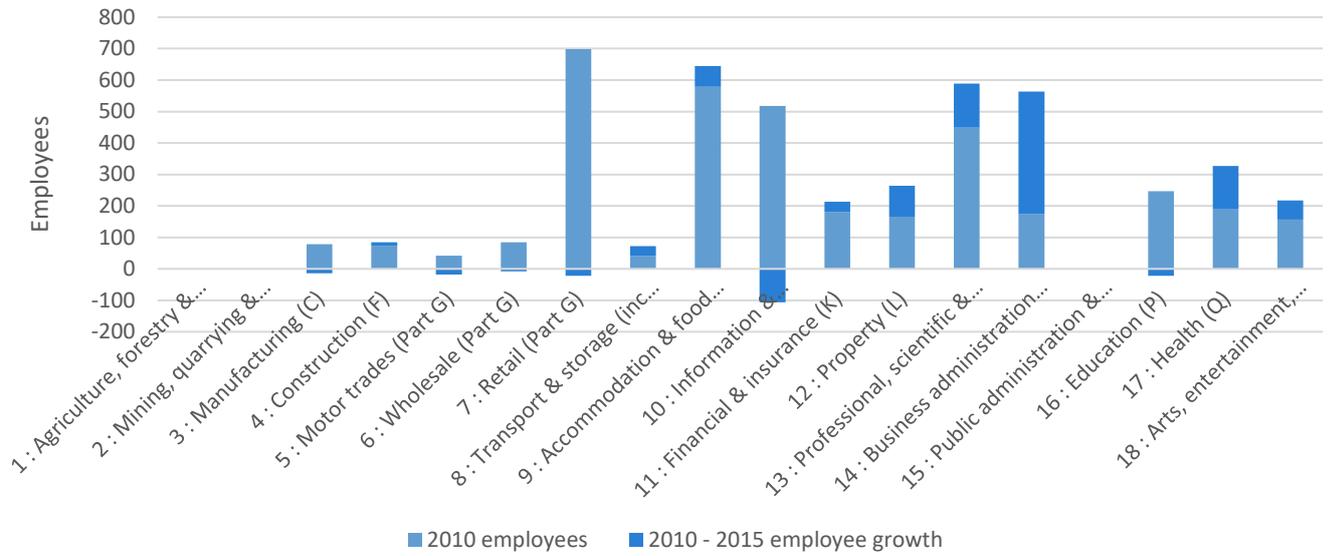
Figure 40: Old Malden - sector employees and growth (2010-15)



Source: ONS

In St Marks there was 21.1% employee growth in the period 2010-2015. Business administration and professional scientific and technical services were the fastest growing sectors.

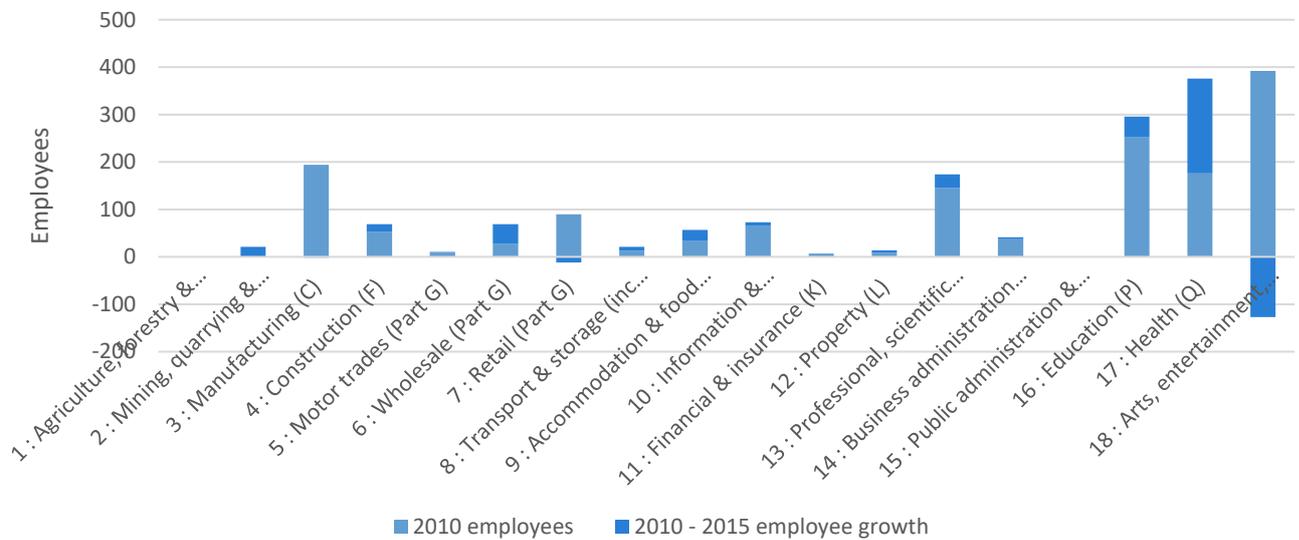
Figure 41: St Marks - sector employees and growth (2010-15)



Source: ONS

In St James there was 17.4% employee growth in the period 2010-2015. Health and education were the fastest growing sectors.

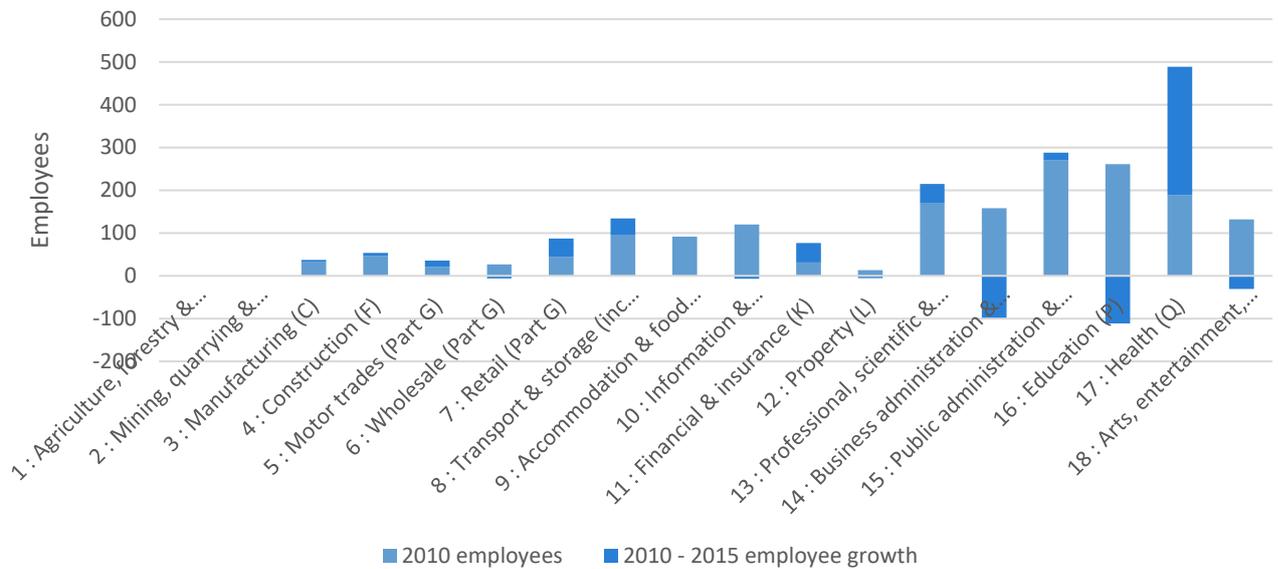
Figure 42: St James - sector employees and growth (2010-15)



Source: ONS

In Berrylands, there was 15.3% employee growth from 2010 to 2015. Health and professional services were the fastest growing sectors.

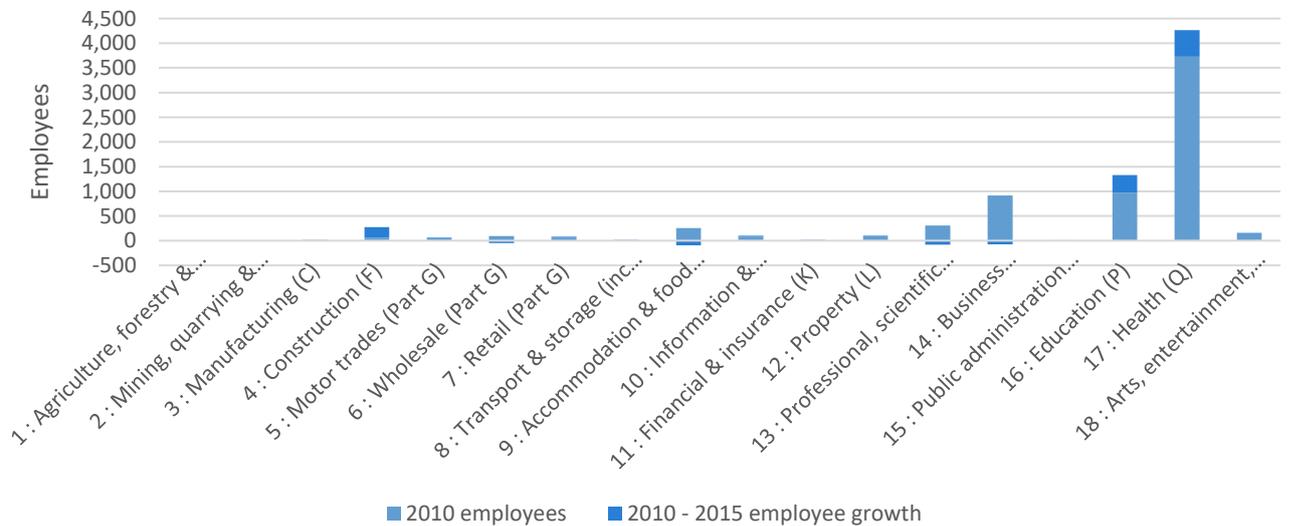
Figure 43: Berrylands - sector employees and growth (2010-15)



Source: ONS

Coombe Hill had 13.3% employee growth in the period 2010-2015. Health and Education were the fastest growing sectors.

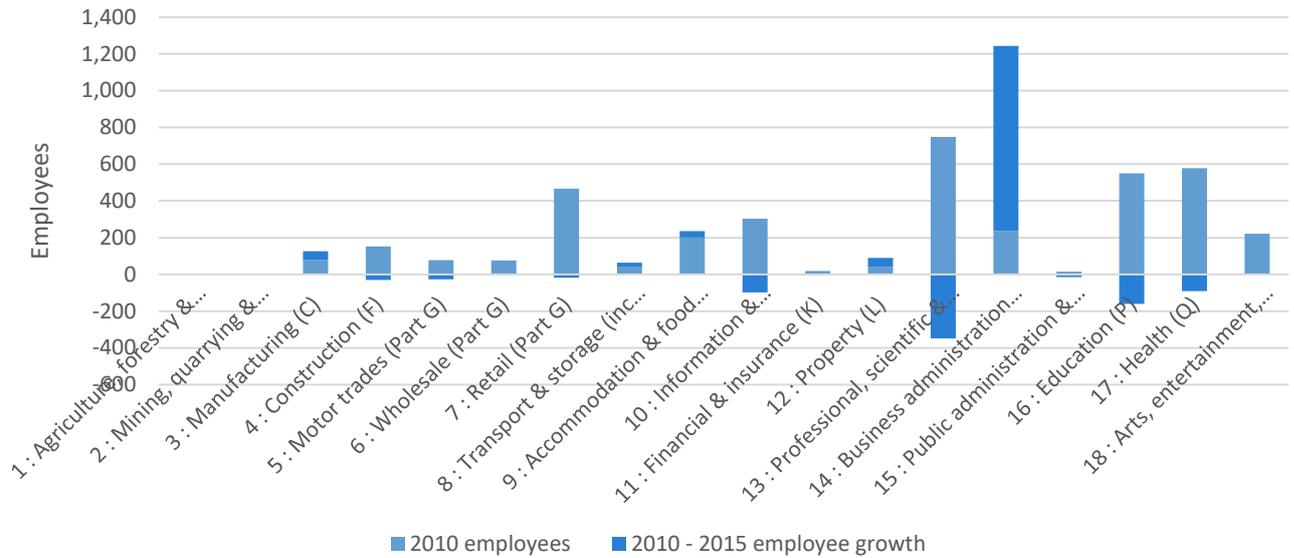
Figure 44: Coombe Hill - sector employees and growth (2010-15)



Source: ONS

Canbury had 9.9% employee growth in the period 2010-2015. Business administration and property are the fastest growing sectors.

Figure 45: Canbury - sector employees and growth (2010-15)

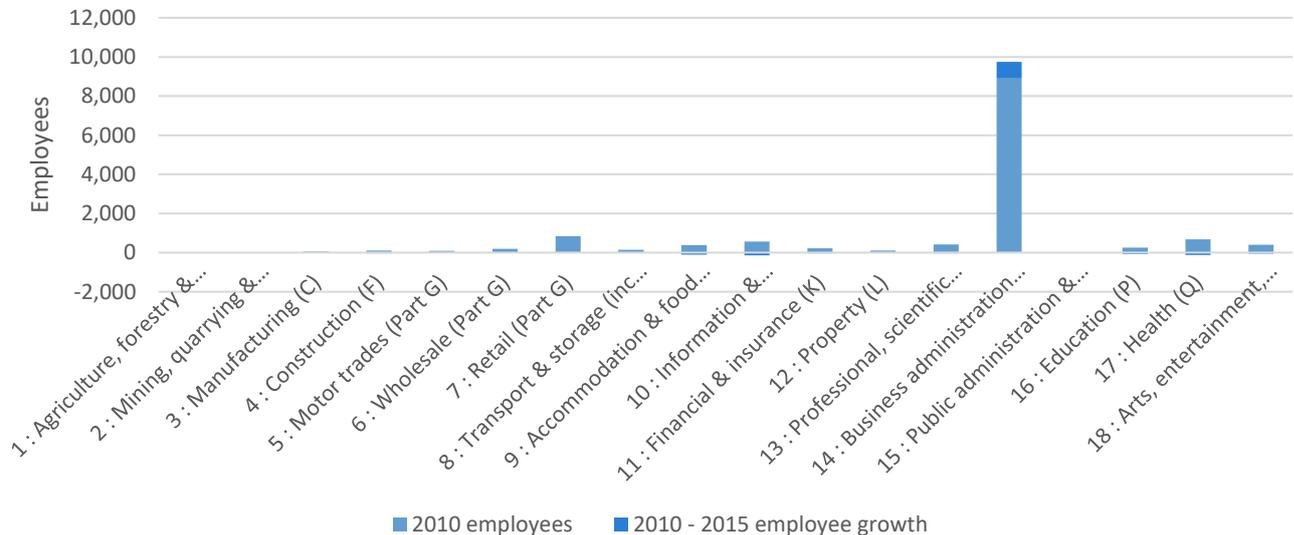


Source: ONS

Low growth group (n = 6):

In Beverley there was 2.1% employee growth in the period 2010-2015. Business administration and wholesale were the fastest growing sectors.

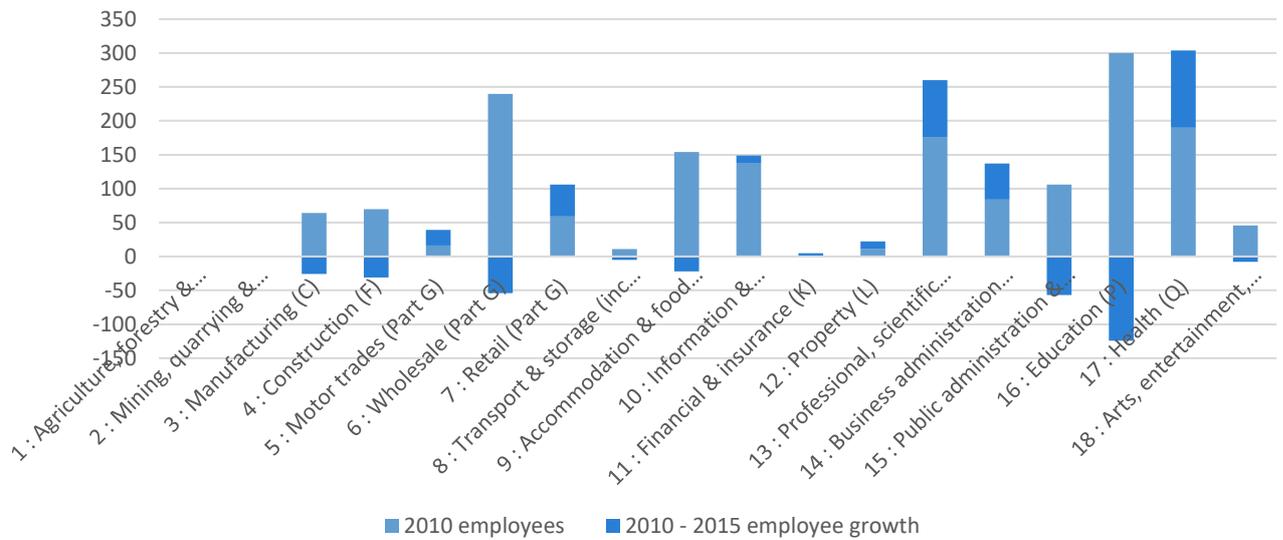
Figure 46: Beverley - sector employees and growth (2010-15)



Source: ONS

Tudor had 1.2% employee growth between 2010 and 2015. Health and professional scientific and technical services were the fastest growing sectors.

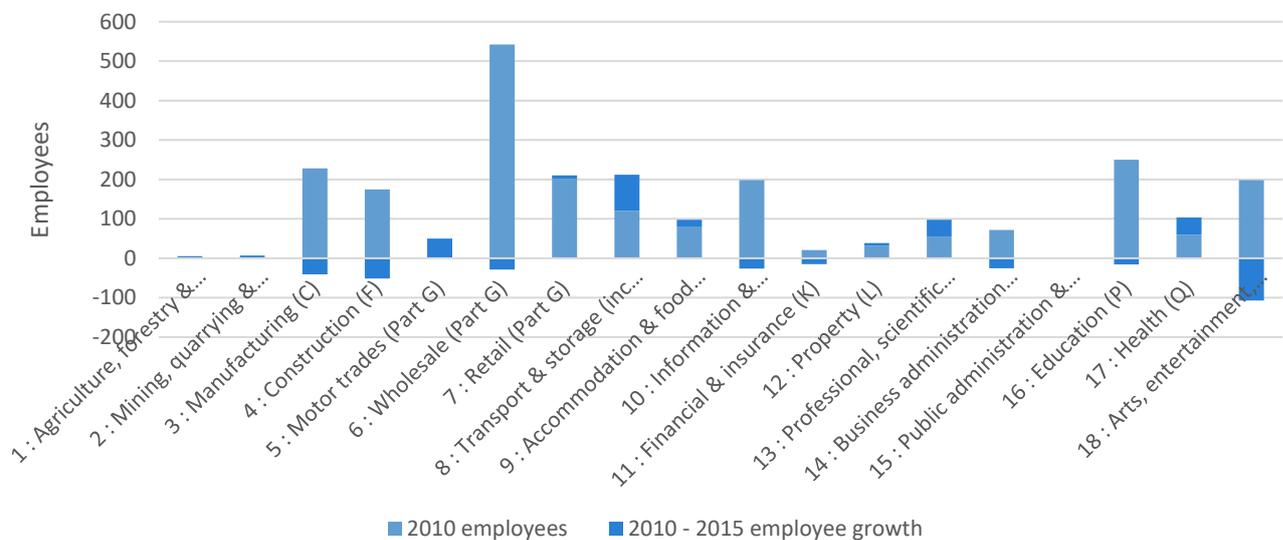
Figure 47: Tudor - sector employees and growth (2010-15)



Source: ONS

Chessington North and Hook had -1.7% employee growth in the period 2010-2015. Transport and storage and motor trades were the fastest growing sectors.

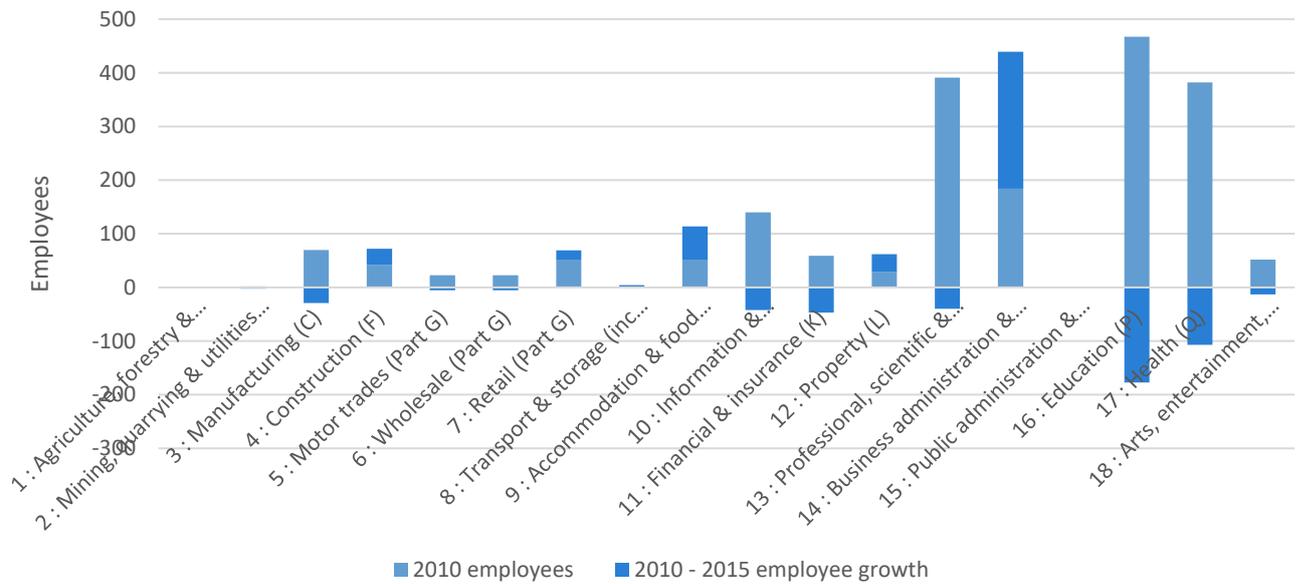
Figure 48: Chessington North and Hook - sector employees and growth (2010-15)



Source: ONS

Coombe Vale had -3.3% employee growth in the period 2010-2015. Business administration and accommodation and food were the fastest growing sectors.

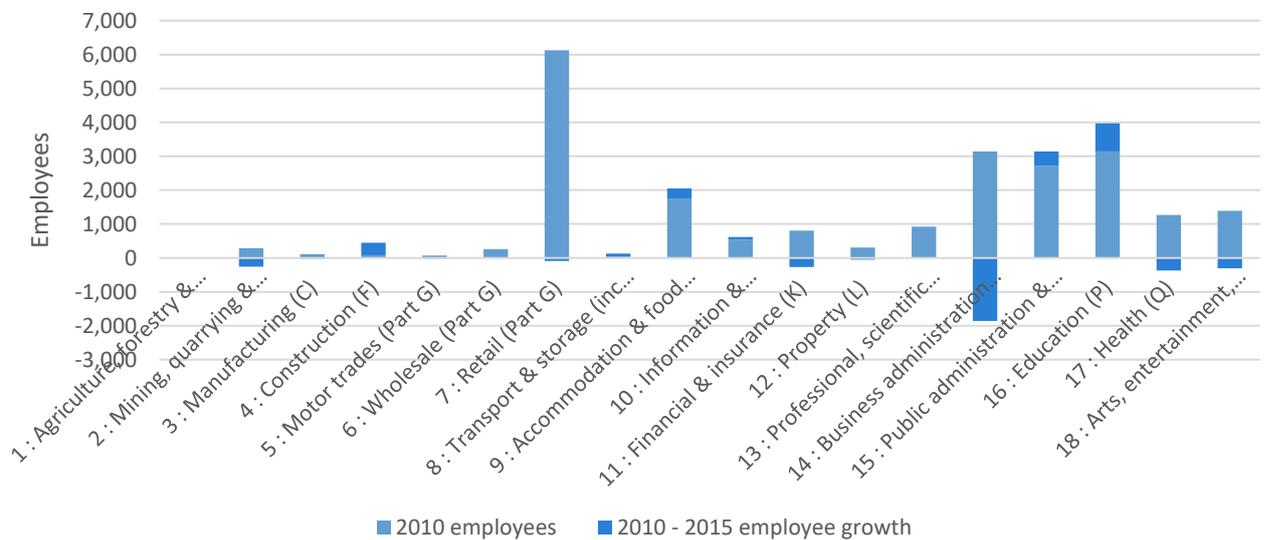
Figure 49: Coombe Vale - sector employees and growth (2010-15)



Source: ONS

Grove had -4.9% employee growth in the period 2010-2015. Education and Public administration were the fastest growing sectors.

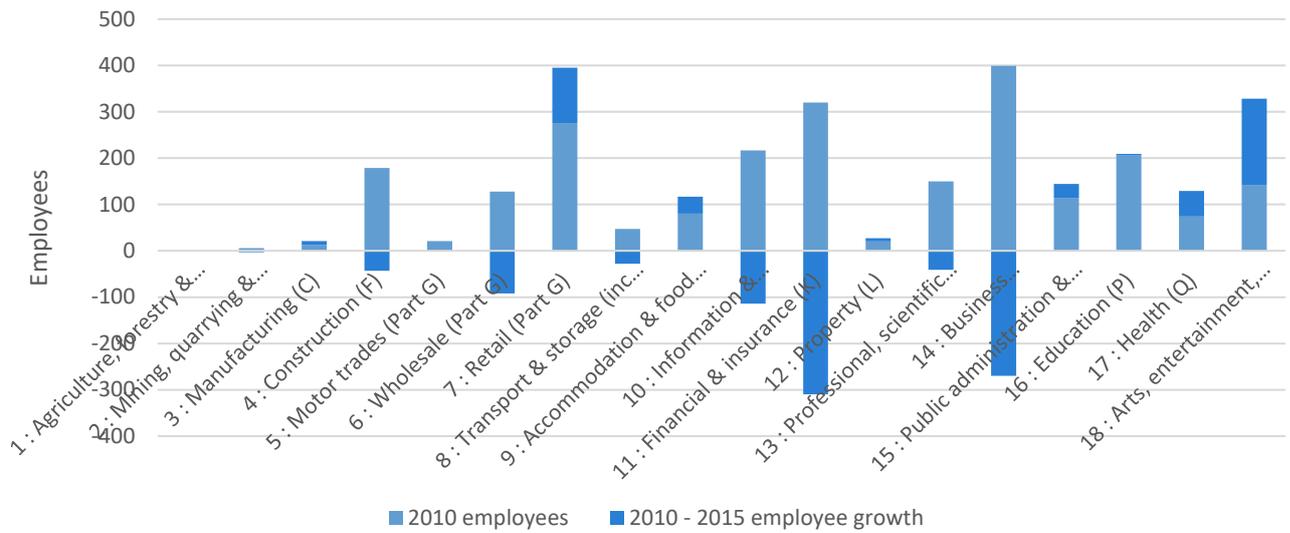
Figure 50: Grove - sector employees and growth (2010-15)



Source: ONS

Alexandra had -19% employee growth in the period 2010-2015. Arts and Leisure and Retail were the fastest growing sectors.

Figure 51: Alexandra - sector employees and growth (2010-15)



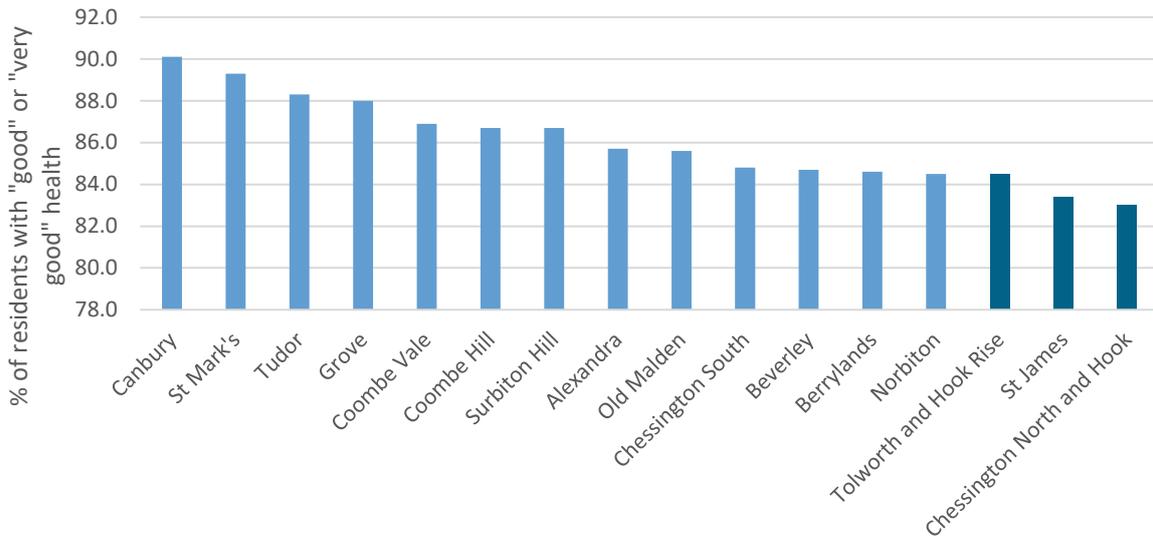
Source: ONS

Health of residents

5.13 The “health and provision of unpaid care” metric in the 2011 Census divides up residents according to their health. People were asked to assess whether their health was very good, good, fair, bad or very bad. The assessment is not based on a person’s health over a specified period. As Figure 60 shows, 90.1% of residents living in the ward of Canbury deemed themselves to be in “good” or “very good” health, the highest rating in the borough. This was followed by St Mark’s (89.3%) and Tudor (88.3%). The ward with the smallest proportion of residents in good health was Chessington North and Hook (83%).⁵³

⁵³ ONS Census (2011)

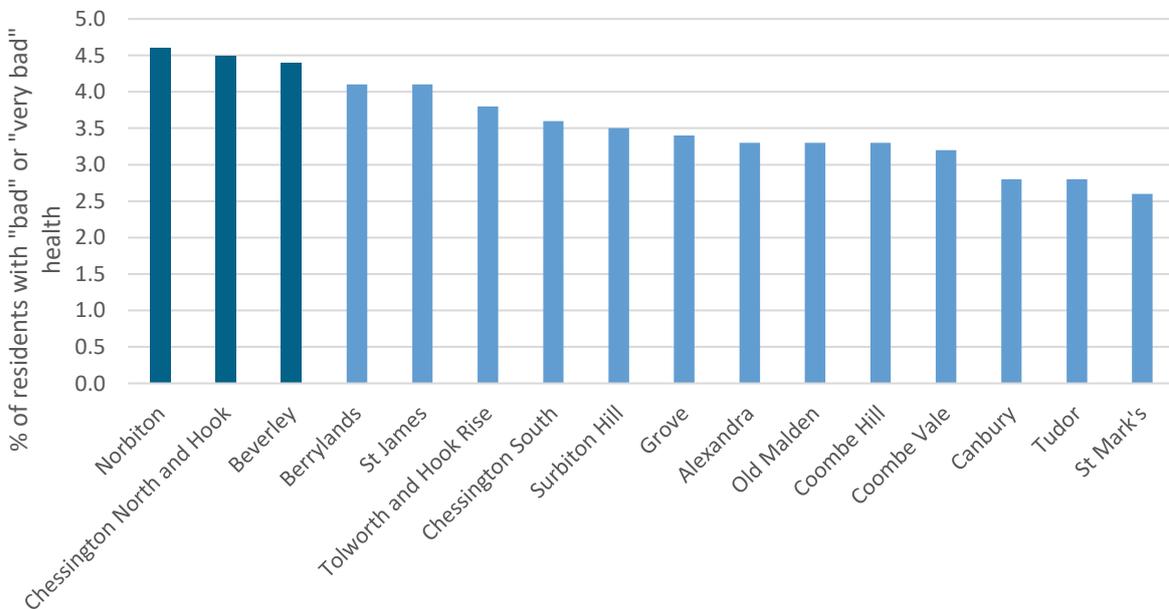
Figure 52: Kingston residents with "good" or "very good" health



Source: ONS Census (2011)

5.14 Figure 61 shows the proportion of residents deeming themselves to be in "bad" or "very bad" health. Norbiton had the highest proportion of residents in bad health (4.6%), followed by Chessington North and Hook (4.5%) and Beverley (4.4%). St Mark's had the lowest proportion of residents in bad health (2.6%).⁵⁴

Figure 53: Kingston residents with "bad" or "very bad" health



Source: ONS Census (2011)

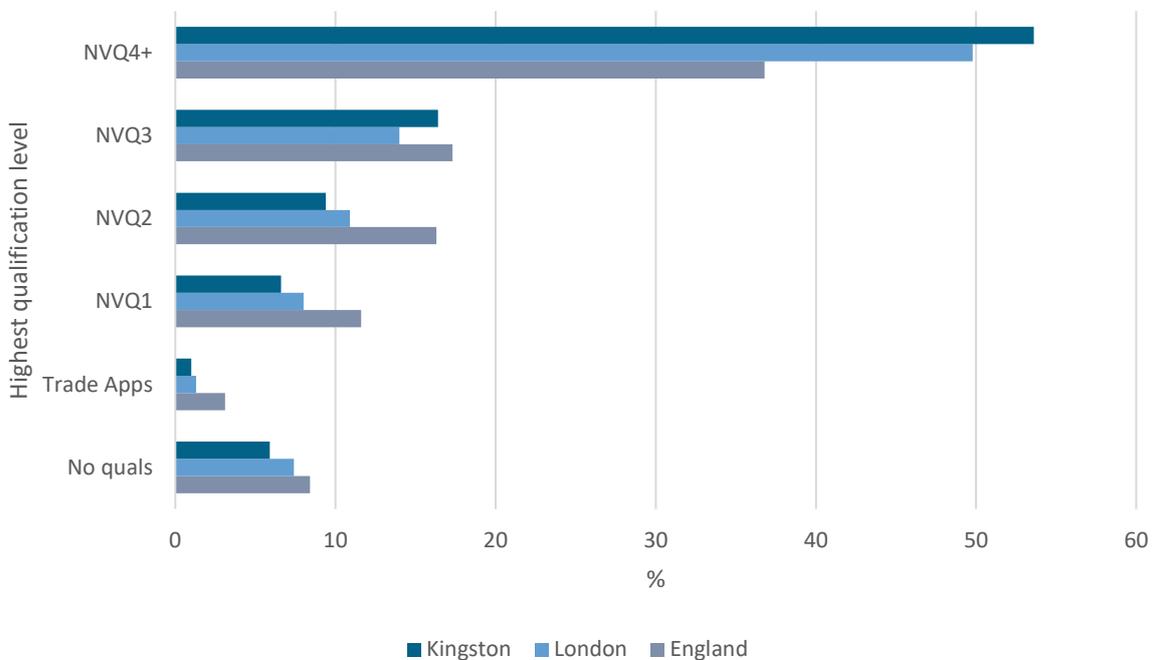
⁵⁴ ONS Census (2011)

6 Skills

Qualifications

- 6.1 One of the key factors in relation to labour market performance is qualifications. As Figure 62 shows, it is a strong picture for Kingston in this area. In 2015, 53.6% of working age residents in Kingston were qualified to NVQ Level 4+ (degree and higher). In contrast, the proportion across London was 49.8% and the whole of England was 36.8%. Kingston also has a lower proportion of working age residents with no qualifications (5.9%) in 2015.
- 6.2 Only 1% of working age residents in Kingston registered “trade apprenticeships” as their highest qualification level, compared to 1.3% for London and 3.1% for England.⁵⁵

Figure 54: Highest level of attainment by qualification level in Kingston, London and England (% of residents aged 16-64, 2015)



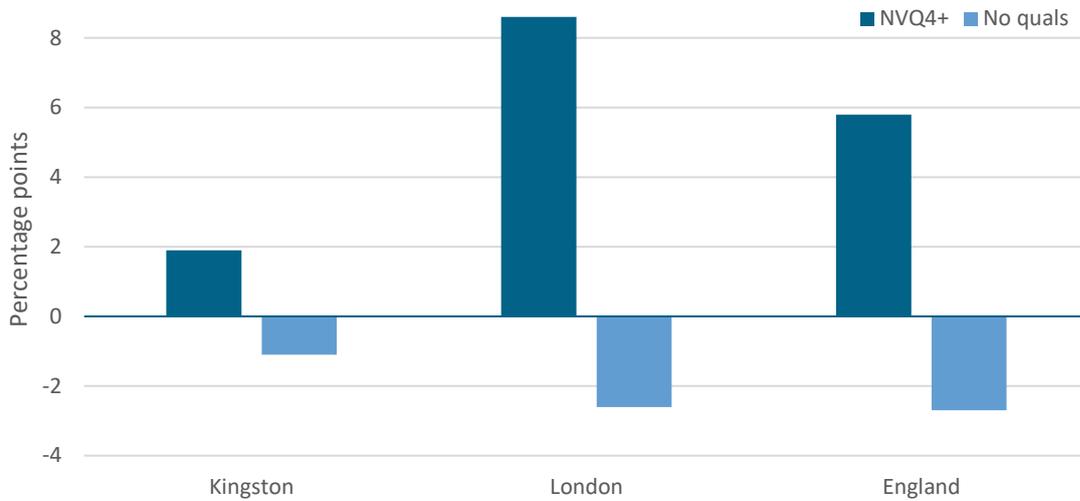
Source: ONS APS

- 6.3 Owing to having a significantly more qualified workforce than London and England as a whole, workforce qualifications in Kingston have generally improved slowly over the past five years. For example, in 2010, 51.7% of 16-64 year olds in Kingston were qualified to NVQ4+. This has increased by 1.9pp to 2015. Although a slower growth rate, Kingston still has more working age residents qualified to NVQ4+ than London and England. The same is true of those with no qualifications, with the rate falling 1.1pp from 7% to 5.9%, still comfortably below the rates for London and England.⁵⁶

⁵⁵ ONS Annual Population Survey (2016)

⁵⁶ ONS Annual Population Survey (2016)

Figure 55: Change in % of residents aged 16-64 by qualification (pp, 2010-2015)



Source: ONS APS

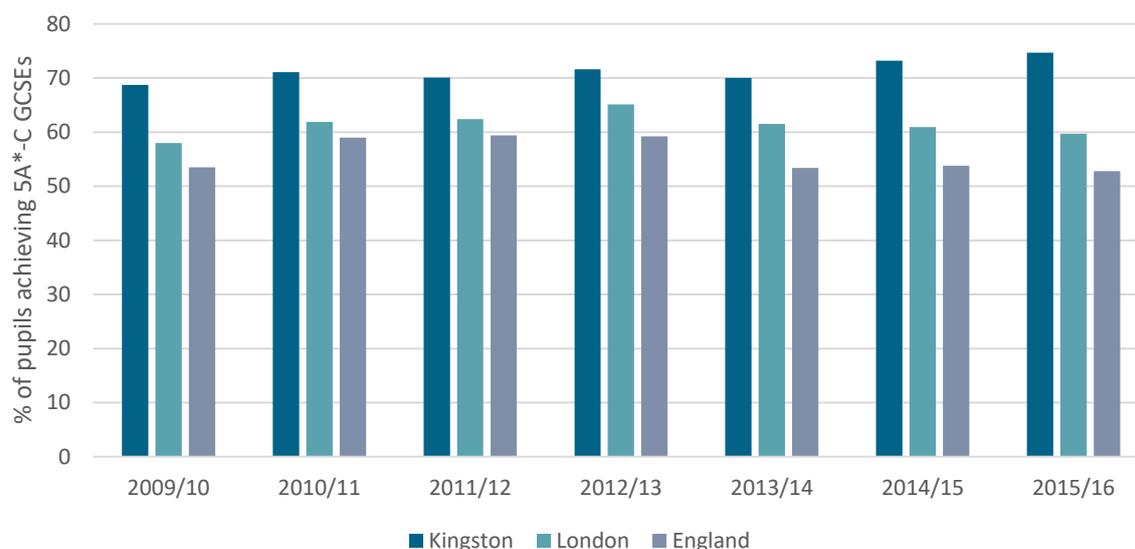
Education performance

6.4 Education performance in Kingston is also very strong at GCSE level. In 2015/16, 74.7% of key stage 4 students in Kingston achieved 5 A*-C grades at GCSE including English and Maths. This was above the London (59.7%) and England (52.8%) averages.⁵⁷ As the chart below shows, there has been steady improvement between 2009/10 and 2015/16, although attainment levels throughout the period were high and stable. It should be noted that figures for 2013/14 are not directly with earlier years due to major education reforms.⁵⁸

⁵⁷ Department for Education (2015) Performance Tables

⁵⁸ In particular, two major reforms were implemented which affect the calculation of key stage 4 performance measures data in 2014: Professor Alison Wolf's Review of Vocational Education recommendation; and an early entry policy to only count a pupil's first attempt at a qualification.

Figure 56: Percentage of pupils at the end of Key Stage 4 achieving at GCSE and equivalents (5 A*-C grades including English and Maths)



Source: Department for Education

- 6.5 Looking at the destinations of students following A-Levels or other level 3 qualifications (in the key stage 5 cohort), 89% of Kingston's students moved into a sustained education, employment or training destination. This was in line with the rate for Outer London (89%) and just below England (90%). 62% of A-Level leavers went on to a UK higher education institution, below the rate for Outer London (65%) but above England (59%). However, the proportion of A-Level leavers going on to Oxford and Cambridge, at 4%, was 3pp higher than Outer London and England. In addition, at 28%, significantly more leavers went to Russell Group universities than Outer London (18%) and England (17%).⁵⁹

Table 21: Percentage of students, in 2013/14, who entered an A-Level or other Level 3 qualification, going to, or remaining in, an education or employment destination in 2014/15 (state-funded)

Area	Kingston	Outer London	England
Overall sustained education or employment/training destination	89%	89%	90%
Apprenticeships	3%	4%	6%
Any sustained education destination	73%	75%	72%
Further education college or other FE provider	7%	7%	9%
UK higher education institution	62%	65%	59%
Oxford or Cambridge	4%	1%	1%
Russell Group (inc. Oxford and Cambridge)	28%	18%	17%
Other higher education institutions or providers	25%	35%	34%
Sustained employment destination	16%	14%	19%
Recorded as UCAS acceptance for deferred entry	4%	3%	4%

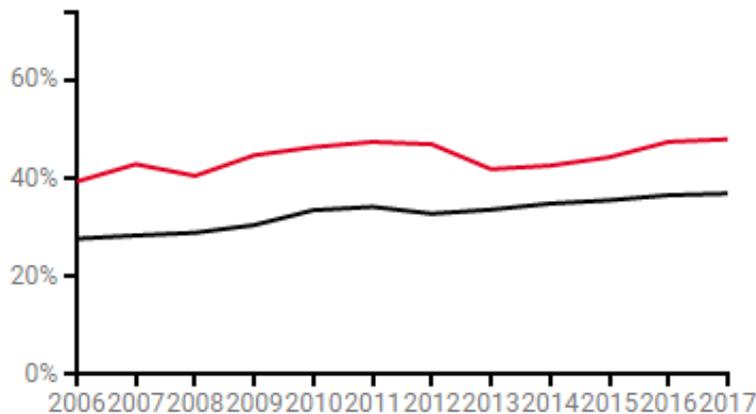
Source: Department for Education

⁵⁹ Department for Education destination data (2016)

UCAS applications

- 6.6 Consistent with these findings, Kingston has a relatively higher share of young people going to university. With regards to the January 2017 deadline, UCAS figures show that, in the Kingston and Surbiton parliamentary constituency, there were 600 applicants, with an application rate of 47.8%.
- 6.7 As the UCAS diagram below shows, Kingston has consistently had a higher application rate than the UK average, and has since recovered from the 2012 dip, when £9,000 tuition fees were introduced.⁶⁰

Figure 57: UCAS diagram - 18-year-old application rate, black line denotes UK average, red line denotes Kingston average



Source: UCAS

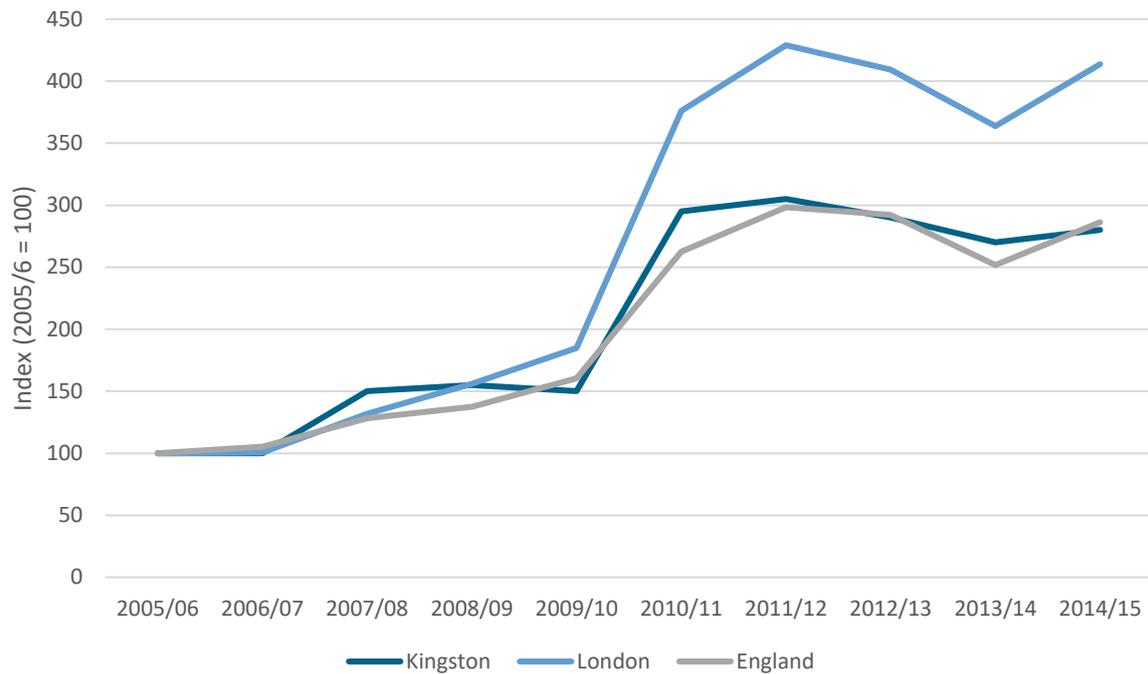
Apprenticeships

- 6.8 Looking at apprenticeships in more detail, in 2014/15 there were 560 apprenticeship starts in Kingston. This was an increase of 20 on 2013/14, but down 20 from 2012/13. For London as a whole, there were 45,550 starts in 2014/15. As Figure 66 shows, the number of apprenticeship starts in Kingston rose significantly from 2009/10 to 2010/11, reflecting a change of government policy and approach to apprenticeships. However, since then the apprenticeship take-up has plateaued, although the rate of growth is still above the national rate.⁶¹

⁶⁰ UCAS

⁶¹ BIS FE data

Figure 58: Index of apprenticeship starts since 2005/06 (Index, 2005/06=100)



Source: BIS FE data

Skills gaps

6.9 Nevertheless, the availability of skills remains a significant challenge for local businesses. According to the UKCES Employer Skills Survey 2015 (ESS), Kingston employers had hard-to-fill vacancies at all levels of employment. 36% of employers had at least one hard-to-fill vacancy for a high-skill position, 25% for a middle-skill position, 31% for a service-intensive position and 10% for a labour-intensive position.⁶²

6.10 Respondents in Kingston listed their reasons why they had hard-to-fill vacancies. These included:

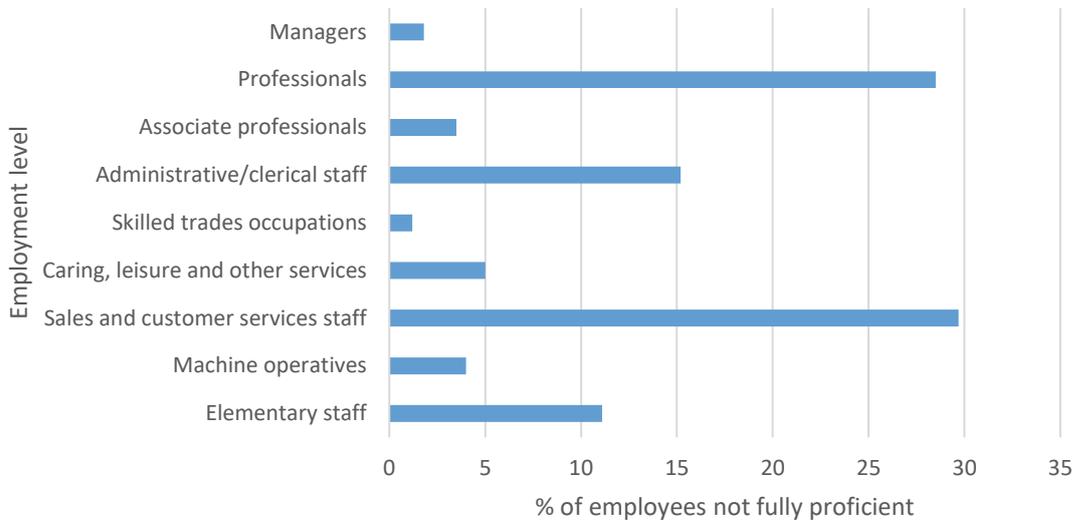
- Low number of applicants with the required skills – 15%;
- Lack of qualifications the company demands – 16%;
- Quality of applicants – 41%.

6.11 The survey also asked Kingston businesses about the skills gap base at each level of employment (i.e. not fully proficient in their role). The chart below shows that 28.5% of “professionals” and 29.7% of “sales and customer services staff” were deemed not fully proficient. In contrast, only 1.8% of managers were not fully proficient.⁶³

⁶² UKCES (2016).

⁶³ UKCES (2016).

Figure 59: % of Kingston employees not fully proficient in their role (2015)



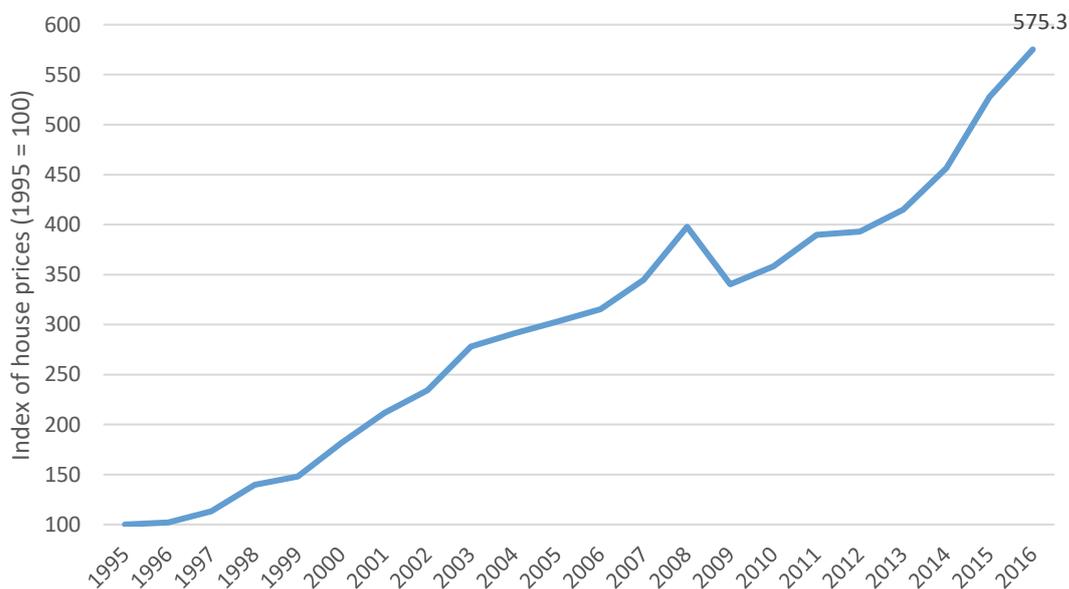
Source: UKCES

7 Housing

House prices

- 7.1 As with the rest of London, Kingston has experienced rapid rises in house prices in the past twenty years. In 2016, the average house price in Kingston was £465,254, an increase of 475% on 1995 (when the average house price was £80,876).⁶⁴ In London as a whole, last year, most property sales in London involved flats which sold for an average of £495,266. Terraced properties sold for an average price of £633,793, while semi-detached properties sold for £626,667.⁶⁵ The chart below shows an index of house price growth in Kingston since 1995.

Figure 60: Index of house prices in Kingston (1995 = 100)



Source: ONS House Price Index

Affordable housing

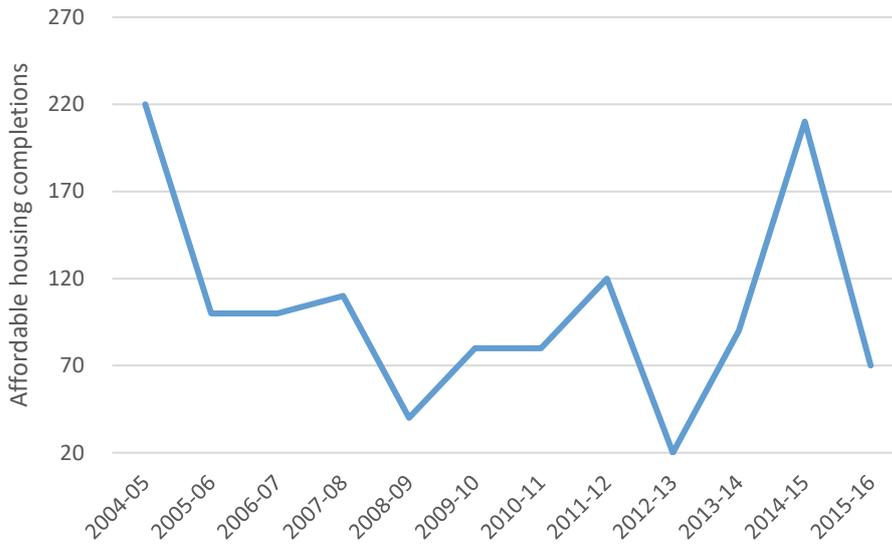
- 7.2 The London Datastore provides data on the total number of affordable housing completions by financial year in each London borough. New affordable homes are additional housing units provided to specified eligible households whose needs are not met by the market.
- 7.3 In 2015/16, there were 70 affordable housing completions in Kingston, a fall from 210 in 2014/15. The chart below shows that the pattern of affordable housing completion in Kingston is rather uneven, fluctuating from year to year. In 2015/16 for London as a whole, 32,110 affordable houses were completed, down from 66,600 in 2014/15.⁶⁶

⁶⁴ ONS House Price Index (2016)

⁶⁵ <http://www.rightmove.co.uk/house-prices/London.html>

⁶⁶ DCLG Affordable Housing Supply by Borough (2016)

Figure 61: Affordable housing completions in Kingston (2004/5 to 2015/16)

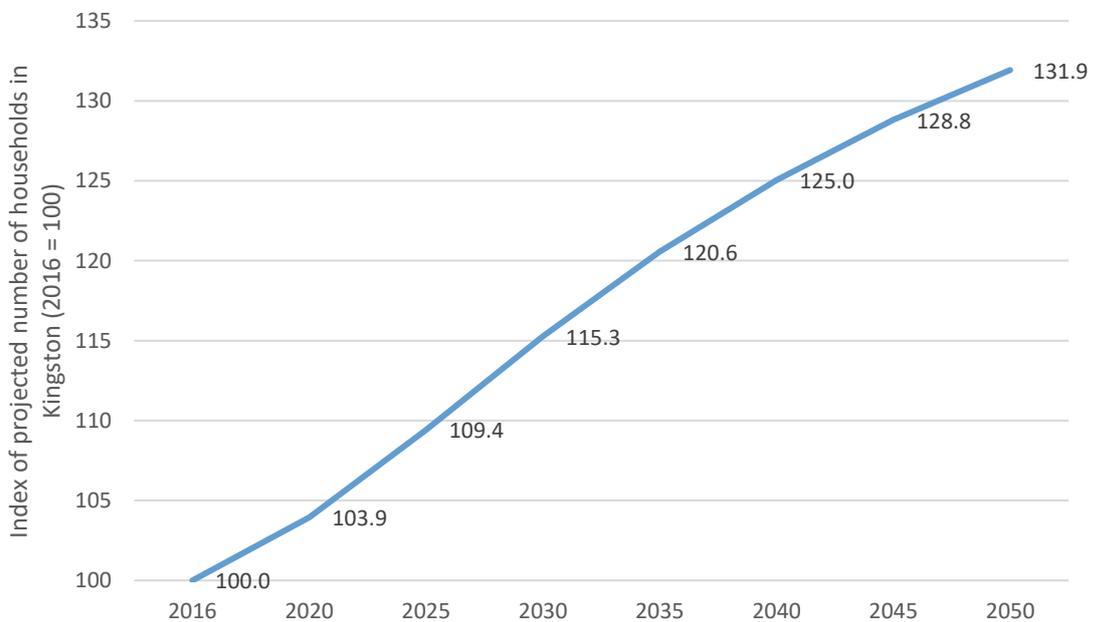


Source: DCLG

Household projections

- 7.4 According to GLA data on household projects (using a long-term migration scenario), the number of households in Kingston is forecast to rise from 68,778 in 2016 to 90,736 in 2050, an increase of 31.9%.

Figure 62: Index of projected number of households in Kingston (2016 = 100)



Source: GLA

7.5 Although the number of households is forecast to rise, the average household size is expected to fall. The average household size in 2016 was 2.5, with this expected to fall to 2.4 in 2025, and then 2.3 in 2035.⁶⁷

⁶⁷ GLA

8 Transport

- 8.1 Kingston is located 12 miles from Central London and only 8 miles from London's M25 orbital motorway. It is also conveniently located for the M3, M4 and is served by the A3.
- 8.2 Compared with other outer London boroughs and towns in Surrey, a high proportion of trips are made by bicycle in Kingston. The 2011 census identified that 2.8% of journeys to work were made by bicycle.⁶⁸

Road traffic

- 8.3 The Department for Transport provides data on the total traffic on major roads in Kingston, in thousand vehicle miles, from 2000 to 2015.

Table 22: Motor vehicles traffic on major roads (2005-15)

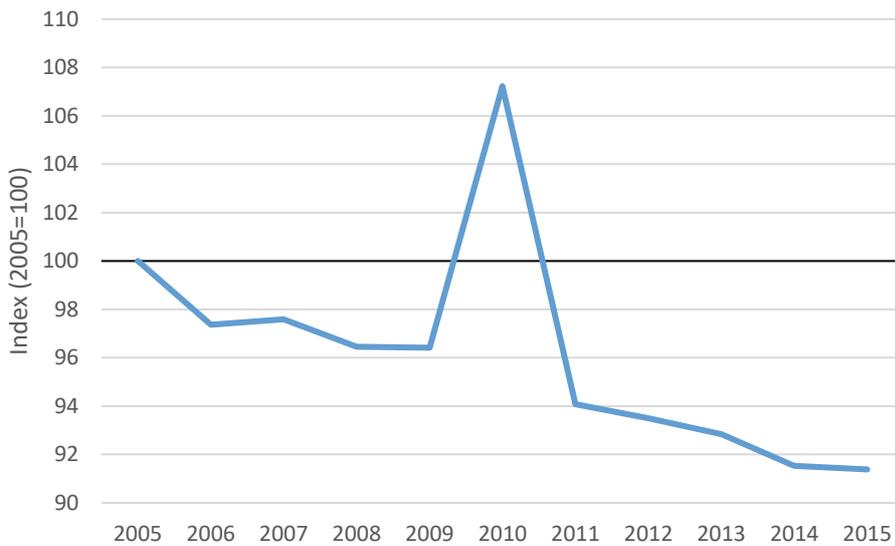
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Pedal Cycles	1,914	2,321	2,611	2,497	2,387	2,296	2,084	1,779	1,483	1,773	2,087
Motorcycles	7,209	8,430	7,673	6,711	6,468	6,123	6,211	7,526	6,191	6,553	6,423
Cars	317,333	298,466	302,030	299,081	306,170	341,863	293,030	286,838	286,665	279,180	276,522
Buses & Coaches	4,694	5,148	4,778	5,196	4,996	5,248	5,291	4,989	4,310	4,266	4,043
Light Goods Vehicles	34,659	42,816	40,045	38,933	34,515	38,263	37,775	40,091	40,239	43,623	46,290
All HGVs	10,213	9,425	10,585	10,950	8,556	9,657	9,675	10,327	9,915	8,836	8,586
All Motor Vehicles	374,113	364,279	365,110	360,865	360,695	401,158	351,979	349,766	347,318	342,450	341,872

Source: Department for Transport

- 8.4 As Table 24 shows, unsurprisingly, the majority of traffic on Kingston's major roads comes from cars. Although, the total traffic has fallen by 8.6% from 2005 to 2015. This is shown in the chart below.

⁶⁸ ONS Census (2011)

Figure 63: Index of total traffic on major roads in Kingston (2005=100)



Source: Department for Transport

Trains

8.5 The borough is served by 11 train stations, with trains to London Waterloo a key service:

- Berrylands;
- Chessington North;
- Chessington South;
- Kingston;
- Malden Manor;
- Motspur Park;
- New Malden;
- Norbiton;
- Surbiton;
- Tolworth;
- Worcester Park.

Methods of commuting

8.6 In terms of method of travel to work, according to the 2011 Census, 35.7% of Kingston's resident commuters travelled by car in 2011, 35.7% by train or bus (reflecting close commuting links with other parts of London).⁶⁹ In 2011, 44.2% of residents travelled less than 10km to work, with 32.6% travelling 10-30km. 11% worked mainly at, or from, home.⁷⁰

⁶⁹ Official classification is train, underground, metro, light rail, tram, bus, minibus or coach.

⁷⁰ ONS Census (2011)

- Crossrail unlocks potential development and densification in areas around the extension, generating value-uplift which will incentivise developers.
- Crossrail will strengthen existing ties with London, and central London which will in turn support further business connections, the desirability of Kingston as a business location, and future entrepreneurial behaviour.
- Generate more intra-connectivity between South London areas, giving local businesses access to a greater pool of labour and strengthening productivity growth.

8.9 The potential for Crossrail to support the type of investment needed is significant. Thinking about how positive investment and Crossrail developments can support and build on Kingston's competitive advantage, it will be important to ensure that:

- The competitive advantage of Kingston supports opportunities for residents at a variety of skills levels, with growth in local disposable incomes and area 'buzz' supporting local employment and entrepreneurialism in combination with knowledge sector growth.
- Investment supports the ongoing diversification of Kingston's business base, and facilitates growth and move-on space, as well as supporting self-employment networks and co-working spaces.
- Kingston's identity as a sub-regional retail and leisure destination is maintained, but recognises the shift in competition from other 'experience' destinations and develops its own USP which can cater for both local demand and growth in disposable incomes, as well as visitors.

9 Kingston's corporate policy

9.1 Adopted in April 2012, Kingston's Core Strategy is a plan for the future of the borough, including land use policies that form the legal basis for deciding planning applications, allocating land and encouraging investment. The Local Development Framework (LDF) is guiding development and change in the borough over the next 15 years. In addition to dealing with the use of land, the LDF has a wider remit covering spatial planning and changes in response to key issues such as the need to:

- Deliver more homes to meet needs and infrastructure to support a growing population;
- Promote a thriving local economy with successful town and district centres and provide sufficient employment land to meet business needs and provide jobs;
- Protect and enhance valued environments, including heritage sites, open spaces and nature reserves and the Borough's attractive character;
- Meet the challenge of climate change and adapt to its impacts such as increased risk of flooding and air pollution;
- Create places that promote and enable healthy lifestyles;
- Achieve sustainable development and reduce reliance on the car.

Selected local plan policies

Policy CS 10 – Housing Delivery

9.2 The Council will seek to meet and exceed the Borough's annual housing target as set out in the London Plan for the period 2012/13 to 2026/27. The current target is to achieve 375 new units a year. The preferred locations for new housing are Kingston Town Centre, the three District Centres (Surbiton, Tolworth, New Malden), areas with the greatest Public Transport Accessibility Level (PTAL) and areas in need of improvement or renewal.

Policy CS 11 – Economy and Employment

9.3 With its partners the council will:

- Build on the economic strengths of the Borough by promoting the development of a diverse and flourishing economy and ensuring that land and premises are available for both traditional industrial and office based employment activities (B1, B2 and B8 uses).
- Promote the redevelopment, renewal and modernisation of existing office stock (which may include integrating office space and residential uses into mixed use developments).
- Promote other key employment sectors such as retail, financial and legal services, leisure, culture, health, education, public administration and tourism and ensure

that land and premises and appropriate infrastructure are available for these activities also.

Policy CS 12 – Retail and Town Centres

- 9.4 The Council will maintain and enhance the attractive and distinctive character of Kingston Town Centre and its role as a sustainable Metropolitan Centre, through the implementation of the Kingston Town Centre Area Action Plan. It will also seek to enhance the vitality and viability of New Malden, Surbiton and Tolworth District Centres so that they complement the role of Kingston Town Centre and remain the focus for “walk to” services, shopping and other town centre uses of an appropriate scale for the size of the centre.

Local Plan Policy CS 8 – Character, Design and Heritage

- 9.5 The Council will protect the primarily suburban character of the Borough, existing buildings and areas of high quality and historic interest from inappropriate development and will seek opportunities for sensitive enhancement in these areas and in areas of poorer environmental quality, where the character has been eroded or needs improving. It will use the Borough Character Study and Residential Design SPD to require good design and guide the assessment of development proposals and will seek to ensure that the new development:

- recognises distinctive local features and character;
- has regard to the historic and natural environment;
- helps enhance locally distinctive places of high architectural and urban design quality;
- accords with Neighbourhood ‘strategies for delivery’ set out under ‘Character, Design and Heritage’;
- relates well and connects to its surroundings.

- 9.6 Tall buildings may be appropriate in the Borough’s town centres; however, some parts of these areas will be inappropriate or too sensitive for such buildings. Relevant SPDs will provide further guidance on this matter and the Council will determine applications for such development on the basis of the criteria in the English Heritage/CABE Guidance on Tall Buildings (July 2007) and the London Plan.

- 9.7 The Council will also require higher standards of design generally to achieve a more attractive, sustainable and accessible environment.

Kingston Futures

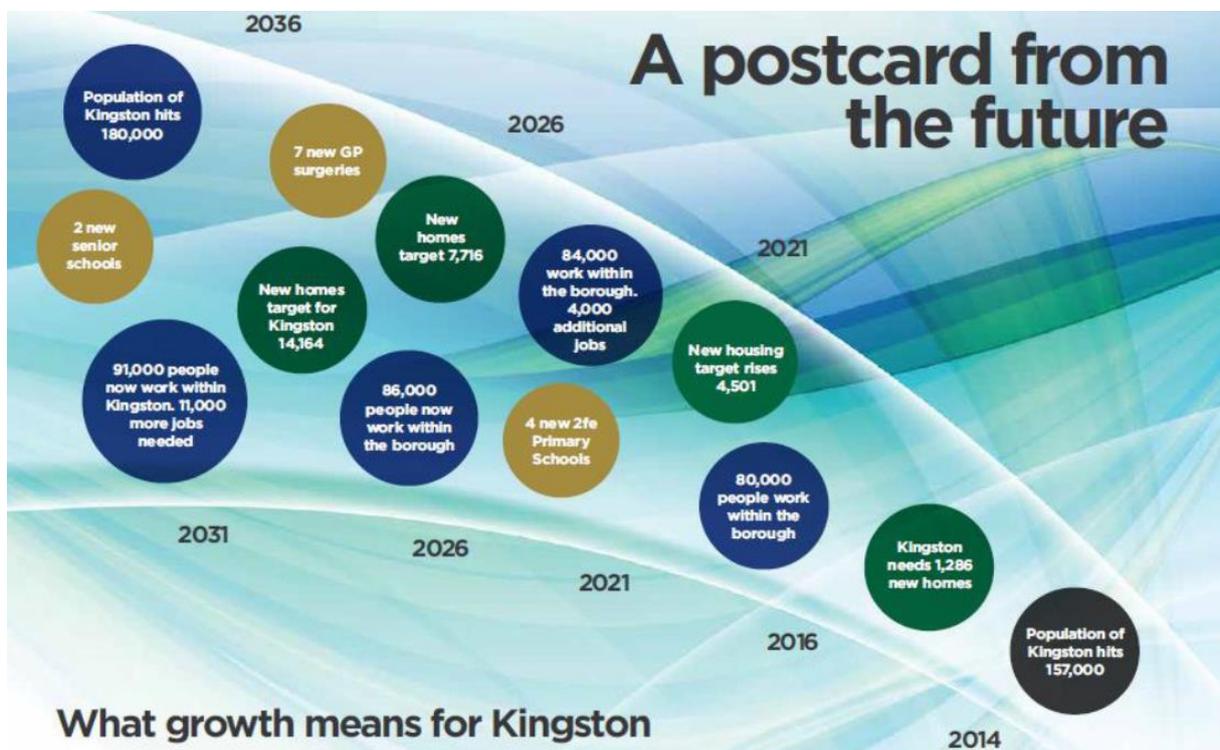
- 9.8 Kingston Futures forms part of the Council’s Corporate Policy Programme and is supported by the statutory planning process including a series of planning development briefs. Its guiding principles are based on freedom and choice. It would like people to have the freedom and ability to:

- Choose a home that fulfils their needs and is affordable;
- Choose a safe and sustainable form of transport that suits their needs, to walk, to cycle, to take the train or bus, or to drive;

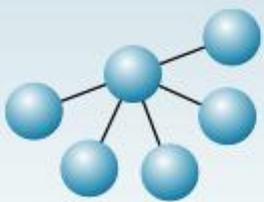
- Have access to excellent health, care and leisure choices;
- Enjoy a wide variety of creative arts;
- Choose to work in the borough or to commute;
- Be confident and have the skills to play their part in the growth and prosperity of Kingston;
- Have their choice of highest quality public spaces to use and enjoy;
- Have a wide range of learning options, schools, higher education, skills and vocational training.

9.9 Kingston Future’s “A postcard from the future” outlines their aspirations for future growth in the area.

Figure 65: A postcard from the future



Source: Kingston Futures



SHARED INTELLIGENCE

Europoint Centre, 5-11 Lavington
Street, London, SE1 0NZ

T:020 7756 7600

www.sharedintelligence.net

solutions@sharedintelligence.net

@Sharedintel