

LSE Lecture: Conditions for Recovery – Prospects for Growth

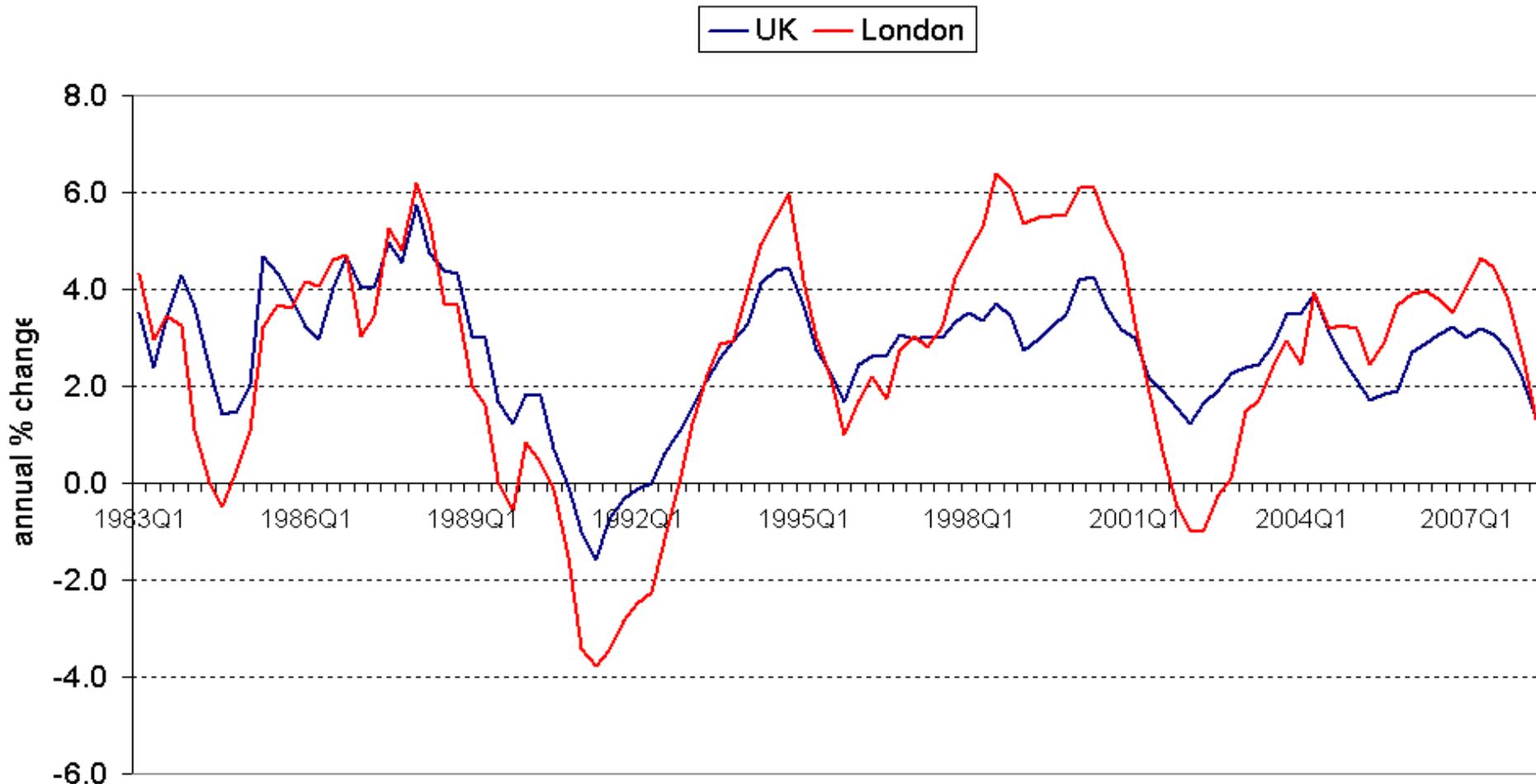
**Peter Rogers, Chief Executive
London Development Agency**

18 February 2009



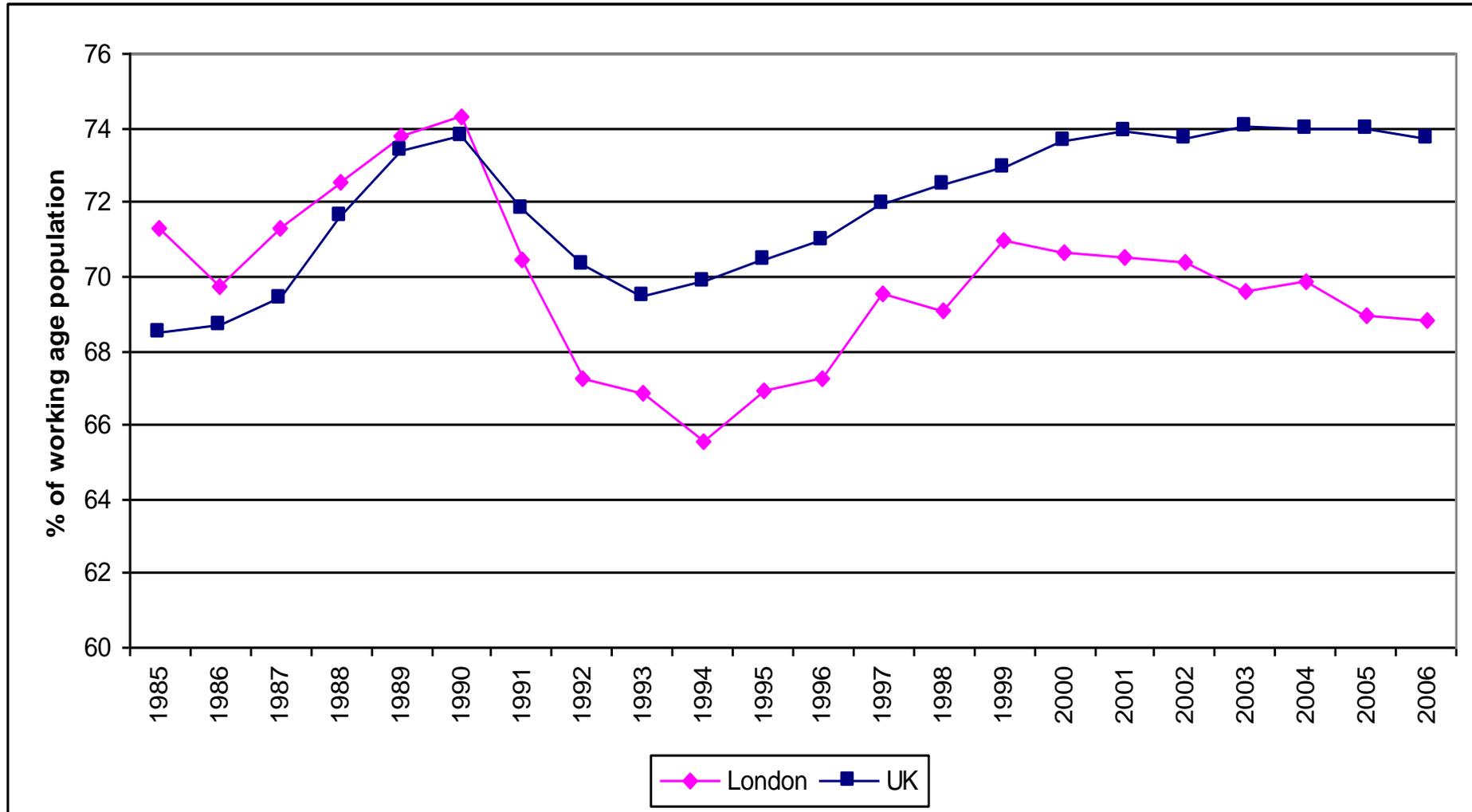
Economic growth in the UK and London over time

Real GVA growth over time

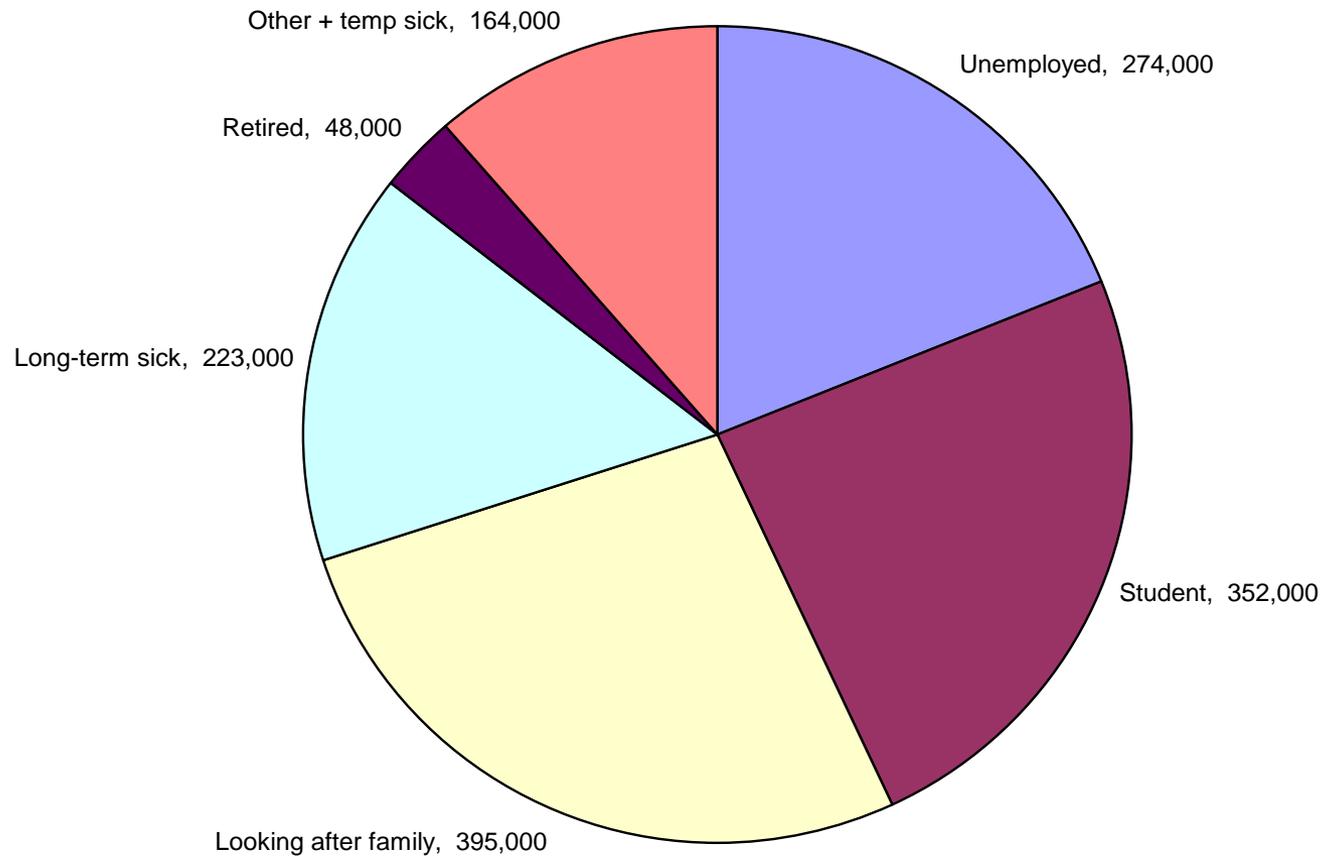


London and UK employment rate over time

Employment rates in London and the UK over time



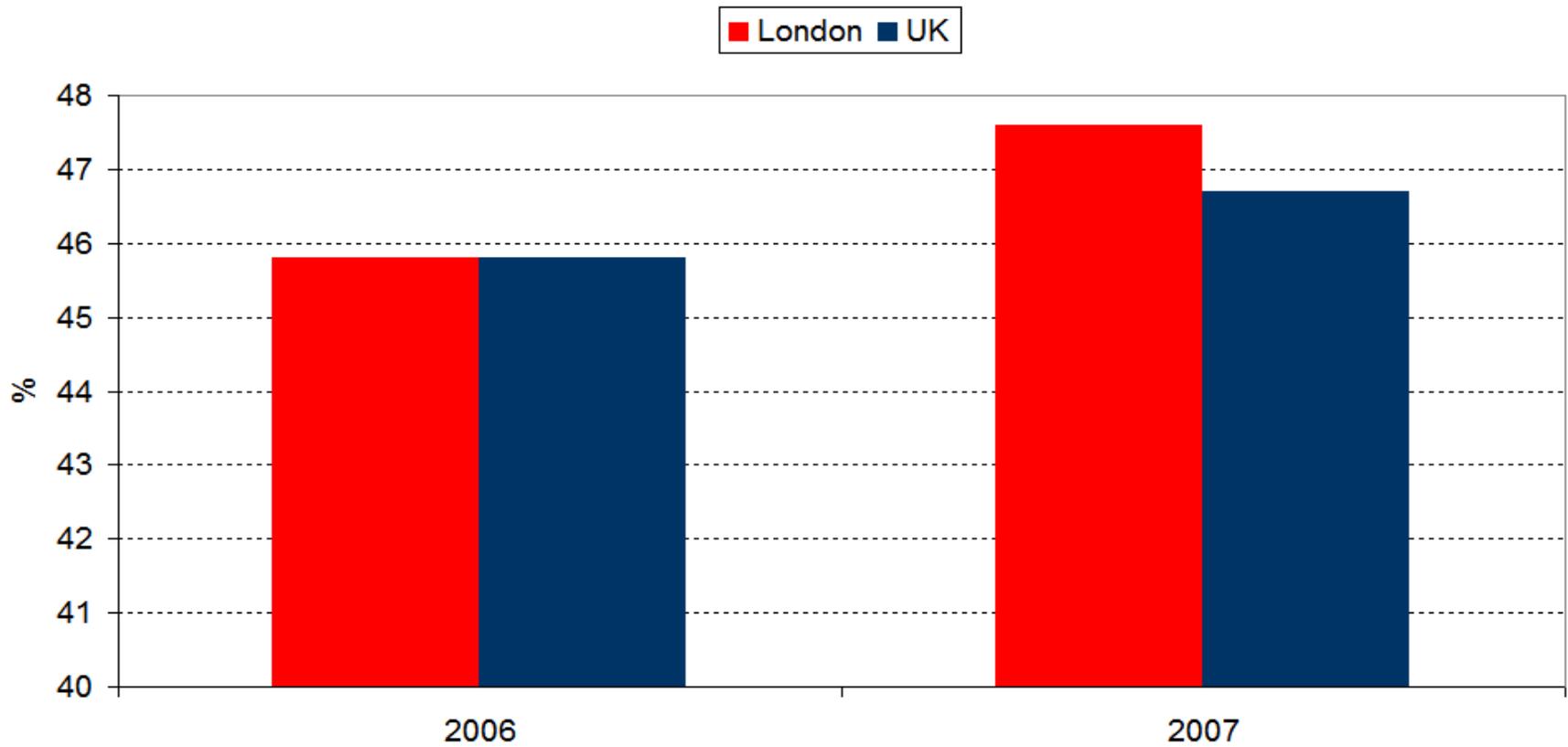
The workless population in London



Source: Annual Population Survey 2007/2008

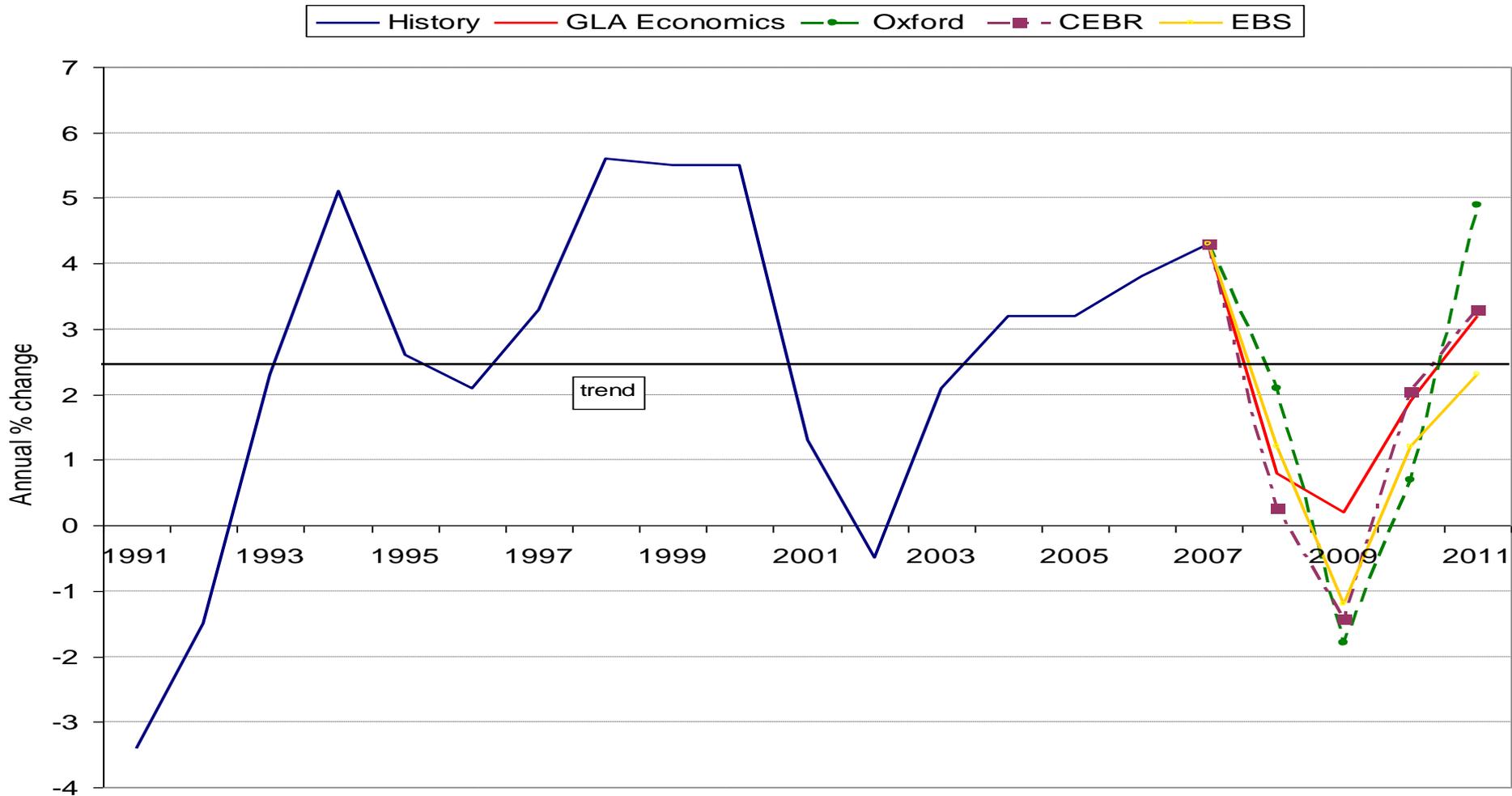
School achievement in London compared to UK

Proportion of students achieving 5 GCSEs A*-C including English and Maths



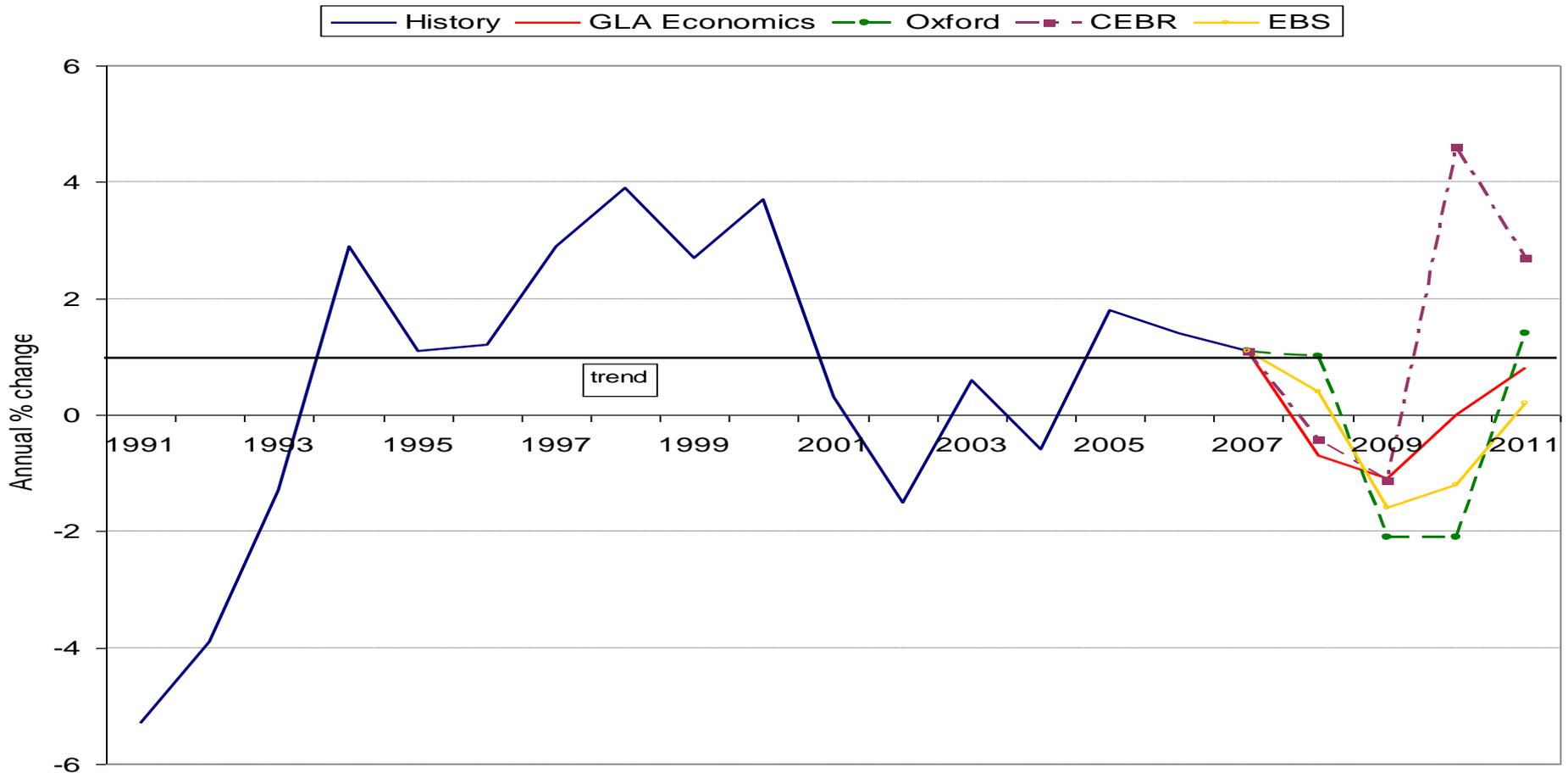
London's growth forecasts for the next few years

London's output growth (GVA % growth) by forecaster

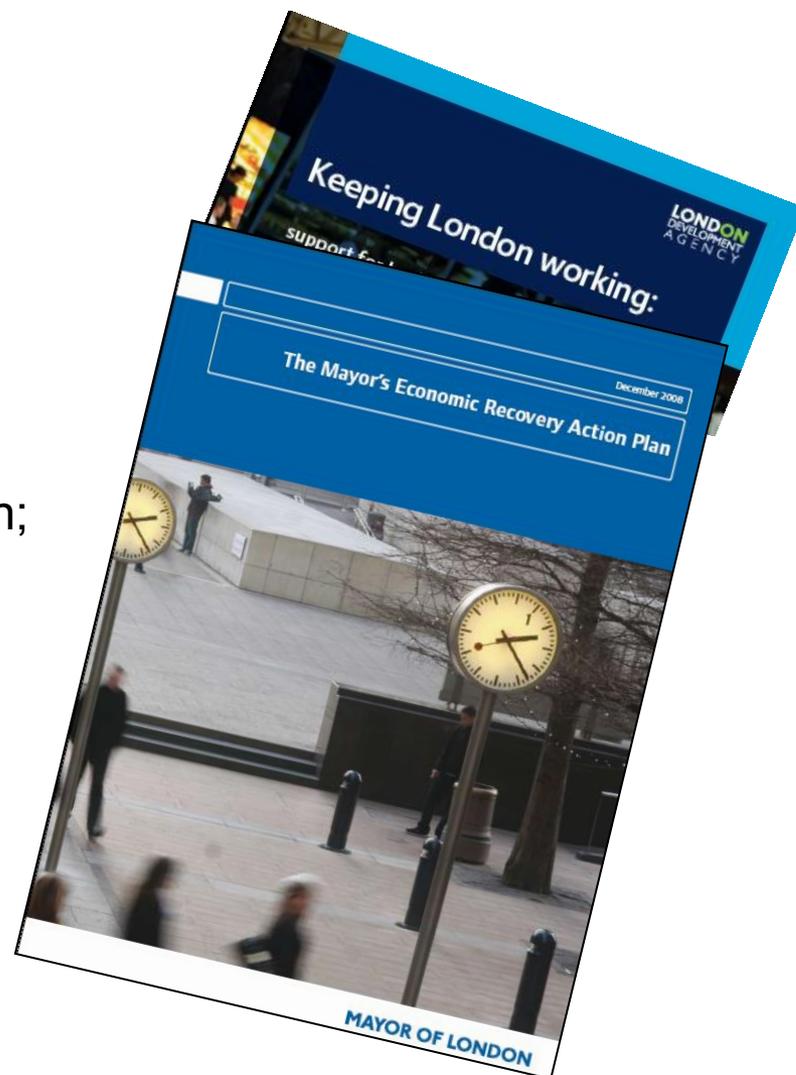


Forecasts of employment growth over the next few years

London's employment growth (annual % growth) by forecaster



- Short-term measures:
 - Mayor's Economic Recovery Action Plan;
 - LDAs 'Keep London Working' campaign;
- Longer-term measures:
 - Set out in the LDAs 'Investment Strategy' built around 'Jobs, Skills and Growth'.



Recovery Campaign Spain & Germany



Descubre un mundo. Visit London.
VISITLONDON.COM/ES

LONDRES
(STANSTED)

POR TRAYECTO
10 €

Más por menos dinero: Un mundo de oportunidades en Londres.

¡Llévese un chollo en Londres este invierno! Con las excelentes ofertas en vuelos de Ryanair, el euro más fuerte que nunca y las famosas rebajas de enero, esta es la mejor época del año para venir. Y hay tantas cosas que hacer en Londres gratuitamente; para empezar, descubra los tesoros de mundo en los museos y las galerías nacionales, viva las coloristas fiestas del Año Nuevo Chino y disfrute de la pompa y la ceremonia del Relero de la Guardia o la Ceremonia de las Llaves.

En 2009, hay muchas cosas que descubrir. Podrá asombrarse con el extraño y maravilloso Believe it or Not! de Ripley, cantar con Michael Jackson en el nuevo musical Thriller Live o visitar la nueva Saatchi Gallery de Chelsea.

RYANAIR **VISIT LONDON**
VISITLONDON.COM

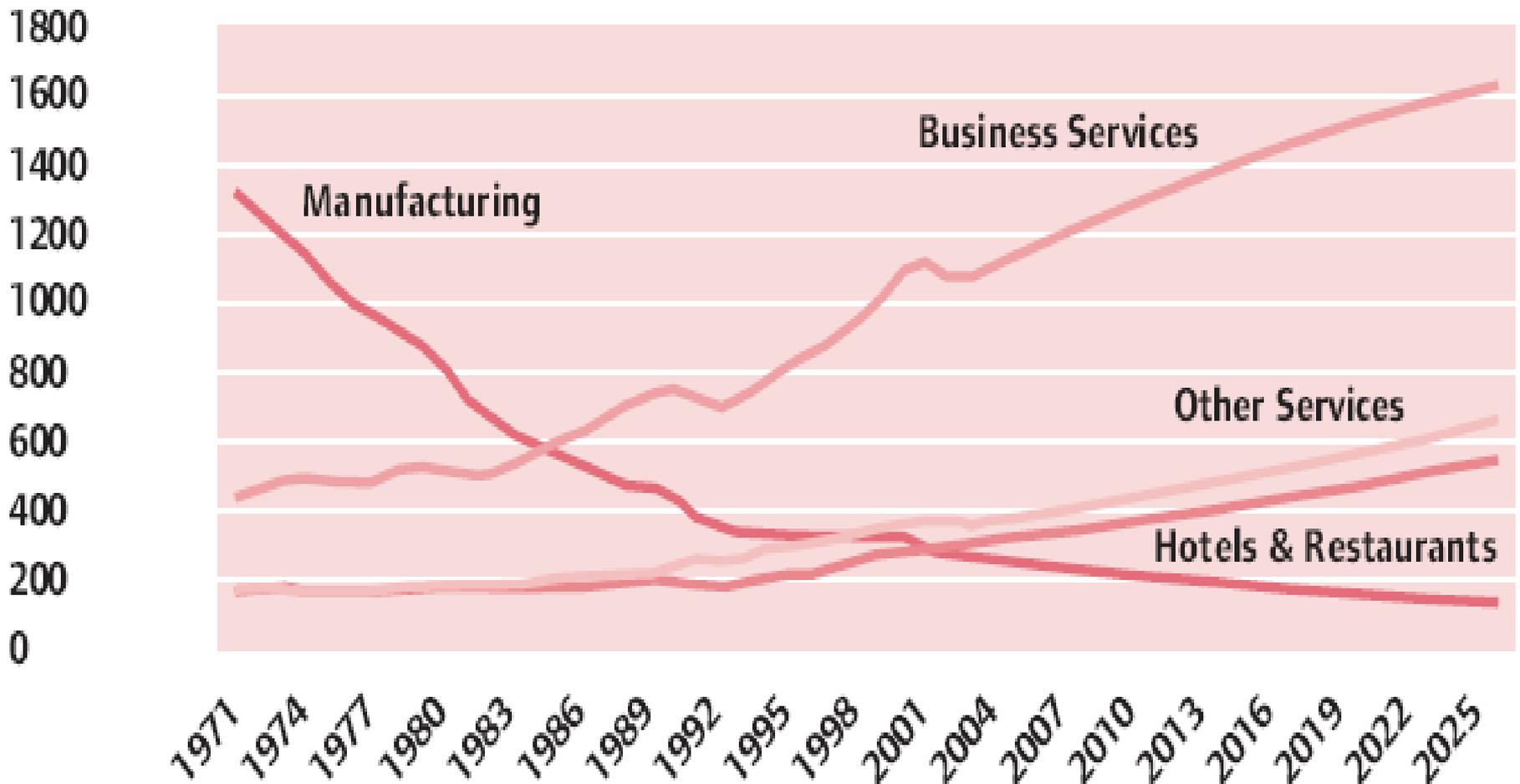
Reserva hasta el 28.11.08. Ver Ryanair.com. Los vuelos y condiciones no son válidos. Suplemento de 5€ por trayecto en tasas de gestión para billetes pagados con tarjeta de crédito. Salidas desde Sevilla.

Europe

- 22 Dec – 12 Jan Ryanair reported an uplift of 9,000 passenger bookings across Germany, Italy and Spain, attributable to the joint campaign.
- Estimated value of £3.5m incremental economic benefit to London so far from £150k Visit London spend, equating to a 24:1 ROI. Full results due end of February.

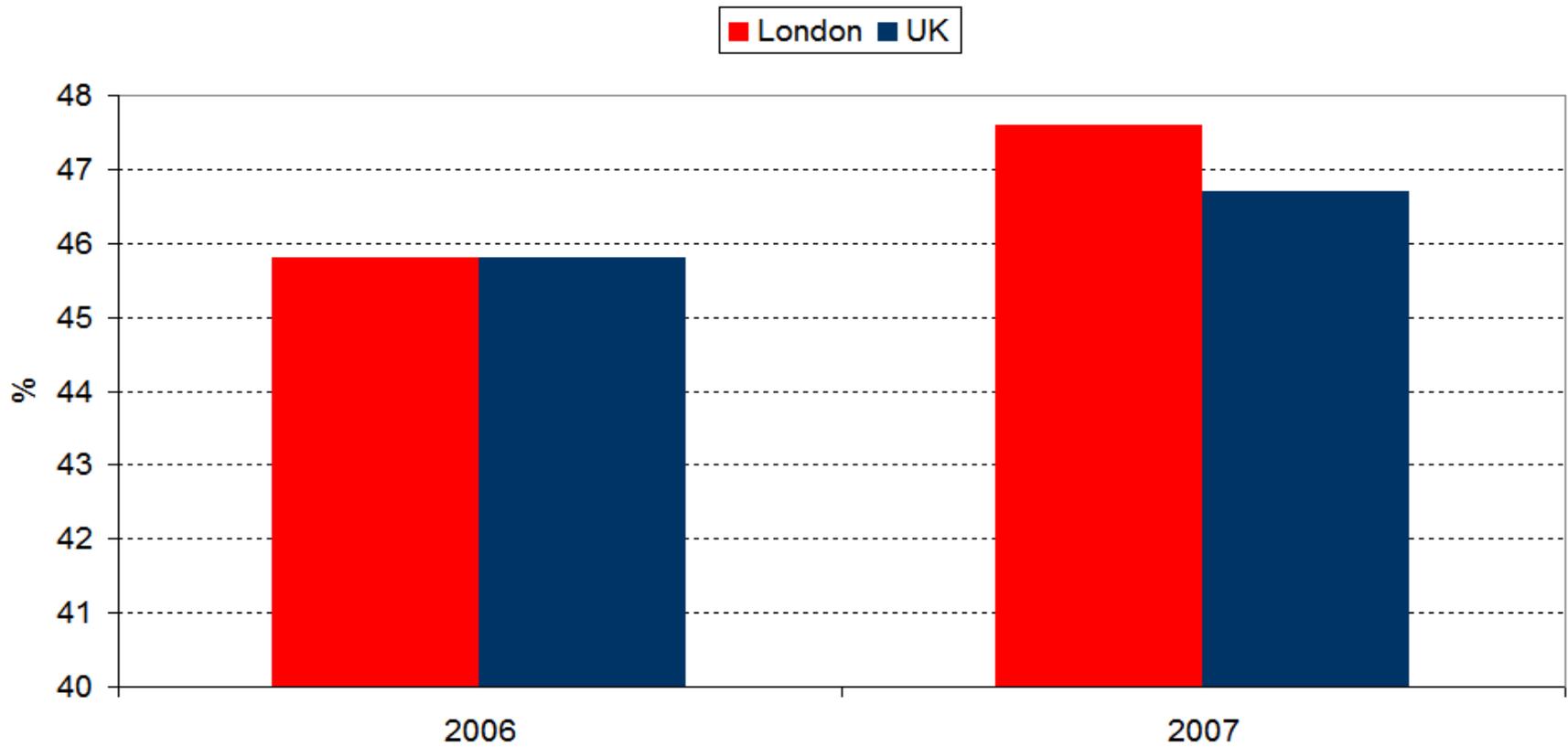
Long-term workplace employment trends for London

Thousands (Actual 1971-2002, Projection 2003-2026)

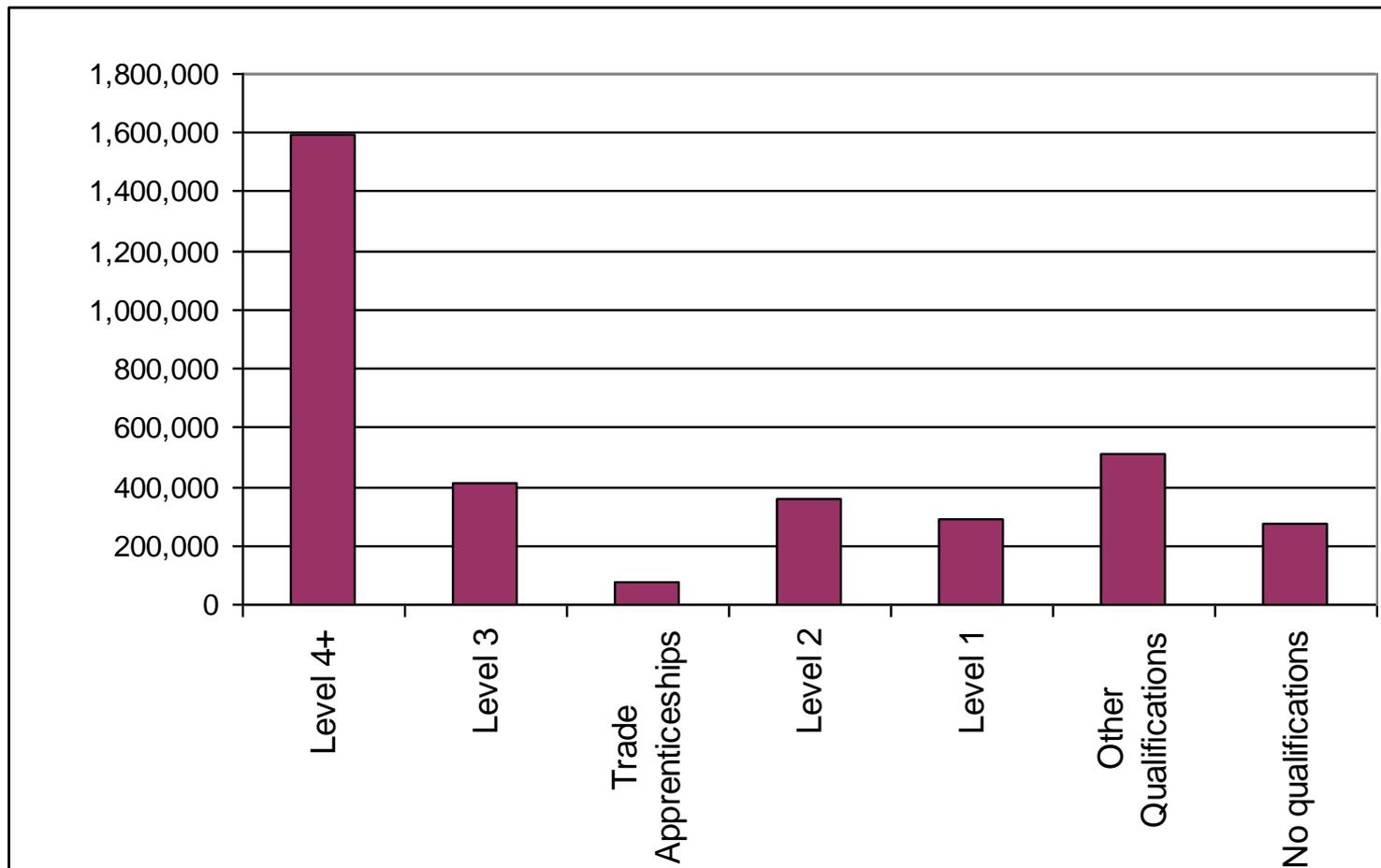


School achievement in London compared to UK

Proportion of students achieving 5 GCSEs A*-C including English and Maths

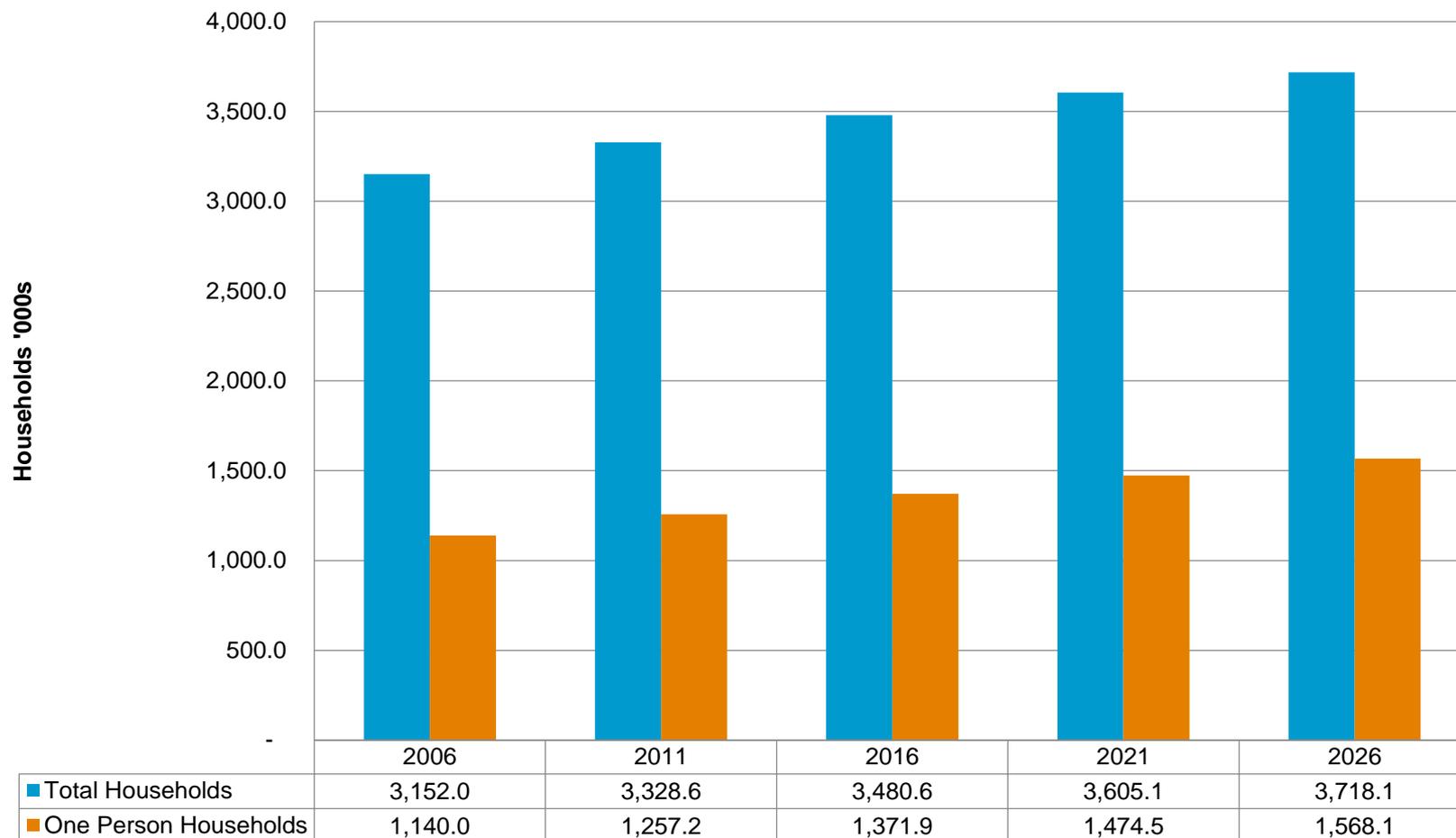


Employment of London residents, by highest level of qualification

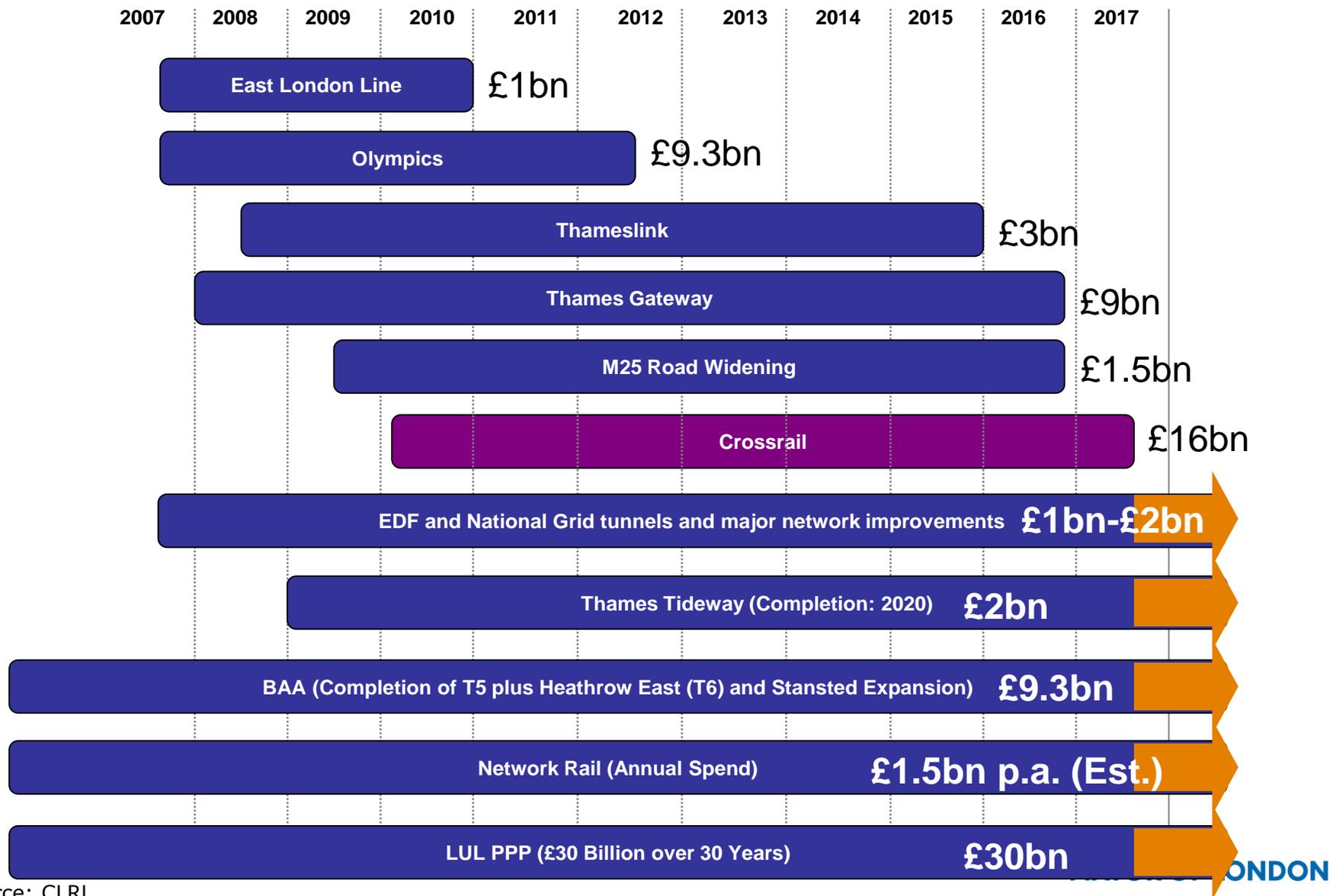


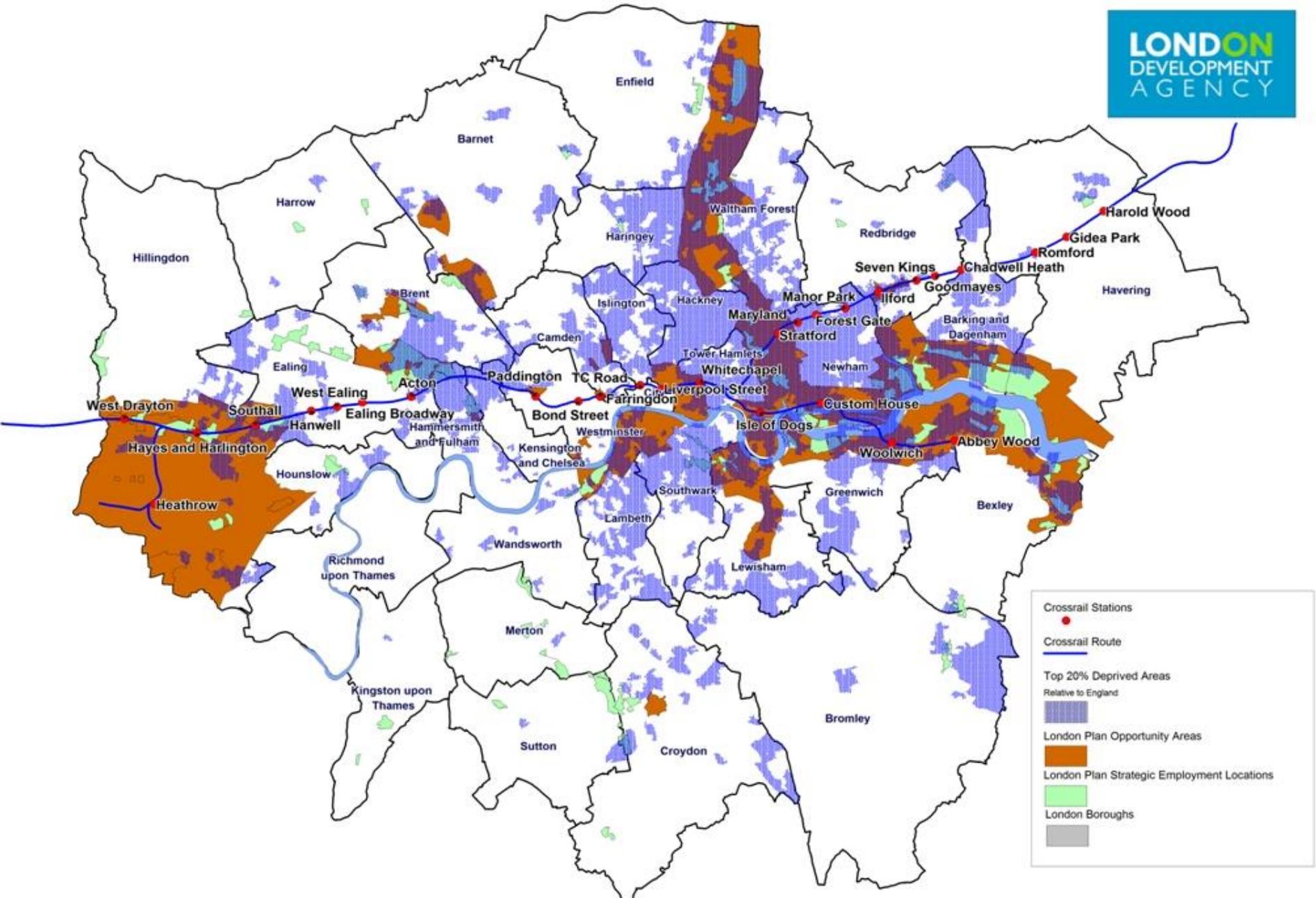
Prospects for Growth

Post London Plan: Household Projections 2007



Prospects for Growth

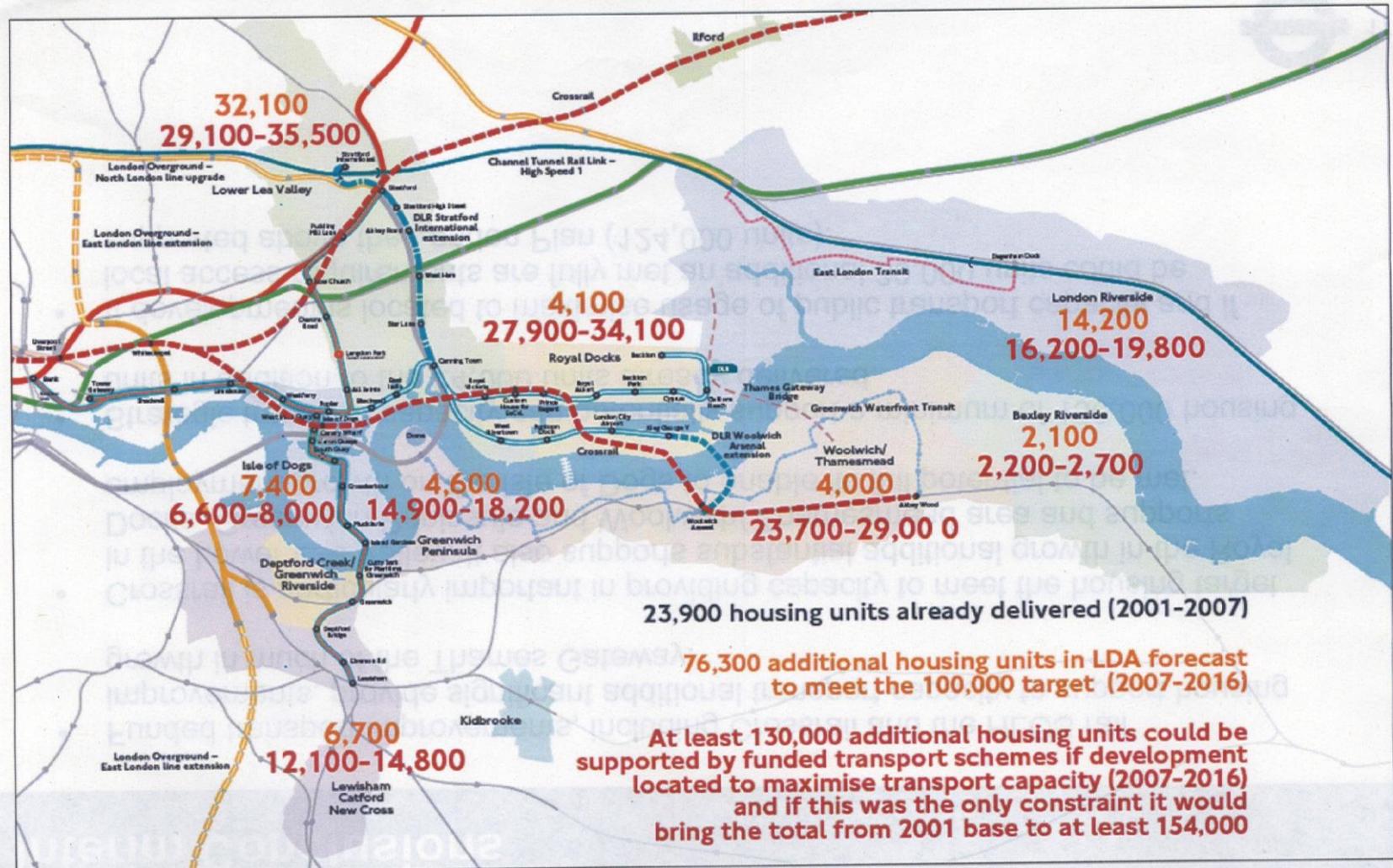




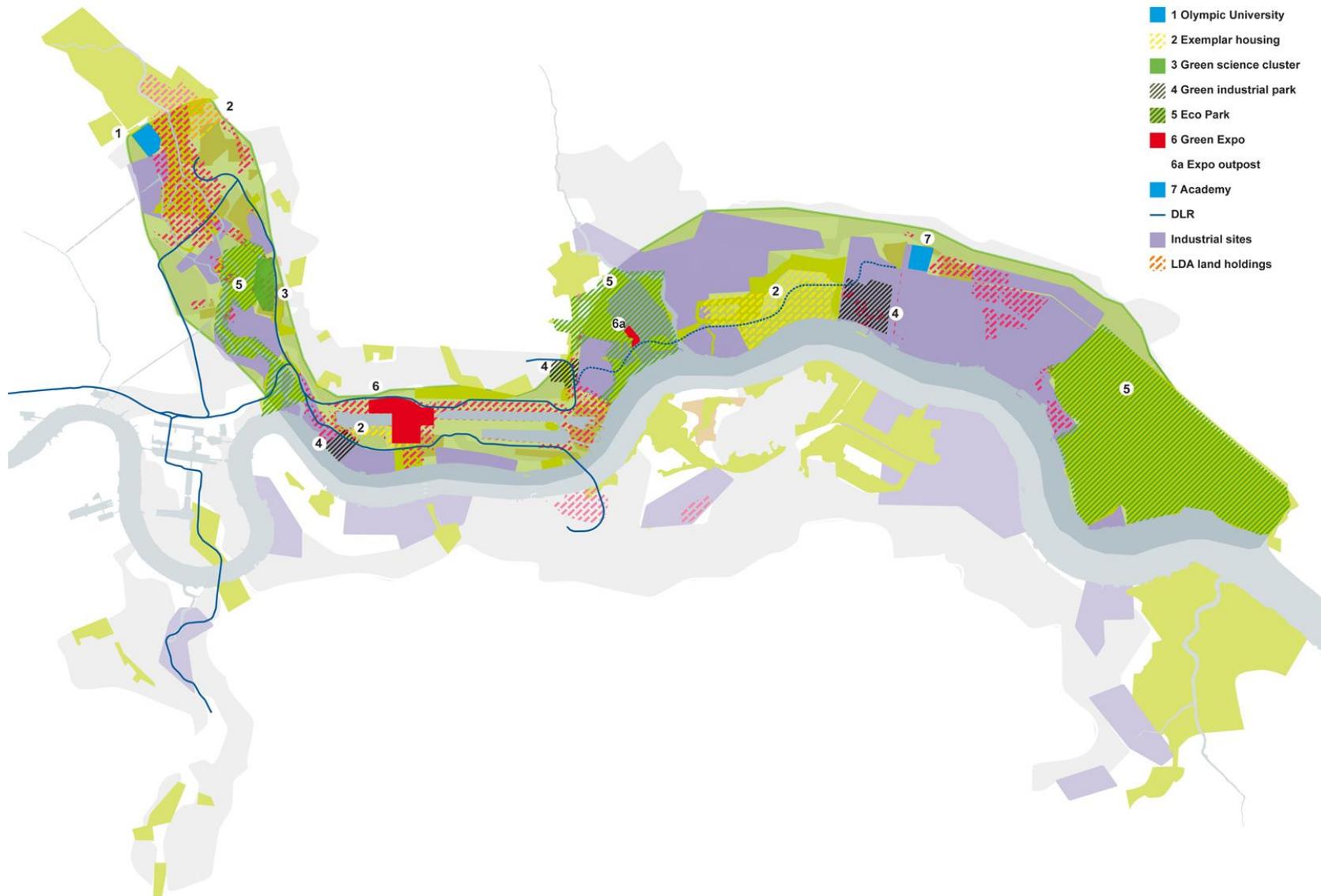
Crossrail Stations
 ●
 Crossrail Route
 —
 Top 20% Deprived Areas
 Relative to England
 ■
 London Plan Opportunity Areas
 ■
 London Plan Strategic Employment Locations
 ■
 London Boroughs
 ■

Example of how it could work

London Thames Gateway 2006/7 to 2016/17 – funded transport schemes against latest housing development forecasts November 2007



Prospects for Growth



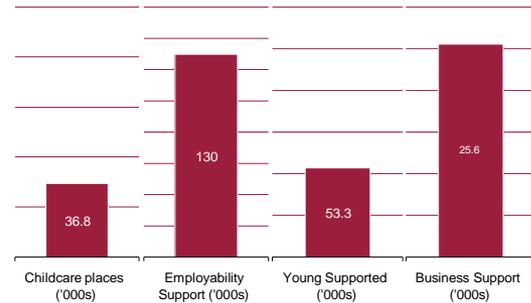
What Works best:

- Evaluation evidence suggests that the return on investment (value for money) has been stronger in:
 - Business support
 - Tourism marketing
 - Environmental programmes
 - Skills/workforce development
- Evaluation evidence suggests that the return on investment (value for money) has been weaker in:
 - Business retention
- Evidence is less clear-cut for:
 - Capital projects)

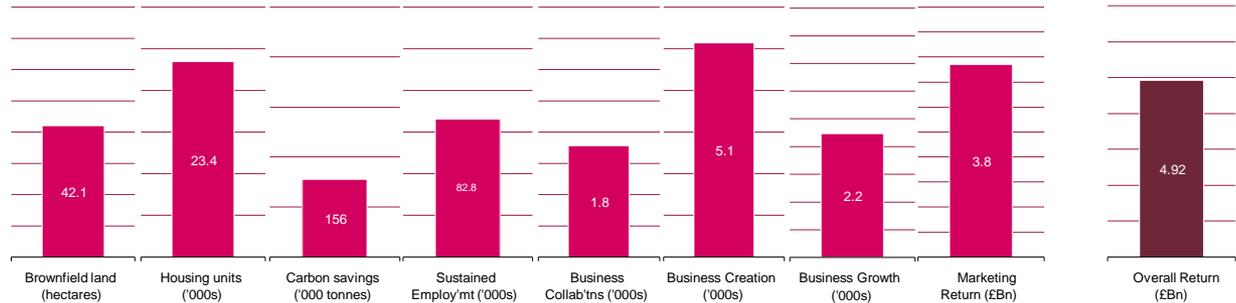
Investment Strategy Option Modeller (2009 - 2013)



Short Term Outputs

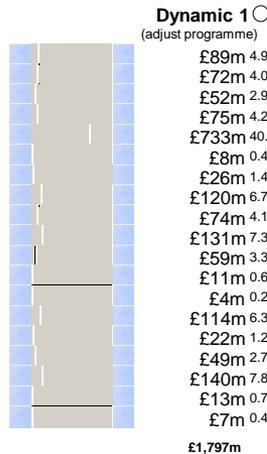


Medium Term Outputs / Outcomes



Programmes

- Quality Places
- Commercial land and remediation
- Quality public realm and green space
- Energy and waste
- Olympic park and lower lea valley
- Skills strategy and innovation
- Employment information and advice
- Youth
- Childcare
- Employability
- Olympic skills
- Greater sport participation
- Business strategy and partnership
- Integrated Business Support
- Finance
- Innovation and growth
- Global
- Olympic business benefits
- Olympics culture



Dynamic 1 (adjust programme)

Option 1 (baseline)

Quality Places	£207m	11.5%
Commercial land and remediation	£38m	2.1%
Quality public realm and green space	£88m	4.9%
Energy and waste	£33m	1.8%
Olympic park and lower lea valley	£95m	5.3%
Skills strategy and innovation	£97m	5.4%
Employment information and advice	£733m	40.8%
Youth	£22m	1.2%
Childcare	£7m	0.4%
Employability	£40m	2.2%
Olympic skills	£22m	1.2%
Greater sport participation	£38m	2.1%
Business strategy and partnership	£7m	0.4%
Integrated Business Support	£22m	1.2%
Finance	£4m	0.2%
Innovation and growth	£101m	5.6%
Global	£147m	8.2%
Olympic business benefits	£120m	6.7%
Olympics culture	£120m	6.7%
Total	£1,797m	£m

Option 2 (theme)

Quality Places	£108m	6.0%
Commercial land and remediation	£36m	2.0%
Quality public realm and green space	£51m	2.9%
Energy and waste	£88m	4.9%
Olympic park and lower lea valley	£31m	1.7%
Skills strategy and innovation	£63m	3.5%
Employment information and advice	£97m	5.4%
Youth	£78m	4.3%
Childcare	£733m	40.8%
Employability	£22m	1.2%
Olympic skills	£7m	0.4%
Greater sport participation	£85m	4.7%
Business strategy and partnership	£26m	1.4%
Integrated Business Support	£8m	0.4%
Finance	£120m	6.7%
Innovation and growth	£7m	0.4%
Global	£147m	8.2%
Olympic business benefits	£120m	6.7%
Olympics culture	£120m	6.7%
Total	£1,797m	£m

Option 3 (best return)

Quality Places	£36m	2.0%
Commercial land and remediation	£51m	2.9%
Quality public realm and green space	£72m	4.0%
Energy and waste	£72m	4.0%
Olympic park and lower lea valley	£31m	1.7%
Skills strategy and innovation	£52m	2.9%
Employment information and advice	£97m	5.4%
Youth	£78m	4.3%
Childcare	£733m	40.8%
Employability	£733m	40.8%
Olympic skills	£733m	40.8%
Greater sport participation	£733m	40.8%
Business strategy and partnership	£733m	40.8%
Integrated Business Support	£733m	40.8%
Finance	£733m	40.8%
Innovation and growth	£733m	40.8%
Global	£733m	40.8%
Olympic business benefits	£733m	40.8%
Olympics culture	£733m	40.8%
Total	£1,797m	£m

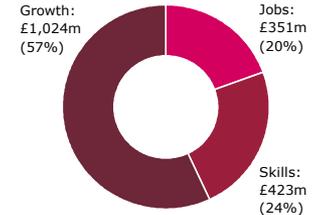
Option 4 (business plan)

Quality Places	£89m	4.9%
Commercial land and remediation	£72m	4.0%
Quality public realm and green space	£72m	4.0%
Energy and waste	£72m	4.0%
Olympic park and lower lea valley	£31m	1.7%
Skills strategy and innovation	£52m	2.9%
Employment information and advice	£97m	5.4%
Youth	£78m	4.3%
Childcare	£733m	40.8%
Employability	£733m	40.8%
Olympic skills	£733m	40.8%
Greater sport participation	£733m	40.8%
Business strategy and partnership	£733m	40.8%
Integrated Business Support	£733m	40.8%
Finance	£733m	40.8%
Innovation and growth	£733m	40.8%
Global	£733m	40.8%
Olympic business benefits	£733m	40.8%
Olympics culture	£733m	40.8%
Total	£1,797m	£m

Dynamic 2 (adjust theme)

Quality Places	£108m	6.0%
Commercial land and remediation	£88m	4.9%
Quality public realm and green space	£72m	4.0%
Energy and waste	£63m	3.5%
Olympic park and lower lea valley	£95m	5.3%
Skills strategy and innovation	£95m	5.3%
Employment information and advice	£733m	40.8%
Youth	£7m	0.4%
Childcare	£22m	1.2%
Employability	£22m	1.2%
Olympic skills	£101m	5.6%
Greater sport participation	£7m	0.4%
Business strategy and partnership	£22m	1.2%
Integrated Business Support	£101m	5.6%
Finance	£62m	3.4%
Innovation and growth	£110m	6.1%
Global	£49m	2.7%
Olympic business benefits	£49m	2.7%
Olympics culture	£5m	0.3%
Total	£1,797m	£m

Theme Distribution



Themes



4.57 GVA

4.77 GVA

5.57 GVA

4.92 GVA

- The EDS is one of a suite of Mayoral strategies required by legislation.
- The EDS is a 20 year view that will:
 - Set out the Mayor's ambitions for London's economy including measures to bolster London's international competitiveness
 - Specify clear, measurable objectives for London's economic development;
 - State principles that should underpin the approach to major investments in London;
 - Contribute to a longer term bid for resources from central government;
 - Chart the basis for immediate, new, partnership investment programmes through bodies such as the London Skills and Employment Board
- The EDS will be informed by the knowledge and insight of others – OLC, Las and Business
- The EDS will help refine the approach over time to help address priorities identified;
- The new version of the EDS will be integrated with other major strategies such as the London (spatial) Plan and the Mayor's Transport Strategy, using a common evidence base,.