

# GLAECONOMICS

Annual Report 2003



Transport  
for London

MAYOR OF LONDON

**LONDON**  
DEVELOPMENT  
AGENCY

GLA Economics Annual Report 2003

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# Foreword

Making successful policy for London cannot be done without good, careful and accurate analysis. GLA Economics is therefore a crucial part of the policy-making and service delivery processes for the GLA group, enabling us to work on the basis of a consistent analysis and set of information. To act effectively demands a shared understanding of issues, and the ability to present them to key decision-makers and the wider policy community.



**Ken Livingstone**  
Mayor of London

Although it has only been in existence for slightly less than a year, GLA Economics has made a considerable impact in that time. Its monthly publication *London's Economy Today* has quickly become required reading for anybody interested in the London economy and what is happening to it.

On top of this, the unit has produced a range of publications which have helped to develop and encourage debate about the structure and development priorities in the capital. The report on the Creative Industries – *Creativity, London's Core Business* – clearly established the importance of this sector. Local economies within London were examined in *Spreading Success – How London is Changing* and documented the way in which the service sector economy is now central to all parts of London. Both of these were well received and proved indispensable for informed discussion about London's future during the public examination of my draft London Plan and more widely.

The unit has also made a significant contribution in other areas. It has helped significantly in developing the case for Crossrail and the Thames River crossings. Going forward, it continues to work in these areas and to make a contribution to the development of the Economic Development Strategy with the London Development Agency (LDA) and the Transport Strategy

with Transport for London (TfL). Indeed, both these bodies are jointly responsible for the unit alongside the Greater London Authority (GLA) and this report outlines the contribution they have made to its success.

The unit is only now reaching its full strength and I look forward to more high quality analysis from it over the coming year. The forthcoming study on the evening and weekend economy will help guide policy development in the important leisure and tourism sectors for both the GLA and other bodies. The research into the economics of the environment will be of great importance in looking at the costs and benefits of policies in this crucial but highly complex area.

I look forward to another successful year in the life of GLA Economics.

Ken Livingstone  
Mayor of London

I am pleased to present this, the first Annual Report from GLA Economics. I hope you will agree that the unit has got off to a successful start. This time a year ago, the unit consisted of a secondee, two temporary staff and myself. In spite of the limited resources, we have made a considerable impact on matters such as the London Plan, the case for Crossrail and the Thames Gateway Bridge as well as producing reports on creative industries and starting our regular monthly publication – *London's Economy Today*.

We started our monthly publication in a period of great uncertainty about the economy and the risks of recession. It now looks as if recession has been avoided and the recovery which started around the turn of the year and stalled during the war has begun to get going again. As a result, it is concerns about infrastructure and capacity constraints which are most likely to be worrying us over the coming year.

Of course, recruiting more staff has helped to expand our activities. We are not quite up to full strength yet, although this will happen over the next couple of months. In the meantime, we have strengthened our analysis of the London economy, produced our first set of planning projections and expanded our analysis of London's sub-regions with the publication entitled *Spreading Success – How London is Changing*.

We have also started further work on new sectors, including the evening and weekend economy and an extensive programme on environmental economics. Our plans include developing a better handle on the state of the London economy and its prospects, as well as further work on sectors starting with the role of the higher education sector. The transport and economic strategies are also taking up much of our time.

Economics is a very useful discipline in making linkages between different areas of policy and different issues. We hope that we have been successful in doing this and look forward to continuing this.

Bridget Rosewell  
Consultant Chief Economist  
GLA Economics



**Bridget Rosewell**  
GLA Economics

# Introduction

The Mayor of London established GLA Economics in May 2002 to provide high quality analysis and information about the economic issues facing London. Such input is crucial to policy-making and investment decisions facing not only the Mayor but also the other organisations in the GLA group, especially the London Development Agency and Transport for London.

## GLA Economics

The policy areas for which an economic input is required vary widely. They are not confined to the obvious need for an understanding of London's economic structure and prospects, although these are important. In addition, economists in the unit are looking at environmental policy, the costs and benefits of transport investments, the economics of housing, labour market and commuting patterns to name but a few.

The Mayor and the GLA group organisations are responsible for large-scale delivery of services, major investment decisions and a series of key strategies for London. Such decisions involve expenditures of billions of pounds and impact on properties, businesses and jobs with a value of tens of billions of pounds. The unit provides the analysis which helps to ensure the optimal use of taxpayers' money.

This is the first annual report of the unit, covering its first ten and a half months. The report was commissioned to fulfil a requirement of the service level agreement between the funding bodies. In it we give a review of the process by which the unit is funded and has been established, and a summary of the projects we have undertaken.

In addition, we also briefly describe our plans for the coming year.

If you would like to know more about our work or any individual project, please contact:

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## The establishment and funding of the unit

A report was commissioned in 2001 to look at the need for economic analysis in the newly established Greater London Authority (GLA). This was undertaken by Rosemary Scanlon<sup>1</sup>, formerly Chief Economist at the New York Port Authority. She highlighted the lack of consistent and regularly available research that provides comprehensive analysis and forecasts of London's economy. In her report, Ms Scanlon recommended establishing an official economic research and analysis group for London that could collect, analyse, forecast and report on the economy of London for the GLA group.

In the wake of this report, the unit was established with co-funding from the GLA group organisations. These bodies themselves also need economic analysis and observation on the economy.

GLA Economics is funded by Transport for London, the London Development Agency and the GLA, and is formalised through a service level agreement between the funding bodies. Funding is shown in Table 1.

## Unit objectives

- To collate and validate economic and related data.
- To analyse key variables and portray trends, drivers and the composition of London's economy.
- To provide a short and medium term forecast for London's economy and a review of independent London forecasts.
- To target relevant audiences for the unit's work and disseminate the information as widely as appropriate.
- To establish working relationships within the GLA and the GLA group, with academic partners, governmental organisations and other appropriate partners that have a special research and business focus on aspects of the London economy.
- To provide analysis to inform policy development in the functional bodies.

GLA Economics is committed to ensuring that, as far as possible, there will be public access to the unit's work, analysis and data. Constraints on enabling public access are mainly due to copyright and intellectual property rights legislation that may restrict access to certain products. GLA Economics has procured legal assistance to ensure that data, analysis and reports are disseminated as widely as possible without infringing such legislation.

## Mission statement

To provide economic analysis and a firm statistical, factual and forecasting basis for policy decision-making by the GLA and the GLA group.

**Table 1 Funding for GLA Economics (£)**

Agency	2002/03	2003/04
Transport for London	300,000	500,000
London Development Agency	300,000	500,000
Greater London Authority	300,000	300,000

<sup>1</sup> A Proposal and Plan to Establish a New Economics Unit within the Greater London Authority, submitted by Rosemary Scanlon, Consultant in Urban and Regional Economics, 23 August 2001.

# Establishing GLA Economics

## Staffing and organisational issues

The staff structure of GLA Economics comprises the following:

Chief Economist	
Knowledge Manager	3 Senior Economists
Marketing and Publications Manager	5 Economists
Administrative Officer	Trainee Economist

Bridget Rosewell from Volterra Consulting was appointed Consultant Chief Economist in May 2002. During the following 12 months, intensive recruiting campaigns were mounted and by April 2003, all of the economist roles were filled, a Knowledge Manager recruited and the three Senior Economists appointed. The roles of the Administrative Officer and the Marketing and Publications Manager have been filled by temporary staff.

GLA Economics is accommodated within the GLA's home of City Hall and is part of the Corporate Services directorate.

The steering group for GLA Economics has been established and monthly meetings are held to determine the best way forward for the unit and to discuss prioritisation of different workstreams. The steering group has representatives from the LDA, TfL and the GLA.

A research advisory board has been established that will advise on the priorities for research into London's economic and social issues. The board will also assist in identifying potential researchers and effective research methods on particular topics. The final purpose of the board is to help review and monitor the economic, sectoral and labour market situation. The board does not have any responsibility for specification management, monitoring or the results of any particular piece of research. The research board comprises a mix of academics, representatives from the private sector and other government agencies. The research board has so far held two meetings. It is intended for the board to meet three times a year.

A bi-weekly forum has been established for discussing the latest release of indicators about the London economy. At these working group meetings, GLA Economics and invited speakers also give brief presentations about the latest findings of their analyses. The attendees for the internal working group meetings vary depending upon topics of interests but typically have representatives from the GLA, TfL and LDA.

GLA Economics team meetings also take place bi-weekly and give the opportunity for work streams to be allocated to the economists and for a general catch up session.

## In the coming year

The senior economists are due to begin working with GLA Economics from the middle of May 2003 onwards. A permanent administrative officer and a permanent marketing and publications manager will be recruited with anticipated starting dates during the summer of 2003.

It is intended to advertise the presentation topics for the working group meetings further in advance so individuals from LDA and TfL who may be interested in a specific topic are given the opportunity to attend relevant sessions on an ad-hoc basis.

The next research board meeting is scheduled for July 2003 where a presentation on the theme of environmental economics will be given.

# Work streams

The work of GLA Economics is diverse. The GLA Economics steering group prioritises areas of work. This section will outline the major work streams of GLA Economics during 2002/03.

## The economy

### Monitoring the state of London's economy

GLA Economics produces a monthly newsletter *London's Economy Today* featuring the most up-to-date information on the state of London's economy.

Each issue provides an interpretation of the latest economic developments and how this may affect policy for London. It features a wide range of London and UK economic indicators. It always includes the latest tube usage data, which provides an extremely sensitive measure of economic, and in particular, employment activity in the City.

Other economic indicators covered regularly include employment and unemployment, GDP and productivity, investment and profitability, house prices and retail sales, consumer prices and consumer confidence.

Headlines from *London's Economy Today*:

*An end to uncertainty*

*Response to claims that congestion charging is holding back London's economic recovery*

*Why are Londoners spending more than the average Briton?*

*The risk of recession in London*

*Turn off the panic button*

*Recent development in UK and London's business investment*

*A future Gulf War – the potential economic impact on London*

### Consensus forecasting

One of the primary roles of GLA Economics is to supply forecasting information to policy makers. GLA Economics purchases a range of independent forecasts of London's output and employment and analyses these to produce a twice-yearly review. GLA Economics also provides a six-monthly report, *Medium-term Economic Planning Projections*. An annual review of London's economy will be produced entitled *London's Economy Tomorrow*.

### Economic geography

London's economy cannot be considered in isolation. This work stream has been developing approaches to understand the linkages between different parts of London and the rest of the southeast. GLA Economics has assessed commuting patterns and investigated spill-over effects and approaches to modelling the spatial economy. Volterra Consulting Ltd was retained to provide an analysis of the economic and social structure of London, the south east and the eastern regions, using the technique of fuzzy clustering.

### Retail

There is no current indicator that measures the spending habits of Londoners on a regular (monthly) basis. To enable monitoring of the state of London's economy, a more frequently collected indicator is required. GLA Economics is currently investigating how to measure the spending of Londoners.

### London's output

At present, there are no authoritative statistics that give a timely measure of London's output. GLA Economics has been investigating ways to establish a methodology that will measure output in London. A tender process was undertaken in the latter part of 2002 to outsource this research. Unfortunately the costs of the quotes were not considered to be economically advantageous so the tender was not awarded. GLA Economics in conjunction with the Corporation of London has launched a programme designed to secure a co-ordinated approach to improving the quality and timeliness of official statistics of London's output.

### In the coming year

GLA Economics intends to continue closely monitoring the state of London's economy and to extend this analysis to include comparison with international cities and other regions in the UK where the data is available to enable this. We will also continue to purchase forecasting information from the private sector to supply twice-yearly reviews.

GLA Economics will be working with partners to develop studies on inter-regional commuting flows. An economist from GLA Economics will also be presenting at the Local Government Information unit conference entitled 'One City – Two World Regions: A Shared Agenda' that will look into ways that agencies in the GLA can work more closely with agencies from the surrounding regions.

GLA Economics will be working with partners to develop an indicator that measures the spending of Londoners. We intend to commission regular surveys as well as working on the interpretation of official data.

In May 2003, GLA Economics is hosting a seminar in conjunction with the Corporation of London titled 'Measuring London's Output'. Representatives from Office of National Statistics, LDA, academics and suppliers of independent forecasts have been invited to discuss ways to improve the quality and timeliness of official statistics for London's output.



## Sector studies

One of the roles of GLA Economics is to look into specific sectors within the London economy and assess changes over time and space. Sector specific studies are key to keeping abreast of the changes in London's economy and planning how to provide for these changes.

### Creative and cultural industries

London is one of the world's centres for creative industries and in recent years this sector has been a driving force for London's economy, growing faster than any other sector in the last five years. GLA Economics has been extending research in the creative industries and published a report discussing its findings entitled *Creativity, London's Core Business*. A GLA Economics economist presented GLA findings to the Mayor of Lewisham and assembly of Lewisham council and to a meeting convened in Tower Hamlets by the Creative Industry Development Association.

GLA Economics promotes a consistent and compatible approach to the measurement of activity in the creative and cultural industries across the GLA group and with stakeholders. It is involved in an advisory role to the LDA in developing a data and intelligence framework for London's creative industries. It collaborates with the Department of Media, Culture and Sport (DCMS), the Government Office for London and the Regional Cultural Centres to define and apply employment and other measures of creative and cultural industries activity. GLA Economics participates in the DCMS steering committee which oversees implementation of the Regional Cultural Data Collection Framework.

Extracts from *Creativity, London's Core Business*:

*Roughly one in every five new jobs in London is created in the Creative Industries sector.*

*Creative industries add £21 billion each year to London's output. This is higher than all the production industries combined and second only to Business Services at £32 billion.*

*Creative industries in London are relatively strongly clustered with Westminster the location the largest and fastest growing cluster.*

*London is a creative factory.*

### Tourism

Fifty per cent of overseas visitors to the UK spend at least one night in London. GLA Economics has been investigating the availability of indicators and data sources from which to assess the state of the tourism sector. These indicators will be used to inform policy-making decisions and Mayoral responses to changes within this industry.

### Housing

The market for housing is highly complex and subject to market failure. GLA Economics commissioned a report to provide an overview of the London housing market from an economic perspective. Processes that drive the supply and demand for housing, types of market failure and government intervention are all discussed within this report. The report has been finalised and will be published in early summer 2003.



### In the coming year

The major sector studies for GLA Economics in the coming 12 months will concentrate on the evening and weekend economy and the role of higher education in London's economy.

#### Evening and weekend economy

The evening and weekend economy work stream will focus on trends in restaurants, pubs and bars, theatres and cinemas and demand for other leisure services. Initially establishing relevant datasets, the work aims to define the importance of economic activity in the evenings, at night and at weekends. It will assess what is driving demand and the services meeting this demand. The work will also analyse the geographic distribution and concentration of the evening and weekend economy. Represented on the steering group for this work stream are GLA Economics, Mayoral policy advisors, TfL and the LDA.

#### Higher Education

Following GLA Economics' input into the Mayoral response to the consultation period for the White Paper *The Future of Higher Education*, GLA Economics will progress the understanding of higher education establishments as a core sector within the London economy. The LDA and London Higher Education Commission will also be involved in this area of analysis.

### Continuing and developing existing work streams

GLA Economics will carry on working with partner agencies to develop the knowledge base surrounding the creative industries and ensure that economic perspectives on policy implications are fully evaluated prior to adoption.

The advent of war during 2003 has impacted upon London's tourist industry. During the spring of 2003 the Mayor of London initiated the 'Totally London' campaign to boost the London tourist industry. GLA Economics has commissioned research to support this Mayoral initiative to encourage visitors to central London and to oversee research into visitor trends and spending.

GLA Economics will continue to monitor tourism through indicators such as retail figures and London Underground gate level data for tourism stations. GLA Economics will also continue working with the LDA and London Tourist Board to assess the economic impacts of the Gulf war and other international crises when they arise. GLA Economics shall continue to develop and improve the quality of tourist information statistics available to London.



## Environmental economics

### Valuing greenness

This work stream looks at the value of green spaces in London and whether this is reflected in house prices. A hedonic pricing approach based on average house values within a ward has been used to reflect spatial variation in greenness of different wards in London. Neighbourhood variables and accessibility to central London have also been used to help explain variations in house prices.

Extracts from *Valuing Greenness*:

*There are two types of homebuyers: one biased towards close proximity to central London with its higher density of housing and higher house prices and the other towards the open spaces of the Green Belt.*

*House prices are determined by a wide set of indicators with greenness being the fifth most important following level of income support, travel time to central London, average air quality and dwelling density.*

*A one per cent increase in green space in a typical ward can be associated to an 0.3 to 0.6 per cent increase in average house price.*

*Wards with higher amounts of green space have better educational performance.*

*Air quality is better in wards with more green space.*

### Environmental impact of Mayoral policies

GLA Economics has commissioned research into the development of a model that will enable the likely economic–environmental impacts of Mayoral policies and strategies to be forecast. This will enable more informed policy-making decisions.

### London's environmental footprint

GLA Economics has commissioned research to evaluate the different types of resource flow analysis and environmental indicators currently used in the UK. The research also looked into the principles of footprinting, highlighting the strengths and weaknesses of this approach. The significance of the findings of a recent footprinting study of London were presented to GLA Economics.



### In the coming year

The research findings from the valuing greenness work and London's environmental footprint will be published in early summer 2003. The methodology for evaluating the value of green spaces to house pricing will be further developed in the coming year.

#### *The Reward Project*

GLA Economics will be participating in the Regional and Welsh Appraisal of Resource Productivity and Development (REWARD) project. This is a partnership, led by the Environment Agency, linking economic and environmental strategy in the English regions and Wales. The REWARD project is developing a Regional Economy Environment Input–Output model and a research programme and database on the resource productivity of the regions and implications for policy and business. This will be pulled together through an intelligence-sharing strategy.





### Transport economics

#### Crossrail

GLA Economics has supported TfL to ensure the successful delivery of the business case for the Crossrail proposal. We have been assisting the development of the business case in the crucial area of the project's effect on employment in central London and the benefits to the UK that stem from this.

This work has involved looking at the wider benefits of Crossrail in two important areas:

1. How facilitating the continued growth of the capital's central area employment cluster improves net productivity which is not captured elsewhere in standard transport appraisals.
2. The role of the scheme in facilitating the regeneration of the Thames Gateway area.

#### Other transport work

GLA Economics is advising and supporting the LDA and TfL over other large-scale transport projects such as the Thames Gateway Bridge and West London Tram initiative.

In particular, we have commissioned innovative work examining the relationship between accessibility of local areas and their employment and population densities. This has used statistical analysis to assess the potential employment associated with different levels of accessibility within London in order to go beyond the more usual analysis based on site capacities.

GLA Economics has also fed into various government consultations regarding transport project appraisal methods.

#### In the coming year

GLA Economics will continue to work with TfL and LDA to ensure economic appraisals of large-scale transport initiatives and for the consultation processes for the business cases which will begin in April 2003. GLA Economics provides input into the TfL business plan and will assist with the development of the Transport Strategy.



### Development economics

The new Framework for Regional and Skills Action (FRESA) is becoming established in London, where issues of analysing labour markets are particularly complex in the light of commuting patterns. GLA Economics will be helping to develop indicators to measure the health of labour markets that are needed to inform the LDA's measurement of progress towards FRESA's targets.

The LDA is also in the process of revising and renewing its Economic Development Strategy. GLA Economics will be providing inputs and assistance in the development of the new economic strategy and the management of this process within the GLA.

### Labour market economics

#### Statistics and indicators

GLA Economics has commissioned research to improve the quality of London's labour market statistics. GLA Economics purchases, maintains and disseminates a consistent and authoritative set of data on workforce employment based on 1992 Standard Industrial Classification (SIC) 2-digit codes, by borough, gender and type of work (part-time or full-time), from 1971 to 2002.

As part of a programme to raise the quality of this data, GLA Economics has commissioned research into the discrepancies in estimated workforce jobs arising from the two primary sources of data on employment: the London Labour Force Survey (LFS) and Annual Business Inquiry (ABI). The report of this research will be published in June 2003. Employment figures are a principal input in their own right in the analysis of London's economy and the starting point in estimates of London's output.

#### In the coming year

We will continue to develop analysis in general of the labour market under a number of heads, including economic development and monitoring the London economy. However, we also hope to develop an analysis of changing working patterns over the coming year, including the role of working from home and the issue of part time employment opportunities. Both of these are potentially relevant to supporting labour market inclusion.

# Marketing

It is vital for the work of GLA Economics to reach appropriate audiences and for the unit's work to be presented in a way that is accessible for the intended audience. By its nature, much of the work of GLA Economics involves complex analysis and one of the challenges for the unit is to make its analysis accessible for those who do not have a background in economics.

The principal audience for the work of GLA Economics is those involved in decision-making within the GLA, TfL and LDA. However, the work of the unit is diverse and most individuals within London will have a degree of interest in the unit's analysis. For example, those intending to purchase homes would be interested in the current state of the housing market and how this has changed over time.

The Marketing and Publications Manager has been developing a contact list for individuals and organisations that would benefit from having access to the unit's analysis. These contacts include the private sector, the London boroughs, academics, Members of Parliament, government agencies, statistical agencies, GLA and GLA group, journalists, investors and estate agents.

The marketing objectives are:

- to establish GLA Economics as the first source of data and information for key audience groups
- to establish GLA Economics as a high quality and innovative source of analysis of the London economy
- to establish core expertise in policy-related analysis of relevant issues for London.
- to establish that GLA Economics has the best and most up to date data available
- to establish GLA Economics as a recognisable brand name and develop a distinguishable identity
- to promote GLA Economics internally within the GLA and the GLA group.

Working closely with the central GLA Marketing team, novel ways of disseminating GLA Economics analysis and reports have been applied over the last 12 months, including establishing an e-zine and sending out fliers to help build the contact list for GLA Economics.

## GLA Economics events

GLA Economics has been trying to ensure that the capabilities of the unit are widely used and that the relevant audiences are benefiting from the data and analysis that the unit hold and develop. In order to do this GLA Economics has presented at the following events:

- Luncheon seminar for GLA staff
- Luncheon seminar for LDA staff
- Capitalwoman conference.

## In the coming year

GLA Economics will continue to build the contact list for the unit and divide this list into key groups so that publications can be specifically targeted. The brand of GLA Economics will continue to be developed to ensure that it is a recognisable entity.

## Forthcoming events

GLA Economics will be presenting at Transport for London to give an overview of the work of the unit. The Chief Economist has been invited to speak at the International Benchmarking Club Forum 2003 in June 2003. A Senior Economist will be presenting to the Association for London Government also in June 2003. In July 2003, a Senior Economist will be presenting at the 'One City – Two World Regions' conference. An international conference entitled 'The Value of Cities' is being organised for autumn 2003 with invited speakers from New York and Berlin (cities that have a close working relationship with the GLA). The conference will be an opportunity to showcase the work of GLA Economics.

# Knowledge management



When establishing any new unit, it is fundamental to ensure that appropriate back office systems are developed. GLA Economics has introduced document control, data management, metadata, a working library and the extranet to ensure easy access to our data resources. These systems ensure that the unit is able to respond in a timely manner to requests made of it.

The extranet is a secure environment where the raw data sources used within GLA Economics analysis is made available to selected partners.

GLA Economics has adopted the use of project management to manage its work streams and allocation of tasks to staff. This also enables the unit to monitor progress and alerts the unit when projects are running behind the anticipated deadline.

To enable spatial analysis of economic trends and data Geographic Information Systems (GIS) software has been implemented. Advanced statistical analysis software has also been purchased to increase the capacity of the unit to undertake advanced forms of statistical analysis.

The skill base within the unit has been enhanced through training in GIS and project management.

The procurement process for establishing a GLA Economics framework agreement commenced in February 2003. A framework agreement will improve the speed and efficiency of the procuring data and services from external companies.

## In the coming year

GLA Economics will be developing the data management systems and move away from a spreadsheet environment to a centralised database. The technology group within the GLA is intending to implement a content management system; this will give greater control to GLA Economics to update its web presence on the extranet, intranet and internet. Software and hardware will be reviewed on a continual basis to ensure that the unit has access to appropriate tools to enable their analyses. GLA Economics will continue to encourage the development of appropriate staff skills. Staff will undertake an effective writing skills course to ensure that messages are delivered concisely, with clarity and impact.

It is anticipated that the procurement process for establishing a framework agreement for GLA Economics will be in place by the end of June 2003. This will speed up the procurement processes for the unit and enable a more responsive service.

# Publications

GLA Economics is producing a series of reports that outline key industry sectors and their current and future growth potential for London's economy. It also reports regularly on London's prospects and conducts innovative research into the structure and performance of business, the environment and the transport system. Recently released GLA Economics reports are available on the GLA website at:

[http://www.london.gov.uk/mayor/economic\\_unit](http://www.london.gov.uk/mayor/economic_unit)

## Our recent publications include:

### Reports

- *London's Economy Tomorrow* – London's prospects in the light of the GLA's short-term planning projections.
- *Medium-term Economic Planning Projections* – principal projections are for employment, output, and household demand.
- *Sensitivity tests on forecasts for employment in London* – outlines different scenarios, in order to assess how robust the projections for employment in London are.
- *Play it right: Asian Creative Industries in London* – a report on the contribution of Asian Londoners to the creative industries.
- *Spreading Success: How London is Changing* – looks at the trends in job creation across the different parts of London.
- *Planning for London's Growth* – the statistical basis for the London plan.
- *Creativity: London's Core Business* – key figures on the sector where 525,000 Londoners work.

### Monthly newsletter

- *London's Economy Today* – a monthly update of London's key indicators.

### Working papers

- *Working Paper 1: Labour Market Balances and Employment in the Wider South East* – This working paper looks at the employment and population projections in the draft London Plan and their implications for commuting patterns between London and the regions. The analysis of implications for London and the southeastern and eastern regions uses employment projections prepared on a similar basis to those in the draft London Plan.
- *Working Paper 2: The Economic and Social Structure of London and the South East* – This report examines the relationship between London and the surrounding geographic regions of the south east of England, both in terms of employment and demographic structure. The analysis uses a technique known as fuzzy clustering.

### Current issues

- *Current Issues 1: Factors Explaining Business Investment in London* – This note explores whether statistical techniques can explain the recent path of business investment.

### Forthcoming publications

GLA Economics intends to produce the following publications over the coming months:

- Working Paper 3: Is there a Segmented Preference for Housing Attributes in London?
- London's Environmental Footprint
- Medium-term Economic Planning Projections (updated every six months)
- Market Failure and the London Housing Market
- Valuing Greenness: Green Space, House Prices and Londoners' Priorities
- London's Economy Today (updated monthly)
- London's Evening and Weekend Economy
- The GLA's workforce employment figures.

# Financial report

## Financial summary 2002/03

The provisional gross expenditure figure for 2002/03 is: £893,165

During the year TfL and LDA have been invoiced based on a final estimated spend of £900,000. This is against the original expenditure budget of £1,000,000.

The split of these contributions are shown below :

TfL contribute 50%	£450,000
LDA contribute 30%	£270,000
GLA contribute 20%	£180,000
	<u>£900,000</u>

In addition £20,000 from TfL was rolled forward from 2001/02 to part fund recruitment costs. These recruitment costs are currently included in the £893,165. This figure, therefore, needs to be adjusted by £20,000 to give a revised provisional expenditure total of £873,165.

Based on the provisional final expenditure figure of £873,165, the adjusted contributions are as follows:

2002/03	Estimate	Actual	Difference
TfL	£450,000	£436,582	£13,417
LDA	£270,000	£261,949	£8,051
GLA	£180,000	£174,633	£5,367
<b>Total</b>	<u>£900,000</u>	<u>£873,165</u>	<u>£26,834</u>

Overpayments made by TfL and LDA are therefore as follows:

TfL	£13,417
LDA	£8,051
<b>Total</b>	<u>£21,468</u>

It has been agreed that the monies owed would be carried over for use in financial year 2003/04.

## Financial statement 2002/03

	Actual	Adjustments	Total	Budget	Variance
<b>Expenditure</b>					
Employee pay – permanent	74,110		74,110	163,930	(89,820)
National insurance – permanent	6,409		6,409	13,940	(7,531)
Superannuation – permanent	6,475		6,475	22,130	(15,655)
Allowances – permanent	1,160		1,160	0	1,160
Employee pay – fixed contract	14,778		14,778	0	14,778
National insurance – fixed contract	1,115		1,115	0	1,115
Employee costs – secondees	11,772		11,772	0	11,772
National insurance – secondees	1,066		1,066	0	1,066
Superannuation – secondees	1,581		1,581	0	1,581
Employee costs – agency temps	75,616	600	76,216	0	76,216
Sessional staff – pay	4,000		4,000	0	4,000
National Insurance – sessional staff	381		381	0	381
<b>Staff costs pay</b>	<u>198,464</u>	<u>600</u>	<u>199,064</u>	<u>200,000</u>	<u>(936)</u>
Travel costs reimbursed	188		188	2,000	(1,812)
Hotels & lodgings	98		98	0	98
Training course expenses	3,493		3,493	2,000	1,493
<b>Staff costs non-pay</b>	<u>3,780</u>	<u>0</u>	<u>3,780</u>	<u>4,000</u>	<u>(220)</u>
Catering charges	1,564		1,564	2,000	(436)
Publications printing	14,504		14,504	40,000	(25,497)
Other printing	23,987		23,987	0	23,987
Photocopying charges	8		8	0	8
Publications artwork	12,000		12,000	37,000	(25,000)
Stationery & consumables	1,367		1,367	2,000	(633)
Books, publications & information	10,731		10,731	5,000	5,731
Newspapers, serials & periodicals	100		100	0	100
Consultancy fees	270,278	42,848	313,126	220,000	93,126
Other external services	28,341	(8,356)	19,985	56,500	(36,515)
Data purchase	52,808	(25,882)	26,926	30,000	(3,074)
Couriers	245		245	1,000	(755)
Telephones	430		430	0	430
IT hardware – purchase	9,936		9,936	0	9,936
IT software – licences	23,733	(11,047)	12,686	115,000	(102,314)
IT software – maintenance	1,035		1,035	5,000	(3,965)
Conferences & seminars	5,113		5,113	7,000	(1,887)
Advertising	8,081		8,081	0	8,081
Marketing	6,178	1,437	7,615	25,000	(17,385)
Research & inquiry costs	6,250	4,900	11,150	30,500	(19,350)
Subscriptions to organisations	8,100	1,634	9,734	20,000	(10,266)
<b>Supplies &amp; services</b>	<u>484,788</u>	<u>5,534</u>	<u>490,322</u>	<u>596,000</u>	<u>(105,678)</u>
Operational buildings charge	200,000	0	200,000	200,000	0
<b>Transfer payments</b>	<u>200,000</u>	<u>0</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
<b>Total expenditure</b>	<u>887,031</u>	<u>6,134</u>	<u>893,165</u>	<u>1,000,000</u>	<u>(106,835)</u>
<b>Income</b>					
Fees & charges	0		0	(800,000)	800,000
Other funding	(720,000)	21,468	(698,532)	0	(698,532)
Miscellaneous income	(20,000)		(20,000)	0	(20,000)
<b>Total income</b>	<u>(740,000)</u>	<u>21,468</u>	<u>(718,532)</u>	<u>(800,000)</u>	<u>81,468</u>
<b>Net cost of service</b>	<b>147,031</b>	<b>27,602</b>	<b>174,633</b>	<b>200,000</b>	<b>(25,367)</b>

Note: These figures are provisional and are subject to change as the accounts will not be finalised until 31 May 2003.

## Other formats and languages

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### Chinese

中文

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### Hindi

यदि आप इस दस्तावेज़ की प्रति अपनी भाषा में चाहते हैं,  
तो कृपया निम्नलिखित नम्बर पर फोन करें अथवा दिये  
गये पता पर सम्पर्क करें।

### Vietnamese

Tiếng Việt

Nếu bạn muốn bản sao của tài liệu này bằng  
ngôn ngữ của bạn, hãy gọi điện theo số hoặc  
liên lạc với địa chỉ dưới đây.

### Bengali

আপনি যদি আপনার ভাষায় এই দলিলের প্রতিলিপি  
(কপি) চান, তা হলে নীচের ফোন নম্বরে  
বা ঠিকানায় অনুগ্রহ করে যোগাযোগ করুন।

### Greek

Αν θα θέλατε ένα αντίγραφο του  
παρόντος εγγράφου στη γλώσσα  
σας, παρακαλώ να τηλεφωνήσετε  
στον αριθμό ή να επικοινωνήσετε  
στην παρακάτω διεύθυνση.

### Urdu

اگر آپ اس دستاویز کی نقل اپنی زبان میں چاہتے  
ہیں، تو براہ کرم نیچے دیئے گئے نمبر پر فون کریں  
یا دیئے گئے پتے پر رابطہ قائم کریں۔

### Turkish

Bu broşürü Türkçe olarak edinmek  
için lütfen aşağıdaki numaraya  
telefon edin ya da adrese basvurun.

### Arabic

إذا أردت نسخة من هذه الوثيقة بلغتك، الرجاء  
الاتصال برقم الهاتف أو الكتابة إلى العنوان  
أدناه:

### Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਕਾਪੀ ਤੁਹਾਡੀ ਆਪਣੀ ਭਾਸ਼ਾ  
ਵਿਚ ਚਾਹੀਦੀ ਹੈ, ਤਾਂ ਹੇਠ ਲਿਖੇ ਨੰਬਰ 'ਤੇ ਫੋਨ ਕਰੋ ਜਾਂ ਹੇਠ  
ਲਿਖੇ ਪਤੇ 'ਤੇ ਰਾਬਤਾ ਕਰੋ:

### Gujarati

જો તમને આ દસ્તાવેજની નકલ તમારી ભાષામાં  
જોઈતી હોય તો, કૃપા કરી આપેલ નંબર ઉપર  
ફોન કરો અથવા નીચેના સરનામે સંપર્ક સાધો.

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