

West London Economic Prosperity Board

Wednesday 27 February 2019 at 10am

Minutes

PRESENT:

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Councillors: Bell (Chair, London Borough of Ealing), Tatler (London Borough of Brent) Henson (London Borough of Harrow) and Rajawat (London Borough of Hounslow).

ALSO PRESENT: Niall Bolger (Chief executive, London Borough of Hounslow), Andrew Dakers (CEO West London Business), Amar Dave (Strategic Director Regeneration and Environment – Brent), Paul Najsarek (Chief Executive – Ealing), Keith Fraser and Paula Portas (Democratic Services – Ealing), Cath Shaw (Deputy Chief Executive, London Borough of Barnet), Andrew Barry-Purssell, David Frances, Tim McCormick, Rachel Ormerod and Luke Ward (West London Alliance).

Presentations by: Paul Drechsler CBE, Chair of London First.

1. Apologies for Absence

Apologies for absence were received from Councillor Cornelius (Barnet), Councillor Thomas (Barnet), Councillor Butt (Brent) Councillor Cowan (Hammersmith and Fulham), and Councillor Curran (Hounslow).

Dr Peter Bonfield, Vice Chancellor of Westminster University, welcomed WLEPB members.

2. Urgent Matters

There were none.

3. Matters to be considered in private

There were none.

4. Declarations of Interest

There were none.

5. Minutes

Andrew Dakers noted that he had been present at the meeting.

Resolved:

That, with the amendment mentioned above, the notes of the meeting of the West London Economic Prosperity Board held on 20 November 2018 be agreed and signed as a true and correct record.

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6. External Speaker- London First

The Chair welcomed Paul Drechsler CBE, Chair of London First, and invited him to talk about business priorities in the context of Brexit.

Paul Drechsler CBE said that he had chaired London First since July 2018, having previously chaired Teach First, the education charity, and been the CEO of the Bibby Line Group. He said that businesses were a force for good and a vital source of economic growth and prosperity. London was one of the most diverse, vibrant and successful capitals in the world. This success was now under threat. There was a need to consider what could be done to ensure that London remained a leading capital.

In his view, part of the answer rested with devolution –with strong public and private collaboration as the key for success. Competition came from other capital cities, but it should not be internal. The University of Westminster was an example of this success: its highly diverse staff and student bodies were a vital ingredient of its achievements. London ought to provide a very warm welcome to all those who made contributions to its success. The Mayor of London had been rightfully vocal in support of this message.

London First represented the interests of over 200 companies in London. Business priorities at the time of Brexit, through the lens of the capital, were simple. Businesses wished to have access to:

- Affordable housing and accessible homes for their employees.
- Infrastructure systems that allowed businesses to compete globally.
- Skills and talent.

Hence, key items in the agenda for London First were to foster the availability of affordable homes, transport systems and infrastructure - including digital infrastructure- which were essential for small business to thrive and to attract people with the right skills.

There were important synergies between London Firsts' interests and those of the WLEPB and its member authorities. In terms of housing, barriers could be overcome with strong commitment. There were no transport solutions satisfactory to all. Yet one of the most successful airports in the world was located in West London, there were important rail projects such as the West London Orbital (WLO) (which was rightly a focus for WLEPB members) and Crossrail was developing. The issue of skills was critical, and needed to be tackled at a macro level, but the city had Skills London, the biggest international skills event.

Brexit posed a risk to the country of at least a similar magnitude to the 2007 financial crisis. However, it was more difficult to forecast. The negative consequences of the Brexit process would be felt with more intensity outside of London. Most large businesses had contingency plans and would adapt to the new circumstances. However, just 41% of businesses felt they had been able to plan effectively for Brexit, and at most 20% of small

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business had done preparation, noting that continued uncertainty was the overwhelming reason why businesses felt unprepared (79%).

Close to 40% of the workforce in London's businesses originated from the EU. Hence, whatever personal views on Brexit, the key message to convey was that EU national employees were welcome in London. However, most of what EU citizens could see signposted in the UK from arrival in the country sent the opposite message. Putting a welcoming message across was London First's key agenda on Brexit. London First also supported the country's permanence in the Common Market. Falling back on World Trade Organisation (WTO) rules would impose vast practical and logistical difficulties for UK companies. Hence, London First supported a Brexit deal which retained the benefits of the customs union. A no-deal Brexit would be extremely negative in its impact on businesses. The customs union, access to the single market, regulatory alignment and access to people were the ingredients that London First considered necessary for a successful Brexit.

The Chair thanked Paul Drechsler CBE and noted the strong alignment between London First's priorities and those of the WLEPB, namely, providing affordable and accessible homes, digital infrastructure and transport infrastructure, and improving the skills of its residents. The Chair noted that, as a symbolic act of support and solidarity with the 55,000 EU residents in the borough, Ealing Council had been flying the EU flag from its town hall.

The Chair invited members to comment and ask questions.

Questions and comments:

Board members:

- Noted the lower rates of investment and asked what specific actions could be taken at the sub-regional or local authority level to support businesses in the present climate.
Heard that until assurances could be given on access to people and markets there were few small measures that could be taken besides what authorities were already doing. An example of an appropriate symbolic action was the flying of the EU flag. Party leaderships could be lobbied to drive home the importance of the above-mentioned points, and to make clear that a no deal Brexit was unacceptable. Local authorities needed to think about how they were putting this message across. It was important not to underestimate how valuable it was to make it clear that local authorities appreciated the contributions made by their EU citizens. They should drive this point home in their communities. Many EU citizens would leave to make their life elsewhere and they would not return.
- Noted their agreement on the relevance of public-private collaboration.
Heard that such collaboration was key as demonstrated by Teach First, which had been the most positive and significant intervention in public education launched in London in recent years.

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- Noted the problem of poor air quality across London and queried business attitudes to possible solutions.
Heard that it was necessary to ask how fast change was going to be implemented. There would be business collaboration with the right public policy. A car meant half the office for a small business- so it was very important. It would be appropriate to examine whether businesses needed to have cars, whether there were appropriate alternative infrastructures (i.e. for electric vehicles), etc.
- Noted that Brexit was likely to have an impact on issues such as the delivery of affordable housing, since materials and skills were imported and could increase construction costs. Noted also the need to consider the provision of affordable working spaces and social infrastructure.
- Remarked on the importance of social and community cohesion. Cohesion was being undermined also by cuts to policing, health and other services budgets. Cohesion was fundamental to make London communities strong. Businesses were unlikely to stay in a place where people were not welcomed. Making the case that people were welcome would also help businesses find people with relevant and needed skills. The need to apply for settled status was sending the opposite message. Requesting settled status was a process that ought to be simple for all migrant communities, not just EU residents.

Resolved:

That the Board:

- i. Noted the presentation from the Chair of London First, Paul Drechsler CBE.
- ii. Identified, in discussion with Mr Drechsler, the following action arising, that the WLEPB considered should be incorporated onto its Forward Plan:
 - a. A joint communique be prepared about the member's shared principles with London First- particularly on the value of the borough's diversity, their openness and appreciation of the positive contribution made by EU residents and other groups in the face of Brexit. Officers to examine circumstances at individual borough level and present a joint letter before the next meeting.
- iii. Delegated to West London Growth Directors Board the delivery of the above-mentioned action.

7. Brexit Analysis

Amar Dave, Strategic Director Regeneration and Environment in the London Borough of Brent, introduced this item noting the report presented a description of the relevant issues in respect to Brexit.

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Board members:

- Noted that some of the WLEPB member authorities had many residents who were low paid. Questioned what the impact of Brexit on low paid workers would be and how that analysis fitted into the report.

Resolved:

That the Board:

- i. Incorporated the report into the way forward for the WLEPB.
- ii. Noted that a relevant action was identified in the previous agenda item.

8. West London Orbital

The Chair noted that a considerable amount had been accomplished on the WLO rail line project. Close joint working with TfL and the GLA ensured that the project was included in the Mayor's Transport Strategy and the draft London Plan – and now also in the TfL 5-Year Business Plan that was published in December 2018. Close working was ongoing on the development of a strategic outline business case.

Luke Ward said that the project was in a relatively final stage. TfL's 2018 Business Plan (covering the period 2019/20-2023/24) expressed support for the WLO project. Further communication from TfL with a decision whether to proceed to the next stage in the process was expected in the coming months. The project was now reflected in boroughs' local plans.

However, there were no funds directly available from TfL for either the construction or the operation of the project, consistent with the financial constraints faced by TfL at the current time. This meant that it would be important to identify alternative sources of funding in the Business Case.

Additionally, it would be important to emphasize the strong cost-benefit analysis of the WLO project as compared to other major infrastructure projects, as TfL might not be able to carry forward all projects and some might be dropped.

Luke Ward thanked Andrew Dakers for his efforts, which had helped expedite work on the WLO project.

Board members:

- Noted that the direct benefits of the WLO project would be unevenly distributed among the WLEPB member authorities.
Heard that the WLO was a sensible project successfully identified and brought forward, which resulted in learning and positioning the WLEPB to bring in future discussions about other projects benefiting other boroughs more.

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Resolved

That the Board:

- i. Noted progress in the development of the strategic outline business case for the WLO made by WLA boroughs and Transport for London working together.
- ii. Noted arrangements for the joint work between the WLA/West London boroughs and Transport for London/Greater London Authority in the next phase of work to take the project forward.
- iii. Agreed to send a common statement, seeking support from London First and the London Chamber of Commerce, to the Mayor's office in support of the project.

9. One Public Estate Programme

Rachel Ormerod, Head of West London Housing Partnership at the WLA, introduced the report.

The Government's One Public Estate Programme sought to release public sector land for new homes and jobs, reduce running costs and create more integrated services through more efficient use of assets and co- location of services. Phase 6 of the OPE programme was launched on 2017.

The existing programme (Phase 6) update noted:

- The two Hounslow MoD land projects were on track (Cavalry Barracks and Feltham MoD site – planning briefs would be published shortly).
- 'Harrow Civic' was paused due to a viability gap. This was the basis of Harrow's phase 7 bid, but they still envisage going to the market for a development partner in April 2019.
- Hammersmith OPDC feasibility study and legal titles work was complete (funded by OPE) and the results were currently being reviewed.
- Hammersmith White City Health Centre: the community consultation identified some issues that would need to be worked through. Hammersmith continued to work closely with the NHS on the disposal of the NHS site and was looking at all options.
- Ealing Blue Lights: engagement with the Met, London Fire Brigade and London Ambulance Service would require additional resources within the services themselves, hence the phase 7 bid.
- Pre-qualification criteria were met in terms of information recorded on EPIMs.

Board meetings of the West London OPE Partnership were supported by the WLA and these had been well attended and successful. Assurances had been given that there would be a Phase 8 of the programme. The WLA was keen to get Boroughs to consider potential future bids now, as deadlines were tight once the bidding process opened.

The Chair noted that there had been negotiations with the housing minister about increasing the amount of housing in London –where boroughs would need to up targets

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whilst there would also be some help available from central government. Some of the difficulties noted were the challenges of collaboration among different land-owning public-sector bodies. A strong collaboration must be struck that meant that local authorities had the strongest say on future uses of publicly-owned land. Central government had requested examples of lack of collaboration which could be brought up in discussions to try to exert change.

Board members:

- Asked when it was anticipated that the projects would be delivered and building work carried out.
Heard that the aim was to start work on sites within the next two years. However, there were difficulties with some landlords. There were complex communications among public sector bodies and collaborations ongoing to release land. The realisation of outcomes in full could take up to ten years. There had to be a recognition that some money would be spent on feasibility exercises.

Resolved:

That the Board:

- i. Noted the progress on the West London OPE programme.
- ii. Members to feedback on examples of lack of collaboration among land-owning public-sector bodies.

10. Chair's Review of the Year

The Chair introduced the review of the Year and noted that it showcased the achievements of the WLEPB and the high calibre of the speakers with whom the Board had engaged.

Luke Ward said that among the Board's achievement had been obtaining circa £13 million of genuinely new resources for West London from the Strategic Investment Pool of devolved Business Rates and the One Public Estate Programmes; leading the further development of the major West London Orbital Scheme; responding jointly to the Mayor's London Plan consultation and completing a Strategic Housing Market Assessment that enabled West London Boroughs to engage constructively with the Mayor of London.

Board members:

- Noted that the scorecard based on the objectives set out in the West London Vision for Growth stated that some activity had been completed without articulating how it had been completed.
- Noted that it would be helpful to receive information on how many different bids were submitted to properly assess and compare success in the bidding process. There was a need to demonstrate that the bidding process was appropriately targeted.

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- Noted the need to include next steps and milestones for projects such as the WLO.
- Remarked that there were questions about the impact of Capital West London. There was a need to spell out what they did. Its success in delivering the summit a year ahead of time should be noted.
- Commented on the usefulness of the case studies and noted that it would be helpful to highlight the individual and personal success stories.
- Noted the need for the report to tell a strong story about social cohesion, that builds confidence on the Board and its members. The audience for the report should be widened to encompass residents and businesses.

Resolved

That the Board:

- i. Noted the Chair's Annual Review for 2018 setting out the key achievements and areas of practical delivery by the West London Economic Prosperity Board since the previous Chair's Review in February 2018.
- ii. Agreed that, subject to above-mentioned comments and amendments, the Annual Review be published in final form.

11. WLEPB Work Programme, February 2019

Resolved:

That the Board:

- i. Agreed the future meeting dates of the Board as per the WLEPB Work Programme.
- ii. Agreed an update on the impact of Brexit on the West London Economy, following up from the report presented at this meeting, be presented to the next meeting.
- iii. Agreed that Sadiq Kahn, Mayor of London, and Heidi Alexander, Deputy Mayor, Transport and Deputy Chair, Transport for London, be invited to future meetings of the WLEPB. The Rt. Hon the Lord Blunkett, Chair of the Heathrow Skills & Employment Task Force be invited in a year's time.

12. Date of Next Meeting

Resolved:

That the next meeting of the West London Economic Prosperity Board will be held on 19 June 2019 at 10am in Westminster University Boardroom, 309 Regent Street, London W1B 2HW

Councillor Julian Bell, Chair (London Borough of Ealing)

The meeting concluded at 11:30am.

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