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**REPORT FOR: OVERVIEW AND  
SCRUTINY COMMITTEE**

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<b>Date of Meeting:</b>	17 September 2013.
<b>Subject:</b>	Regeneration in North Harrow, replicating the lessons in other parts of the borough
<b>Responsible Officer:</b>	Caroline Bruce, Corporate Director of Environment and Enterprise
<b>Scrutiny Lead Member area:</b>	Environment and Enterprise Scrutiny Leads Cllr O'Dell Cllr Wright
<b>Exempt:</b>	No
<b>Enclosures:</b>	North Harrow Investment Profile

## **Section 1 – Summary and Recommendations**

Overview and Scrutiny requested a report on the work to reduce vacancy rates in North Harrow, and how the lessons can be transferred to other district centres in the borough. The report notes activities in North Harrow in the context of emerging national, regional and local strategies to stimulate economic growth. A separate report on reducing long term unemployment will follow at the next Overview and Scrutiny Committee in October.

**Recommendations:**

That the Lessons Learnt be noted and Members consider whether those Lessons could be adopted elsewhere in Harrow.

## Section 2 – Report

### 1. Introduction

Harrow Council has a corporate priority of “Supporting Our Town Centre, Our Local Shopping Centres and Businesses”. It also has targets to create 4,000 new jobs in the borough by 2026. Our high streets are a visible indicator of economic prosperity. Everyone can visit a district centre and count the number of empty shops. Whereas everyone can not count worklessness, or business survival rates in Harrow. From October 2011 to March 2012 the council invested circa £308k in North Harrow. The money was secured through a competitive bidding process from the Mayor of London’s Outer London Fund (OLF). The known percentage of vacant shop frontage when the bid was submitted was 23.09%. The rate in June 2013 was 6.47%. This report outlines the projects funded, the subsequent actions, and how this work could be transferred to other district centres. It is assumed that any lessons to be transferred would be done so on little or no budget. Finally, the report considers the economic impact of regenerating Harrow’s district centres in the context of the wider economy and emerging local, regional and national strategies to promote economic growth.

### 2. Background

In 2003, prior to the closure of the Safeway supermarket, the total vacant frontage in North Harrow was 1.46%. The supermarket accounted for 6.39% of frontage. In 2005/6 the vacancy rate had grown to 11.98% and this peaked at 23.09% in 2009/10. The table below shows North Harrow’s vacancy rates in the context of Harrow’s other district centres.

Table 1

Town Centre	% Frontage Vacant	% Frontage Vacant	% Frontage Vacant	% Frontage Vacant	% Frontage Vacant
	2008/09	2009/10	2010/11	2011/12	2012/13
Harrow	5.62	7.77	6.41	8.95	9.49
Burnt Oak (part)	6.28	8.21	3.49	1.84	0.00
Edgware (part)	6.70	7.33	7.41	14.58	7.88
Kenton (part)	1.59	8.29	6.59	6.18	0.00
Kingsbury (part)	3.92	0.00	3.92	3.92	0.00
North Harrow	15.52	23.09	21.03	13.77	6.47
Pinner	3.58	3.63	2.99	3.55	4.80
Rayners Lane	10.34	11.83	9.87	10.66	10.54
South Harrow	4.49	4.34	1.49	3.08	3.65
Stanmore	1.65	0.80	4.95	0.00	0.80
Wealdstone	9.75	10.44	9.15	7.92	9.35
Belmont	11.04	12.66	10.01	6.60	3.33
Harrow Weald	3.21	3.21	3.98	8.35	10.52
Hatch End	3.17	7.13	6.66	4.06	3.11
Queensbury	5.58	5.06	9.08	7.50	9.68
Sudbury Hill (part)	0.00	6.27	3.27	3.27	0.00
<b>Average Vacancy Rate</b>	<b>5.78%</b>	<b>7.50%</b>	<b>6.89%</b>	<b>6.51%</b>	<b>4.98%</b>

Source: Harrow Council, Planning

North Harrow was chosen for specific attention because of the high vacancy rate. In 2010 and 2011 a number of meetings were held with traders, ward councillors, community groups and the police to determine how the issue could be tackled. This resulted in an action plan for North Harrow. In the summer of 2011 the council secured funding from the Mayor's Outer London Fund (OLF). This led to the appointment of a Town Centre Manager and the delivery of a number of projects generated from the action plan. The OLF programme aimed to help develop a North Harrow Partnership, market and promote the centre, improve its infrastructure and provide greater flexibility in planning policy through the introduction of a Local Development Order.

Initiatives to market North Harrow included Autumn, Winter and Spring events, the launch of a North Harrow web site, production and distribution of a Business Directory, installation of new notice boards and planters, the purchase and installation of Festive Lights and a Visual Merchandising training programme for local traders. The local infrastructure was improved by partial resurfacing of Cambridge Road Car Park, and the installation of 9 new on-street parking bays. The introduction of a Local Development Order in July 2012 provided greater flexibility in planning policy and may have had an impact in attracting the Gym Group to North Harrow.

Table 2 Summary of projects funded

<b>Outer London Fund Criteria</b>	<b>Project title</b>	<b>Budget allocation</b>	<b>Actual Spend</b>
<b>Working Together</b>	Town Centre Management, admin and Local Development Order	£60,000	£55,668.73 (salary costs Town centre manager, local development planning officer, admin support and print costs)
	Good Practice Project	£5,000	
<b>Love your high Street</b> – websites, information pamphlets, markets  Shop Front surgeries – shop front improvements	<b>Promotion and Marketing</b>		
	Visual Merchandising	£30,000	£20,742
	Community Notice Boards	£21,550	£21,550
	Town Centre Website	£3,400	£3,950
	North Harrow Business Directory	£6,000	£5960
<b>Nurturing Street Life</b>	<b>Environmental Improvements</b>		
	Planting Project	£2,000	£1920
<b>Adjusting Places</b> Car parking	Access		
	Car parking bays	£208,450	*£162, 479.64

<b>Dressing Up</b> – seasonal dressing, Festive Lights	Christmas Event		
	Banners	£2000	£1990
	Festive Lights	£12000	£11925
<b>Love Your High Street</b> – markets	Events Other		
	Spring Event	£10000	£10000
	Design Fund established with agreement of GLA post application for funds.	£10000	£6542
<b>Total</b>		<b>£360,400</b>	<b>£307,727.37</b>

The vacancy rate fell to 13.77% by June 2012, and the occupation of the former supermarket site by the Gym Group, helped North Harrow reach a low of 6.47% in 2013.

According to the criteria used by the GLA, the 16.62% reduction in vacancy rates could create up to 101 new jobs. The methodology assumes that 1 job is created for every 21m<sup>2</sup> of retail use. However, given the Gym Group is not retail, it is likely that less than 101 new jobs have been created.

Although OLF funding ended in March 2012, engagement has continued. This included supporting the development of the North Harrow Partnership, working with Genesis to attract an occupier to the former supermarket site, holding a series of markets in North Harrow to attract footfall, and continuing to promote the centre through its Investment Profile.

Parallel to all this work has been a focus on telling the story, The council's Communications service constantly promoted positive press stories to local and regional media. North Harrow received positive media coverage in the Harrow Observer, Harrow Times, BBC Asian Network, BBC Radio London, Look West London and the Londonist.

North Harrow was a place in decline. However, in the space of 6 months, school children were being asked to reflect on their shopping centre, and to create banners for that shopping centre. They were then able to visit the area and see their art work festooned from lamp posts. In the same period school children, parents, and community groups were brought together to perform at events, or to watch performances in North Harrow. By the Spring, residents were able to enjoy the biggest street market held in the area, which provided free space to new and established traders. These activities were used by the local press to constantly promote positive stories about North Harrow.

Potential businesses could read in the local press about North Harrow. They would learn about the Mayor of London's investment in the shopping centre, and the council's relaxation of planning controls (through the LDO). If their appetite for North Harrow was whetted, they were able to obtain more information from the council's Investment Profiles. Those Profiles outline the shopping catchment area, its demographics, parking spaces, planning policy, public transport routes, retail composition and commercial agents.

The management and delivery of the North Harrow programme was undertaken by a full time Town Centre Manager. The sheer volume of procurement, consultation, events management, co-ordination, financial management, and administering the GLA's claims procedures required a full time Town Centre Manager, a Local Development Officer, and administrative support.

The legacy of the North Harrow bid includes the new parking bays, Festive Lights, market stalls, planters notice boards and a North Harrow Community Partnership. The Partnership is chaired by a local solicitor and includes representatives from the police, Nower Hill School, Methodist Church, Headstone Residents Association, ward councillors and some traders.

It is difficult to state which interventions in North Harrow had the biggest impact on securing new businesses into the area and reducing the number of empty shops. However, the cumulative impact of investment and activity in North Harrow can be summarised as the creation of a new positive community image of the area.

### **3. Lessons learned.**

There are specific issues that relate solely to North Harrow, but there are also generic issues common with other district centres.

Harrow's District Centres have between 1500 and 2,500 households within 500metres, and between 5,000 and 7,000 households within 1km. There is roughly a 14% churn in Harrow's population. Businesses can not assume that local residents are aware of the local shopping offer and should consider how they promote themselves and their centre to their immediate catchment area and surrounding travel to shop areas.

#### **3.1 Site Specific issues**

North Harrow had a specific issue with the closure of the Safeway Supermarket. This was complicated by complex issues around ownership of the site and the use of the site. The council engaged with the owners at a high level (the then leader of council), and also let it be known that it was investing significant time into promoting North Harrow. The relaxation of planning controls through the Local Development Order provided a message to would be occupiers that the council was willing to be flexible in its approach to change of use. The change of use granted through the LDO enabled the Gym Group to bring back into use 6.39% of frontage.

Lesson Learnt
High level engagement is necessary to resolve complex issues. The council needs to demonstrate it is serious about an area and in some cases demonstrate it can be flexible. The need for flexibility when a centre is in decline is reflected in the Local Development Framework (LDF).

#### **3.2 Consultation**

In meetings with the traders in 2010, specific issues were raised about the need for on street parking. Traders argued there was a need for additional on-

street parking bays. It was argued that it was inconvenient for shoppers to park in the car park, walk to the shops and make a quick purchase. The sites for 16 new parking bays were agreed with the then chair of the North Harrow Partnership, and funding was secured from the OLF to install the bays. However after statutory consultation with residents (and traders), the proposal for 16 parking bays was rejected, and 9 parking bays were installed.

<b>Lesson learnt</b>
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The views of residents / shoppers and traders are not always consistent. When major investment is planned, consultation is important to evidence the need for that investment. (It should be noted, applicants for OLF had about a month to submit detailed applications).
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Scrutiny may wish to note that surveys of 400 Harrow shoppers, 237 Harrow independent traders were conducted in November 2012 and December 2012. The Shoppers survey found that shopping offers, are the biggest incentive to shop locally, and were far more important than parking. .

### **3.3 Business Regulation**

During the work in North Harrow, there were a number of cases where new start up businesses were falling foul of the regulatory process, particularly in relation to building control, planning and environmental health legislation.

<b>Lesson learnt</b>
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New businesses require “up front” advice on how they can conform to the regulatory framework. This would help reduce enforcement costs incurred by Harrow Council. More importantly, by helping new businesses, getting it right first time, it would also help reduce business costs.
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Please note, the council has now developed an on-line Toolkit to Regulation.

### **3.4 Street Markets**

The North Harrow Town Centre Manager was retained for a short period after March 2012 to handle the transition period after funding ended. This included supporting the Community Partnership, and the delivery of a market to attract footfall to North Harrow. It was an ambition to create a regular market in North Harrow. Parallel to this, a council project Xcite secured £38,000 to support unemployed residents into self employment. The concept was to provide access to market stalls to enable budding entrepreneurs to test trade their goods and services.

A tender process was entered into which invited operators to use the stalls purchased through OLF. In return the operator was required to deliver street markets, provide additional stalls, ensure new market traders had the use of 10 stalls, and that markets would complement existing provision.

An operator was secured and a licence agreement entered into. Unfortunately, the level of success secured by the Spring Market in March 2011 was not repeated. The retailers in North Harrow complained about competition, ward councillors and partnership members raised issues about

market traders use of the on street parking bays, litter left by the traders, and the lack of quality and diversity of the shopping offer provided by the markets. The experienced street traders that took a stall complained about lack of publicity provided by the market operator. The new “unemployed” traders exhibited a number of support needs which suggested market trading was not suitable for them. The market operator and experienced traders had also raised concerns on whether North Harrow had sufficient footfall to sustain a regular market. The North Harrow Partnership called for the market to be closed. The market operator and council mutually ended the licence agreement.

Lesson learnt.
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Establishing a new regular market in an area of relatively low footfall is difficult. The council does not have the funding to deliver the necessary publicity, and the ability to generate income through renting stalls for a private operator is best in areas of high footfall.
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### 3.5 Local partnerships

The North Harrow Business Association, formed in 2011, does not appear to have been active in the last 18 months. A wider Community Partnership was established in September 2012. This included representation from the Methodist Church, Nower Hill School, the Safer Neighbourhood Team, local Councillors and is chaired by a business based in North Harrow.

The Economic Development Team attend the meetings and provide support and advice where needed.

This included supporting the Partnership in arranging

- a Festive Light “switch on” event in December 2012 including singing from St John Fisher School and
- a 2 day summer event in July 2013 including music, dancing and science, art exhibition from Nower Hill school and singing from St John Fisher School

The Partnership was not foisted onto North Harrow. The council organised early meetings and provided a draft constitution, but since then the Partnership has defined itself. An officer in the Economic Development Unit is continuing to support the Partnership. This has been on a voluntary basis as much of the work revolves around unpaid activities outside of office hours.

Hatch End, Pinner and Belmont Circle have long standing Traders Associations/community groups that have their own web site, arrange events and deal with other issues. Support from the Council is limited to technical and statutory areas. The focus of these groups is promoting their own centres, although they do liaise with the council when required, for example parking and loading proposals in Hatch End.

In 2012 a Traders Association was formed in South Harrow. An Economic Development Officer met with the Chair and supported the Traders Association through the provision of Festive lights which were distributed to the shops in the district centre in November 2012.

This year Traders' Associations have been formed in Kenton and Stanmore. The Kenton businesses established the Kenton Area Traders Association (KATA), and the council's Economic Development Unit has supported the Association by initially providing the Traders' Association toolkit, and attending meetings to offer advise on best practice elsewhere. A formal launch event is planned for 9<sup>th</sup> September.

Stanmore Traders had an initial meeting in July. In August, Bob Blackman MP Harrow East wrote to Harrow Council's Chief Executive highlighting concerns raised by traders relating to car parking, Anmer Lodge, Traffic Lights and Decorations for Festivals.

In Rayners Lane meetings were held with ward councillors, members of the community and traders in September 2011 and February 2012. The main issues initially identified were parking, low levels of footfall, empty shops and the maintenance and cleanliness of the service roads. Since then, parking issues have been rectified through the Council/TfL funded public realm improvements. 54 Traders were also provided with Festive Lights to adorn their Shop Windows for the festive season in 2011. However there was no enthusiasm amongst traders to develop a traders association or work with residents to form a community partnership. The ward councillors used their NIS budget to purchase a Christmas tree, lights and power supply..

The main issue is the maintenance and cleanliness of the service roads which is the responsibility of the business and residents. Despite numerous council and residents led initiatives i.e. police and community payback, alley-gating, environmental heath checks, weeks of action, and enforcement projects where huge clear ups have been completed, these areas return to this state within weeks of any clean up. Due to reducing resources, the council cannot continue to clear up these private service roads.

Lesson learnt
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<p>It is very difficult to "impose" a Partnership in an area unless there is interest from the businesses and the local community. Traders Associations are usually established because there is a key issue that needs to be addressed and some businesses are "community minded" and see the benefit of working with the local community e.g. Hatch End, Pinner, North Harrow.</p> <p>Local Partnership groups provide a mechanism for traders to work with community groups. The council can advise new groups on a proposed constitution, questionnaire and survey forms and to develop an action plan for a District Centre. As mentioned above, district shopping centres have significant local catchment areas within walking distance. By working with local groups, businesses can market their goods and services.</p>
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### 3.6 Marketing and Publicity

The shopping offer in Harrow's 9 district shopping centres is diverse. A quick read of the investment profiles for the 9 centres show that the shopping offer is not limited to convenience grocers, pharmacists and fast food outlets. Taken cumulatively Harrow's centres offer everything one could need. For the home it is possible to find stores providing bathrooms, kitchens, windows, flooring, and furniture. There are traders offering every conceivable gift in



those 9 centres from jewellery to bicycles, cars, and hardware. If a resident requires a professional, Harrow's High Streets offer accountants, solicitors, opticians and dentists. The household kitchen can be filled by a local butcher, baker, fishmonger or grocer. Or if he or she wished, a resident can have a complete make over at a hairdresser, nail bar, beautician, tattooist, and then go to a laser surgery (to remove the tattoo). If you can not taste every cuisine in Harrow, then it is pretty close.

However, everyone living, working and studying in Harrow is not aware of that offer. The large volume of events funded by the OLF helped to market North Harrow, and the activities helped to draw footfall into the area. The events provided Harrow's Communications team with the content for news stories which were issued and covered by the local and regional media. This in turn helped stimulate investor confidence. North Harrow was unique in Harrow for its very high vacancy rates in 2010. In total just over £76k was spent through the OLF on banners, a web site, festive lighting, visual merchandising, events, business directory and community notice board. However, in 2012/13 the council spent only £3k in North Harrow. Once a critical mass is achieved, there is a need for less investment in an area. In Hatch End and Pinner it is the businesses that are responsible for Festive Lights, in Harrow Weald Waitrose sponsor the planters. In North Harrow events which involved the local community can draw in the whole community. A similar lesson was learnt from the Harrow Town Centre programme. In Harrow Town Centre college students made a short film which was projected onto the back of the town centre, a temporary art gallery was filled with pictures from school students, and school students produced the art work for banners in the town centre.

Our work in North Harrow highlighted that not all shoppers were aware of the local offer. They frequented the same shops, but did not venture along the rest of the district centre.

Lesson learnt
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Positive news stories help market an area. Those positive stories can be created by local events, which in turn can be created and delivered by local partnerships.
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The crux of this report is that local partnerships, events, and promoting the shopping offer were key to reducing vacancy rates in North Harrow. However, there are a range of other issues which businesses located in district centres engage with the council. These include car parking, street cleansing, community safety, and the public realm. In Quarter 3 of this financial year an Officer Group is being established to co-ordinate council activities. This Group could support the delivery of future action plans that Traders Associations may develop for their district centre.

#### **4. Regeneration Impact of reducing vacancy rates**

As stated in the introduction, our district centres and High Streets are a very visual indicator of economic health. However, to put those centres into context, there are 65,300 jobs and 11,085 enterprises in the London Borough

of Harrow (London Analysis, Size of Firms in London, 2001 to 2012 Office for National Statistics July 2013). In June 2013, 2.3% of the working age population were claiming Job Seekers Allowance, and 28% were economically inactive. The core strategy has a target of creating 4,000 new jobs by 2026. The Core Strategy also has a target that vacancy rates in Primary Shopping frontages should be no more than 10%. The table below demonstrates the maximum Job Creation impact of working in the district centres.

### Employment Created by Reducing District Centre Vacancy Rates - June 2013

Centre	Vacancy rate - all frontages June 2013	5% vacancy rate, jobs created	0% vacancy rate, jobs created	1% drop in vacancy rate = x jobs
Belmont	3.33	-	7	2
Burnt Oak (part)	0	-	-	-
Edgware (part)	7.88	6	15	2
Harrow Weald	10.52	17	32	3
Hatch End	3.11	-	11	4
Kenton (part)	0	-	-	-
Kingsbury (part)	0	-	-	-
North Harrow	6.47	7	29	4
Pinner	4.8	-	57	12
Queensbury	9.68	13	27	3
Rayners Lane	10.54	75	143	14
South Harrow	3.65	-	37	10
Stanmore	0.8	-	4	4
Sudbury Hill (part)	0	-	-	-
Wealdstone	9.35	32	69	7
<b>Average</b>	<b>4.94</b>	-	-	-
<b>Total Jobs Created</b>	-	<b>150</b>	<b>431</b>	<b>65</b>

Based on a rate of 1 job per 21m<sup>2</sup> (based on the figures derived from the following papers produced by the GLA: *Working Paper 38 Employment Projections for London by sector and trend - based projections by borough; GLA 2009 and Working Paper 39 Borough employment projections to 2031, GLA 2009*).

Please note figures for Harrow Town Centre show 210 jobs being created if vacancy rates were reduced to zero. The number of jobs created in Harrow Town Centre would multiply fourfold if vacant office space was also brought back into use.

As part of the Medium Term Financial Savings (MTFS) for 2014/15 the Economic Development Unit will not have a revenue budget. It currently has one dedicated regeneration officer working with district centres, and focussing on place promotion and inward investment. Of the target of 4,000 new jobs, it is expected that 3,000 will be created in the Harrow and Wealdstone intensification area. This includes the development of the Kodak site, Colart site, and developments in the town centre.

At a national, regional, sub-regional and local level there are a range of evolving "Regeneration / Economic Development" strategies and programmes, which may provide opportunities to secure funds for Harrow. At

their core is an objective to create sustainable economic growth. In the 2013 Budget, the Chancellor announced the creation of Whole Place Community Budgets to promote large scale service transformation and test whether better outcomes can be achieved through co-designing programmes. At a sub-regional level, Harrow's Chief Executive is leading the West London Alliance Whole Place Community Budget proposal which has a focus on promoting economic growth. The West London proposal was one of nine successful Expressions of Interest submitted to the DCLG.

At a regional level, the focus of the London Local Enterprise Partnership and Mayor of London's economic strategy is on concentrating on the activities and sectors which will deliver Jobs and Growth. At a local level Harrow's emerging Regeneration Strategy focuses on the three core themes People, Place and Business. It articulates the core activities necessary to provide the infrastructure (Place) that meets the needs of business and residents, supports business growth and provides residents opportunities to benefit from new jobs created.

## 5. Conclusion

There are lessons from North Harrow which can be transferred to other district centres in Harrow. There is a resource issue in doing so. A future consideration for Overview and Scrutiny could be to consider measuring economic impact to prioritise initiatives.

Table 4 Summary of Lessons that can be repeated elsewhere.

High level engagement is necessary to resolve complex issues. The council needs to demonstrate it is serious about an area and in some cases demonstrate it can be flexible, and this has been reflected in the Local Development Framework (LDF) where a centre is in decline.
The views of residents / shoppers and traders are not always consistent. When major investment is planned, consultation is important to evidence the need for that investment. (It should be noted, applicants for OLF had approximately a month to submit detailed applications).
New businesses require "up front" advice on how they can conform to the regulatory framework. This would help reduce enforcement costs incurred by Harrow Council. More importantly, by helping new businesses, getting it right first time, it would also help reduce business costs.
Establishing a new regular market in an area of relatively low footfall is difficult. The council does not have the funding to deliver the necessary publicity, and the ability to generate income through renting stalls for a private operator is best in areas of high footfall.
It is very difficult to "impose" a Partnership in an area unless there is interest from the businesses and the local community. Traders Associations are usually established because there is a key issue that needs to be addressed and some businesses are "community minded" and see the benefit of working with the local community e.g. Hatch End, Pinner, North Harrow. Local Partnership groups provide a mechanism for traders to work with

community groups. The council can advise new groups on a proposed constitution, questionnaire and survey forms and to develop an action plan for a District Centre. As mentioned above, district shopping centres have significant local catchment areas within walking distance. By working with local groups, businesses can market their goods and services.

Positive news stories help market an area. Those positive stories can be created by local events, which in turn can be created and delivered by local partnerships.

The Overview and Scrutiny Committee may wish to consider the above in the context of other economic growth initiatives when making recommendations on Regeneration initiatives in Harrow.

## **Section 4 - Contact Details and Background Papers**

**Contact:** Mark Billington, Head of Economic Development and Research, Tel 0208 736 6533

### **Background Papers:**

Round One Outer London Fund Self Evaluation – Harrow Town Centre

Round One Outer London Fund Self Evaluation – North Harrow  
Harrow Card Business Survey, Harrow Card Shoppers Survey