

Meeting:	Cabinet
Date:	10 th November 2005
Subject:	The Future of Economic Development and Regeneration
Responsible Officer:	Graham Jones/Andrew Trehern
Contact Officer:	Graham Jones
Portfolio Holder:	Planning, Housing and Development
Key Decision:	No
Status	Public

Section 1: Summary

Decision Required

Approve plans for comprehensive review of regeneration and economic development function.

Reason for report

To provide direction to the Council's regeneration and economic development functions.

Benefits

- Delivery focussing on Harrow needs.
- Align service to regional and subregional plan.

Cost of Proposals

To be contained within existing budgets.

Risks

- Further period of uncertainty
- Uncertain relationship with Harrow in Business
- Raise aspirations for future provision, which may prove difficult to deliver

Implications if recommendations rejected

If the review is not carried; Harrow remains marginalised. Economic Development and Regeneration activity remains unfocussed and reactive.

Section 2: Report

2.1 The Future of Economic Development and Regeneration

2.2 Introduction

Regeneration activities are spread across the authority:-

- The Urban Living Regeneration Team previously reporting to the Urban Living Director of Strategy
- Harrow Town Centre Redevelopment, a high corporate priority is the responsibility of the Director of Strategic Planning
- Spatial planning through the LDF is the responsibility of the Planning Service Urban Living
- Housing renewal – Urban Living
- Liveability/community safety - Urban Living
- Community engagement – initial development Business Development

Regeneration has become a cross cutting principle or theme. This is reiterated in the Regenerating Harrow section of the Harrow Community strategy, which covers: public realm improvements, meeting housing needs, sustainable communities and tackling homelessness.

2.3 Purpose of paper

- a) To provide assurance that current services will be maintained and projects which have been committed to with secured funding are taken forward.
- a) To promote a wider evidence-based review to get a clear understanding of the scope of and need for economic development and regeneration functions, and from this develop the priorities for service delivery. This will involve a wide-ranging discussion with staff, partners and members.

2.4 Background

Economic Development and Regeneration as a service area have gone through an uncertain period over the last two years and requires focus and direction.

Although a combined Harrow Economic Regeneration Strategy 2003 -2010 (HERS) was approved by cabinet in May 2003, projects have been taken forward in an 'as and when' manner for a variety of operational reasons. Much productive work has happened during this period e.g. the Harrow Vitality Profiles were completed and launched, but there has been a lack of strategic direction.

It might initially seem most straightforward to revive the existing strategy, however over the last two years Harrow Council has experienced a great deal of change, and the existing strategy, was written from a different context, to deliver a service that was heavily constricted in terms of budget and staffing. It was also written prior to the publication of the community strategy which encompasses under regeneration a far wider range of issues than those set out in the HERS strategy. As well as this there are other emerging related Harrow initiatives e.g

- Neighbourhood Renewal – this is being taken forward as a pilot in Wealdstone
- Social Inclusion projects
- Local Area Agreement –Economic Development and Enterprise and possibly Neighbourhood Renewal
- Best Value Review – Harrow's Economy

The regeneration structure previously proposed for Urban Living envisaged a large team headed by a group manager whereas in practice the existing staffing comprises two officers on temporary contracts.

This paper recommends a more thorough review of service needs involving officers and members in the review process so that their views can be taken into account in developing a service and structure which has as core work regeneration and / or economic development.

There are many models for regeneration functions within Local Authorities, even within West London e.g Hammersmith and Fulham have a large regeneration team of 40 based in their Housing directorate. By contrast, Hillingdon have none but an economic development unit of 2/3 based within a large chief executives department. Harrow needs a structure which is appropriate to its own particular circumstances, based on clear evidence based priorities.

2.5 Regional and sub-regional development – Other developments

Since the Harrow Economic Regeneration Strategy has been written the London Development Agency has also produced a new strategy 'Sustaining Success'

West London Business have also led the development of a wide ranging sub-regional economic development strategy. Harrow as a member of the West London Partnership is being asked to sign up to the West London Partnership's Economic Development Strategy and Implementation Plan (also on this agenda).

The priorities for service delivery also need to take account of both these strategies and ensure the 'golden thread' links to any Harrow wide plans/strategies.

2.6 Economic Development or Regeneration?

Harrow's regeneration unit was originally set up in 1999 with a staff of one regeneration officer and one funding officer. The Regional Development Agency structure (RDAs) was established in 2000 nationally and in London a year later with the birth of the London Development Agency. The national government idea behind this development was a closer emphasis on encouraging economic growth, rather than the area based regeneration activity epitomised by the Single Regeneration Budget programme. This development has led many London local authorities to write their own economic development strategies and recruit staff in addition to regeneration teams and to develop programmes that make the most of the new duty 'to promote the economic, social and environmental well-being' set out in the Local Government White Paper 1998.

A literal definition of regeneration is 're-igniting areas that aren't working.' Much of Harrow is not in need of re-igniting. The holistic and cross cutting work carried out in Wealdstone for the last five years is the major piece of area based work that the previous and existing regeneration unit has led on.

In practice the two terms, economic development and regeneration are now often used synonymously, within the LDA and elsewhere. Regeneration is now a word in common usage, and although it encompasses, economic, social, community, environmental and physical themes it is more usually associated with physical regeneration, often area based, encouraging community involvement in large scale developments but also with an increasing emphasis on smaller scale or neighbourhood development.

Economic development however seeks to encourage economic growth through a wide range of methods but generally with integral work on skills development, reducing barriers to employment, increasing employability and a range of business development activity, from social enterprise and business start up to inward investment and town centre management. In Harrow this led to the development of work with our major employers and the 'Prime Mover Group.' With low unemployment levels in Harrow, employment activity has focussed on working with disadvantaged groups via umbrella intermediaries e.g. refugee organisations, HAD and the Shaw Trust.

The term Economic Regeneration was coined to ensure that the work developed in Harrow included aspects of both economic development and regeneration. The Local Government Association also used this term. In an outer London Borough without major deprivation this seemed an appropriate way forward in 2002/3. The proposed review will need to determine the balance needed in Harrow between 'regeneration' and 'economic development: how the priorities can be focused and resourced.

2.7 Other issues: Harrow's Economy and Harrow in Business

Harrow is fortunate in having a long established and renowned enterprise agency which provides support to local businesses, and as such provides a key element of Harrow Council's economic activity. Harrow in Business (Hib) has a Service Level Agreement which includes use of premises from the council, but they are very dependant on a range of external funds. Meanwhile regional funding for enterprise support has reduced significantly over the last five years and is largely directed at areas of need using the indices of multiple deprivation as the justification.

With the agreement of Hib's board, this review could also be the opportunity to re-evaluate Hib's operations, funding structure and relationship with Harrow Council. This would be useful not only to help them refine their service offer but because it is hoped that the feasibility study for a large incubator to support new businesses on Kodak's site at Wealdstone will include Hib

as an integral part of the offer to businesses. In the long term this may provide Hib with an alternative funding stream, but would also mean a reengineering of Hib services to provide this function.

The Best Value review of Harrow's Economy has recently started led by Myfanwy Barratt, who is a board member for Harrow in Business, and whose directorate manage the Hib SLA as well as the council business portal. This Best Value review needs to be undertaken in parallel with the wider work to encourage cross council ownership of the results and an objective approach.

3 Recommended course of action

3.1 Managing current obligations Oct- December 2005

- Review current obligations and assess best fit in council e.g. movement of management of managed workspace from regeneration to mainstream Urban Living. Lead by Acting Executive Director Urban Living with other Urban Living directors and the Strategic Planning Director. This will include:
- Reviewing support for Wealdstone – managing the consultants' vitality study– development of neighbourhood renewal transition plan and Byron Rec/Leisure Centre Master planning. Interim support will be provided from Strategic Planning working with officers in Urban Living but additional resources may/will be needed on a temporary basis to manage this.
- Further developments at the Wealdstone Centre – to be led by Urban Living.
- Discussions with Hib board to encourage a review of operations.
- Identifying a project champion at director level for the broader economic development/regeneration review, set parameters, establish a wider steering group if necessary, and budget.
- Progressing proposals for a Small Business Incubation Centre with Kodak.

3.2 Develop a sound evidence base to establish priorities for future January – July 2006

- Analysis of existing quantitative information (updating information used in 2002 strategy development)
- Make use of other qualitative information e.g. planning applications for large developments
- Implement business mapping activity to more clearly establish skills, sector and business support needs
- Make use of other material e.g. incubator study, employment land study updated vitality profiles etc
- Executive analysis of all above to provide a robust baseline, identify a dashboard of economic indicators for monitoring services post review and to establish the priorities for service provision
- Support review of Harrow in Business – external consultancy
- Benchmark how Economic Development and Regeneration is handled in other similar outer London boroughs.
- Take soundings internally from Harrow staff on future direction and housing of service.

- Analyse all review material to develop clear set of priorities for delivery, taking account of existing national, regional, sub-regional and related local strategies

This will entail major revision to the 2003 – 10 strategy to ensure a 'golden thread' is in place and development of a new implementation framework/ plan.

- 3.3 Establish budget and devise new staffing structure that can take the framework forward and recruit. **July- October 2006**

It is expected that this funding can be found from existing budgets. The scale and timing of work may need to be revisited if there is insufficient funding available.

2.4 4 Consultation

Officers in Urban Living, Housing, Regeneration and Strategic Planning.
If review goes ahead there will be more major consultation.

5 Financial Implications

There are no additional costs associated with this report, as costs will be contained within existing regeneration budgets.

6 Legal Implications

None

7. Equalities Impact

Resulting activity should remove barriers to employment for marginalised group and impact positively on equality targets.

8 Section 17 Crime and Disorder Act 1998 Considerations

Resulting social inclusion activity will seek to improve community cohesion and impact positively on crime figures.

Section 3: Supporting Information/Background Documents

Background Papers

LDA Strategy supporting success
West London Economic Development Strategy
Harrow Community Strategy

Any person wishing to inspect the background papers should telephone 020 8424 5399