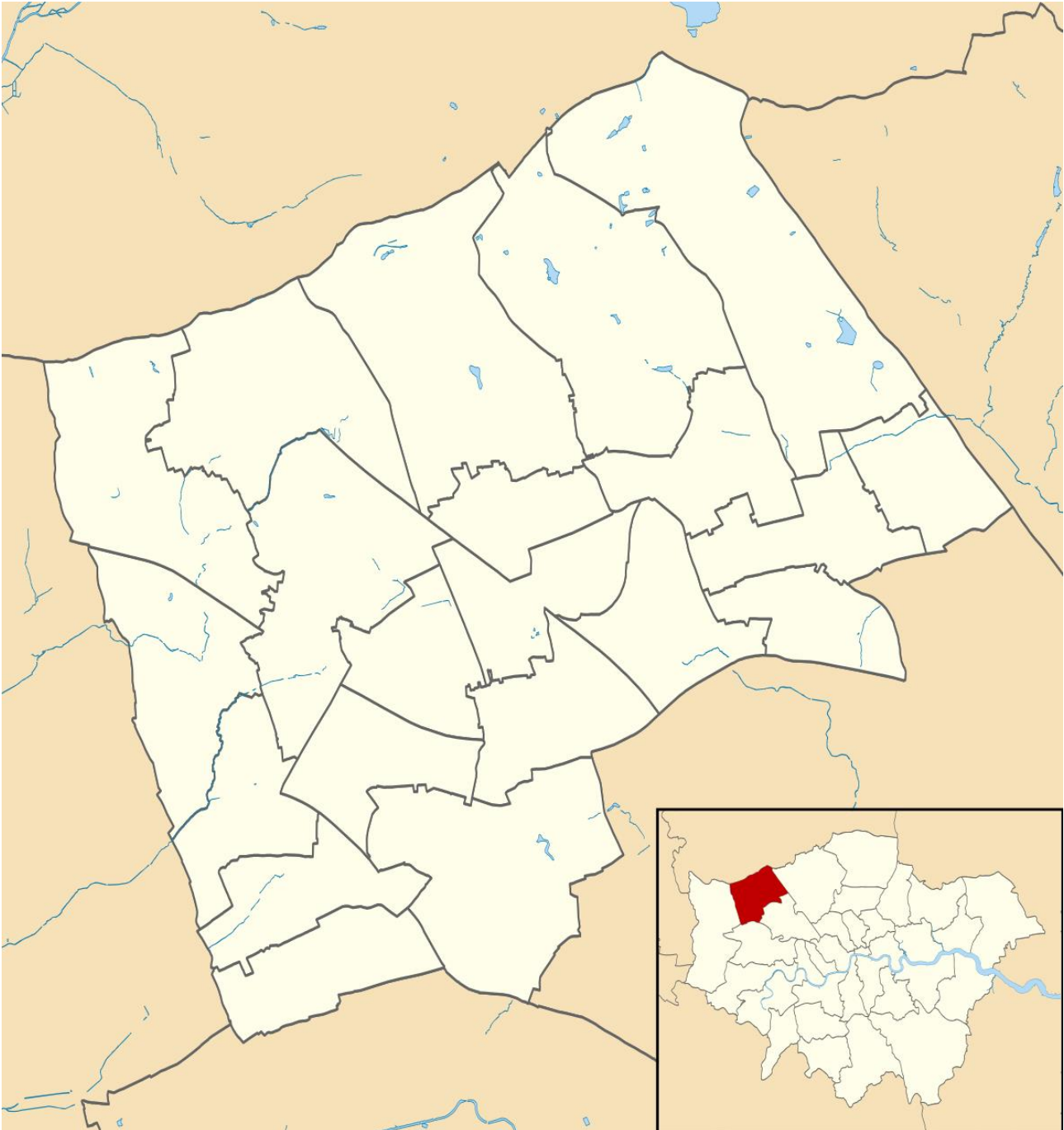

Overview and Scrutiny

FINANCING OF THE REGENERATION PROGRAMME IN HARROW

An interim report by the Regeneration Scrutiny Review Panel

October 2017



Chair's Foreword

I would like to present to you, on behalf of the Regeneration Scrutiny Review Panel, an interim report on the financing of the Regeneration Programme. The proposed reprofile of the Council's Regeneration Programme is due to be reported to Cabinet in December, and it has therefore not been possible for the Panel to consider this significant development. We propose to produce a further report in early Spring 2018 to address the implications of the reprofiling arrangements.

There was unanimous agreement from all members and the Chief Executive that an all encompassing report be submitted to the December Cabinet meeting, taking full account of all risks and mitigations in relation to the Regeneration Programme, the impact it will have on the infrastructure of Harrow, including the NHS, education, transport services, and refuse collection; and fully explore the revenue and social impact against the potential social and economic gains.

The Panel was disappointed that there was no overarching infrastructure plan or strategy (incorporating the Atkins study on Wealdstone, which is also due to be published in December), clearly setting out how the impacts of the Regeneration Programme will be managed both short and long term. The Panel was pleased that the Chief Executive undertook to produce this. The Panel also requested that this include a lobbying strategy, which would promote improved transport links to central London and out of London, putting infrastructure at the heart of the Regeneration Programme. Joint working between the administration and the opposition would be welcomed and this approach had the unanimous support of the Panel.

Reflecting on the importance of regeneration and its role in improving revenue income for the Council's finances, it was felt that all strategies produced by the Council should pay regard to the Regeneration Programme and how they contribute to or are impacted by it.

I would like to thank all the policy officers involved in making this important Review so effective, especially Shumaila Dar. The Review was also able to draw upon the support of senior officers and Portfolio Holders. In particular, I would like to thank Paul Nichols, the Divisional Director of Regeneration, Enterprise and Planning, and Cllr. Keith Ferry, Deputy Leader of the Council, for their support. Thanks also to the Director of Finance, the Leader of the Council and the former Chief Executive. I would like to also pay tribute to my Vice-Chair, Cllr. Barry Kendler, and the Panel members, who attended a number of meetings and site visits. Their careful preparations and thoughtful contributions have made this a better and more meaningful Review. I sincerely hope that these considered recommendations are taken forward by the administration and will contribute to making a more robust and successful Regeneration Programme for Harrow. I look forward to presenting the Panel's final report to you in early 2018.

Cllr. Barry Macleod-Cullinane

Regeneration Scrutiny Review Challenge Panel Chairman

Executive Summary

This report sets out the findings and recommendations of the Regeneration Scrutiny Review Panel, which was established to scrutinise the Council's Regeneration Programme. The purpose of this scrutiny review was for members to gain a greater understanding and clarity of the financing of the Regeneration Programme and to carry out a review of projected benefits of the Programme, as well as to appraise the projected financial benefits of the Regeneration Programme. Members of the scrutiny panel were given the opportunity to assess whether the Council's proposals for the financing of its Regeneration Programme are realistic, affordable, robust and deliverable. Members also considered whether the Programme had an integrated approach in relation to the Council's commercialisation strategy, which directly impact upon the Regeneration and Development Programme.

The process for this review included undertaking a number of challenge panels, which gave members the opportunity to investigate the regeneration programme's finance model in greater detail, including assumptions, cash flow projections and projected costs and benefits over the near and longer term. The aim of this was to ensure that financial risks have been properly considered and that proposed mitigations are appropriate and balanced.

To support this review, desk research was undertaken by policy officers to provide insight and evidence on the scale and financing of regeneration programmes across a number of London boroughs. This research included councils that were closest in comparison to one another based on a set of indicators of the demographic and socio-economic nature of the borough. This research then enabled and assisted members to take part in a number of field visits to comparator local authorities which allowed them to explore how other boroughs finance their regeneration programmes. Supplementing the desk research, a number of fieldtrips were undertaken to other boroughs, where members met with councillors and senior officers to discuss their regeneration experiences.

Key themes emerged, including; fluctuating interest rates; impact of population growth in the borough, economic and infrastructure remodelling; and the need for a robust lobbying strategy to be developed and implemented for the Programme. A full list of recommendations is found on the next page of this report.

The recommendations from this Review are based on evidence from local data, information garnered from hosting authorities, and from senior council officers and members at Challenge Panels. It is hoped that this Review can assist in informing future development of the Regeneration Programme to ensure the best outcomes for Harrow residents and businesses.

The final recommendations to Cabinet from the Panel are:

1. That the Regeneration Programme Risk Register include the capitalisation of wages in the Regeneration Programme, and the revenue risk involved if this cannot happen in certain cases;
2. That officers produce one report that includes all risks and mitigations in relation to the Regeneration Programme.

This report will include the impact of the expected increase in population will potentially have on the council, its partners and the borough.

The report will analyse and discuss, but not be limited to, the impact on (1) the NHS and care services, (2) education, (3) transport services (including both infrastructure and capacity improvements to rail and bus services, better London orbital routes, and other local transport issues that will be experienced throughout the developments, i.e. parking and road issues), (4) refuse collection, (5) increased demand for enforcement and regulation against the potential social and economic gains including increase in Council Tax receipts and business rates (including any business profiling that has been undertaken and a strategy to encourage businesses to move and stay in Harrow), (6) the New Homes Bonus, (7) increased employment (and whether this will be long or short term), and (9) apprenticeships that may be created in the area, and if so, in which sectors and in what numbers;

3. That a comprehensive lobbying strategy be agreed to promote improved transport links to central London and out of London be developed and integrated within the Regeneration Programme;
4. That, as part of the lobbying strategy, for a letter to be drafted from the Leader of the Council and the Leader of the Opposition to the Mayor and TfL (London Underground Lines and London Overground), relevant Government Ministers, the Department of Transport, Network Rail, and rail operating companies (London Midland, Southern, and Chiltern Railways) calling for improvements in capacity and facilities at Harrow and Wealdstone Station and Harrow-on-the-Hill station along with greater frequency, more capacity and improved reliability of all services operated by London Underground Lines, London Overground, London Midland, Chiltern Railways and Southern;
5. That the Council produce a Harrow specific, all-encompassing infrastructure plan/strategy, which will incorporate the Atkins study on Wealdstone and clearly set out how the impacts of the Regeneration Programme will be managed both short and long term.
6. That all relevant strategies produced by the Council to reference the Regeneration Programme and how they contribute to or are impacted by it.
7. (Further recommendations to follow post final challenge panel)

The above recommendations were accepted by Cabinet on 18 January 2018.

Scope of Review

This Scrutiny Review relates to the Council's regeneration and development programme on general fund land, Housing Revenue Account (HRA) land, other public sector land and private land in the borough over the period 2017-21.

The purpose of the review was to:

- Review the planned capital and revenue financing for the regeneration programme and to assess whether the Council's proposals for the financing of its regeneration programme are realistic, affordable, robust and deliverable. This includes aspects of the commercialisation strategy (e.g. the proposal to build private homes for rent) that directly impact upon the Regeneration and Development Programme;
- Review selected financial assessments for individual regeneration projects, including investigating the regeneration programme finance model, in particular the underlying assumptions, cash flow projections and projected costs and benefits over the near and longer term;
- Ensure that financial risks are properly considered and that proposed mitigations are appropriate and balanced;
- Appraise the projected financial benefits of the Council's regeneration programme, and ensure a balanced risk management process and proposed mitigation measures are in place;
- Greater understanding and clarity of the financing of the Regeneration and Development Programme by members;
- Carry out a review of projected benefits of the regeneration programme, including direct and indirect benefits to the Council, business and to the local community.

The measure of success for this scrutiny review was to ensure a greater understanding and clarity of the financing of the Regeneration and Development Programme by members.

Methodology

This Scrutiny Review has involved desk research, two Challenge Panels and two Field Visits as detailed below:

1. Policy Officers undertook desk research into the financing of regeneration programmes in a select number of councils that have a similar make-up to that of Harrow. The aim was to investigate what other comparable local authorities were doing as part of a regeneration and commercialisation agenda. The Panel also had the opportunity to scrutinise the latest update on Regeneration, which was published on 14 September 2017.
2. Members and officers visited two London Boroughs (Barnet and Waltham Forest) to gain a detailed understanding into the challenges that were being faced. These

Field Visits explored best practice by other councils in how they finance and manage their regeneration and development programmes. The political leadership of the councils that were chosen for visits were equally divided between Conservative and Labour control, reflecting the main political parties in the council.

3. Two Challenge Panels were held, with questions being put to the Chief Executive, the Director of Finance, the Divisional Director of Regeneration and the Leader and Deputy Leader of the Council.

Harrow Context

Harrow has a population of 247,130 people¹ which has grown over the last decade by 11.8%. This is above the UK average annual population increase rate over the same time period. 49.8% of the population are male, whereas 50.2% of Harrow's residents are female.

Harrow prides itself on being one of the most ethnically and religiously diverse boroughs in the country with people of many different backgrounds and life experiences living side by side. The richness of this diversity has a significant positive impact on the borough and the community. 69.1% of residents classify themselves as belonging to a minority ethnic group and the White British group forms the remaining 30.9% of the population, (down from 50% in 2001). The 'Asian/Asian British: Indian' group form 26.4% of the population. 11.3% are 'Other Asian', reflecting Harrow's sizeable Sri Lankan community, whilst 8.2% of residents are 'White Other', up from 4.5% in 2001. In terms of religious belief, Harrow had the third highest level of religious diversity of the 348 local authorities in England or Wales. The borough had the highest proportion of Hindus, Jains and members of the Unification Church, the second highest figures for Zoroastrianism and was 6th for Judaism. 37% of the population are Christian, the 5th lowest figure in the country. Muslims accounted for 12.5% of the population.

Harrow is a largely affluent borough but does have pockets of deprivation mainly around the centre, the south and east of the borough; its least deprived areas are largely found in the north and west of the borough.

Employment levels in Harrow are generally good, and Harrow has seen a reduction in unemployment and the number of long term unemployed claimants. However, a number of residents are low paid and have low functional skills. The employment deprivation domain within the 2015 Index of Multiple Deprivation (IMD) indicates 12,083 of Harrow's residents experiencing employment deprivation. This includes people who would like to work but are unable to do so due to unemployment, sickness or disability, or caring responsibilities.

Overall, Wealdstone is Harrow's most deprived ward for employment deprivation, closely followed by Roxbourne. Unemployment figures are highest in Greenhill, Wealdstone and Roxbourne wards. Employment deprivation is generally concentrated in areas with higher levels of social housing, such as the Rayners Lane Estate in Roxbourne; the Headstone Estate in Hatch End and Harrow Weald; the Woodlands and Cottesmore Estates in Stanmore Park; and the former Mill Farm Close Estate in Pinner.²

¹ According to 2015 Mid-Year Population Estimates

² [Harrow Council \(2017\) *Equality Matters: Reducing Inequality in Harrow*](#)

Families in Harrow experience poverty³, for a variety of reasons, but its fundamental cause is not having enough money to cope with the circumstances in which they are living. A family might move into poverty because of a rise in living costs, a drop in earnings through job loss or benefit changes. Children in large families are at a far greater risk of living in poverty – 34% of children in poverty live in families with three or more children.

Schools in Harrow are among the best performing in the country, a record that has been maintained over a number of years; when last inspected, 95% were scored as Good or Outstanding (31st August 2016). However, inequalities in education do exist in Harrow, particularly amongst children with special educational needs (SEN), those eligible for FSM, and specific ethnic groups. There is a wider gap between pupils who have special educational needs and their peers at Key Stage compared to the national average. Additionally, children who receive FSM show less progress across all subjects between Key Stage 1 and Key Stage 2 compared to their peers.

Within Harrow, the highest proportions of the population without qualifications or with low level qualifications are in Kenton East, Edgware, Roxbourne and Roxeth. Poor language skills are a major barrier to progressing in the workplace. Harrow was one of 25 local authority areas identified by the Department for Communities and Local Government as an area with high levels of need for English Language provision. 28.5 % of Harrow's residents have a foreign first language. In 15.9 % of households English is not the main language of any household occupants, the 10th highest ranking nationally and much higher than the national level of 4.3 %. The 2011 census showed 1% of Harrow residents unable to speak English at all, compared to 0.6% for London and a national figure of 0.3%.

According to data published by the Mayor's Office for Policing and Crime, Harrow is currently recording 79% victim satisfaction (ranked 20th in London) and 64% 'good job' confidence levels for residents of the borough (27th of the 32 London boroughs).

Harrow has superb rail links to central London and beyond. It is served by several London Underground lines, London Overground, Chiltern Railways, London Midland and Southern Railway. As a London Borough, Harrow is served by an extensive bus network. Heathrow Airport is a short distance away, whilst easy connections to the A1 (M), M1, M25, M40 and North Circular provide good road connections to other airports, to London and to the rest of the country.

Council Priorities

In light of the local context Harrow have based the Council's Ambition Plan on the following priorities:

- **Building a Better Harrow**

The Council's regeneration programme for the delivery of new homes, creation of new jobs, commercial workspaces and high quality town centres will create the places and opportunities that residents deserve and make a difference to the borough and to residents' health and quality of life.

³ Poverty in this document refers to the *relative* poverty measure (defined by [Peter Townsend](#) as "Resources that are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities."). The definition of poverty used in this document is: *Families which have £79 less per week than families on average income.*

- **Protecting the Most Vulnerable and Supporting Families**
The Council's aim is to make sure that those least able to look after themselves are properly cared for, safeguarded from abuse and neglect and given access to opportunities to improve their quality of life, health and wellbeing.
- **Being more Business-like and Business Friendly**
The Council aims to support local businesses and enable them to benefit from local economic growth, develop its own commercial ventures and help residents gain new skills to improve employment opportunities.

Harrow's Regeneration Programme

Through regeneration the Council aims to make a difference for:

- Communities, by providing new homes and jobs, vibrant town centres and an enhanced transport infrastructure and energy network;
- Business, by providing new commercial workspace, support to access markets, advice and finance;
- Vulnerable residents, by providing access to opportunities, reducing fuel poverty and designing out crime; and
- Families, by providing new family homes, expanded schools and renewing Harrow's estates.

The aims of Harrow's Regeneration Strategy are to:

- Meet the demands of a growing population;
- Build on the skills base of Harrow's residents to support sustainable business growth;
- Deliver more jobs and homes to meet targets agreed with the Mayor;
- Increase Harrow's accessibility to an increasing customer base;
- Provide an environment which promotes physical activity and healthy living;
- Achieve a step change in the quality of design and development.

The regeneration strategy is therefore a key priority for the council, and has a number of objectives, including:

- 'Building a Better Harrow' together, for today and for future generations
- Addressing housing need, particularly for affordable housing
- The Council developing its own land – to meet community needs and to make better use of its own assets
- A new initiative for the Council to build homes for private rent (in addition to social rent/affordable housing). There is a Build-to-Rent programme to develop about 600 new private rented sector (PRS) homes on Council land, for market rent

- Renewing civic, cultural and community facilities and meeting infrastructure needs through the provision of: 2 new schools, a new central library and a new (more efficient and smaller) civic centre, together with improved cultural and leisure provision
- Creating quality places – both through a focus on quality design in new development and through schemes to create new public squares and spaces and to improve key links and routes (such as Station Road)
- Getting maximum benefit for the local economy – through the creation of new employment space and measures to develop local apprenticeships and training schemes and to build local supply chains.

The programme comprises 9 sites, together with the district heating programme currently undergoing a feasibility assessment. It is currently envisaged that the initial phases of works will comprise around 600 units of private rented housing, together with a new civic centre for Harrow. It is envisaged that the later phases will be delivered in concert with development partners and will produce affordable housing, workspace and commercial facilities, plus housing for market sale. Subject to agreement on funding and affordability, a new or remodelled leisure centre may also be delivered at Byron Quarter.

Faithful & Gould have been retained as cost consultants, providing commercial advice and benchmarking against the wide range of comparable data available to them. The aim is inform design development to ensure that schemes meet the Council's objectives while remaining financially viable, before designs are submitted to planning.

The Projects are:

Poets' Corner – This is the flagship project in Harrow's regeneration programme and is the current site of Harrow's civic centre and council offices.. The Poets' Corner project involves the delivery of about 900 homes (including over 400 build-to-rent units to be retained by the Council), a new school, commercial and community space and improvements to the public realm. The Council has purchased the Wealdstone Social Club, in anticipation of the development. The negotiations with the GLA on the Housing Zone funding for Poets' Corner are at an advanced stage. The design team has started work on RIBA stage 3 (detailed design). The target planning submission date is January 2018, for a hybrid application to approve the masterplan and detailed proposals for phase 1. As part of design development the number of residential units in Poets' Corner Phase 1 has increased from 350 to approximately 410 (the exact number is subject to review as the design is further refined). The administration expects that this can be achieved within the existing budget.

New Civic Centre and 'The Wealdstone Project' – A new civic centre is being planned for Wealdstone. The new, smaller building will be more efficient to run as well as delivering necessary services, housing and affordable workspace and improving the surrounding public realm. The project has reached RIBA stage 2 (concept design) and the target planning submission date is December 2017.

Byron Quarter – the project will provide a mix of housing types and tenures, including Council-owned build-to-rent and affordable. The RIBA Stage 2 (Concept Design) report has been completed and approved by Project Operations Board. A business case is under

review for Phase 2, which would potentially include a new Leisure Centre and other facilities for indoor/outdoor recreation and sport. This will be subject to Cabinet decision later in the year. A planning application is scheduled for December 2017. In parallel with the increase in build-to-rent units at Poets' Corner, the rental component in Byron Quarter Phase 1 has been reduced from 200 to 135. The remainder of Phase 1 will be delivered as homes for sale and private development.

Greenhill Way – A feasibility study has been produced showing options around high quality commercial and residential development including homes, offices, retail, hotel and leisure uses. Soft-market testing has demonstrated the opportunity to take this scheme to market and further market engagement is now planned prior to procurement of a development partner.

Haslam House – is a pilot project of 9 units of Council-owned build-to-rent accommodation. Following a public engagement programme and revisions to the initial scheme, planning approval was secured in September 2016. A new contractor is being procured, in order to ensure that the Council achieves the best possible price for the delivery of this scheme.

Vaughan Road – this scheme is for 33 units of Council-owned build to rent accommodation and has secured planning approval. An extensive pre-application public engagement programme has recently been completed. The Council is in the final stages of appointing a contractor to deliver this development.

Waxwell Lane – A residential development is planned for the Waxwell Lane car park site. Following an extensive consultation programme, an options paper and RIBA Stage 2 (Concept Design) Report have been completed. Following a Cabinet decision in September 2017, the project is now in detailed design and is likely to be submitted for planning approval in December 2017.

Roxeth Library – aims to provide an improved library facility along with residential development. A final response is awaited from the Ministry of Defence on the height limit for the nearby high priority Grange Farm site. The next step is to progress a feasibility review and an options paper to scope whether or not a development is viable within the current height limit for this site.

Harrow Arts Centre – following the wind-down of Cultura, the Council is reconsidering options for the future of the Arts Centre which retain cultural uses and recommend next steps whilst the centre continues to operate.

Gayton Road – This is a scheme of 358 units which is being delivered by Fairview Homes and will deliver 72 affordable homes and 53 build-to-rent homes to the Council through a development agreement. Phased handover starts in spring 2018 and continues for approximately 1 year. The project is currently on site and ahead of schedule.

District Heating Network – Following completion of the Energy Master Plan, a detailed feasibility study has been completed to establish the best method to deliver heat to the major regeneration sites. This includes an evaluation of the best location(s) for energy centre(s) to deliver combined heat and power. Financial viability for an integrated network to serve a number of sites is being established. Match funding is available from central

government for this project but no final decision will be taken on whether or not to proceed until a business case is complete. Related projects all have alternative energy strategies should the integrated network not proceed.

Case Studies

As part of the Regeneration Scrutiny Review we undertook research into other local authorities who were undertaking regeneration programmes. This provided members insight and evidence on the scale and financing of regeneration programmes across a number of London boroughs. The paper included councils that are closest in comparison to one another based on a set of indicators of the demographic and socio-economic nature of the borough, including: total population, taxbase per head of population, % unemployed, retail premises per 1,000 population, and housing benefits caseload.

Closest comparator Councils with regeneration programmes include:

- Hillingdon
- Ealing
- Croydon
- Enfield
- Hounslow

In addition, the Chairman and Vice-Chair requested that information on the regeneration programmes in the following boroughs also be considered by the Regeneration Scrutiny Review Panel:

- Wandsworth
- Haringey
- Waltham Forest
- Barnet

Information on the councils listed above was prepared using a combination of information extracted from Council web sites, regeneration strategies, project reports, developer web sites, local press stories, and Regeneration Council officers. A complete copy of this desk research can be found at 'A'.

Overview of Challenge Panels

Two Challenge Panels were held, on 27 September and 5 October. Members heard from and asked questions of the Chief Executive, the Director of Finance, the Divisional Director of Regeneration, the Leader and Deputy Leader of the Council. The detailed notes of both meetings (including all questions asked, and answers provided) are appended to this report.

The main discussion points were as follows:

Programme Rationale

Members heard from the Deputy Leader that there were five guiding principles to the Programme:

1. Providing housing
2. Providing jobs
3. Providing good education
4. Linking up with the NHS to provide excellent local services
5. Providing excellent local leisure facilities

Extensive consultation had been undertaken with the local population and stakeholders to frame the Programme. The Leader of the Council stated that he wanted the programme to tackle crime and ensure that the benefits of Programme are felt by all residents and businesses.

Borrowing and Spend to date

Members were advised that the Council had not borrowed anything to date and that officers hoped that there would not be a requirement to borrow over the next financial year. An update on this would be provided to the Cabinet in December.

The spend to date was £15m (in this financial year). This £15m spending includes land assembly, site purchase, engineering contracts and capitalised time of the Regeneration Team. It also represents an underspend of the projected budget. The Director of Finance undertook to provide members with a forecast of all spend for the year end outside of the meeting; officers were currently working on revised Quarter 2 returns and would be in a position to provide accurate figures for this financial year.

Risk Management

Members queried whether wages could be capitalised for all projects and whether the capitalisation of wages had been included on the Council's risk register. Officers confirmed this was not the case, although more general risks related to potential project failure are included.

Recommendation 1

For the Programme's Risk Register to include the capitalisation of wages in the Regeneration Programme, and the revenue risk involved if this cannot happen in certain cases.

Officers explained that there were three levels to the risk management process: (1) project level discussions were held monthly; (2) programme level risks were recorded; and (3) utilisation of the corporate risk register. The Chief Executive further expanded that, in addition, there were macro level risks, Brexit, changes in

legislation, changes in interest and borrowing rates, rental values, housing market changes to be taken into account.

Interest Rates

PWLB rates were 2% short term and 2.7% for longer term loans; officers provided an assurance that they were keeping the model up to date in relation to interest rates changes, and explained that the Council would take on a loan at a fixed rate to mitigate against future changes to interest rates. The Chief Executive added that it was likely that interest rates would rise in the near future, so at the December Cabinet meeting, Members would be asked to consider various borrowing options. These options would include an option to lock in current rates for two years, issuing Bonds and borrowing from the European Investment Bank. The Deputy Leader stated that if interest rates rose to 5% then a return of 10% would be required (the current model is based on a 5% return rate).

Officers reinforced that this was a phased project, so there was scope for rephasing, scrapping a phase or delivering a phase in a different way if the financial climate changed significantly.

Modelling and Commercial Strategy

Members noted that at the point the Council borrowed there would be a revenue effect. Members also noted that there were a number of additional effects that had not been modelled or taken into account, including additional pressures on the NHS and council care services, refuse collection, education, transport infrastructure, a potential increase in crime (and more calls on policing). There were also potential benefits from increased council tax and business rates which were similarly not fully modelled at this stage.

The Chief Executive admitted that there was a need to look at all the social and economic effects, including increases in employment, business rates and apprenticeships – all of which would have a positive impact on the local economy. He continued that the Council had an infrastructure delivery plan, and that there was Community Infrastructure Levy (CIL) money to invest in infrastructure (it was projected that the Council will receive around £20-£22m over the next decade), but that more work was required on this. The Chief Executive added that all this modelling should be reflected in the December report to Cabinet.

A discussion took place around the need for health centres to be built as part of the Programme, perhaps in partnership with the private sector. It was suggested that this should be integral to the Programme in order to truly build a better Harrow.

Members raised the issue of the regeneration of Harrow Town Centre; Debenhams was detached since the opening of St. Ann's and St. George's Centres. The local businesses were successful but for the larger companies the demographic and economic profile was wrong. It was difficult to see how the Council could attract larger brands and companies to Harrow. If the Council wanted to attract more businesses to the Town Centre, it was imperative that it

was businesses suited the profile of the population. The Deputy Leader agreed with this point and added that he would like to see an increase in retail and leisure facilities, and make Harrow a destination for food. He advised that talks had taken place with retail analysts who would recommend what should be provided. Members expressed concern that such analysis should have been done earlier in the development of the regeneration Programme.

The Deputy Leader further advised that he had been in discussions around shops in St. Ann's extending their opening hours, but the tenants are of the view that it would cost more to stay open than they would recoup in sales.

Members raised a general concern that there seemed to be a lack of joined-up thinking in relation to the Programme. Further, members were concerned that the issues that had not been taken into account to date would have a significant impact on the success of the project, so it was imperative that officers undertake the all encompassing modelling as a matter of urgency.

Recommendation 2

Officers to produce one report that includes all risks and mitigations in relation to the Regeneration Programme.

This report will include the impact of the expected increase in population will potentially have on the council, its partners and the borough.

The report will analyse and discuss, but not be limited to, the impact on (1) the NHS and care services, (2) education, (3) transport services (including both infrastructure and capacity improvements to rail and bus services, better London orbital routes, and other local transport issues that will be experienced throughout the developments, i.e. parking and road issues), (4) refuse collection, (5) increased demand for enforcement and regulation against the potential social and economic gains including increase in Council Tax receipts and business rates (including any business profiling that has been undertaken and a strategy to encourage businesses to move and stay in Harrow), (6) the New Homes Bonus, (7) increased employment (and whether this will be long or short term), and (9) apprenticeships that may be created in the area, and if so, in which sectors and in what numbers.

Infrastructure

Members probed as to the actions being taken to alleviate parking pressures. The Leader of the Council stated that this was a consideration of the Planning Committee for each application it received. The Chief Executive added that a report had been produced by Atkins, specifically on the Wealdstone area. Members again reiterated the need for a cumulative report that considered all of the increased demands on infrastructure – including transport, health, and education. Further, Members stressed, that good governance requires that this should include oversight of all the Regeneration Programme's impacts, including costs, benefits and finances, should be gathered in one place.

It was noted that there is a lack of employment and office facilities in Harrow, and it was accepted that this was not a new problem. It was also noted that there is no large industrial estate. Members asked what was being done to get large businesses into the local area. The Director of Regeneration Enterprise and Planning undertook to provide a written response to this (which was completed and submitted in October). In the same line of questioning at the second Challenge Panel, the Deputy Leader suggested that there was a need to engage with a developer who was familiar with the local area in order to develop a viable project.

Members raised the issue of London Midland trains at Harrow and Wealdstone station, and stated that greater frequency, capacity and reliability would help underpin the Regeneration Programme. The Deputy Leader added that there had been discussions with TfL about improving bus network connectivity. The Deputy Leader also outlined his proposed express bus route to link Heathrow Airport to Luton Airport, via Harrow; even potentially operating this as a council run service. However, he reported that no progress had been made on this to date. Members queried as to whether a lobbying strategy for transport improvements was in place. The Leader agreed that there was a need for a more frequent London Midland service and stated that he was in discussions around how to push to extend Crossrail to Harrow and Wealdstone. He continued that the train platforms were often nearly at capacity, and that he would continue to lobby around this, and could and would push harder. In relation to local job opportunities, the Leader suggested that more cross-party work could be undertaken.

Recommendation 3

For a comprehensive lobbying strategy be developed to promote improved transport links, including improved station facilities, increased train capacity, frequency and reliability, to central London and out of London.

Recommendation 4

As part of the lobbying strategy, for a letter to be drafted from the Leader of the Council and the Leader of the Opposition to the Mayor and Transport for London (London Underground Lines and London Overground), relevant Government Ministers, Department of Transport, Network Rail, and rail operating companies (London Midland, Southern, and Chiltern Railways) calling for improvements in capacity and facilities at Harrow and Wealdstone Station and Harrow-on-the-Hill station along with greater frequency, more capacity and improved reliability of all services operated by London Underground Lines, London Overground, London Midland, Chiltern Railways and Southern.

Population Projections

Officers advised that 5,500 homes would be built over the period to 2026, which would see an increase of between 11,000 and 15,000 people; but some of that demand was already in the borough. The Chief Executive agreed that there was a requirement to consider the impacts of the population increase.

The Deputy Leader suggested that an objective of 3,500 new jobs was achievable. Members reiterated that long term jobs had to be created, in addition to short term jobs associated with the building phase of the Programme.

Recommendation 5

The Council to produce a Harrow specific, all-encompassing infrastructure plan / strategy, which will incorporate the Atkins study on Wealdstone and clearly set out how the impacts of the Regeneration Programme will be managed both in the short and long term.

Recommendation 6

For all relevant strategies produced by the Council to reference the Regeneration Programme and how they contribute to or are impacted by it.