
REPORT FOR: CABINET

Date of Meeting:	30 May 2019
Subject:	Regeneration Programme Update - Building a Better Harrow
Key Decision:	No
Responsible Officer:	Paul Walker Corporate Director, Community
Portfolio Holder:	Cllr Keith Ferry, Deputy Leader and Portfolio Holder for Business, Planning & Regeneration Cllr Adam Swersky, Portfolio Holder for Finance and Resources
Exempt:	No, except for the Appendix 1 to this report which are exempt under paragraph 3 of Schedule 12a of the Local Government Act 1972 (as amended) in that they include information relating to the financial or business affairs of any particular person (including the Authority holding the information)
Decision subject to Call-in:	Yes
Wards affected:	All wards
Enclosures:	Appendix 1: Corporate Risk Register Extract (Part II - Exempt)

Section 1 – Summary and Recommendations

Reason for the Report:

To provide an update report to members on the progress of all Regeneration activity being designed and delivered across the borough.

Recommendations:

1. To note the successful progress on the delivery of the Council led Regeneration of Regeneration activity across the borough through both public and private partners.

Reason: (For recommendations)

To provide an update report to members on the progress of all Regeneration activity being designed and delivered across the borough.

Section 2 – Report

Introductory paragraph

2.1 The purpose of this report is to highlight progress to date of all Regeneration activity across the borough through a range of public and private partners.

2.2 The Councils Regeneration Strategy 2016-2026 has three core themes these are:

Place - Providing the homes, schools and infrastructure needed to meet the demands of our growing population and business base, with high quality town and district centres that attract business investment and foster community engagement.

Communities - Creating new jobs, breaking down barriers to employment, tackling overcrowding and fuel poverty in our homes and working alongside other services to address health and welfare issues.

Business - Reinforcing our commercial centres, promoting Harrow as an investment location, addressing skills shortages and supporting new business start ups and developing local supply chains through procurement.

2.3 The final page of the Strategy outlined the Actions, Performance Measures and Outcomes that would be delivered over eleven years.

2.4 The information below outlines the performance to date, primarily against the themes delivered and measured by the Economic Development and Research team.

2.4.1 Delivery of the Heart of Harrow Action Plan

Performance Measure: New homes created, new jobs created including: apprenticeships, local labour, private sector investment, new commercial space, new business located in Harrow and to progress against infrastructure delivery plan.

Outcome: £1.75bn development programme delivered, improved town centre facilities, renewed and expanded housing stock, healthier community
Increased economic activity and resilient business base.

Performance to date: Between 2014/15 and 2018/19 there have been 2,801 net housing completions. The total number of jobs in Harrow has risen to a record 98,000 in 2017, the highest number since recording began in 2000 (NOMIS). Total jobs include employees, self-employed, government-supported trainees and HM Forces. The delivery of the Regeneration Strategy through Planning Policy and Economic Development has enabled private sector investment, and the creation of new jobs. However, the job creation has been offset in part by the introduction of Permitted Development (9,900 lost jobs subject to all schemes being completed).

The council's Procurement and Planning Policies and Economic Development employment projects have led to 1,571 residents employed through the council's supply chain, and 865 employed on development sites. In this period 904 young people have been supported into employment and 469 into apprenticeships. Private sector led regeneration in the opportunity area includes the College Rd, Gayton Rd, Lyon Rd, St John's Rd and Harrow View sites.

2.4.2 Improving Harrow's Strategic Accessibility

Performance Measure: Service improvements to central London, Public Transport Accessibility Levels and improve numbers of people using public transport (bus and rail/tube)

Outcome: Enhanced offer to business, improved levels of inward investment and business retention levels increase.

Performance to date: A Wealdstone Transport study was completed in 2017 which assessed the future impact of the Regeneration Programme on the transport network and recommended transport interventions including a bus priority scheme to facilitate improved reliability and expansion of bus services in the town. Increasing the bus mode share was highlighted as important to facilitate growth. A bus priority scheme for the town centre has subsequently been under development and been subject to detailed modelling and ongoing

liaison with Transport for London (TfL). A comprehensive business case will be brought forward to TfL to request funding for the scheme in 2019.

TfL improvements in the pipeline for Harrow-on-the-Hill, Canons Park, Rayners Lane & Stanmore. Enhanced offer to business has included the introduction of revised procurement policies, over 27% of Harrow council's procurement is now spent locally (target 15%).

During this period 4,531 businesses have been supported through council events. Vacancy rates in district and town centres have reduced from 5.61% in June 2014 to 3.05% in June 2018. The Council has enhanced its offer to town centre and district centre businesses through improvements to Station Road, the running of a Meanwhile Pop Up Shops Project at Wealdstone & Rayners Lane and artists workspace at Whitefriars Studios and the Pinner Work hub. The Rayners Lane triangle public realm project will be completed by December 2018. A number of trader groups have been supported & established.

2.4.3 Investing In Improved Infrastructure

Performance Measure: Access to new or improved open spaces and sports/leisure facilities, access to improved libraries and other cultural facilities. Access to school places, production of local energy, local suppliers engaged and spend in the local supply chain. Reduce the percentage of residents living in fuel poverty and invest in Community Infrastructure Levy.

Outcome: High educational standards sustained, locally generated heat and power on major development sites. Healthier, more active community and improved accessibility of green spaces. Business growth and retention. Increased economic activity.

Performance to date: The Wealdstone Transport study highlighted the need to improve transport infrastructure to facilitate an increase in the walking and cycling mode share in accordance with the "healthy streets" aspiration in the London Mayor's Transport Strategy. A comprehensive liveable neighbourhood bid for Wealdstone is under development and will be submitted to TfL for consideration during 2019.

Harrow schools continue to be rated either Outstanding or Good. The Not In Education Employment or Training (NEET) figure is 1.2%. Economic Activity levels have increased from 76.7% in 2014 to 80.9% (NOMIS- Official Labour Market Statistic).

The number of Active Enterprises in 2014 was 14,000 and in 2018 (most up to date ONS Data) is currently 15,500. Survival rates at 1 year and 2 years were respectively 92% and 75% in 2014 (London 91% and 74%). The latest data (2016) only shows survival rates at 12 months which for Harrow was 91% and London 90% and for two years (2015) Harrow was 72% whilst London was 68%.

Two new public spaces will be delivered. One is in Harrow Town Centre, the private sector led Harrow Square and the Council led (GLA/Section 106

funded) Lyon Square (now known as Greenhill Place) which will be completed by March 2020. The second is the new Wealdstone Square which will be in place by Q2 2019/2020. Over £6m of Community Infrastructure Levy committed for investment. Over £40m spent in the local supply chain' to 'in the region of £79m spent in the local supply chain.

2.4.4 Maximising local economic benefits

Performance Measure: Jobs created including: apprenticeships, local labour and local suppliers engaged and spend in the local supply chain. Private sector investment, new commercial space, new business located in Harrow 15% spend with local suppliers and 500 young people into jobs and apprenticeships.

Outcome: Business start-ups increased, business growth/retention and increased economic activity. Skills profile further enhanced, economic benefits throughout the supply chain, improved business facilities and supporting infrastructure. Business growth, business resilience, jobs created enhanced skills and productivity.

Performance to date: Economic Activity levels have increased from 76.7% in 2014 to 80.9% (Oct 17 to Sep 18). Number of Active Enterprises increased by 30.5% between 2014 and 2017, to 14,555 (ONS). Business Survival rates at 1 year are 90.8%, based on businesses born in 2016. This is slightly below England's level of 91.6% (ONS Business Demography, 2017). The number of jobs in Harrow has increased by 9,000 between 2014 and 2017

As a result of Harrow council initiatives;

1,571 residents have been employed through the supply chain and 91 have moved into Apprenticeships (through council contracts). In addition 865 jobs have been created on local development sites as well as 84 Apprenticeships (these are non-council local developments).

In addition, the Xcite team and Learn Harrow have collectively supported 1,872 into employment. This includes 1,057 young people entering employment and Apprenticeships. The total number of Apprenticeships is 508.

Improved business facilities include the creation of Stanmore Place (Innovation Centre), Whitefriars Studios, and Pinner Hub

Section 3 – Achievements to date

3.1 The Council has built on its early successes by accelerating the pace of housing delivery; exploiting the Council's property assets; working with partners to improve Harrow's infrastructure; continuing to maximize the local economic activity for communities and businesses and focussing on the Heart of Harrow as an area of opportunity.

3.2 The Council's achievements to date are set out below:

- The Council has supported 4,531 businesses and has secured funding for pop up shop projects, business to business mentoring, and new workspace.
- The percentage of spend with local suppliers has increased to 27% of total spend in February of this current financial year (2018/19).
- The procurement policies and procedures have been reviewed to ensure a greater emphasis on securing jobs and apprenticeships for Harrow residents and support to Harrow's Community and Voluntary sector.
- £2.2m of external funding was been secured from the GLA and TfL and to deliver High Street improvements on Station Road and create new affordable workspace at the former Colart site.
- £1.3m of GLA funding has been secured to deliver a new public square in Wealdstone, and a new public place and additional work space at Lyon Rd (Greenhill Place). Construction work underway on Wealdstone Square and design being developed for the latter.
- £1,860m secured for Harrow Arts Centre (HAC) (£760k GLA funding and £1.1m Borough Community Infrastructure Levy;) project to ensure the site is planned better, to support improvements to the public realm, to bring empty buildings back into use, provide new modular units to replace the old units; to expand and improve provision for lessons & workshops and to provide workspace for artists & creative businesses.
- Town and district centre vacancy rates have fallen to 3.05% of empty shops across Harrow's district centres and Metropolitan Town Centre
- Private sector investment in the Heart of Harrow is at unprecedented levels with schemes on College Rd, Gayton Rd, Lyon Rd, St John's Rd and Harrow View sites.
- Harrow Housing completions target has been met. Between 2014/15 and 2017/18 there have been 2,801 housing completions

The Council has been recognised in:

- 2019 London Business Awards 2019: Highly Commended for "Best Apprentice"
- 2018 Place West London Winner Category: Town Centre
- 2017 Place West London Winner Category: Employment
- 2015 Best All Round Small Business Friendly Borough (Federation Small Businesses and London Council's)
- 2015 Runner Up - Best Work with Supply Chains and Small Businesses (FSB and London Council's)

3.3 Working in Partnership:

Working with developers and partners the council has an extensive programme of regeneration opportunities across the borough which include :

Canons, Rayner's Lane and Stanmore station car parks

TfL have selected Catalyst Housing Ltd as the preferred development partner, to provide provisionally 400 affordable housing on the site. The pre-application process will commence in Spring 2019 and it is expected that a planning application will be submitted towards the end of the year.

Harrow-on-the-Hill station

TfL proposed development for 600 units on the Harrow-on-the-Hill station site, is moving at pace with a planning application due to be submitted in the autumn 2019.

Cumberland Hotel site

Origin Housing is currently on site with Hill Development as their main contractor. The scheme will deliver a mixed use scheme development including over 200 residential units.

New Commercial Unit

The Commercial Unit on Cumberland Hotel site is planned to serve the new Lyon's Road. It is ideally located directly facing Lyon Road, with the Redrow Development scheme, due to complete 2019.

Origin Housing

The Northolt Road 120 residential unit scheme is on site. Origin are also planning to announce their development timetable for the 186 units, mixed use 1-17 storey 40% affordable consented Wealdstone sites (subject to S106 with GLA) at Palmerston Road.

Hyde/Barratt

Harrow Square scheme at 51 College Road is under construction, 318 units plus commercial and new library scheduled for Jan 2020

Harrow View East

Hyde Housing and Barratt Homes are progressing with their enabling works on the redevelopment of the former Kodak site alongside L&Q. Total capacity 1800 plus. Currently on site, building phase one of their scheme.

Harrow View West

Persimmons are constructing 315 units on the Harrow View West site.

Harrow School

The Council have adopted a Supplementary Planning Document, in collaboration with Harrow School, to plan the future of the estate. The school is Harrow's most well-known institution and the continued success of the school will continue to attract investment into the Borough. The school has

developed plans for a new science and sports block. Planning Committee resolved to grant planning permission, but the Mayor of London 'called-in' the application and directed that it should be refused in January 2018. Harrow School has now appealed the decision and the appeal was considered at ten day Public Inquiry which started on 30th April 2019.

Palmerston Road

Mixed use scheme with 222 co-living units has committee resolution to grant, in September 2018, subject to Section.106. Pre-demolition conditions have been discharged. Existing buildings to be demolished imminently, with the developer simultaneously seeking to discharge pre-commencement conditions.

3.4 The Council's Regeneration Programme

The Regeneration Programme Strategic Objectives is to make the best use of Council assets by building new homes, making the best commercial value of the assets, stimulating the local economy and giving the local community a sense of place.

Wealdstone Regeneration Plan

The Council has commenced the development of a Wealdstone Regeneration Plan The plan outlines the Councils ambition to regenerate Wealdstone and surrounding opportunity areas.

The Plan currently looks at the following areas:

- Complete or underway projects
- Future areas of opportunity within Wealdstone

The plan will transform into a Regeneration strategy and will form part of the Regeneration Masterplan for Wealdstone which will be brought back to Cabinet for approval.

Wealdstone Square

A scheme to transform the under-used public space in Wealdstone that sits between Holy Trinity Church and Subway into a new town square. Harrow Council was successful in securing a grant of £850k from the Greater London Authority under the London Regeneration Fund. The scheme is being led by the Economic Development team, Designs were agreed following consultation with businesses and the public. Works are underway and the scheme will be completed in Quarter 2 of 2019/20.

Depot redevelopment

The Planning committee resolved to grant planning permission for the revised scheme in January 2019. This is currently being considered by the GLA under Stage 2 of the referral process. The ongoing scheme is progressing to timescale to ensure that the warehouse spaces; MOT workshop, vehicle repair and body shop complete by the end of 2019 and full completion of offices and car park complete by July 2020 with turnkey operational date of

September 2020. At this stage the temporary building will be dismantled to create additional bus parking spaces.

Gayton Road

The Gayton Road scheme is being developed in partnership with Fairview New Homes (FNH). The development totals 355 homes of which 230 are owned by FNH, to be sold on the open market. In accordance with the terms of the land transaction agreed with FNH, the remaining 125 units are owned by Harrow Council on a long leasehold basis. Two blocks, comprising 72 units, are managed by the Housing Services at affordable rents. These units are currently held in the Council's General Fund and let as temporary accommodation. In addition to the affordable units the land transaction provided for FNH to build out a further block of 53 private units and associated 36 car parking spaces for the Council in lieu of the Council taking a receipt for its land. The private block owned by the Council also includes approximately 5,000 sq. ft of community / commercial space located on the ground floor. In November, Cabinet approved proposals to transfer the units to its wholly owned investment vehicle Concillium LLP for the purpose of letting the units in the Private Rental Sector (PRS).

Haslam House

Following a procurement process the Council decided not to make an award as tenderers did not achieve quality expectations set out in the tender. Consequently it has been decided to make a direct award which is permissible under the Public Contract Regulations. To this end, an approach has been made to 2 contractors who have recently either completed work or have passed the quality threshold to price for the job. The timeframe for completion of this exercise and contract award has been tentatively set for mid June 2019. Completion of the scheme is now expected to be in July 2020.

Waxwell Lane Car Park

The scheme plans the construction of 20 houses (2 of which are affordable and 2 shared ownership) at Waxwell Lane, a Selection Questionnaire has been sent to the open market asking for contractors to register an interest in the scheme. It is proposed that contract award of this scheme will take place in Aug/Sep 2019 with an estimated completion on site of March 2021.

Vaughan Rd

Vaughan Rd is an operational car park which is currently underutilised. The site is located on a one way road and there is considerable site constraints which hinder development proposals these include a dual carriageway, adjacency to train line and level changes across site. The Council is now reviewing alternative development opportunities for the Vaughan Rd site.

Poets Corner

The Poets Corner site is where the existing Council Civic Centre is currently located and therefore it has a direct interdependency with the Harrow New Civic Project. The site is ideal for development given its close proximity to

Harrow & Wealdstone station. The Council is currently reviewing its proposals for Poets Corner to achieve affordable homes and make the best use of the Council asset. The site is now directly linked with the Harrow Strategic Development Partner (HSDP) procurement process. The Council is currently exploring the possibility of accelerating the building of affordable homes on a small stand alone site within the Poets Corner scheme referred to as Plot S which is therefore excluded from the HSDP procurement process.

Harrow New Civic Centre

As detailed above the Harrow New Civic Centre project is interdependent with the Poets Corner project this is due to the location of the existing Civic Centre. The site is now directly linked with the Councils procurement of HSDP.

Byron Quarter

Byron Quarter is the location of the Council only Leisure Centre. The site is in an ideal location and backs onto Byron Park and is centrally located. The proposed scheme will deliver up to 850 new homes, including 130 build to rent units. The Council has recently reviewed their proposals to maximise the site and get the best possible outcome for the asset. Phase 1 of the site is now directly linked with the Councils Strategic Development Partner procurement process.

Greenhill Way

Greenhill Way is an operational town centre car park that currently underutilised by the local community. The site backs onto the Debenhams store. The Regeneration Programme review found that the proposals for Greenhill Way are in the earliest stage of design development looking at potential uses for the site such as: retail, student, residential or hotel. The Regeneration Review has suggested that the Council reviews the potential project options and explores the proposals outlining pros and cons for future development making best use of the site. The Council considered that Greenhill Way is a good centrally located site would gain the interest of a Joint Venture Partner. It was also recommended for the Council to engage with all town centre retailers to understand their long term plans for their sites.

Harrow Arts Centre

Harrow Arts Centre has adopted a new business plan which focusses on financial sustainability to meet its financial targets through increasing participation in the arts. This includes creating new multi functional rooms and refurbishing redundant rooms for the creative sector. This will be delivered through capital provided by the Council. The business plan has recently been produced and presented which demonstrates demand from organisations wishing to hire space for dance, music, drama, fitness, yoga and artists' workspace.

3.5 The Council's Housing Programme

Housing Schemes including Infill Housing Programme

Cabinet approved the new Homes for Harrow council house building programme in February 2019 for 639 new council homes. It is part funded by

£32m of grant awarded under the Mayors Building Council Homes for Londoners Fund. On the current Homes for Harrow infill programme 12 new family homes have been completed for rent and two for outright sale, with a further 13 homes currently under construction of which five are for sale as shared ownership. 10 of these are due for handover imminently.

Planning permission has also been received for a further 35 new homes, including one scheme of 26 homes and another of 9 homes to be developed for affordable rent. Until the recent funding announcement it has not been possible to progress with building these homes due to funding constraints. However these are now being taken forward and the build contract for the 26 home scheme will commence in April 2019.

Grange Farm

This Housing regeneration scheme will provide 574 new dwellings, with new community space and public realm to replace 282 existing homes. Planning permission was granted in March 2019 with the first phase of the project in detail and the remainder in outline. The council is awaiting confirmation of an allocation of £10m of funding for this scheme from the Ministry for Housing, Communities and Local Government's Housing Infrastructure fund. In April 2019, Cabinet was asked to approve the appointment of the contractor to directly deliver Phase 1 comprising 89 new flats, 68 for social rent and 21 for shared ownership. Work is due to start on demolishing the existing homes in Phase 1 in October 2019.

3.6 The Council's Education Programme

Schools Programme

The third phase for the school expansion programme is completed. The next stage is to monitor the impact of the Council's regeneration Programme and other large private developments on demand for school places. Two sites have been identified for new schools. Harrow View Primary School on the Kodak East site and space has been identified within the Civic Centre site for a new primary school. The focus moving forward will be on secondary school and Special Educational Needs and Disability (SEND) places.

Section 4 – Strategic Direction

4.6 The Regeneration Programme is overseen by the Council's Building a Better Harrow Board, established in January 2018 to provide, at Corporate Strategic Board level, an overarching strategic view of regeneration in its broadest sense across the Council, to have a clear understanding of the links between investment, performance and outcomes and to review and agree all regeneration projects before formal approval by Cabinet.

The terms of reference for the Board include: to take stock of wider interactions of regeneration programmes within the Council's Ambition Plan, patterns of need in the community and service delivery across the range of Council functions for example: impact on homelessness, care provision,

education, health. As well as broader economic impacts such as business rates, employment and health of the town centre.

The Board monitors the performance and budget of all regeneration projects across the Council and provides CSB members with the opportunity to understand the wider remit of the current regeneration programme and interrelationships between different elements of the programme, including housing, extra care, the Harrow New Civic Centre, the Depot development and the Poets Corner and Byron Quarter developments.

The Council is commencing a refresh of its Regeneration Strategy 2016-2026. This updated Regeneration Programme Strategy will be brought back to Cabinet in a later update for approval.

Risk Management Implications

Risk included in Corporate Risk Register:

The risk of failure to deliver a regeneration programme that is financially viable and meets its aims leading to a worsening of the Council's financial position and damage to our reputation resulting in an inability to pay the Council's debts and loss of support from residents and business is included in the Corporate Risk Register.

An extract of the Corporate Risk Register is attached (Appendix 1) showing the key measures in place to mitigate this risk and the risk rating.

As part of the Governance arrangements for the Regeneration Programme, risks are to be assessed at a project level and at individual project boards these will then be reported up to Building A Better Harrow Board on a monthly basis and through onto Cabinet on a quarterly basis in line with the corporate governance arrangements.

Procurement Implications

Any procurement arising from the updated Regeneration Strategy will be supported by the Council's Procurement Team and will comply with the Council's Contract Procedure Rules and Public Contract Regulations 2015.

Legal Implications

The Council has a range of powers to enter into the contractual arrangements arising from the regeneration programme, including the general power of competence under Section 1 of the Localism Act 2011 to do anything that individuals can do subject to any specific restrictions contained in legislation.

The Council also has the power to dispose of acquire and dispose of land by agreement in accordance with Sections 120 and 123 of the Local Government Act 1972 subject to obtaining all appropriate consents and approvals and

ensuring that any grants of leases for more than seven years are for a consideration that is the best that can reasonably be obtained (unless secretary of state consent is obtained).

All procurement activity of works and services must be carried out in compliance with the Public Contracts Regulations 2015 and Council Contract Procedure Rules.

Financial Implications

In 2019/20 there are four council projects proceeding which require capital investment:

- Harrow New Civic Centre
- Poets Corner
- Haslam House
- Waxwell Lane

The Capital Programme, approved by Council in February 2019, includes capital budget of £24.885m to support these schemes:

- 2019/20 £19.692m
- 2020/21 £5.193m

When the Capital Programme is rolled forward, a budget of £0.510m will be included for the four schemes.

The funding included for Harrow New Civic Centre and Poets Corner is included as a place holder and this funding will not be drawn down until the approval of a Business case.

For Haslam House, once the award process has been completed, if the funding level or profile in the current Capital Programme requires changing, this will be managed and reported in accordance with Financial Regulations.

The Council has previously created financial capacity to fund the revenue elements of the Regeneration Programme. The total capacity was £5.1m of which £3.4m has been used and the balance remaining for 2019/20 is estimated at £1.7m. The on going revenue costs, cost of the procurement exercise, including external commercial and legal advice, will be contained within this remaining balance of £1.7m for 2019/20.

Equalities implications / Public Sector Equality Duty

The EQIA for the Regeneration Programme (attached)

Council Priorities

The Council's vision:

Working Together to Make a Difference for Harrow

- Making a difference for the vulnerable
- Making a difference for communities
- Making a difference for local businesses
- Making a difference for families

Please find below the link to Building a Better Harrow website and Regeneration Strategy document 2015-2016:

<http://www.buildingabetterharrow.co.uk/#/about/>

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Director of Finance
Date: 1/5/19		
Name: Hugh Peart	<input checked="" type="checkbox"/>	Monitoring Officer
Date: 1/5/19		

Section 5 - Procurement Officer Clearance

Name: Nimesh Mehta	<input checked="" type="checkbox"/>
Date: 1/5/19	

Ward Councillors notified:	NO, as it impacts on all Wards
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EqIA carried out:

YES

EqIA cleared by:

Section 6 - Contact Details and Background Papers

Contact: Paul Walker, Corporate Director, Community

E: paul.walker@harrow.gov.uk

T: 020 8416 8658

Background Papers: Equality Impact Assessment

**Call-In Waived by the
Chair of Overview and
Scrutiny Committee**

NO