

Annex 1 – excerpt from GHK report Economic Regeneration Review, Towards a Revised Strategy London Borough of Harrow – August 2006

1 EXECUTIVE SUMMARY

As the elected authority for the locality the Council is expected to provide leadership to the local community. It has a duty to promote the economic, environmental and social well-being of the area, acting in concert with its partners to do this through the Local Strategic Partnership. It is as important that it does this in the field of economic regeneration as it is of other fields and it therefore needs clear direction to its activities. Through these it can have a significant effect on many components of the economy. Through a co-ordinated programme of actions with its partners, it has the opportunity to build on the many strengths of the local economy and population to make Harrow a location of choice – a location of choice for people who want to live and work in the Borough and a location of choice for people who want to set up and grow their businesses here.

This report sets out how it may go about doing so, doing so by recognising its strengths and weaknesses, understanding what opportunities and threats the future may hold and being realistic about what is achievable. To do this it focuses on four key areas. These are:

- the context within which economic regeneration decisions can be taken in terms of existing regional and sub-regional plans, the Local Area Agreement to which the Council is a signatory and the 2006/09 Corporate Plan it has already adopted
- the evidence base that should inform its decisions in terms of the objective circumstances of the economy, previous strategies and a programme of more focused research recently undertaken by the Council focusing on issues of particular local importance
- the long term options for the Council in terms of the type of local economy it wishes to see develop and whether it should strive to retain its uniqueness and focus on developing its economic strengths or accept further amorphous suburbanisation within the wider London economy and focus on ameliorating its economic weaknesses, and
- the challenges it will face in pursuing preferred options and the types of actions it and its partners will need to take to meet them.

The context is set by the wider economy, in the case of London increasingly globalised, and the response to this of central government and London government in the person of the Mayor. These see the key challenges as being those of how the respond to:

- high numbers of jobless people, particularly those with low skills
- a volatile economy with more peaks and troughs than elsewhere in the UK
- substantial deprivation

- a housing market under considerable strain and with pressure expected to increase as a result of continued population growth
- a transport infrastructure that has not kept up with demand
- public services that are challenged because of the unique characteristics of the city; and
- a complex system of governance that does not easily enable a focus on the city's strategic needs.

Accordingly they have set out a series of high-level policy frameworks and initiated a range of economic regeneration programmes to meet these challenges. To an extent these are a 'given' but they do not present the whole story. They present the Council and its partners with opportunities and flexibilities to achieve those things in Harrow which are of most importance to local communities. These are set out in election pledges, directorate and partner strategies as well as within the Community Plan, the Local Area Agreement and the Councils own Corporate Plan. These stress:

- developing a real partnership with Harrow businesses
- improving the skills of the population and access to the labour market so that all are able to contribute to and share in economic growth
- improving the business environment by meeting local business needs in a variety of ways such as provision of incubator space and customer-friendly access and by attracting and growing new businesses, and
- playing to the underlying strengths of the economy, developing its key sectors such as tourism and exploiting the opportunities of major developments such as Wembley

The evidence suggests that within this overall context there are strong reasons to be optimistic about the health of the local economy. Although in some respects a typical outer London Borough with a net outflow of workers and dependency on central London it has many strengths. There are, high relative household earnings, a good employment and sector mix mainly focused on services and professional/skilled staff, a relatively well skilled workforce, and small geographical areas where there are concentrations of lower skilled/lower paid/not employed that can be harnessed to increase the labour supply. It has a strong and resilient local business sector with a wide range of local employers in terms of size and sector, a vibrant small business sector which is energised and renewed by local entrepreneurship (itself being augmented by demographic change), and a steady flow of young people and others adding to the skilled workforce available. On its door step are some of the growing employment areas in North and West London and others marked out for expansion and renewal.

However, there are signs though that some of these economic advantages are at risk and if they were to disappear the future of the local economy would be less prosperous. Harrow's economy depends on the healthy flow and growth of a relatively large number of new and small businesses, the group that need most help to become established and sustain growth; the continuing presence of large employers, more of whom are probably likely to move or downsize in the next ten years; the accessibility to jobs outside the Borough in both central London and other parts of West London where

transport changes need to match changes to where jobs are; and the availability of skilled people when demand for professional and trade skills is inexorably rising ahead of supply.

In the face of this context and evidence the Council faces and must take real choices about how it wants Harrow to develop over a ten-year-plus term. At an abstract level it could set a course for Harrow to become a:

- commuter/freelancing dormitory with most employment gained from other parts of the London region
- largely commuter/freelancing dormitory with high levels of employment within the London regions but with vibrant town centres providing employment in business services meeting local market needs
- largely commuter/freelancing dormitory with high levels of employment within the London region but with a significant range of employment in local businesses with regional as well as local markets making the most of its vibrant town centres
- balanced local economy with a mix of local and regional employment and local businesses serving national and regional as well as local markets, or a
- predominantly local employment market for residents from businesses with national, regional and local markets

However, it must be clear that not all these choices are realistic. Harrow is a small player in an increasingly globalised economy and the Council is but one partner to a series of potential actions the combined impact of which can only ever be limited.

This being the case the ambitious but achievable course to set is the third, that of accepting that Harrow is an intrinsic part of London but one which retains many local strengths that can give it an advantage and has town centres which are fully capable of retaining their distinctiveness and acting as foci for economic growth in their own right. If this is the course to be set then the local economy will need to retain around 40% of its workers in local employment, maintain employment growth, increase the supply of higher skilled workers, retain a significant proportion of large businesses and grow others, improve the quality of employment land and focus mixed uses including employment on its town centres. To do this the Council and its partners will need to focus on:

- up-skilling and re-skilling of local residents
- retaining business HQs, manufacturing and public sector jobs
- improving the quality of employment land, buildings and transport infrastructure
- improving traffic flow and reducing congestion is not easily reconcilable with providing parking for businesses
- supporting the new businesses being established as well as more established SMEs to provide future jobs in the local economy
- keeping Harrow's large employers in the area to maintain their employment and supply chains
- overcoming some of the negative perceptions of Harrow as a place to work as well as live, and
- ensuring public transport links to employment opportunities outside the area are maintained and enhanced

There is much that can be done to achieve these and most Council services have a contribution to make to one or more of these groups of activities. Of equal importance, however is that the Council ensures partners are aware of their key responsibilities and is able to influence them to deliver on this vision alongside the Council. This will not simply be a matter for themselves alone. Economic regeneration within London and at central government level is a contested area. There are many needs but resources are finite. Thought should therefore be given to how the Council and its partners, along with others in a similar position vis a vis economic circumstance and economic regeneration needs, can articulate their needs and opportunities at these wider levels.