

HARROW STRATEGIC PARTNERSHIP BOARD
 Harrow Local Economic Assessment – David Sklair
 14 December 2010

<p>Introduction</p> <p>The last Government introduced a statutory duty on councils to undertake an assessment of the economic conditions of their area - a “Local Economic Assessment” (LEA). A copy of the draft LEA is included as Appendix A.</p> <p>The aim of the LEA is to ensure local economic development and related strategies are developed on the basis of a robust evidence base.</p> <p>The draft LEA has been subject to consultation with relevant local and regional business and other organisations.</p> <p>The final version of the LEA will tell a “story” of Harrow’s economy, as well as providing a range of key statistics.</p> <p>The HSP Board is asked to comment on the draft LEA and in particular Section 14 – Issues and Analysis.</p>
<p>Proposed Action</p> <p>The draft LEA will be amended following this consultation process and then reported to the Council’s Corporate Strategic Board and Cabinet before being formally published.</p>
<p>What are you asking the Partnership Board to do</p> <p>HSP Board is asked to</p> <ul style="list-style-type: none"> • Endorse/comment on the draft LEA especially Section 14. • Ensure that the LEA is used to inform the strategies and services within their own organisations as appropriate.

Summary of the issue

From April 2010 local authorities, including London Boroughs, have a statutory duty under the Local Democracy, Economic Development and Construction Act (2009) to undertake an assessment of the economic conditions of their area. These assessments are generally referred to as ‘Local Economic Assessments’ (LEAs).

Following the General Election in May 2010, the Statutory Guidance on LEAs was withdrawn. However, the requirement to undertake an LEA remains and the Coalition Government has recently announced (September 2010) that it does not intend to monitor or assess LEAs. Local authorities are now free to determine the

breadth and scope of their LEAs reflecting local priorities and “without interference from Government”.

At a Strategic Level, London Councils has entered into a Memorandum of Understanding with the GLA on the core data to be used in the LEA. This is to ensure consistency of approach.

At a Regional Level, a West London LEA has been produced and a working group established which includes all the West London Boroughs.

What is the Purpose of an LEA ?

The LEA brings together in one document information that is generally held across the council and other agencies.

It is an **assessment** of the local economy and not a **policy** document as such. However, it should be used to inform policy and strategy at both a local and regional level.

LEAs should:

- Provide Local Authorities and stakeholders with an understanding of how economic conditions and forces shape places.
- Reflect the economic character of an area.
- Describe the economic forces and factors affecting the area to inform policy and action.
- Enable challenge, testing and development of policy, visions and aims. The assessment should inform approaches to place shaping, adding and contributing to other strategies and plans (e.g. Regional Strategies, Sustainable Community Strategies, Local Development Frameworks, SHLAAs, Joint Strategic Needs Assessment (JSNA), MAAs, Growth Area IDPs, City Regions).
- Inform policy and priorities and link directly to achieving outcomes.

Consultation

The draft LEA was subject to consultation during October 2010 with relevant agencies including:

- Neighbouring Councils
- Traders Associations and Business Support Agencies
- Homes and Communities Agency
- West London Regeneration Officers Group
- West London Business
- North West London Chamber of Commerce
- Harrow in Business
- Federation of Small Businesses
- Harrow Groups (Large Employers Network, Recession Busters Group, Enterprising Harrow Group – these groups include Kodak, Ipsos Mori, Bovis

Lendlease, Jobcentreplus, Harrow PCT, Harrow College, Stanmore College, Clementine Churchill Hospital, Racal Acoustic, Metropolitan Police, HAVS, Harrow CAB, Bakkavor Pizza,)

LEA Issues and Analysis

To ensure that the LEA is useful and relevant to the Council, the document tells a “story” of Harrow’s economy, businesses, workforce etc based on data collated through the LEA process and previous analysis undertaken.

Section 14 of the LEA sets out the key facts and key issues that make up the Harrow Story. The HSP Board is asked to comment on and endorse the key facts and issues which are also set out below.

Key Facts

- a good employment and sector mix mainly focused on business services and professional/skilled staff,
- a relatively well skilled workforce
- high relative household earnings
- small geographical areas where there are concentrations of deprivation and worklessness
- a wide range of local businesses with a significant number of micro businesses (i.e. those employing between 0 and 4 people)
- A few very large companies provide a quarter of jobs in the borough
- Steady loss of some large employers (Metroline, Land Registry, Crown Prosecution Service)
- No key or dominant employment sectors
- Close to some of the growing employment areas in North and West London and others marked out for expansion and renewal
- Relatively good radial (public) transport links
- Steady loss of employment (office, light industrial) land and property due to land value differences and/or lack of demand
- Little recent private investment in commercial areas (town Centres and industrial and employment areas);
- Slow decrease in footfall in Harrow town centre

Key Issues

- Need to maintain business/employment base in borough despite pressure for redevelopment of (increasingly outdated) employment sites and buildings for other uses
- Need to maintain mix of local jobs
- Need to maintain attractiveness of Borough as place to invest in light of competition from sub region and south Hertfordshire
- Increasing competition from neighbouring town centres and other forms of retailing could effect Harrow town centre’s status as a Metropolitan Centre

- No key sectors – this helps in times of recession but makes it difficult to target business and sector support
- Loss of major employers (through closures or relocation) will have significant affect on the local economy
- Ensure good transport links to employment opportunities outside the borough

To do this the Council and its partners will need to focus on:

- Up-skilling and re-skilling of local residents
- Keeping Harrow's large employers in the area to maintain their employment
- Supporting the creation of new businesses as well as more established SMEs to provide future jobs in the local economy
- Improving the quality of employment land, and buildings
- Promoting and securing investment in the Intensification Area including Harrow town centre
- Improving traffic flow and reducing congestion
- Ensuring public transport links to employment opportunities outside the area are maintained and enhanced