

**REPORT FOR: PERFORMANCE AND
FINANCE SCRUTINY
SUB-COMMITTEE**

Date of Meeting:	26 July 2011
Subject:	Progress against the Economic Development Strategy Action Plan 2010/11
Responsible Officer:	Andrew Trehern, Corporate Director, Place Shaping
Scrutiny Lead Member area:	Councillor Sue Anderson, Sustainable Development and Enterprise Performance Lead Member and Councillor Stephen Wright, Sustainable Development and Enterprise Policy Lead Member
Exempt:	No
Enclosures:	Appendix A - Enterprising Harrow Action Plan 2010/ 2011- Update

Section 1 – Summary and Recommendations

This report provides an update on progress against the Enterprising Harrow, as agreed at the meeting (November 2010) between the Scrutiny leads for Sustainable Development, the Portfolio Holder and Head of Economic Development.

Recommendations:

That progress made against the strategy be noted.

Section 2 – Report

1. Introduction

The delivery of the Enterprising Harrow strategy will help Harrow Council achieve its Corporate priorities of:

- Supporting and protecting people who are most in need
- Supporting our Town Centre, our local shopping centres and businesses

When the scrutiny leads for SDE met with Portfolio Holder Keith Ferry and Head of Economic Development in November 2010, it was agreed that an update on progress would be submitted at the end of 2010/11. This report details the achievements made in 2011/12, includes as annexes the completed Action Plan for 2010/11 and agreed Action Plan for 2011/12, and outlines current direction of travel in national, regional and local policy.

The Economic Development Action Plan is the implementation plan for Harrow's Economic Development Strategy. The implementation of the Action Plan is managed by the Enterprising Harrow Steering Group. This group includes Harrow Council, Stanmore College, Harrow College, Jobcentreplus, Business Link in London, Harrow in Business, Brent and Harrow Education Business Services and West London Business.

In Quarter 3 and 4 of 2010/11 members of the Group were consulted on a revised plan for 2011/12. That plan needed to account for the changed circumstances resulting from central government funding cuts faced by partner organisations.

2. Performance Management

The Enterprising Harrow Group meet ever quarter and is chaired by the Head of Economic Development. Their work supports the Economic Development strand in Place Shaping Service Plan. The Enterprising Harrow group manage performance against the Enterprising Harrow strategy. The Head of Economic Development reports progress against the economic development element in the Place Shaping Service Plan to monthly Departmental Management Team Performance meetings. Those meetings are chaired by the Corporate Director. Directorate performance reports are provided each Quarter to the Improvement Board. The Head of Economic also provided Quarterly reports to the Harrow Chief Executives Group on progress to mitigate the recession.

The completed Economic Development Action plan for 2010/2011 and the Plan for 2011/2112 is attached.

3. Enterprising Harrow Highlights 2010/11

The following outline the delivery highlights from Harrow Council and its partners in delivering the 2010/11 Enterprising Harrow Action Plan.

- Publication of Harrow's first Local Economic Assessment, providing comprehensive analyses of the local economy.
- Harrow's first Commitment to Business produced, setting out the council's service offer to businesses.
- Xcite for Parents supported over 90 parents into work. Future Job fund supported 30 young people in employment.
- Harrow's first Meet the Buyer Events secured positive feedback from over 90% of respondents, and attendance over 100 companies at each event, with the opportunity to meet major buyers from companies operating in Harrow.
- The Credit Union has been rolled out and membership targets have been exceeded.
- Future Job Fund supported 43 young people into employment
- Gateway Asia – two events, over 100 businesses attending in total, advised on accessing trade opportunities in India
- Personal Best – 125 participants are guaranteed Olympic opportunity related interviews
- West London Sustained Employment Programme commenced, with new provision provided for Incapacity Benefit claimants by Catalyst.
- Response to Redundancy Programme supported 200 to gain new skills, and supported 60 into employment.
- Harrow College and Stanmore College supported over 1,000 learners in Vocational courses
- Harrow College developed plumbing and electrical provision for 16-18 year olds and adult learners.
- Harrow MIND developed the IAPT service to support employment retention for those with mild to moderate mental health issues
- BHEBS supported Harrow College with 13 vocational programmes with work experience
- BHEBS visited 480 employers and placed 4,200 into work experience
- Business Link supported over 4,000 Harrow companies, providing intensive business support to 123 businesses.
- HiB contractor of the year Barclays Let's Talk Business programme.
- HiB's Invest for Success (matched by Harrow Council) helped Harrow companies raise £500k in finance, over 60 clients were supported to develop business plans; 75 clients received 12 hour support.
- West London Business successfully delivered Place West. Feature articles on Harrow in 2 editions of Business West.

4. Policy context

Since the last review of Economic Development by Scrutiny, new priorities have been adopted by Harrow Council and Harrow Strategic Partnership which will support our ambitions for economic development.

- HSP priority of "Welfare and Worklessness"

Corporate priorities of

- Supporting and protecting people who are most in need
- Supporting our Town Centre, our local shopping centres and businesses

At a national and regional level, provision has changed. The Future Job Fund which provided employment to workless young people aged 18-24 has ended, West London Working (the City Strategy Pathfinder) was wound up in March 2011 and the LDA funded CAP09 programme was terminated in January 2011.

However, the Council was able to extract funds to continue to deliver its Xcite employment programme in 2011/12, but this is at 50% of former capacity. Equally, on a positive note, HSP is allocating funds through a competitive process to organisations that can demonstrate their activities will reduce Worklessness.

The council is also bidding to the Outer London Fund to secure funds to revitalise Harrow Town Centre and local shopping centres, and the council has completed Expressions of Interests to help deliver the DWP/ESF programme to support Families with Multiple Problems.

The Welfare to Work landscape has also been drastically changed and will continue to be as the Coalition Government's changes to the Welfare system are implemented.

The current and future provision includes the Work Programme, Work Choice, and the DWP ESF programme to support families with multiple problems. The Economic Development Unit (EDU) has led on developing links with prime contractors and responded (with support from Children Services) to the DWP consultation on provision for families with multiple problems.

The Coalition Government's Localism Bill, the proposed revision to the Planning System and the development of the Area Action Plan for the Growth Corridor also offers the chance for Harrow to attract new office and industrial development to the Harrow Town Centre and Wealdstone area, providing new job opportunities and the potential to increase revenue to the council with increased business rates. (Subject to the outcome of the Local Government Resource Review). The Intensification Area is of central importance to the creation of new jobs in Harrow, both in respect of the type of job created and the volumes to be created. Of the council's new jobs target, the bulk (3,000) will come from the intensification area. The retail and hospitality sectors offer entry level jobs with career paths, providing opportunities for workless residents.

5. Tackling Worklessness

There are no guarantees that job creation will impact on unemployment. During the years of economic growth in London, 30% of working age residents were economically inactive. Of those 40% had dependent children. (In Harrow as of April 2011 29.8% of the working age population were workless). The barriers to employment are complex, they include housing, childcare, educational attainment, poor skills, attitude, offender status, substance abuse, discrimination and health and disability.

In order to understand the EDU approach to tackling Worklessness (outlined in the Action Plan), it is important to understand the programmes that are being put into place by the Government.

5.1 The Work Programme

The Work Programme is a mandatory programme for residents aged 25+ claiming Job Seekers Allowance (JSA) for more than 12 months, and residents aged 18-24 out of work for 9 months or more.

Three Prime Contractors in West London (the western half of London) are Ingeus, Maximus/CDG, and Reed. They have been awarded 5 year contracts, with a further 2 years to support clients entering work in Year 5 of their programme. The contracts are worth circa £20M. The providers are required to provide support to clients for up to 2 years. After a client is helped into work, he or she will be supported in work for a further 12 months. All three providers are interested in working with the local authority and NHS. Potential links that have been identified, include co-location of delivery, operational links with housing benefits as clients make the transition into employment, and working with Children's Services to support parents.

Our approach has to been to engage the Prime Contractors with the Director of Public Health, and to identify how Prime Contractors provision could reduce the call on NHS services.

5.2 DWP/ESF (European Social Fund) employment focussed provision for families with multiple problems

The DWP is commissioning ESF (European Social Fund) employment focussed provision for families with multiple problems. The DWP has identified Local Authorities as the primary route to identify families who would benefit from employment support, but delivery is likely to be through prime national providers. The aim is to move "customers closer to the labour market". This provision, provides an opportunity to knit an externally funded service into the "Team around the Family" approach. Particularly if that provision can offer sustainable support in helping someone into employment and overcome, for example, debt and substance abuse issues. Harrow Council has completed Expressions of Interest to participate in the DWP ESF programme.

6. Supporting business growth

The abolition of the Regional Development Agencies and the rationalisation of Business Link into a national web based / call centre provider will lead to a significant cut in business support available at both regional and local level.

The Mayor's submission for a London wide Local Enterprise Partnership was approved by the DCLG and BIS, but it is not clear how the LEP will be funded or how Harrow will benefit.

Supporting local businesses helps to safeguard local jobs and also to create new local jobs.

Through the Enterprising Harrow Group the council is supporting a range of initiatives to help Harrow businesses access new markets, reduce costs and access finance to help them grow. These include Gateway Asia (to access Indian and Chinese markets), Shop4support (accessing disabled shoppers and older shoppers), programmes to help businesses raise finance (Access to Finance, Mentoring 4 Success), and how to reduce cost and energy use (Smartworks).

The Commitment to Business published in February has been welcomed by businesses as an easy to use guide to council services. The second edition of the Business Directory promotes inter - business trading in Harrow and enables buyers to search suppliers of goods and services by category and geography.

In 2009, the Audit Commission identified local procurement as the most effective tool to combat recession. In October and November 2010 EDU held two Meet the Buyer events with local businesses and major buyers from several private sector companies. The feedback from local businesses was overwhelmingly positive, however there was some adverse comments from local companies on tender processes and the use of Tier One suppliers.

The EDU has been working with Procurement to support their development of Sustainable Procurement Principles. These will help to encourage a diverse local supply chain, and provide opportunities for local recruitment and new entrants to the labour market. This will be an effective tool to support local companies to develop their own capacity to compete for contracts and also to promote apprenticeships for young people.

In the last 12 months Cllr Ferry, portfolio holder for Planning, Development and Enterprise has been visiting Harrow's Large Employers to listen to their views and outline the council's offer.

Work to provide business with a strategic role in Harrow has commenced with the recruitment of a representative from business to join the Harrow Chief Executives Group of the Harrow Strategic Partnership.

7. Securing new investment and improving the infrastructure for business

Attracting and retaining investment is critical to the economic performance of an area. Through the Area Action Plan, the Council will be able to reduce risk and increase the private sector's confidence to invest in the area.

The Economic Development Unit has led on the research currently being undertaken by Land Securities to identify and develop Harrow's comparative advantage as a business location. This will help identify key growth sectors and the approaches required to maximise opportunities to develop clusters in the intensification area. The research will also set out how to create employment land offers that are attractive to potential inward investors.

Promoting retail and hospitality growth in the local shopping centres and Harrow Town Centre will generate new entry level jobs. These jobs are easiest for workless residents to access.

The Mayor and Outer London Commission have announced a new funding programme for Outer London Boroughs. This will be the Outer London Fund. The programme aims to support Outer London town and district centres that will neither benefit from Cross Rail, or the Olympics. The Programme is £50m over 3 years.

There will be a competitive process in the allocation of funds. The bidding process will support programmes that are phased over two stages. Stage One will be targeted at easily deliverable and visible non-infrastructure improvements that will boost the trading vitality of the chosen locations in time for and beyond the Christmas 2011 trading season. Stage Two will focus on spend in years 2 and 3 on projects that are more likely to be infrastructure initiatives that can demonstrate economic uplift above a well-researched baseline. In Round 1, £10m will be allocated, the maximum allocation for Round 1 will be £500k per place (not per borough). Round One applications are required by 18th July 2011. Round 2 applications are required by early September. .

Harrow Council is leading on the development of the bid, and Enterprising Harrow members (Harrow College, Jobcentreplus, Harrow in Business) are supporting the bid.

Financial Implications

There are no financial implications to the above work.

Performance Issues

Since the last review of Economic Development by Scrutiny, new priorities have been adopted by Harrow Council, the delivery of the Enterprising Harrow Strategy will support the following:

- Supporting and protecting people who are most in need
- Supporting our Town Centre, our local shopping centres and businesses

Performance indicators are shown below. These are new locally set measures, a reduction in each of the above would be positive.

Town Centre vacancy rate	6.97%	April 2011
Number job seekers allowance claimants	4,116	May 2011
Empty commercial properties in the borough	500	May 2011
Vacancy rate - North Harrow (no target)	20.28%	June, 2011
Vacancy rate - Rayners Lane (no target)	7.85%	June 2011

Environmental Impact

N/A not impacting on council's climate change strategy.

Risk Management Implications

Risk included on Directorate risk register? Yes

Corporate Priorities

Please identify which corporate priority the report incorporates and how:

- Supporting and protecting people who are most in need.
- Supporting our town centre, our local shopping centres and businesses.

Section 3 - Statutory Officer Clearance

Not required for this report.

Section 4 - Contact Details and Background Papers

Contact: Mark Billington, Head of Economic Development and Research, Telephone 020 8736 6533.

Background Papers:

Enterprising Harrow Action Plan 2010/2011
Enterprising Harrow Action Plan 2011/2012