



**Report for: Cabinet**

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<b>Date of Meeting:</b>	29 <sup>th</sup> June 2023
<b>Subject:</b>	Harrow Economic Strategy 2023 - 2026
<b>Key Decision:</b>	Yes - it is significant in terms of its effects on communities living or working in an area of two or more wards of the Borough
<b>Responsible Officer:</b>	Dipti Patel - Corporate of Director Place;  Mark Billington - Director of Inclusive Economy, Leisure & Culture
<b>Portfolio Holder:</b>	Cllr Norman Stevenson – Portfolio Holder for Business, Employment & Property
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	All Wards
<b>Enclosures:</b>	Appendix 1 – Final Draft Harrow Economic Strategy 2023- 2026 Appendix 2 – EqIA Harrow Economic Strategy 2023-26

# Section 1 – Summary and Recommendations

This report seeks Cabinet approval for the Final Draft Economic Strategy 2023 - 2026, as set out in Appendix 1.

## **Recommendations:**

Cabinet is requested to:

1. To approve the Council's Economic Strategy, 2023 - 2026.

## **Reason: (for recommendations)**

To support a strategy that aligns with the corporate vision and priorities of the Council.

# Section 2 – Report

## 1. Introduction

1.1 The Harrow Economic Strategy 2023-2026 as set out in Appendix 1, is a framework to address some of the root causes of poverty and inequality, by addressing low skills and wages, creating jobs and addressing inequalities to improve the skills and employability of our residents and stimulating business growth and job creation.

1.2 This strategy pulls together the opportunities to support the local economy, generate skills, employment and apprenticeships.

1.3 The strategy aims to achieve the Council's corporate vision of Restoring Pride in Harrow and the three priorities:

- A Council that puts residents first
- A borough that is clean and safe
- A place where those in need are supported

1.4 The strategy is divided into four priority areas:

- Skills and Employability
- Business Growth and Job Creation
- High Streets
- Partnership Working

## 2. Options considered

Option A To approve the Harrow Economic Strategy 2023-2026, which pulls together the opportunities to support the local economy, generate skills, employment and apprenticeships.

Option B To do nothing, do not have an Economic Strategy for Harrow.

## 3. Background

- 3.1 The Economic Strategy is written in the context of Harrow's economic characteristics, its opportunities and challenges and the need to deliver priorities to help to address the cost-of-living crisis.
- 3.2 The strategy was developed with the input of key stakeholders and partners some which are named within the strategy and listed against objectives under each of the four priority areas including Harrow College, Stanmore College, HA1 BID, Shaw Trust, Young Harrow Foundation, Voluntary Action Harrow Co-op, Ignite Youth, Harrow Voluntary Community Sector Forum, Job Centre, Federation of Small Businesses, North-west London Chamber of Commerce, London Business Partnership, NHS, Wates, West London Alliance, West London Business and Greater London Authority.
- 3.3 This strategic alignment will support the Council and its partners to maximise our ability to ensure Harrow's residents and businesses benefit from better co-ordinated delivery of support programmes to boost the local economy.
- 3.4 The strategy also directly supports other key related strategies including the Council's Health and Wellbeing Strategy and Climate Strategy, with a focus on developing a thriving local low carbon and low waste economy.

## **4. Current situation**

- 4.1 Harrow has a resident population of around 261,300 (Census 2021)<sup>1</sup>. In the ten years between 2011 and 2021 we have seen some significant changes in our population, as follows:
- 9.3% increase in the population
  - 7.8% increase in people aged 15 to 64 years, with 160k people of working age (61%)
  - Growing younger population aged 0-15 of 18.5% (48,300), which is higher than the London average
- 4.2 The current economic challenges that the borough is facing includes the following:
- 17.4% of Harrow residents have no qualifications and are furthest away from the job market<sup>2</sup>. This is higher than the London average and presents a need for more support with entry level qualifications including GCSE level English and Maths.
  - Black, Asian and Multi-ethnic residents are more likely to experience barriers to employment due to lack of English language, functional and digital skills.

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<sup>1</sup> Source: Census 2021

<sup>2</sup> Source: Census 2021

- Job density measures the number of jobs per working age resident and in 2021 the figure for Harrow was 0.50<sup>3</sup>. This is significantly lower than neighbouring boroughs and is the lowest in the West London Alliance region.
- Harrow is a low wage borough, with all those that are employed in the borough earning gross weekly earnings of £514.20, which is 37% less than the London average of £815.90. Women in the borough have gross weekly earnings of £485.90 and men in the borough earn £615.00. The London average earnings for women is £669.20 and for men it is £935.10<sup>4</sup>.
- Harrow's business base is predominantly micro-businesses; this means that most employee jobs are provided by a small number of larger employers. Of the 15,000 businesses operating only 102 employ 100 people or more, this equates to just 0.68% of the business base<sup>5</sup>.

## 5. Why a change is needed

5.1 The Economic Strategy aligns with the Council's corporate priorities and is driven by objectives, baseline measures, targets and key performance indicators.

5.2 The Opportunities that have been identified within the strategy will directly tackle the challenges and deliver business growth, job creation, vibrant high streets and support residents into sustainable employment. These opportunities include:

- Through the development of our growth sectors, investing in the economy and regenerating our high streets there is an opportunity to increase wages, create sustainable employment and improve the skills levels of our residents through apprenticeships.
- Effective engagement with the 102 organisations based in Harrow that employ over 100 people<sup>6</sup>. The top three private sector employers collectively provide 6,366 jobs and have a combined turnover of £257m.
- There were an estimated 31,600 green jobs in West London in 2020, of which 3,600 jobs were in Harrow (11.4%). The total number of green jobs in West London are projected to rise to 64,000 in 2030 and 122,000 in 2050, representing a near-4-fold increase<sup>7</sup>.
- The Council is working to prepare a new Local Plan, which will look to assist in delivering the strategic direction of the Council. The new Local

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<sup>3</sup> Source: ONS jobs density

<sup>4</sup> Source: ONS earnings by place of work: 2021

<sup>5</sup> Source: ONS Inter-Departmental Business Register: September 2022

<sup>6</sup> Source: Beauhurst Harrow businesses data

<sup>7</sup> Source: Green Jobs and Skills in West London, A WPI Economics Report for and Institute for Employment Studies Report for West London Alliance

Plan will deliver a policy framework for growth and development across the borough, including matters relating to economic development.

- To be focussed on strengthening local spend, by having a more vibrant retail offer through inward investment. Where appropriate, the Council could support by relaxing some of the policies on procurement, licensing, parking, planning and regeneration.
- The Council is working with providers to promote digital inclusion to help residents become more digitally empowered. The investment in full fibre broadband will also provide employment opportunities for residents.
- The Council is investing in and supporting membership organisations and programmes to promote business start-up and business growth.

## **6. Implications of the Recommendation**

6.1 The Economic Strategy will be delivered through existing resources and external funds. We will work with West London Alliance, the Greater London Authority, and relevant Central Government departments, to ensure Harrow's businesses and residents can access local, sub-regional, London and national provision to enable business growth, safeguard jobs, create new jobs, grow the skills of residents, and support residents to enter employment.

6.2 The Council has secured over £1.8m from the UK Shared Prosperity Fund (UKSPF) to deliver a series of support programmes under three priority areas:

- Communities and Place
- Supporting Local Businesses
- People and Skills

6.3 The adoption of the Economic Strategy by Cabinet would demonstrate the Council's determination to deliver long term economic sustainable and inclusive growth programmes that align to the priorities of the UK Government, Greater London Assembly, and the West London Alliance.

## **7. Staffing/workforce**

The Strategy will be co-ordinated and led by the Economic Strategy Programme Manager.

## **8. Ward Councillors' comments**

Not applicable

## 9. Performance Issues

9.1 The Economic Strategy aligns with the Council's corporate priorities and is driven by objectives, baseline measures, targets and key performance indicators that will be monitored on a regular basis to identify areas of growth or high performance and to aid the early identification of slippages and underperformance against the targets.

9.2 The objectives that are set out in the Economic Strategy will be used as the basis of future funding bids, support business cases and to demonstrate Harrow's needs and opportunity areas.

## 10. Risk Management Implications

Risks included on corporate or directorate risk register? **No**

Separate risk register in place? **Yes**

The relevant risks contained in the register are attached/summarised below.  
**Yes**

10.1 The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
<p>Without actions taken as a result of a clear strategy, there is a risk that:</p> <ul style="list-style-type: none"> <li>• The economic challenges faced by the borough will widen and be intensified by the lack of strategic planning.</li> <li>• There will be a decline in business survival rates.</li> <li>• Footfall in our town and district centres will decline.</li> <li>• Local residents will be unable to secure employment and communities will continue to be impacted by the cost of living causing deeper poverty and deprivation.</li> </ul>	<p>The adoption and implementation of the proposed strategy and Objectives will help address the risks identified.</p>	<p><b>AMBER</b></p>
<p>Lack of funding to deliver the Strategy</p>	<ul style="list-style-type: none"> <li>▪ The targets and objectives within the strategy align with</li> </ul>	<p><b>AMBER</b></p>

Risk Description	Mitigations	RAG Status
	<p>priorities of local and regional and national funding regimes.</p> <ul style="list-style-type: none"> <li>▪ The UKSPF and other funding sources will help to deliver the targets and objectives within the strategy.</li> </ul>	
<p>Inability to deliver agreed objectives and targets.</p>	<ul style="list-style-type: none"> <li>▪ Continuation of the Economic Strategy Steering Group to develop joint reporting and performance framework with statutory partners and stakeholders to capture the social and economic impact of their work in Harrow.</li> <li>▪ Develop and implement programme and project management methodology across capital and revenue programmes that will ensure the strategic management of projects.</li> <li>▪ Develop and implement financial, quality, and performance management systems that monitor and support the delivery of targets on time and within budget.</li> </ul>	<b>AMBER</b>
<p>Lack of capacity to support all people needing skills or employment</p>	<ul style="list-style-type: none"> <li>▪ Continuation of the Harrow Education and Jobs working group with statutory partners and stakeholders to share information, raise awareness of support programmes, make referrals, co-ordinate work and support funding bids.</li> <li>▪ Building on existing programmes locally and on a sub-regional basis.</li> <li>▪ Alignment with national, regional and sub-regional strategic priorities.</li> <li>▪ Maximising social value generated through the planning and procurement process.</li> </ul>	<b>AMBER</b>

Risk Description	Mitigations	RAG Status
The strategy lacks flexibility and cannot adapt to changing circumstances	<ul style="list-style-type: none"> <li>▪ Review and evaluation processes are built into the externally funded programmes which are financing delivery of the economic strategy.</li> <li>▪ Shorter timetable for the strategy than the previous strategy enables us to be more flexible on setting/resetting our objectives.</li> <li>▪ The evidence base (incl: the 2021 Census) is built upon 5 year trends not expected to change in the short term.</li> </ul>	<b>GREEN</b>

## 11. Procurement Implications

- 11.1 The Council's spends vast sums of money annually buying works, goods and services from the private sector. Our Contract Procedure Rules require officers to seek quotations from local providers for all procurement with a value of up to £100,000.
- 11.2 Council procurement has a pivotal role in delivering key aspects of the economic strategy and undertaking 'procurement with a purpose'. Awarding contracts to local businesses creates the local economic strength that in turn creates employment opportunities, apprenticeships and supporting getting the young into careers.
- 11.3 The Council will continue to review and improve its procurement approach to support the development of local supply chains and stimulate local employment, and business growth.
- 11.4 The Council will also review and strengthen its procurement policies, driving sustainable activities, where possible prioritising local businesses in accessing second and third tier supplier opportunities and their wider networks.

## 12. Legal Implications

- 12.1 The Council has many statutory powers to promote economic development in its area.



The General Power of Competence was introduced by the Localism Act 2011 and gives councils the power to do anything an individual can do provided it is not prohibited by other legislation. This includes taking action which they consider likely to promote or improve the economic, social or environmental well-being of their area.

12.2 Section 12 of the Local Government Act 2003 provides a power for local authorities to invest for any purpose relevant to its functions under any enactment.

12.3 Under section 111 of The Local Government Act 1972, the Council has the power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

### **13. Financial Implications**

13.1 The delivery of the Economic Strategy will be through existing resource. Having an agreed strategy that aligns with regional and national policies is expected to help leverage external funding to support the delivery of the action plan. The Council will make use of existing resource to build capacity and work with third party partner organisations to maximise delivery outputs.

13.2 A number of existing projects will make a positive contribution to delivering the strategy. These are externally funded including the UK Shared Prosperity Fund (UKSPF) from the GLA and Future High Street Fund funded from DLUHC. The Council will continue to bid for further external funding to support delivery of the strategy.

### **14. Equalities implications / Public Sector Equality Duty**

14.1 The Economic Strategy supports the corporate priorities which has a focus in Harrow being a place where those in need are supported. It highlights areas of socio-economic inequality and disadvantage and will support delivery of our equality duties across the borough.

14.2 The performance management of locally delivered programmes will include equality and diversity monitoring. This will enable the measurement of participation and outcomes from our programmes.

14.3 The Strategy aims to create job opportunities, encourage entrepreneurial activity and business growth, diversify town centres – all of which will be universally beneficial for Harrow's communities and residents.

14.4 The objectives set out in the Strategy will have a positive impact on residents with protected characteristics, including those facing multiple barriers into employment and those on low incomes.

14.5 An Equalities Impact Assessment is provided in Appendix 2.

## **15. Council Priorities**

### **1. A council that puts residents first**

- The strategy addresses the need to support residents to improve their social mobility by breaking down barriers to learning, training and employment. The goal is to upskill residents for roles that are fit for the future and targeted towards our growth business and employment sectors.
- The focus on partnership working will minimise the negative impact that the cost-of-living crisis could have on Harrow's skills levels, employment rates and business survival.

### **2. A borough that is clean and safe**

- An objective for our high streets is to create a cleaner, safer and more sustainable district centres and high streets. We will encourage more sustainable shopping, install electric vehicle charging points and improve green infrastructure.
- An objective for our high streets is to make public realm improvements in district centres and high streets creating a cleaner, safer and more sustainable environment.

### **3. A place where those in need are supported**

- The strategy highlights the need to work in close partnership with our further education providers, the voluntary and community sector, businesses and statutory bodies to ensure that those in the most need are supported and do not fall through the cracks.
- The strategy reinforces that the Council's and its partners are committed to working closely with and supporting the voluntary community sector to ensure that resources are directed to those that are most in need.

## **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Jessie Man**

Signed on behalf of the Chief Financial Officer

**Date: 01/06/2023**

**Statutory Officer: Stephen Dorrian**

Signed on behalf of the Monitoring Officer

**Date: 30/05/2023**

**Chief Officer: Dipti Patel**

Signed off by the Corporate Director Place

**Date: 14/06/2023**

**Head of Procurement: Nimesh Mehta**

Signed by the Head of Procurement

**Date: 31/05/2023**

**Head of Internal Audit: Neale Burns**

Signed on behalf of the Interim Head of Internal Audit

**Date: 16/06/2023**

**Has the Portfolio Holder(s) been consulted? Yes**

## **Mandatory Checks**

**Ward Councillors notified: NO, as it impacts on all Wards**

**EqIA carried out: YES**

**EqIA cleared by: Yasmeen Hussein**

## **Section 4 - Contact Details and Background Papers**

**Contact:** Mavis Kusitor, Economic Strategy Programme Manager:  
07926 073 791, [mavis.kusitor@harrow.gov.uk](mailto:mavis.kusitor@harrow.gov.uk)

**Background Papers: None**

**Call-in waived by the Chair of Overview and Scrutiny Committee - NO**