



Economic Regeneration Review  
Towards a Revised Strategy  
London Borough of Harrow

August 2006

# ECONOMIC REGENERATION REVIEW

Towards a Revised Strategy

LONDON BOROUGH OF HARROW

A report submitted by GHK

*August 2006*

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**Document Control**

<i>Document</i>	<i>Harrow Economic Development and Regeneration Review</i>
<i>Job No.</i>	<i>J2940</i>
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<i>Date</i>	<i>August 2006</i>

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# 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 diverse, centre-based environment and focus on developing its economic strengths such as a strong entrepreneurial culture or accept further amorphous suburbanisation within the wider London economy and focus on ameliorating the position of those economically excluded, 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 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 image problems 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.

## 2 INTRODUCTION

This report describes the economy of Harrow in 2006, (as can be seen in the accompanying profile) the opportunities and challenges it faces, and the options for a vision of the Harrow economy. It then establishes the best way forward and what can be done to achieve that vision. It draws out the implications for Harrow: the work the Council must do, the structure/resources it needs in its economic development/regeneration function, and the performance monitoring it ought to do.

### 2.1 Refreshing Harrow's economic regeneration strategy

Economic regeneration is undergoing a period of change. In particular:

- strategically, the duty to promote economic, social and environmental well-being has given local authorities a greater locus, aided by the advent of financial instruments, such as the Local Authority Business Growth Initiative (which allows authorities to retain a portion of the revenue from increased business rates);
- the introduction of Local Strategic Partnerships, Community Plans and Local Area Agreements has provided clearer leadership, accountabilities and context, placing economic regeneration within a broader framework;
- specifically, the deployment of new instruments such as the Local Economic Growth Initiative aimed at boosting local enterprise is transforming the way economic regeneration is funded, and
- in respect of the business sector, Business Link re-franchising on a regional basis poses opportunities and challenges to which local authorities need to respond.

For Harrow this change is occurring within a specific context. This includes:

- the LDA has clearly articulated a revised Economic Development Strategy and sub-regionalised this
- (in advance of this) partners in West London have already developed an Economic Development Framework and Strategy for the West London sub-region, including Harrow
- Harrow faces specific challenges related to the history and character of economic regeneration within the Borough
- organisationally and operationally, LB Harrow has undergone a period of change and uncertainty
- Harrow is unlikely to benefit from instruments such as LEGI and LABGI and must therefore seek other resources to support strategy delivery

The Audit Commission advises that for economic regeneration activity and a local strategy a local authority needs:

- an informed vision of the future of the local economy that is based firmly on evidence
- an identification of the threats and opportunities

- an identification of actions where intervention may be needed
- clear targets to evaluate the efficiency and effectiveness of economic regeneration

To achieve this, this work needs to provide a vision of what direction the Harrow economy should be going, an up to date evidence base of the current state of the economy, an analysis of this and recent trends, and an assessment of the actions and interventions which should enable the vision to be achieved.

## 2.2 The approach taken

The evidence base consists of:

- a new comparative analysis of local data about Harrow's economy set in a regional and national context
- a business needs survey of around a quarter of the businesses that operate from premises within Harrow
- a new employment land study<sup>1</sup>
- research into incubator space provision in the area, social enterprises in Harrow, and creative industries, and
- reviews of tourism and Harrow In Business.

These have been summarised and drawn together to produce a broad synthesis and analysis of the Harrow economy.

At focus groups with Harrow staff, representatives of the Local Strategic Partnership and of partner organisations and representatives of businesses, training providers, business intermediaries and social enterprises, and then discussions with Harrow staff with a broad interest in economic regeneration it has been possible to test out the findings of the evidence analysis and consider what they mean, the options for future direction, and the potential range of actions and interventions that the Council and its partners should take.

## 2.3 Structure of report

What follows in Section 3 is a description of the plans and strategies that will be expected to influence the local economic regeneration strategy in Harrow. In Section 4 the broad picture of Harrow's economy is described drawing on all the research and drawing out the key features that might be considered to be the challenges to be addressed locally. In Section 5, a vision for Harrow's economy is narrowed down, based on the evidence in Sections 3 and 4, and then specified in more detail. In Section 6 economic development priorities are developed to achieve the preferred vision and an outline of what a revised strategy would cover is built around this.

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<sup>1</sup> This report draws on the second draft of the Employment land study; a final report is awaited

## 3 CONTEXT

### 3.1 Introduction

In considering the next decade, Harrow must consider the plans and strategies that have been developed regionally and sub-regionally. These are described in turn in relation to Harrow followed by a brief summary of Harrow's local plans as they stand at present.

### 3.2 London

A comprehensive analysis of London as a whole was undertaken in July 2003 by the Cabinet Office. Known as the London Analytical Report, the project examined a broad range of thematic areas – working, living and travelling in London; its economy, public services, finances and institutions – to present a complete picture of the state of the city. The main challenges the report presented for London were:

- 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.

In parallel to the work undertaken by the Cabinet Office are sets of policies developed and championed by the Mayor and his delivery agencies, in particular the London Development Agency (LDA). The Mayor's vision for London is to develop the capital as a model sustainable city based on three interrelated elements – strong and diverse economic growth, social inclusion, and fundamental improvements in environmental management and use of resources. Delivery of this vision is set out in a series of documents addressing spatial development, economic development, transport, culture, ambient noise, air quality, municipal waste management and biodiversity. The strategies are each based on the three cross-cutting themes of sustainable development, health and equality.

#### 3.2.1 *London Plan*

The London Plan sets out an integrated social, economic and environmental framework for the future development of the capital over the next 15 to 20 years. It integrates the physical and geographic elements of the economic, transport and housing strategies, including broad locations for change, and provides a framework for land use management and development, which is closely linked to improvements in infrastructure, especially transport.

The London Plan sets out six key objectives it seeks to achieve and which are to be taken into account in the development frameworks of the Boroughs. These are:

- to accommodate London's growth within its boundaries without encroaching on open spaces
- to make London a better city for people to live in
- to make London a more prosperous city with strong and diverse economic growth
- to promote social inclusion and tackle deprivation and discrimination;
- to improve London's accessibility; and
- to make London a more attractive, well-designed and green city

The spatial strategy for development set out in the London Plan seeks to achieve these objectives through:

- support for and coordination of sub-regional initiatives, bridging London-wide and local actions
- recognition of the priority for regeneration in East London
- concentrating major development in Opportunity Areas to intensify and accommodate substantial growth
- appropriate intensification and mix of uses in town centres, with a focus on areas for Intensification that are well served by public transport
- integration of spatial policies with other priority policy areas (i.e. regeneration, health)
- significant improvements in access, services and sustainability in suburban areas
- management of and support for promoting Strategic Employment Locations; and
- improvements to accessibility through the co-ordination of transport and development and emphasis on public transport improvements and congestion reduction

The London Plan as originally adopted contained policies and proposals in a number of areas that directly impact on Harrow Council and are key strategic considerations. In particular it stated that:

- suburban areas have a key part to play in increasing housing and jobs and are expected to identify the capacity to accommodate these
- suburban areas present a challenge for modernisation
- strategic employment locations have to be promoted to preserve and enhance the level of industrial capacity
- major town centres are expected to be the focus of mixed use and more intensive development to enhance the day and night time economy

This represented a balance between the sustainability of London's many smaller centres and the Central Business District, with beneficial implications for employment and centre-sustainability in outer London, including Harrow. However, the recently

published Further Alterations suggests a switch away from this multi-centre approach towards a greater focus on the Central Business District, with potentially damaging implications for this employment and centre-sustainability.

Notwithstanding this qualification, the expectation is that much of the growth of homes and jobs in West London will fall in the West London Sub-Region and the M1 corridor, areas which overlap and include Harrow. The Plan expects:

- employment growth principally in the ‘employment opportunity areas’ of White City, Wembley, Park Royal and Stockley Park in West London, Colindale and Cricklewood in North London, most of which are already job locations for many Harrow residents. Wembley is marked out as a major priority of national and international significance for sport, leisure and business;
- employment growth in the Willesden junction area which is accessible from Harrow;
- improvements to the West London line providing access to employment in the White City and Chelsea areas with interchange at Willesden Junction; as well as improved access to Heathrow which areas like Harrow have not generally benefited from;
- town centres like the metropolitan centre of Harrow to be the focus of additional retail as well as office and other employment and leisure uses because of the existing mixed uses, availability of land and existing public transport.

### **3.2.2 Sustaining Success – Developing London’s Economy**

Sustaining Success is the LDA’s strategy for securing the long-term economic success of the capital as a competitive global city. The strategy’s key emphasis is the importance of “investing effectively and continuously in every physical aspect of the city and its people, and in an economically sustainable way to maintain its world class status”. Through the strategy, the LDA is seeking to guarantee the nation’s prosperity by strengthening London as its primary economic asset while simultaneously reducing regional economic growth disparities. To this end, the strategy seeks to build on London’s strengths, identify opportunities, address existing weaknesses, and address looming threats by addressing issues of strategic importance through:

- investment in London’s places
- investment in people
- investment in enterprise; and
- investment in marketing and promotion.

The strategy’s policies regarding places set out a number of priorities for West London aimed at securing its future and its contribution to London’s economic and social development, namely to maintain the success of growth sectors through improved transport linkages, availability of high quality commercial and residential properties, improved public services and natural environment, supporting a skilled workforce and building on local strengths such as the area’s ethnic identity. General recommendations of specific note for Harrow Council are recommendations for:

- the development of innovative approaches to improving the quality, efficiency and use of Strategic Employment Sites

- a strategic, planned and managed approach to protecting former employment land based on effective monitoring and release or enhancement of sites based on an informed view of the potential for re-use
- maximising the potential of town centres through coordinated and cooperative action, appropriate management at the local level and access infrastructure as well as planning policy that promotes higher densities and a mix of uses
- helping the labour force by improving educational qualifications and skills
- working with the private sector to ensure adequate provision of SME workspace
- supporting businesses that are more likely to experience barriers, such as BME and women-owned businesses
- supporting social enterprise and the voluntary sector as a key partner in delivering social and economic initiatives; and
- working with partners such as Think London and local strategic partnerships, in the delivery of services and initiatives.

### **3.2.3 *Transport Strategy***

The Mayor's Transport Strategy sets the policy framework for transport in London with integrated policies and proposals addressing all modes of transport and the management of the road system. The strategy seeks to address the insufficient levels of investment in the capital's transport system since the mid 1980s that led to increasing traffic congestion and overcrowded and unreliable public transport services. In doing so it sets out overall policies and proposals to ensure transport investment supports sustainable economic growth; successful residential, town centre and cultural development; integration of development and land use with transport; social inclusion, and; improved environmental conditions and health.

The context within which the detailed plans of implementing agencies, including the London Boroughs, are developed is set by the Transport Strategy, as are the priorities for the plans. High level in its approach, the strategy leaves detailed planning and budgeting to these other agencies. Key issues for outer London areas, such as Harrow Council, that the strategy aims to address include:

- inadequate public transport options, particularly for non-radial and off-peak trips
- heavy and growing traffic congestion on key routes and in town centres affecting both individuals and businesses
- pockets of deprivation and regeneration sites which are not well linked to the main transport networks
- competition to its town centres from new out-of-centre shops.

The strategy also presents a number of policies and major project proposals which will significantly expand the system through the provision of new infrastructure, some of which are of particular relevance to Harrow Council in considering its economic development priorities:

- the target of increasing the bus network capacity by 40% will be of particular benefit to the outer suburbs;

- the plan for OrbiRail which has already moved forward with the East London Line extension and the agreed transfer of the West and North London lines to LRT to enable the introduction of Metro services via a major interchange for Harrow residents, Willesden Junction
- the target of increasing capacity on the London Underground through both reliability and higher service frequencies where practicable; improvement to the Jubilee line to its intended capacity will be of benefit to Harrow residents in particular
- developing integrated transport nodes such as Harrow on the Hill.

### 3.2.4 *London Cultural Capital*

London Cultural Capital, the Mayor's Culture Strategy, provides a framework for maintaining and enhancing London's reputation as an international centre for excellence for creativity and culture. The context for the strategy is set by London's role as the primary focus of the nation's cultural and creative dynamism, the fact that it is one of the world's most culturally diverse cities and that its population is expected to grow significantly by 2016.

The endorsement that the strategy provides for culture in the capital is wide ranging and comprehensive, including support for facilities and infrastructure, events, education, the environment, creative industries, business and economic development, education, marketing and branding, community development. The strategy is based on the following four objectives and related aims:

- **excellence** – ensuring world-class institutions and events, improving cultural infrastructure, developing London's brand and promoting the city
- **creativity** – recognising the economic importance of creativity, promoting cultural education
- **access** – ensuring access to culture for all, using culture to empower communities, ensuring high quality cultural provision across the city, encouraging cultural activity in the development and regeneration of London, realising the full cultural potential of the public realm
- **value** – ensuring that culture in London receives resources commensurate with its demographic, economic and social needs, ensuring that the structures and funding for culture deliver the best deal for all

With its diverse population, growing media and education sectors, Harrow Council stands to benefit from the strategy while also playing a role in its successful implementation.

### 3.2.5 *Creative Industries Strategy for London*

Identified in the Mayor's Economic Development Strategy as one of three sectors for development, Creative Industries are set to continue to be a crucial part of the London economy. The initiative 'Creative London', as laid out in the Mayor's Culture Strategy, aims to develop local 'hubs' across London to support and champion creative industries in four key areas:

- **Talent** – seeking out and helping individuals to develop
- **Enterprise** – sponsor funding and investment for small firms

- **Property** – ensuring that creative industries have access to suitable and affordable workspace
- **Showcasing** – raising the profile of the sector

Harrow, with its growing creative industries, stands to gain from this strategy, provided that they are able to effectively position themselves for this support.

### 3.2.6 *Tourism Strategy for London*

The LDA's London Tourism Vision 2006-16 and London Tourism Action Plan 2006-09 map out their aims and objectives to build on the progress made over the last three years in this area. Achievement of this is based on five strategic themes:

- **A global city** – an evolving city welcoming the world
- **A quality visitor experience** – ensuring complete satisfaction from all aspects of visits
- **A sustainable and inclusive city** – moving London towards being sustainable and inclusive to all; financially, physically, socially and culturally
- **Professionalism at every level** – skills development insuring a world class customer experience
- **Industry support and partnership** – enabling the sharing of knowledge and ideas

In addition to a particular focus on preparations for the 2012 Olympic Games the strategy stresses 'pan-London' consistency, a focus on London's ethnic and cultural diversity and the marketing of London based on its dynamic and evolving nature. All of these present potential opportunities for Harrow to develop its tourism offer.

## 3.3 *The West London Sub-Region*

The West London sub-region is the six Boroughs of Ealing, Brent, Hammersmith and Fulham, Harrow, Hillingdon and Hounslow. Over the past decade, sub-regional structures and inter-organisational relationships have been developing within West London. As a result, the sub-region has one of the greatest degrees of organisational capability and capacity of all the London sub-regions in terms of its ability to act on key issues and challenges facing the area and its constituent Boroughs.

### 3.3.1 *West London Sub Regional Development Framework*

The West London Sub Regional Development Framework (SRDF) provides non-statutory guidance on the implementation of policies in the London Plan within West London to ensure a sustainable and prosperous sub-region. The SRDF, published in May 2006, aims to manage the growth envisioned by the London Plan – 86,000 new jobs by 2016 (revised to 53000) and a minimum of 59,400 new dwellings between 1997 and 2016 – to ensure it enhances and does not threaten the generally high quality of environment currently offered by the sub-region. As such, it seeks to direct growth to the town centres and other areas that present redevelopment or regeneration potential, and to locate more intensive development to areas well supported by public transport infrastructure.

The SRDF sets out issues and challenges in the following areas to be addressed by the LDA and the West London Boroughs in order to accommodate the growth

envisioned in a sustainable manner: housing; employment and offices; retail; culture, leisure and tourism; social infrastructure; infrastructure services; industry and warehousing; town centres; Opportunity Areas; the suburbs; transport and accessibility, and; development and the environment.

General features of relevance to Harrow's strategies include the recognition that:

- challenges to increase homes and jobs have to be balanced with maintaining West London's high quality environment and distributing growth so that it does not put greater pressures on roads and tackles the areas of deprivation that persist
- housing growth is manageable though the targets from 2007 onwards will be a little higher
- there is a balance to be struck between housing numbers and housing size so as not to over-provide for single person households at the expense of families
- there is limited scope to release industrial and warehousing land to maintain employment opportunities; as little as 2.2ha a year across the area even with a lower estimate of new jobs required across the sub-region (3000 a year minimum), so there is a need to protect existing employment sites
- West London has strengths in specific sectors which need to be nurtured to remain the drivers of growth: financial and business services, and the clusters of IT, creative industries, pharmaceuticals, food processing and logistics
- there are opportunities to consolidate office employment locations and release some for other uses
- the growth of tourism and accommodation ought to be encouraged and the Wembley development should generate demand and relieve pressure on Central London

For Harrow specifically:

- the housing target is increased to 400 new units a year from 2007-8 (from 330)
- there remain only two strategic employment locations, Wealdstone and Honeypot Lane Stanmore, which is the smallest number of any of the west London boroughs, though the Council can designate other areas with the same restrictions (locally significant industrial sites), putting particular pressure on maintaining and maximising employment land
- growth should be focused on town centres but principally the Harrow metropolitan centre which has the capacity to grow
- access to employment is important with the recognition that this is through both training and transport, especially for the more deprived areas of which small clusters are acknowledged in Harrow

### **3.3.2 West London Economic Development Strategy**

Prepared by the West London Partnership in December 2004, the West London Economic Development Strategy vision is to position West London as the choice location for businesses and individuals, an inclusive and sustainable society and a leader in the development of London as the global hub. The strategy aims to achieve this by building on the area's competitive strengths – its tourism and visitor economy,

recreational cultural activities, food cluster, creative industries, Park Royal, Wembley development, White City and the voluntary sector – and by identifying new opportunities that will maximise the potential of these strengths and contribute to the social and development requirements of West London.

The strategy is focused on six interdependent core areas that link the economic agenda with environmental and social development in West London:

- **skills for growth** – to support emerging sectors and the needs of business and the voluntary sector
- **business competitiveness** – to support growth sectors, help under-represented groups succeed in business, maximise benefits of cultural and ethnic diversity
- **land and property** – ensure appropriate quantity and quality of employment land, promote the rejuvenation of town centres
- **housing** – to encourage the right mix and supply of housing
- **transport** – to promote and support investment in major transport infrastructure
- **environment and the quality of life** – to support development of strategies for provision of quality, accessible open space and the regeneration and protection of environmental assets

The West London Economic development strategy points up the need to:

- safeguard employment sites and supply appropriate premises and sites for growing businesses
- enhance the existing stock of key strategic employment locations and improve transport links to these
- provide support to SMEs who make up a significant proportion of west London's businesses
- develop social enterprises and, to secure their growth, the ability of the third sector to take up contracts
- follow the national skills strategy with the further development of a demand led approach to improving skills and training the workforce

### **3.3.3 Building Communities – A Housing Strategy for West London**

The Housing Strategy for West London was jointly prepared in 2003 by the six West London Boroughs and the London Borough of Kensington and Chelsea. It is intended to provide a strategic framework for housing delivery across the sub-region and to support the Boroughs in bidding for and allocating resources on a sub-regional basis.

The seven sponsoring Boroughs will necessarily need to collaborate with a variety of local, regional and national partners in the delivery of housing services to meet the housing objectives set at the national and regional levels. Given this, the strategy aims to increase the supply of housing, increase the provision of affordable homes, improve the quality of housing and create sustainable communities. Achieving these objectives will require the continued involvement of each of the strategy's supporting Boroughs, including Harrow Council. To this end, the strategy recommends;

- identifying new common strategies for promoting private sector involvement in housing provision
- agreeing a common approaches to affordable and key work housing to the extent possible vis a vis local wider priorities
- continuing to explore means of ensuring choice in letting schemes
- entering into Joint Commissioning Partnerships as a means of delivering regional housing allocations
- exploring opportunities for joint working to improve quality of housing provision, homelessness
- working with other Boroughs on planning policy and development
- ensuring an efficient and expedient approvals process

This strategy is important to Harrow since it has high private sector housing costs and a low level of social housing, both of which exert pressure on the local labour market and threaten the demographic balance of the population.

#### **3.3.4 A Creative Industries Framework for West London**

This framework supports the growth of the creative industries in the sub-region. Recent research commissioned by Harrow Council is to ensure that Harrow's smaller share of creative industries still has access to West London support such as the West London Creative Industries Hub.

#### **3.3.5 West London Tourism Strategy**

The West London Tourism Strategy and Action Plan provide a framework for the delivery of the London aims in West London. The Strategy sets out the focus on establishing and developing existing 'destination and attraction brands' rather than the promotion of West London overall. The strategy is based on the five pillars of:

- **Leadership skills** – effective communication and direction of the industry
- **Market development** – greater knowledge of existing 'brands' within West London, and the exploration of ways to combine these to stimulate visits
- **Evidence and intelligence** – develop reliable information sources
- **Product development** – develop hotel and visitor attraction offer
- **People and entrepreneurship** – develop of ways of supplying the fluctuating staffing demand from within West London

Harrow is not currently a top London tourist destination, however the strategy's consideration of Harrow as a second candidate for additional hotels, does present a potential opportunity. Despite this evidence from the LDA's local impact model put Harrow's tourism spend at £92.6m in 2004, with 60% of this spend coming from abroad.

### **3.4 Local plans**

Harrow Council has a range of local plans in addition to the Harrow Economic Regeneration Strategy 2003-10 that have been informed by these though they do not

necessarily reflect the latest regional and sub-regional plans and strategies. These include the:

The Harrow **Local area agreement** March 2006

The Council has identified two stretched targets within the economic development and enterprise block of the LAA. These are:

- Improving the skills base of Harrow and the employability of residents
- Improving life chances of young people (% of young people aged 16-18 who are NEET)

Harrow's **community strategy** (currently under review) which has four relevant objectives:

- increasing training and job opportunities for refugees and other disadvantaged groups,
- increasing the skills of the existing workforce,
- promoting Harrow as a place for businesses to relocate, and
- encouraging the development of cultural businesses in Harrow:

The revised strategy will be re-modelled around the LAA.

And a **corporate plan for 2006-9** which, since the May elections, has within its corporate priorities:

- a real partnership with Harrow businesses
- a comprehensive review of retail friendly parking
- proper preparation for the impact of Wembley stadium
- a real focus on Harrow as a tourist destination
- providing opportunities to develop a new business incubator and 'move on space'
- delivering the town centre development strategy and implementation plan
- establishing prosperity action groups for each local shopping area, involving residents, local businesses and councillors.

These will need to be taken into account.

### 3.5 Conclusion

What these plans and strategies broadly mean for Harrow's economic regeneration is:

- if the Harrow economy is to be sustainable there must be a clear strategy to 'grow' jobs locally to provide for the planned increase in population, the alternative being increased out-commuting
- this 'growing' of jobs should focus on town centres, especially Harrow itself, and be allied to mixed use development to secure these centres' sustainability

- to support this, whilst it will need to increase the supply of housing, this should be largely on land designated for housing use, with the limited release of employment land only after strategic review
- whilst 'growing' jobs locally will be a priority it should harness increasing employment opportunities in nearby parts of West and North London, ensuring that they are accessible to a large number of working age residents
- these jobs should be made accessible to existing residents by addressing the skill needs of the unqualified to reduce social exclusion and prevent further social exclusion
- expected public transport improvements to the bus and underground network and orbital rail routes will facilitate this employment focus provided they actually happen. The alternative of increased out-commuting will place additional pressures on journeys to Central London which are unlikely to be remedied by investment in the foreseeable future.

There are also clearly some opportunities in the form of the employment areas close to Harrow especially Wembley, Willesden Junction and Cricklewood; and some threats in the form of White City and Brent Cross expansion, to enhancing Harrow's town centres.

## 4 HARROW'S ECONOMY TODAY

### 4.1 The broad picture

The broader background for the Harrow economy is to be found in the Harrow Economic Development Profile, which sets out the updated socio-economic analysis of Harrow. This is described as the initial analysis. The Annexes set out the results of the business surveys. Below are the headlines:

#### Population

- a growing population that is expected to grow further though not substantially with an increasing proportion of people of working age (rising towards 64%)
- an increasingly ethnically diverse population with the proportion of non-white ethnic minorities rising to over 41% and over 50% if white Irish are also included
- a third of Harrow residents having been born abroad, and
- a quickly changing demographic picture in London with the arrival of Eastern European migrants and an existing refugee population

#### Employment

- a growing employment base, despite the decline in manufacturing, with strengths in banking, finance and insurance, public administration, education, health, distribution, hotels and restaurants and manufacturing, and a growing number of businesses,
- a growing local workforce, up to 63000 strong recovering from a decline to below 60000, with a high proportion in SMEs employing fewer than 10 people (almost 30%)
- a growing number of residents employed with a significant and growing proportion in managerial and professional jobs (49%) though not so rapidly as in other parts of West London
- a falling rate of unemployment to under 3%, though there has been some slight rise in the past year, but even so there remain(9-10,000) on Invalidity and other benefit, though this may soon be mitigated by Central Government policy<sup>2</sup>
- a workforce in which the majority, 62%, work outside the Borough principally in central London and other parts of West London with the tendency for people working in managerial and professional jobs to work outside the area

#### Skills

- a skilled workforce with relatively high levels of qualifications, over 30% having at least a level 3, and low proportions having no qualification (nearly 15%)

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<sup>2</sup> New drive by central government to reduce workless numbers will result in a West London wide city strategy pilot – West London Working – aiming to address this issue

- relatively low proportions with poor levels of literacy and numeracy skills, 87% having at least level 1 literacy skills though only half reach level 1 standard in numeracy
- a good record with school leavers and entrants to the workforce, over 60% achieving five good GCSEs, over 50% including English and Maths
- pockets of people with low skills and a small core of young people without any qualification and not in education, employment or training between after the age of 16
- indications from businesses that while they value the skills of their workforces and the local training providers that they have difficulty recruiting people with the skills they need
- people with higher skills are more likely to work outside the Borough; over half of those with higher professional skills against under 40% of those in semi-routine and routine occupations

### **Business development**

- a strong growth in new business formation recently with an increasing rate of VAT registration over the last three years rising to over 70 registrations per 10000 adults, increasing the VAT stock to a high level of 463 registrations per 10000 adults, marking out Harrow from its West London neighbours and giving it the fourth highest growth rate over the last decade across London
- a continuing and rising high rate of self-employment and a high proportion, almost 10%, who work from home

### **Employment**

- a concentration of employment in distribution, hotels and restaurants (24.9 per cent), banking, finance and insurance etc. (25.9 per cent) and public administration education and health (27.3 per cent)
- manufacturing represents a higher proportion of employment (7.2 per cent) in Harrow than in most comparators, though it is less than for England as a whole
- a particularly large proportion of its manufacturing concentrated in the manufacture of chemicals and chemical products and in radio, television and communication equipment and apparatus
- growing employment in SMEs.

These mean that Harrow has:

- a rising level of weekly pay for residents, a median now above £500, and a relatively high level of household earnings, over £38000 a year with a quarter over £50000
- earnings for those working in Harrow (under £500) less than those working outside (over £500)
- a low and falling level of dependency on benefits (incapacity and JSA) though significant pockets of the Borough where there are relatively high levels remaining

- low overall levels of deprivation, only 2% living in the most deprived 10% of super output areas, though there is consistent correlation between wards with high levels of unemployment, low pay, benefit dependency and low skills
- a good quality housing stock with a strong demand for housing with prices rising to a median of over £250000 though affordability has become a growing problem with the house price to income ratio reaching 6.5
- a reasonable demand for employment land but signs that the quality is not what businesses want
- some large employers in particular that are considering moving from or downsizing in Harrow for a variety of reasons

When compared with similar authorities in terms of socio-economic characteristics<sup>3</sup> and West London as a whole, Harrow emerges as being similar in respect of: its broad demographic characteristics and trends including the growth of its non-white ethnic population; its mix of employment with employment in services predominantly, its high skilled workforce, level of earnings, problems over housing affordability and a proportion of residents who are not benefiting from higher incomes and work.

However, Harrow does differ from other outer London areas. In positive terms these are:

- relatively low proportion registered unemployment and, for London, low level of incapacity benefit claimants among the working age population
- higher level of skilled residents and fewer without qualifications
- high proportion of young people who complete GCSEs, particularly in English and Maths
- strong rate of growth in new businesses and its traditionally high level of business registration of self-employment
- relatively low incidence of deprivation with a high proportion of households earning over £50000

Whilst in negative terms there are:

- greater dependence on employment in services and higher proportions in professional occupations
- concentration of local employment in relatively small businesses, nearly 30% working in businesses with fewer than 10 employees
- lower level of local work with high proportions of residents working outside the Borough

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<sup>3</sup> These are Ealing, Hounslow, Redbridge and Slough

## 4.2 What the research tells us about the drivers of economic development?

Drawing on each of the pieces of research and analysis, the tables below provide a common synthesis of what they say about employment, skills, business development and well-being.

### Initial Analysis

	<b>Significant strengths</b>	<b>Probable challenges</b>
Employment	<p>Relatively low unemployment and relatively high employment among working age population</p> <p>Rising employment in growing sectors of the economy</p> <p>High proportion in managerial/professional/associate professional (knowledge economy) jobs</p>	<p>More residents work outside the area than in Harrow; strong flows to elsewhere in London including other parts of West London</p> <p>Pockets of higher unemployment and worklessness</p> <p>Not such a remarkable growth in managerial/professional jobs</p>
Skills	<p>Relatively large numbers have higher level qualifications; few without qualifications and basic literacy/numeracy</p> <p>Young people relatively well qualified</p>	<p>Pockets of low skilled with declining work opportunities</p>
Business development	<p>Relatively strong growth in new business formation, particularly business services</p> <p>Relatively large numbers self-employed and enterprise minded</p>	<p>Small down turn in the economy could have a major impact on fledgling businesses</p>
Individual well-being	<p>Investment in housing property</p> <p>Residents earning more from exploiting access to London job market</p> <p>Relatively high average household incomes</p>	<p>Affordability of housing and availability of affordable housing</p> <p>Local earnings lower</p> <p>Pockets of low household earnings with a geographical pattern linking this to employment and skills</p>

**Business survey**

	<b>Significant strengths</b>	<b>Probable challenges</b>
Employment	SMEs appear to be growing employment Despite some losses of employment, most large employers have remained relatively stable and committed to Harrow	Some large employers could be potential movers or down-sizers in the next few years
Skills	Responsiveness of colleges Skills in current workforce recognised	Skills lacking especially in applicants; recruitment difficulties
Business development	New businesses growing	Problems affecting growth and viability (various, linked to size/sector): ability to attract workers from outside area, parking/congestion, premises, overhead costs of running business

**Social enterprise**

	<b>Significant strengths</b>	<b>Probable challenges</b>
Employment	A varied community and voluntary sector	Sector dominated by charities Few signs of growth in sector No overarching strategy LBHarrow Not working to a specific plan
Skills		The skills needed to grow and develop have not yet been assessed but already acknowledged that there is significant room for capacity building
Business development	Significant foundation work has been implemented by own arts department in partnership with Harrow Arts Centre potential significant growth	Ability to grow and develop are constrained by funding initiatives and uncertainty (short term funding and contracts) Reliance on expertise from volunteers and national bodies

**Employment land study**

	<b>Significant strengths</b>	<b>Probable challenges</b>
Employment		
Skills		
Business development	<p>Sufficiency of employment land/premises for demand (recent change, growth and projected)</p> <p>Mix and variety of land/premises available</p> <p>Some land in and around town centres for employment development</p>	<p>Imbalance of supply and demand across the borough (evident with demand/supply of industrial and office space though not critical)</p> <p>Quality of premises: relatively old stock of offices, little refurbishment of small office premises</p> <p>Size of premises available: more constraints on availability of larger sites</p> <p>Quality of business employment land clusters: quarter to a third of areas poor on most categories</p>
Individual well-being	Some land release practical for homes and social housing	

**Creative industries**

	<b>Significant strengths</b>	<b>Probable challenges</b>
Employment	<p>Growing employment sector with some leading edge sub-sectors</p> <p>In Harrow larger numbers of Creative /Audio visual enterprises</p>	Not a large sector compared to other parts of West London; more limited scope for local clustering growth
Skills	university of Westminster plus FE College vocational training provision	
Business development	<p>Micro business/freelance work growing</p> <p>College/university initiatives support growth and development of sector (NMK and CREAM)</p>	<p>Suitable premises (workshops, studio office space, incubators) probably in short supply at a reasonable price in best locations</p> <p>Location in relation to West London hub of creative industries limits networking</p>

**Incubator feasibility**

	<b>Significant strengths</b>	<b>Probable challenges</b>
Business development	Demand to justify local investment (interest from relatively new businesses)	Very little incubator style space available in the area despite demand by some types of new business in the area

This can be summed up as follows in the table below.

	<b>Significant strengths</b>	<b>Probable challenges</b>
Employment	Growth in strong growing employment sectors New businesses providing growing employment Residents in higher value higher earnings jobs	Pockets of unemployed and others not economically active Retaining diversity of large employers and growing businesses in the area
Skills	Qualification levels of residents high Local training providers and links between FE/HEIs to growing sectors	Vocational skills of non-qualified Skills match to local employers' needs when skilled can work in wider London job market
Business development	Strong growth in new businesses in the area Self-employed exploiting freelance work and new business opportunities Employment land sufficient and reasonably matched to demand in area	Constraints associated with parking, premises, business overheads and quality of some employment land areas Quality of employment premises, especially for small businesses; backlog of refurbishment Raising potential contribution of social and community enterprises
Individual well-being	Residents relatively high earning Good housing stock so attractive place to live	Affordability of housing in the area relative to earnings especially for those working locally Residual groups of disadvantaged

**4.3 An analysis drawing on all of the research**

When set against the backdrop of the national and regional economy, we can develop a commentary and analysis of the characteristics of Harrow's economy based on the summary information.

**4.3.1 Population**

Harrow has a growing population which can largely be accounted for by the growth of non-white ethnic minorities in the local population. Harrow has a very diverse population with Indians being the largest non-white ethnic group.

### **4.3.2 Employment**

Harrow has benefited from the growth of jobs in the region, not withstanding job losses resulting from a limited number of large employers leaving the Borough or scaling down their operations. The explanation for this lies in the strength of connection between local employment and local business. This has meant that growth in the latter has been reflected by growth in the former. This relationship holds largely true across all sub sectors, with none standing out as having made a significantly above average contribution to the growth in the local jobs base. Additionally locally grounded strength in business and employment is reflected in the buoyancy this gives to the local retail and business services sectors which might otherwise have declined further as a result of the migration through commuting of daytime consumer spending power and the out-migration of demand for business services resulting from relocation.

Nevertheless Harrow's large employers will undoubtedly have a strong influence over local jobs. A number of these employers look to be vulnerable to relocation and downsizing. While some of these look to be in sectors where this can be expected to happen over the next ten years, their benefits to the local economy mean they are important to keep in the area.

### **4.3.3 Skills**

Despite Harrow's healthy position on skills the wider London economy on which Harrow residents depend for work will require higher proportions to be qualified at or above level 3 in professional as well as skilled trades. Unmet demand is already apparent in the local economy. This will require up-skilling and re-skilling adults as well as continuing to raise the skill levels of young people. With fewer jobs available for people who are unqualified, some residents will benefit from improving their basic skills and gaining more lower level qualifications to increase their employability.

Though their performance is relatively strong, Harrow schools have some way to go to match Redbridge's. Employers continue to be concerned about the quality of applicants though colleges and other training providers appear to be well thought of by employers in terms of meeting their needs. This may be as much about skilled workers drawing higher salaries outside the borough and being in shorter supply as a consequence, as about the skills of young people and the unemployed.

The scale of small businesses in the Borough suggests that skills will not be raised by employers without the government's programmes for skills and qualifications training targeted at them. These businesses would also benefit from skill training for managers and business support if they are to survive and grow.

### **4.3.4 Business development**

Entrepreneurship is a major plus for the dynamics of the economy in Harrow, both of itself and in relation to like areas. In part, the scale of small businesses/self employment may well reflect the large base of professionally qualified and skilled people in the population and the BME demographic mix, changes in working patterns and the availability of work for various employers in the London region. If inducing start up businesses is not a problem, then the key issue is the extent to which micro-businesses are sustained within Harrow and can become in time employers. Small businesses appear to be growing and contributing to the rising levels of employment in Harrow though they report concerns that make doing business in Harrow difficult.

Some of these are premises and skills related. Allowing businesses to become established and develop, producing jobs directly and indirectly can be the basis for a thriving local economy that is less dependent on employment outside the Borough and able to support local town centres. They are assisted by Harrow in Business, now one of the few fully functioning remaining enterprise agencies. However it should be stressed that, there are continuing un-taken opportunities in the social enterprise sector.

#### 4.3.5 *Well-being*

Household earnings are relatively high though there is a divergence of these earnings between those employed locally and those employed outside Harrow. The scale and nature of the local economy potentially reduces residents' earning capacity. Local jobs are generally bringing lower pay though there continues to be a significant proportion of skilled and professional workers working in the Borough which is probably as a result of the 50 or so larger employers.

Higher household earnings from the wider regional economy may well be a factor behind the growing price of housing. This must be making Harrow more unaffordable for many residents adding to the difficulties some employers have retaining and recruiting staff. For some residents, there looks to be a continuing link between low earnings and dependency on benefits and low skills. There are local concentrations and it is in these areas that residents are probably in more need of help in accessing jobs and finding opportunities to raise skill levels.

What this tells us can perhaps be summed up in a SWOT

<b>Strengths</b>	<b>Weaknesses</b>
Diverse employment (sectors, sizes, types of work); growing sectors New businesses being established and growing Self-employed/home based Skill/qualification levels high and improving Household earnings high Access to Central London job market and other employment areas by tube, bus and rail	Relatively fewer big businesses; dependent on employment in smaller businesses Quality of employment land and premises; lack of incubation space Micro businesses not likely to provide much new employment, unless helped to grow Difficulty retaining and attracting skilled to local economy Pockets of low skilled with diminishing job opportunities Poor orbital public transport links to some employment areas; No direct access to Crossrail
<b>Opportunities</b>	<b>Threats</b>
Not employed: getting them into work can boost local economy; some national programmes (New Deal) Government initiatives on skills available; local colleges well placed Employment land available to meet demand if refurbished; some in and around town centres Employment opportunity areas on fringes of Harrow: Wembley, Cricklewood, Willesden, park Royal Wembley business, event, and hospitality industry growth	Reducing number of large businesses on the cards Downturn in employment growth and limited increases in projected employment growth for much of outer London and/or possibility of any growth filled by migrant workers? More retail purchasing by residents outside Harrow's town centres White City and Brent Cross shopping complexes

Orbital rail transport links being developed	
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#### 4.4 What appears to have changed since the last analysis (2002/3)

Changes?

- Unemployment is much less significant and lower with employment rising again
- Employer concerns greater, especially those of large businesses
- Substantial increase in VAT registrations
- Houses to buy becoming less affordable

Not changed?

- Further job and business growth
- Further increases in professional and managerial occupations
- Increases in the skills of the working age population
- Growth in new businesses and formation of new businesses
- General pattern of relative deprivation

#### 4.5 Conclusion: The Harrow story

Harrow is a typical outer London borough. It has a large outflow of workers significantly to other parts of west London and central London where earnings are higher. Employment levels and household earnings are relatively high, skill levels are impressive and people work predominantly in sectors and types of job that are growing and are projected to increase. This can create an image that is attractive in some respects but off putting in others not least because housing is relatively expensive to buy.

It also leaves a group of people who predominantly work locally who are earning less, unable to purchase housing (and reliant on social housing and private renting) and generally with lower skills. There remain some pockets of low household earnings, higher unemployment and dependence on benefits which tend to be linked geographically to areas with lower skills.

For a commuter dormitory though Harrow has a strong base of local employers, a strong flow of people coming to work in the area from outside London as well as some neighbouring boroughs, and some sectors such as creative industries that are growing strongly and others such as manufacturing which have not declined as much as in other areas. While some large employers have left the area and reduced their workforce, large public and business service employers have generally filled most of the slack and ensured there has been an increase in employment and a decline in unemployment. There is also a very strong small business economy and a culture of self-employment and level of new business start up that marks it out from its neighbours. This seems to be strongly linked to some ethnic minority<sup>4</sup> communities in the area. Harrow draws advantages from having large employment areas nearer to hand than central London such as Watford, Wembley, Park Royal and the Heathrow corridor and from having lower business costs than areas closer to central London.

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<sup>4</sup> the London Development Agency estimate that around 20% of all small businesses are ethnic minority owned

There are signs though that some larger employers are vulnerable and that what has made Harrow a good place to be in business is not so apparent today; recruitment difficulties, environmental issues, costs, out of date premises, poor facilities close to work places. Some of these features may also make it difficult for new businesses to grow and stay in business in Harrow.

## 5 HARROW'S 10 YEAR VISION

### 5.1 Scenarios

From an economic development perspective there are broadly five possible scenarios of what the economy of Harrow might look like in ten years time (although each would, of course, link in to different policy domains). These are 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 mix of local and regional employment with local businesses serving national and regional as well as local markets
- predominantly local employment market for residents from businesses with national, regional and local markets

### 5.2 **These are considerably different and would mean different priorities if they were to be preferred. They represent different vision options between which Harrow must make choices. At present Harrow is closest to scenario, or vision option, 3. How do these fit with Harrow's circumstances**

Each of the vision options is broadly assessed in the table below in terms of fit with the evidence and context, achievability and consequences for the people of Harrow.

Vision options	Why?	Why not?
1	<p>More residents already work outside the Borough and the trend has increased</p> <p>Jobs outside the borough bring higher average earnings</p> <p>All of the large employment opportunity areas are outside the borough and can be reached by public transport</p> <p>Employment land could be released for housing which could increase flow of new affordable housing and increase affordability of housing to buy</p>	<p>Put more pressure on public transport and roads without public investment to relieve this</p> <p>Not all parts of the Borough would be able to access jobs in these opportunity areas; reliant on shrinking local jobs market</p> <p>Travel costs for low earners unlikely to make it economic to look for jobs further afield; increase numbers dependent on state benefits or low earnings locally; skill training could not overcome imbalance</p> <p>Reduced demand for local services; would reduce jobs in retail and town centres and reduce vitality of the area</p> <p>Would suppress local enterprise</p> <p>Would not reflect London plan</p>

Vision options	Why?	Why not?
2	<p>Town centres have public transport links and less resistance to development with more opportunities for changes of use/mixed use; focus growth could aid revitalization of some town centres</p> <p>Poor quality of so many employment sites; land release can reduce pressure on housing land</p> <p>All of the large employment opportunity areas are outside the Borough and can be reached by public transport</p>	<p>Town centres not necessarily the most suitable locations for all growing businesses; some will relocate/look elsewhere; would dampen local enterprise</p> <p>Need to sustain level of local jobs to maintain demand for local business services and retail</p> <p>Travel costs and distances to work unlikely to make it economic for some to work; increase numbers dependent on benefits</p>
3	<p>Substantial local employment has capacity to grow and adapt to provide high earning jobs locally;</p> <p>will increase local spend and maintain vitality of town centres</p> <p>can be readily built upon through business support to the strong local business base</p> <p>Focus quality improvements/growth of employment in town centres building on transport links/existing mixed uses</p> <p>Limits pressure on public transport in line with expectations and current investment priorities</p>	<p>Limited employment land released for housing will maintain high prices in Harrow</p> <p>Requires investment in quality of employment sites which might not be forthcoming,</p>
4	<p>Reduce public transport pressures</p> <p>Build on strong growth in new business formation and local entrepreneurship</p>	<p>Insufficient employment land which would be suitable</p> <p>Unrealistic to expect that current large employers will all remain in Harrow and could be replaced by growth or re-locating businesses</p> <p>Significant new employment in West London likely in opportunity areas outside the Borough</p>
5	<p>More sustainable: shorter distances travelled to work</p> <p>Higher demand for local services and local retail spend; town centres would see private sector investment</p>	<p>Business growth very unlikely to match this level; businesses unlikely to re-locate to Harrow; more likely to move out of London suburbs</p> <p>Insufficient employment land; main employment opportunity areas are outside the Borough where businesses are likely to locate</p> <p>To meet housing needs would mean more intensive use of</p>

Vision options	Why?	Why not?
		existing housing land

Each option provides for a different outcome, but without a clear choice being made now, that provided for by Option 1 is the most likely to be achieved.

### 5.3 Vision Option 3

On balance Vision Option 3 represents the most desirable one and would be in line with current trends, not out of line with sub-regional trends and strategies, appears to be practical, and ought to provide good outcomes for Harrow's residents.

This is chiefly because:

- jobs growth can be expected in areas around Harrow from which Harrow residents can be expected to benefit from if they are accessible; some improvements to transport can be expected to make them more accessible
- the strength of local business growth looks to be long term and ought to be built on to maintain the level of local employment; many positive benefits of diverse local employment not least higher earnings in local economy and higher spend on local services which can keep town centres vibrant
- it is not realistic to expect improvements in public transport over the next ten years that has not already been signalled, and
- it can expect support from national skills and unemployment programmes and investment in schools and colleges.

### 5.4 What Vision Option 3 should deliver

These would have to be some of the key objectives:

- maintaining the current split of local (40 percent) and regional (60 percent) employment of residents,
- maintaining a sector and market mix in local businesses and employment,
- growth in sectors requiring higher skills and offering higher pay,
- retention of some large businesses well established in Harrow,
- maintaining most employment land; significantly improving the quality of employment sites available, particularly in and near town centres
- fewer residents unqualified or with irrelevant qualifications or in workless households.

Why?

- if the split in employment slips towards 67/33 this would further reduce the opportunities to maintain vibrant town centres because more purchasing will be outside the area
- with a less diverse economy there are risks that any downturn in the national economy would hit harder
- growth sectors should increase employment, and so maintain the growth needed in employment levels, and bring higher paid work with higher skill requirements

- large local businesses are not just large local employers often of higher skilled/paid employees but also purchasers of goods and services; they have significant effect on the local economy if they move, close or downsize; it is recognised that holding on to all of them is not a realistic challenge given trends over the last ten years and more
- town centres strongly benefit from having more than retail employment in the vicinity; the quality of employment premises must be raised if businesses are to start or develop in the area
- local and regional business growth and local and regional employment would be better matched, providing greater opportunities for residents across the full range of skill levels and for those currently out of work.

## 6 ECONOMIC REGENERATION PRIORITIES

Taking the analysis set out in section 4 and the objectives of the vision for Harrow's economy set out in section 5, it is possible to set out the economic challenges that Harrow faces over the coming years.

There are challenges that are fairly typical for a suburban Borough:

- Higher level skills will be in greater demand over the next 10 years and up-skilling and re-skilling will be needed by residents if they are to be higher earners
- For the low skilled and those with poor literacy and numeracy skills their job opportunities locally will diminish and their ability to earn more than minimum wages will become difficult unless they raise their skills
- Retaining business HQs, manufacturing and some public sector jobs in a London suburb will continue to be difficult
- The quality of employment land, buildings and transport infrastructure can make it difficult to establish and grow and retain businesses unless there is investment in renewal
- Improving traffic flow and reducing congestion is not easily reconcilable with providing parking for businesses
- There are challenges which are more specific to Harrow
- Growing 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 image problems of Harrow as a place to work as well as live
- Ensuring public transport links to employment opportunities outside the borough are maintained and enhanced

Around each of these we can build the actions and interventions that need to be part of the economic development strategy. The table below makes suggestions as to the key components of a revised strategy/action plan which will help to achieve the vision set out above.

Challenge	Action component	Possible Harrow Council interventions
Higher level skills will be in greater demand over the next 10 years and up-skilling and re-skilling will be needed by residents if they are to be higher earners	<p>Raise demand from employers and individuals for qualification training at level 2 and level 3, including apprenticeships both for people post 16/19 without these qualifications and older workers who need to re-train</p> <p>Continue to raise GCSE achievement and provide vocational routes</p> <p>Continue to increase young people's and training providers' understanding of employers' skill needs through work experience, positive social activities and regular contact</p>	<p>Work with training providers IAG network and allied ESF projects to ensure dialogue with employers about skill needs is understood</p> <p>Continue to work with schools in raising attainment and work related skills, via work experience</p> <p>Encourage non main stream providers/ community and refugee organisations to also be aware of labour market issues, and involve in work related activity</p>
For the low skilled and those with poor literacy and numeracy skills their job opportunities locally will diminish and their ability to earn more than minimum wages will become difficult unless they raise their skills. Those on incapacity benefit will find it harder to move into work	<p>Continue to raise the basic skills of people below entry level including those who require ESOL provision</p> <p>Develop routes for low skilled, particularly those not in employment, to gain entry to training and work</p>	<p>Link to LSC work in this field</p> <p>Focus local JC+ work on local needs</p> <p>Encourage businesses and social enterprises to offer opportunities for entry to employment</p> <p>Take part in city strategy pilot West London Working which aims to help people on benefit into work</p>
The quality of employment land, buildings and transport infrastructure can make it difficult to establish and grow and retain businesses unless there is investment in renewal	<p>Provide incubation space and more flexible workspace for new and growing small businesses (under 10 employees)</p> <p>Develop improvement partnerships in the major employment areas</p> <p>Encourage developers and land owners to refurbish and renew</p>	<p>Promote understanding of demand and needs in the area with landowners/ and or identify external funding</p> <p>Establish management company to provide incubator activity</p> <p>Examine scope for BIDs or less formal partnership funded schemes as in town centres</p>
Improving traffic flow and reducing congestion is not easily reconcilable with providing parking for businesses	<p>Continue to develop travel plans with major businesses</p> <p>Continue to make cycle route and bus route improvements to meet needs of employers</p> <p>Investigate parking for essential business users and employees?</p>	<p>Utilise expertise of Green Travel co-ordinator and via business networks encourage</p> <p>Encourage access to : car pooling, home working etc – council lead by example</p> <p>Act as liaison point between transportation section and business</p>
Growing the new businesses being established as well as more established SMEs and social enterprises to provide future jobs in the local economy	<p>Continue to provide new enterprise education, training and support to meet different needs (advice, mentoring, specialist help)</p> <p>Reduce the burdens on local</p>	<p>Focus Harrow in Business on filling gaps in provision by Business Links and training providers</p> <p>Encourage take up of LSC in work training</p>

	<p>businesses (parking overheads, inspection) and make them aware of these</p> <p>Encourage council procurement to work with local suppliers</p> <p>Encourage involvement in west London meet the buyer activity</p>	<p>Develop Welcome to Harrow business packs; info on portal, small business rate relief, inspection/enforcement issues and access to advice on business related issues</p> <p>Make more businesses aware of the Harrow Business Portal</p> <p>Implement the small business concordat</p> <p>Work with partners to build SME, and voluntary and community group capacity to take on public sector contracts</p>
	<p>Actively develop and assist specific growth sectors? – Creative business/ Food/ hospitality/ knowledge transfer</p>	<p>Enable local business to join in WL and London wide sector initiatives</p>
<p>Keeping Harrow's large employers in the area to maintain their employment and supply chains</p>	<p>Develop a continuing dialogue between all the major public service providers and large employers (about needs, problems, sources of advice and help)</p>	<p>Consult and communicate directly with large businesses; respond directly to concerns and explain actions</p> <p>Reinstate Prime Movers Forum or develop relationship managers to visit to build knowledge and understanding</p> <p>Encourage other members of HSP to do the same, especially training providers</p>
<p>Retaining business HQs, manufacturing and some public sector jobs in a London suburb will continue to be difficult</p>	<p>Identify with these employers if there are any specific local improvements that will help to keep their presence in Harrow (could be skills, environment, partial site redevelopment)</p>	<p>Rebuild network of large employers, identify issues and work to address them across the council.</p> <p>Work with WLB on specialist areas to support business retention</p>
<p>Overcoming some of the image problems of Harrow as a place to work as well as live</p>	<p>Promote the positive benefits of living and working in Harrow.</p> <p>Increase the attractiveness of Harrow town centre for people of all ages</p> <p>Continue to improve the quality of the environment/public realm of the area</p> <p>Promote the development of a quality hotel in Harrow</p>	<p>Work with WLB to Make employers aware of the selling points of the Borough in attracting employees</p> <p>Encourage development of cultural and leisure activities in town centres</p> <p>Promote the development of Harrow town centre</p>
<p>Ensuring public transport links to employment opportunities outside the borough are maintained and enhanced</p>	<p>Increase the accessibility of residents to the main employment opportunity areas</p>	<p>Map current accessibility by public transport to opportunity areas outside Harrow</p> <p>Identify if improvements are in hand or could be made to increase accessibility, particularly for those most reliant on local employment</p>

Meeting these challenges will be a complex task. In setting out how this is to be achieved, there will need to be clarity about the mechanisms through which this will be done, the roles and responsibilities of partners within those mechanisms, the activities they will undertake and outputs they will achieve and how these are to be transparently accounted for to all partners. This will be encapsulated in a separate document.