



Haringey Council

Report for:	20th January	Item Number:	
Title:	Economic Development and Growth Strategy		
Report Authorised by:	Lyn Garner		
Lead Officer:	Vicky Clark		
Ward(s) affected: All	Report for Key/Non Key Decisions: Key		

1. Describe the issue under consideration

- 1.1 This paper seeks Cabinet approval for the Haringey Economic Development and Growth Strategy.
- 1.2 Haringey as a borough enjoys a number of economic strengths and opportunities, including an outstanding location for business and for accessing employment in central London, already enjoying outstanding transport connections with the prospect of further potentially transformative transport investment through Crossrail 2; an enduring tradition of craft-led manufacture; a well-defined aspiration to lead for London on the sustainable economy; and growing interest in the area from a number of prestigious educational institutions.
- 1.3 However, the borough also faces some particular threats and challenges, include town centres (particularly Wood Green) which are perceived to be in decline or of low quality; highly polarised employment rates and skills levels; and a very low local employment base (Haringey has 44 jobs per 100 working age residents, the third lowest of all the London boroughs). These issues compound each other since, of the jobs which are available locally, retail make up the highest proportion.
- 1.4 Capturing these opportunities and addressing the challenges is essential in order to deliver against the draft 2015/18 Corporate Plan in which Priority 4 is to *Drive Growth*



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and Employment from which everyone can benefit. To secure best value our work in this area will need to maximise the benefit from statutory/national programmes, take best advantage of external funding streams, and use core funding only to plug gaps in provision or lever in external investment.

1.5 To date economic development interventions led by the borough have tended to be opportunistic and geared around external funding opportunities and/or focused on supporting people to access employment. The Economic Development and Growth Strategy will provide a framework for a more strategic programme, with an approach geared around commissioning and leveraging maximum value from other stakeholders' investment in Haringey.

2. Cabinet Member introduction

2.1 I believe that taking a proactive approach to economic development is essential to the successful future of Haringey. At a simple level a thriving economy will support the regeneration of the borough and attract ambitious and energetic people to make their home here. Moreover there is compelling evidence that a thriving business base and better-employed residents reduces the burden on numerous other services from street cleaning to social care.

The Economic Development and Growth Strategy takes a realistic but ambitious view of Haringey's economy today, and its future potential. It offers a basis from which to plan and commission future work and a structure which will inform our future bids to external funding sources to maximise value.

2.3 The strategy does involve 'picking winners' by prioritising particular sectors and promoting bold ideas to attract these sectors to the area. There are risks inherent in this course of action. However I believe that the risks attendant in the alternate approach – that of letting Haringey subside into the status of a 'dormitory borough' – are far greater, in terms of the loss of energy and income to our town centres and neighbourhoods. I recommend that Cabinet endorses and adopts the Economic Development and Growth Strategy.

3. Recommendations

3.1 That Cabinet approves the Economic Development and Growth Strategy.

4. Alternative options considered

4.1 The option not to develop an Economic Development and Growth Strategy was considered. This was rejected because it would mean the Economic Development team continuing to work in an ad hoc way – responding to funding opportunities and making reactive interventions rather than shaping the agenda for the borough.

4.2 The option to pursue a more cautious approach with less emphasis on securing new investment in the borough was also considered and rejected. This was because



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without a proactive approach to attracting new businesses the centralising trends which have seen Haringey's employment ratio decline would be likely to continue.

4.3 The option of pursuing a more generalised 'Haringey open for business' strategy was considered and rejected because of the logistical and resource implications of attempting to market to businesses across all sectors, and because of the risk that such a diffuse message would be lost in the London economy.

5. Background information

5.1 **Strategic Context:** This strategy will be the central framework for the delivery of Priority 4: *Drive Growth and Employment from which everyone can benefit* in Haringey's draft Corporate Plan for 2015/18 (and for the delivery of Priority 7: *Drive economic growth in which everyone can participate* for the remaining life of the current Corporate Plan). It will inform the ongoing work of the Economic Development team in support of this priority including helping people into employment, ensuring that Haringey's education and training offer equips our residents for work and growing our own economy and employment base. The strategy will also influence the work of other services across the council, including Adult Learning, Children and Young People, Environmental Resources, Culture, Planning, Licensing, Regeneration and the Tottenham programme.

5.2 More widely the Strategy seeks to locate Haringey in the London economy, recognising and seeking to build on the opportunities which exist from our proximity to central London and growing tech and design clusters to the immediate south in Hackney and Islington. Making the most of this opportunity will include both attracting businesses to Haringey and ensuring that our residents are able to access employment in other areas.

5.3 The Strategy synthesises evidence including demographic and economic data, research and academic perspectives on growing sectors and theories of city and sub-regional growth with London-wide strategy and targets to define a way forward for economic development and growth. As well as targeting the opportunities identified in para 5.2 the Strategy addresses challenges including retail decline, a low employment base, and the need to balance space for business growth with the provision of new homes.

5.4 The principle evidence base is the Peter Brett/CESI commission, the 'Haringey Economic Growth Assessment', produced Autumn/Winter 2013/14. The report's key conclusions were:

- Haringey should not be a suburban spectator in London's economy, but creating an outstanding residential offer will bring wealth into the local economy.
- If Haringey is going to share in London's future prosperity – driven by high-skilled, knowledge-based businesses - it needs to make sure that it attracts and retains a skilled, affluent population. Low skill levels need to be remorselessly



addressed, both in schools and in youth training. Life outcomes for the unskilled are poor, and will get worse.

- Local jobs are important – particularly for those with caring responsibilities. But travel time to work is more important than the precise location of the job by borough boundary. Ensuring that residents have the hard and soft skills to access wider London jobs is more important than worrying unduly about ‘local’ jobs.
- Haringey has an exciting and highly entrepreneurial small business scene. This means that the jobs growth that does take place in Haringey could be somewhat under the radar.
- Address town centre retail change now, before upcoming changes cause obvious damage. Invest in the centres to make them attractive and explore the possibilities for set-down/workhub space for knowledge workers/small consultancies
- Speculative office development should be avoided because they will not recoup the build costs in the outer London market. Instead we should focus on investment in our existing commercial base to improve its functionality and image.
- It will be very difficult for us to capture the office market from Kings Cross or Cambridge, because of locational disadvantages and the associated lack of added value does not outweigh cheaper rents.
- Adopt a light-touch creative industry strategy to gradually transform the image of our key employment land (especially in South Tottenham)
- Haringey should not focus on a saviour sector and should remain flexible to take advantage of opportunities as they emerge.
- Many of the high growth/productivity jobs in the Green Sector are knowledge-sector jobs that are office-based. These employers are highly likely to be driven by precisely the same centralising forces as the other office sector employers.
- Refocus on green jobs where Haringey may develop a competitive advantage. In particular small consultancy services or providers who are home workers or operating from small office suites. These are industries, who seek to cluster and can be accommodated in a refreshed town centre or workhubs.

5.5 Key recommendations for the Strategy include:

- Concentrating the Council’s efforts and direct investment on areas where there is a specific issue to be addressed or where there is a real opportunity to make an impact
- Building on assets and opportunities including our location, strong and improving transport links, tradition of quality manufacture, forthcoming regeneration investment in Tottenham, leadership on the sustainable economy and growing interest in the borough from leading education providers.
- Taking a leadership role to influence and maximise the benefit from investment by other stakeholders in the borough e.g statutory service providers and commercial investors/ landowners.



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5.6 Delivery mechanisms for the strategy will be through commissioning programmes rather than direct delivery. Whilst the basic framework of the strategy has been provided by the evidence and analysis in the Peter Brett/CESI report, further more detailed analysis and sub-strategies need to be commissioned to ensure we design the best services. In particular a multi-agency skills commission to determine gaps in skills provision and improvements to careers advice focusing early on clear pathways to work.

6. Comments of the Chief Finance Officer and financial implications

6.1 The costs of preparing this report have been met within existing budgets. The base budget for the Economic Development service in 2014-15 is £831,000, although savings of £250,000 are assumed for 2017-18 in the draft budget proposals for 2015-18. Additionally there is funding of £2,000,000 available in reserves for work relating to employment initiatives which can be used to help support implementation of this strategy. However, in order to deliver the Growth Strategy, the service will be dependent on accessing external funding an example of which is Growth Fund monies from the GLA where funding was agreed in late 2014.

6.2 Other services within the Council will also contribute towards the delivery of his strategy, for example Haringey Adult Learning Service, the Low Carbon Team and Tottenham Regeneration Team, these services are also funded by external grant or reliant on external funding to a certain extent.

6.3 Changes in Local Government funding in recent years mean that direct grant support from Central Government is reducing and the Council is becoming ever more reliant on growth for its core funding in the form of Council Tax and Business Rates income.

Delivery of this strategy should help to grow the Business Rates base and thus improve the Council's wider financial position.

7. Assistant Director of Corporate Governance Comments and legal implications

7.1 The Assistant Director of Corporate Governance has been consulted in the preparation of this report and comments as follows:

7.2 Under the Greater London Authority Act 1999 the Mayor of London is required to produce a spatial development strategy for London known as "the London Plan". The London Plan 2011 as amended is the overall strategic plan for London setting out an integrated economic, environmental, transport and social framework for the development of London and provides the London-wide Policy context, but only the Council's development policies are required to be in general conformity with the London Plan.

7.3 The Council is able to set its own detailed economic development and growth strategy having regard to the priorities set by the London Enterprise Partnership.

7.4 The Council's Public Sector Equalities Duty ("PSED") is set out in section 149 of the Equality Act 2010 and obliges the Council in performing its functions "to have due regard to the need to:



- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it”

The protected characteristics are sex, gender reassignment, age, disability, race and ethnicity, sexual orientation, religion or belief or no belief, pregnancy and maternity, marriage and civil partnership.

Members must take into account the full Equality Impact Assessment when approving the Economic Development and Growth Strategy.

8. Equalities and Community Cohesion Comments

8.1 This strategy is designed to develop economic opportunity in Haringey which should improve outcomes for all residents. Local employment and business opportunities are of particular importance for certain equality priority groups who share characteristics protected by the Equality Act 2010, particularly people with caring responsibilities or with disabilities where extended commuting is impracticable. They are also of importance for certain ethnic minority groups who experience the highest rate of unemployment in London.

8.2 Given that the strategy has the potential for wide scale impact on residents of the Borough, it will be subject to a full equality impact assessment in accordance with Council policy regarding compliance with its general equality duty.

9. Head of Procurement Comments

9.1 The production of a local Economic Development and Growth Strategy will be very helpful to not only businesses located within the Haringey area but also to all other suppliers and their supply chains that wish to do business with us.

10. Policy Implication

10.1 This strategy supports delivery of Priority 4: *Drive Growth and Employment from which everyone can benefit* in Haringey’s draft Corporate Plan for 2015/18 (and for the delivery of Priority 7: *Drive economic growth in which everyone can participate* for the remaining life of the current Corporate Plan). In setting priorities and defining ways of working for the council in the field of economic development growth, it will - once approved - represent the council’s main expression of policy in this field.



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11. Reasons for Decision

11.1 The council has identified economic growth and employment as a priority in its draft corporate plan for 2015-18. This strategy sets out the proposals for delivering against key elements of that plan, and if adopted its implementation will have a significant impact upon all wards in the borough.

12. Use of Appendices

12.1 The proposed Economic Development and Growth Strategy is appended.

12.2 An equalities impact assessment (EqIA) for the Strategy is also appended.

13. Local Government (Access to Information) Act 1985