

Report for: Cabinet, 10 March 2020

Title: **Economic Development Strategy**

Report authorised by : Dan Hawthorn – Director Housing, Regeneration and Planning

Lead Officer: Peter O'Brien – Assistant Director for Economic Development and Regeneration

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

1.1 The draft Economic Development Strategy sets out the proposed framework for economic development in the borough between 2020-2035, for consultation. The focus is on creating a good economy that works for all and enables residents and businesses to thrive.

2. Cabinet Member Introduction

2.1. Haringey is a vibrant London borough. We have great parks, schools, transport links and strong communities. We have over 14,000 active businesses, good business survival rates and low unemployment levels. We also have diverse high streets which reflect their communities and valuable industrial spaces, a rare asset within a London context. The draft strategy recognises the borough's strengths and seeks to build on them.

2.2. However, like the rest of London, and indeed the country, we also face significant challenges.

- The world of work and the environment in which our businesses operate in is fundamentally changing, with residents, businesses and high streets needing to adapt in order to thrive.
- A significant proportion (29%) of residents in Haringey are paid below the London Living Wage (LLW), demonstrating that in-work poverty in the borough is a real issue and that our economy is not working for all.
- The climate crisis means that our economies need to operate in a way which is considerate to the environment.

2.3. While we need to acknowledge the powerful national and international forces which will have a direct impact on our local economy, we also need to be bold about the economy we are trying to shape and influence. That is why we have focused on a model of a good economy, with residents and businesses at the heart of what we are trying to achieve- namely; good work; fairness and equality; business and enterprise resilience; environmental sustainability; and health and well-being.

- 2.4. While this strategy has specific relevance to the Local Investment and Economic Growth portfolio, it draws out the links with other portfolios. Equality, health and environmental sustainability are at the core of the good economy model. Housing, childcare, education, transport, community safety and strong communities are recognised as the foundations of a healthy economy. There are references throughout the strategy which identify specific links with other portfolios, such as supporting NEETs into employment and the importance of safety and cleanliness to high streets.
- 2.5. Only by working in partnership with businesses, public bodies, employment and skills providers and residents can we move towards this vision. That is why the consultation will be critical to moving this work forward.

3. Recommendations

- 3.1. That Cabinet approve the publication of the Economic Development Strategy for consultation, which focuses on:
- 3.1.1. Creating a good economy – good work; fairness and equality; business and enterprise resilience; environmental sustainability; and health and well-being.
 - 3.1.2. Four key priority areas – business and enterprise; high streets and town centres; employment space and infrastructure; and employment and skills.

4. Reasons for decision

- 4.1. This draft strategy is our framework for economic development in the borough between 2020 - 2035 and sets out how we can shape a good economy for Haringey that works for all, enabling residents to prosper and businesses and high streets to thrive.
- 4.2. This vision, for a good economy seeks to move beyond a narrow focus on economic growth, towards a way of thinking about economic development which focuses on whether it supports our residents to live good lives, is fairer, and, whether it is environmentally sustainable (recognising the interdependency with the emerging Climate Change Action Plan).
- 4.3. The vision for the economy needs to be clear, and aligned to what business and residents want, so that actions can be identified and prioritised to help move in a specific and agreed direction. This is especially important in the area of economic development where the Council's resources are limited, and partnership working is critical to success.

5. Alternative options considered

- 5.1. Do nothing and rely on existing strategy – The previous economic development strategy was published in January 2015. Evidence used to develop the strategy is now out of date. In addition, the strategy needs to be updated to align with Community Wealth Building. This would also miss an opportunity for the council to set a new direction of travel which takes account

- of the significant social, economic, political and environmental changes that have occurred since the last EDS.
- 5.2. A new strategy is needed to reflect these changes, set a vision which aligns with what matters to businesses and residents, and enables partners to work together.
 - 5.3. There are numerous ways which economic development could be approached, not least through a traditional focus on increasing Gross Domestic Product (GDP) or Gross Value Add (GVA). However, the proposed approach is based on an updated commissioned evidence base; what businesses have said is important; and latest thinking about what makes a good economy.
 - 5.4. Four key priorities have been identified:
 - Business and enterprise - Attracting and sustaining business and enterprise who share our values
 - High streets and Town Centres - Supporting diverse, vibrant, healthy high streets and town centres
 - Employment space and infrastructure - Creating, improving and protecting employment space and infrastructure
 - Employment and skills - Supporting all of our residents to secure and sustain good work, and to ensure they have the skills that help them to progress now and in the future.
 - 5.5. Key actions have been identified, with a full action plan being published alongside the final strategy in September 2020.

6. Background information

- 6.1. Evidence base - The Council commissioned an evidence based to inform the development of the strategy. This included primary research with local businesses and high street users. The evidence base can be found [insert web address].
- 6.2. Levers – There are key areas where the council can play a significant role in shaping the direction of travel, in particular the council as a landowner and as a planning authority which is most clearly demonstrated through the employment space and high streets chapters. In other areas, we will play more of a coordinating and leadership role, with some direct provision of services (such as business support).
- 6.3. Measuring success - There are two elements for measuring success which will be further explored during the consultation period. One set of measures relates to how the Council's direct actions are contributing to the good economy and the other are indicators which tells us how Haringey's economy is performing:
 - The Borough Plan sets out measurements in relation to the Council's role in delivering the economy priority. These measurements will be reviewed and possibly added to or amended in line with the final strategy when it goes to Cabinet in September 2020.
 - In addition, we will also look to develop a wider set of indicators with partners which can be used to collectively understand how well the economy is performing. The Council will have less direct responsibility

and control over these indicators, but it is important to have them to inform future actions.

6.4. Consultation -The consultation will focus on in-depth engagement with statutory partners, businesses, residents, voluntary sector and employment and skills providers and will seek to:

- Refine the definition of the good economy model and how this informs what actions the council takes
- Identify areas for partnership and collaboration
- Test and inform how we respond to the key challenges
- Test evidence base and address any information gaps

7. Contribution to strategic outcomes

7.1. Haringey's Borough Plan 2019-23 sets out our existing vision for a growing economy which provides opportunities for all our residents and supports our businesses to thrive. This strategy builds on these commitments, and grounds them in a longer term and more detailed vision for Haringey's economy. This focuses on:

- Creating the conditions so that local businesses can start up and flourish. This includes an important commitment to make it easier to do business in the borough (the 'Business Pledge');
- Ensuring that all residents have access to training and skills development opportunities and more people are supported into work;
- Supporting the creation of more quality jobs with opportunities for progression; and,
- regeneration with social and economic renewal at its heart.

7.2 This strategy builds on these commitments, and grounds them in a longer term and more detailed vision for Haringey's economy.

7.3 In addition, Community Wealth Building is fundamental to the strategy:

- Every public pound delivers maximum public good - The good economy indicators can be used as a tool to make every project, programme or policy work as hard as possible, essentially delivering maximum public good.
- Emphasis on those who are struggling – The fairness and health indicators are critical to this and this will come out most strongly in the employment and skills section.
- Working with partners – Only by working in partnership can we achieve a good economy. This will strongly inform the engagement and consultation work to be undertaken.

- Prosperity of local people and businesses – This is core to the EDS. It will seek to take an strengths based approach, building upon what is already in the Borough.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1. Finance

8.1.1 The report recommends that Cabinet approve the publication of the Economic Development Strategy for consultation, which focuses on:

- -Creating a good economy – good work; fairness and equality; business and enterprise resilience; environmental sustainability; and health and well-being.
- -Four key priority areas – business and enterprise; high streets and town centres; employment space and infrastructure; and employment and skills.

8.1.2 All Costs relating to the publication and consultation will have to be met from current existing Revenue budget.
Funding will need to be identified when a full action plan is developed for September 2020.

8.2. Procurement

8.2.1. Strategic Procurement fully supports the recommendations stated in Section three of this report.

8.2.2. The Procurement Strategy outlines our commitment to supporting local businesses and promoting community wealth building, social, economic and environmental values in our procurements. The consultation enables our residents and businesses to feed back their views, so that we can further consider these alongside our current procurement practices.

8.3. Legal

8.3.1 The Assistant Director of Corporate Governance has been consulted in the preparation of this report and comments as follows:
Under the Greater London Authority Act 1999 the Mayor of London is required to produce an Economic Development Strategy for London. The Strategy 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 Mayor’s strategy. The Council’s is able to set its own detailed economic development and growth strategy having regard to the priorities set by the London Enterprise Partnership. In setting its own strategy the Council can consult specific stakeholder groups to consider the potential likely impacts on specific groups or areas of interest, and through having regarding to the public Sector equality duty.

8.4. Equality

8.4.1. The Public Sector Equality Duty (PSED)¹ is a duty requiring public bodies and others carrying out public functions to have due regard to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010;
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected characteristic and those who do not.

8.4.2. A draft Equalities Impact Assessment has developed and can be found at Annex B. This indicates that the strategy would have a positive impact on groups with protected characteristics, especially in relation to the employment and skills priority which identified that most at risk of workless and low paid employment. The EQIA will be test and further refined during the consultation.

9. Use of Appendices

Annex A: Economic Development Strategy Consultation

Annex B: Draft Equality Impact Assessment

10. Local Government (Access to Information) Act 1985

10.1. Community Wealth Building Cabinet paper -

<http://www.minutes.haringey.gov.uk/documents/s111644/2019%2009%2025%20CWB%20Cabinet%20Report.pdf>

10.2. Borough Plan <https://www.haringey.gov.uk/local-democracy/policies-and-strategies/borough-plan>

10.3. Previous Economic Development Strategy -

<https://www.haringey.gov.uk/business/economic-regeneration/economic-regeneration-growth-strategy>

¹ <https://www.legislation.gov.uk/ukpga/2010/15/section/149>