

 <b>Brent</b>	<p align="center"><b>Resources and Public Realm Scrutiny Committee</b></p> <p align="center">14 July 2020</p>
	<p align="center"><b>Report from the Strategic Director of Regeneration and Environment</b></p>
<p><b>The Local Economy in Brent</b></p>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Non-Key
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
<b>No. of Appendices:</b>	0
<b>Background Papers:</b>	0
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## 1.0 Purpose of the Report

- 1.1 To provide an update to the Resources and Public Realm Scrutiny Committee on economic strategies for Brent, including Brent Council priorities, current strategies and policies, and the impact of the COVID19 epidemic and public health restrictions, specifically on business support, high streets, and employment.

## 2.0 Recommendation(s)

- 2.1 That the Resources and Public Realm Scrutiny Committee note and comment on the contents of the report.

## 3.0 Background

- 3.1 This report sets out the strategic objectives that support the local economy and what the council can do to mitigate some of the worst effects of the Covid-19 pandemic by reducing business closures, helping businesses to grow/sustain themselves, supporting town centres, stimulating new businesses and entrepreneurship activity, and retaining and creating new jobs for local people.
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- 3.2 The impact of the crisis on the economy is severe and will be long lasting. In Brent there is a particular risk of residents in crisis presenting as homeless further down the line. Housing affordability in Brent is among the weakest in West London, with the average house costing over 15 times the average salary in 2019. Continued furloughing and job losses may weaken household incomes further and lead to accommodation costs accounting for an even larger share of household spending across the borough. Brent households are also less likely than those elsewhere to have adequate savings to help them get through periods of unemployment or reduced income.
- 3.3 Statistics published in June 2020 indicate that in the constituency of Wembley Central 45% of the local workforce has been furloughed. Further data published indicated that 49,900 workers in Brent have been furloughed, the second highest in London. The figures are high across the West London authorities, in part because of the impact of Heathrow being so inactive.
- 3.4 It is therefore imperative to consider what measures can be taken to support and stimulate the local economy and support local employment. Whilst it is acknowledged that some measures will have upfront costs, these must be balanced against the potential human and financial costs of increases in homelessness, poverty and unemployment.
- 3.5 **Economic data and context**
- 3.6 The Office for Budget Responsibility has suggested a potential 35% decrease in economic output across the UK in Q2 2020. Figures from the Office for National Statistics showed that the UK's economy shrank by 20.4% in April 2020. Research by Oxford Economics commissioned via the West London Alliance also highlights the expected impact on the Brent economy.
- 3.7 Detailed analysis suggests that our local economy will be disproportionately affected because:
- The sectoral mix is relatively reliant on sectors which are especially vulnerable, and tend to be lower value ones — particularly manufacturing, but also transport & storage, leisure and hospitality, retail and construction.
  - Long term unemployment and youth unemployment are particularly prevalent.
  - Micro-businesses (1-10 employees) make up approximately 93% of the borough's business base (higher than the London average). These are more vulnerable than larger businesses in the current situation. Many are likely to be retailers, supply chain organisations, or selling services directly to local consumers, and many may have weaker financial positions than larger companies with less resilience to weather large gaps in turnover.
  - As household income levels in the borough are relatively low, high street businesses are reliant on a weaker customer base than similar companies in more prosperous areas. This will be further exacerbated as unemployment increases.
- 3.8 Overall the data suggests that the Brent economy is likely to shrink between 9% and 14% in 2020. This is a sharper contraction than the London economy as a whole.
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## 4.0 Detail

### 4.1 How do Brent's economic strategies link with other Council strategies and programmes and partner organisation's strategies; specifically, the London Plan?

4.2 The council's economic strategies and the Local Plan in particular have been prepared in line with the requirements of the London Plan and other Mayoral strategies such as the Economic Development Strategy, the Housing Strategy and the Transport Strategy. It is a statutory requirement for Brent's Local Plan to be prepared in general conformity with the Mayor's London Plan.

4.3 Preparation of the Local Plan has involved the scoping of various council's plans, programmes and strategies, such as the regeneration strategy, to ensure relevant priorities and objectives are considered in developing the most appropriate planning policy for the borough.

4.4 The draft London Plan emphasises economic development and growing a good economy and seeks to capitalise on 'good growth' opportunities to conserve and enhance London's global economic competitiveness and ensure that economic success is shared amongst all Londoners. These principles are emphasised in the council's economic strategies and Local Plan, and are also closely aligned to the Borough Plan – in particular, its themes around every opportunity to succeed and a future built for everyone, an economy fit for all.

4.5 The council has engaged with key partner organisations such as the GLA, TfL the OPDC, neighbouring boroughs and other local stakeholders in the preparation of the Local Plan to ensure strategic and cross boundary issues have been carefully considered. The council will continue to work with its neighbours and partner organisations in the implementation of the Local Plan and economic strategies.

4.6 **The new draft London Plan was due to be published this summer. Has Brent Council contributed to the development of the new London Plan economic development, regeneration and sustainability sections? Please can you summarise the points submitted? Will the current public health situation affect the publication of the new London Plan and will the public realm sections of this now need to be reviewed in the light of the public health precautions?**

4.7 The Spatial Planning Team commented in detail on the draft London Plan during each stage of consultation, namely in 2017 and 2018, and participated in and gave evidence during the 2019 London Plan examination hearings.

4.8 In relation to economic development, some of the key issues raised included:

- The Council's ongoing commitment to ensuring Brent's economy flourishes to support jobs for the growth in its population and to help London in its role as a leading world city. We reinforced the need to have good public transport and orbital links in outer London as essential to supporting a good economy across London, not just in inner or central London;
  - The need for the affordable workspace policy to emphasise that developers carry out engagement with workspace providers as early as possible in the planning process, with a view to having a named provider in the S106 (this approach also reinforced in draft Brent Local Plan policy *BE1 'Economic Growth and Employment Opportunities for All'*)
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- Our support around the intensification of industrial land, in particular looking at innovative ways in which to deliver additional jobs and employment opportunities. However, concerns remain around Brent having to provide the equivalent of an additional 43 hectares of industrial land (land solely for light industry, general industry and storage and distribution) over the plan period (an issue that will be discussed in detail at our Local Plan examination, anticipated to take place in Autumn 2020)

4.9 In relation to sustainability, our comments were largely in support for policies and the London Plan's approach to air quality, climate change and resilience, energy and water infrastructure.

4.10 The Mayor and London Plan Team are currently considering how they respond to the Secretary of State's latest Directives following the Mayor's response to the London Plan Panel Report before the Plan can be presented to the London Assembly for adoption. This work has been delayed. Officers are in regular contact with the GLA and updates on the London Plan adoption process can be provided as and when firmer timescales from the GLA are published.

4.11 It is not yet clear whether the public health sections of the London Plan will be changed in response to the Covid-19 pandemic. It is more likely that the Mayor will publish the current version of the Plan and then seek to produce more detailed supporting guidance on issues such as the public realm/built environment. This could involve guidance for councils to consider how they adapt the built environment to implement a range of measures that will help address wider priorities around public health, air quality, and climate change.

4.12 The Council has recently published for consultation the draft Brent COVID-19 Transport Recovery Plan which outlines its approach for delivering rapid improvements to the transport system and public realm in the borough in response to the challenges raised by the Covid-19 pandemic. The Plan outlines those changes that need to be made in the short-medium term as well as those needed to support longer-term ambitions to ensure a more inclusive, healthier and sustainable future for Brent's residents.

4.13 We will continue to work closely with the GLA and TfL in particular on the implementation of the Council's strategic objectives for the public realm.

4.14 **What is the link to the Council's Local Plan and the development of the new Local Plan for Brent?**

4.15 The draft Local Plan has been prepared to be in line with other council plans and strategies in particular the Borough Plan and the regeneration strategy.

4.16 The draft Local Plan sets out ambitious growth plans including significant new housing and employment provision up to 2041. The economic development policies include aspirations to deliver increased employment floorspace, new affordable workspace, improvements and intensification of existing employment areas.

4.17 In particular, the Local Plan recognises the importance of supporting existing businesses. However, there is also a need to enable future growth sectors such as the low carbon circular economy, science and technology, and creative industries. This will involve improving infrastructure, particularly digital and 5G networks, and securing a range of high quality workspaces, including affordable, incubator, accelerator and co-working (IAC) spaces,

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research labs and makerspaces. In this regard, the Local Plan and economic strategies are aligned to ensure these objectives are met.

**4.18 What are the current council priorities, strategy and objectives for the local economy in Brent, and what is the council's role in promoting economic development, sustainability and regeneration?**

4.19 The council's Regeneration, Growth, and Employment department leads on economic development, planning, growth and regeneration. It is led by the priorities outlined in the Borough Plan, the Inclusive Growth Strategy, the Brent Local Plan and Recovery Plans being put in place across Employment, Skills, and Enterprise.

4.20 The Regeneration Team's role is to:

- Set a clear vision for regeneration and growth across the borough, to deliver new homes, jobs, and place-making.
- Ensure regeneration and growth is inclusive, benefits all and reduces inequality.
- Lead by example to deliver Council-led regeneration schemes of high quality.

4.21 The Planning Team's role is to:

- Contribute to the regeneration of the borough through the development of the Local Plan and supporting policy documents – a strategy that will deliver new homes, jobs, supporting infrastructure and high quality places and neighbourhoods.
- Negotiate on, and determine planning applications to secure good quality developments
- Secure CIL and s106 contributions and prioritise spend on key infrastructure and social value to ensure regeneration is inclusive and benefits both existing and new communities.
- Manage strategic transport projects unlocking potential for growth, promoting active travel, delivering enhanced walking and cycling infrastructure.

4.22 The Economic Growth Team's role is to:

- Support improvement of the 9 priority town centres in Brent through clear town centre action plans covering public realm, business support and place-making objectives.
  - Support the local economy through a series of business events including supply chain events and online or face to face training programmes.
  - Lever funding to support diversification and physical improvements and capital investment in Brent's town centres
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4.23 Over the past 12 months the following strategic objectives have been delivered:

- £200,000 of NCIL secured for town centre improvements including community-led street art projects, local events to promote footfall, greening, public realm improvements and business support.
- £400,000 of Historic England funding secured to deliver improvements to conservation area in Harlesden high street
- Council acquisition of Picture Palace to diversify Harlesden High Street and provide community infrastructure and workspace.
- Brent for Business events programme delivered with over 200 businesses engaging over 19/20.
- Significantly improved the quality and reach of the council's business communications with over 7,000 businesses signed up to the council's business e-newsletter (previously fewer than 3,000 businesses signed up). This has been invaluable during Covid-19 to allow us to quickly and efficiently communicate key changes in legislation, government guidance and support available to the business community.
- Development of the Inclusive Growth Strategy.
- 2 new affordable workspace schemes start on site in Wembley (Watkin Road + Parkwood House, 902sqm) ;
- 2 new affordable workspace schemes secured under s106 planning agreement in Alperton and Neasden (Alperton House + 60 Neasden Lane, 2350sqm).
- May 2020 Planning Committee resolution to grant Peel Precinct in SK (560sqm affordable workspace)
- Submission of the Local Plan to the planning inspectorate for examination – a significant milestone in the process. A positive ambitious strategy for growth up to 2041
- 1,731 net additional homes delivered
- 2716sqm industrial employment floorspace (storage and distribution) gained

4.24 **Covid 19 response – specifically on business support, high streets, and employment.**

4.25 Since the beginning of lockdown, the Economic Growth Team have worked closely with other council teams to deliver a range of interventions in support of the local economy:

4.26 Supporting the re-opening of town centres

- Campaign launched around 'Shop Safe, Shop Local' in advance of the shops re-opening on 15<sup>th</sup> June.
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- Clear and consistent comms produced to support social distancing in high streets, disseminated through a wide range of channels including through business newsletter and Town Centre manager networks.
- Officers have been engaging with businesses in the High Streets and providing red and green cards to relevant businesses so they are aware if they can open or not. The cards provide further detail and signpost to information. Posters are being provided for shops to display once they have carried out the requirements needed to open. Businesses have been advised about how they can safely reopen and what enforcement action they will face if they do not comply with the new Covid 19 guidelines.
- Teams representing a range of services have been out and about since 15 June to support businesses reopening, including enforcement officers to talk to businesses who should not be open or are in breach of guidelines.
- A programme of street/pavement widening proposals at pinch points in high-footfall locations has been implemented. Collaboration between Neighbourhood Manager, Town Centre Managers, and Highways allowed pinch points to be identified quickly and further pinch points will be identified as more shops start to re-open. We are keeping a spreadsheet of new requests as they come forward and arranging for inspections to confirm if we can do anything.
- There has been an increase in applications for premises licences and street trading. Currently, applications for street trading (e.g. stalls outside shops or outdoor tables/chairs) are being approved only if the business can demonstrate a clear 2m of pavement will remain for pedestrians to move to. Those where 2m space is not possible are being referred to Highways colleagues to ensure that any approvals are not creating more pinch points or an additional burden to widen footways.
- Planning enforcement have extended compliance periods for enforcement notices to give businesses longer to rectify breaches of planning control.
- Planning enforcement initiative on improving street frontages in some of the town centres has paused so as not to impose additional burdens on businesses.

#### 4.27 Supporting local businesses

- The number of Business Newsletters produced has increased and is sent out weekly to over 7,000 businesses providing updates on support, advice and information.
  - Strong promotion of the government grant schemes to maximise awareness and take-up amongst the business community.
  - The Council has paid out £56m of grants to businesses (4,550 businesses paid or due to be paid) and the new discretionary business grants scheme is also live for applications.
  - Responding to grant fund payments and liaising with Business Rates team and Capita to ensure as many grants as possible reach local businesses and working with landlords to ensure that grant payments reach intended tenants wherever possible.
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- The Economic Growth team are liaising with businesses to advise them of other various grants and loan schemes available.
- The Brent for Business Events programme has moved online and a series of business webinars have been delivered to date. An online events programme is in place for the rest of 2020 and includes a Meet the Buyer (supply chain) event, focussed on the construction sector, due to take place in November.
- Brent's newly approved Social Value and Ethical Procurement policy sets a framework for more local procurement spend and specifically identifies amount of local spend and the number of local suppliers as key performance indicators.
- An online delivery map has been created and published on the council's website in order to promote those businesses delivering locally and to encourage local spend.
- Brent Works are providing a recruitment and apprenticeships service free of charge for local businesses, including piloting of apprenticeship levy transfer for a cohort of SMEs.
- Other measures to support residents and businesses are being pursued under the financial inclusion workstream.

#### **4.28 Implementation of the council's strategic objectives: response and recovery planning**

4.29 Going forward, in order to respond to the impact of Covid-19 on business support, high streets and employment, the council's Economic Growth team will be focusing on the following:

4.30 Continuing the work to ensure businesses get the advice and support they need through effective Communications and regular online webinars/networking/events and looking at training packages including digital training.

4.31 Encouraging local spend in a number of ways:

- Building on the Stay Safe, Shop Local Communications campaign
- Working closely with Procurement on the council's own spend and doing more to link up local businesses with opportunities that come up for tender in line with the council's new Social Value and Ethical Procurement policy.
- Participating in strategic discussions about loans, grants, council investment, or cheaper credit options for businesses so that they can invest to innovate and stay afloat.

4.32 Working with Highways, Licencing and other colleagues around public realm and highways interventions. This will primarily focus on social distancing in the short term and then move into how to capitalise on the interest in cycling infrastructure and other forms of active travel.

4.33 Continuing to animate the public realm through greening, street art and other local infrastructure initiatives.

4.34 Pushing for more diversification of town centres. Creating a framework for council investments in vacant properties, and using the levers in our new Meanwhile Strategy and Affordable Workspace Strategy to encourage different types of uses to come forward on our high streets.

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- 4.35 Supporting residents into good quality and sustained employment, including reviewing the capacity and funding of Brent Works to meet additional need from increased unemployment and bidding for funding to provide additional support to those with greater barriers to the labour market, including delivery of the Moving on Up, Bright Futures, Work and Health Programme, and Supported Internships projects
- 4.36 **How do we consult residents, local interest groups, partner organisations and cross departmental stakeholders on our local economic strategies?**
- 4.37 The Inclusive Growth Strategy was presented at Partners for Brent October 2019, with a wide range of partners in attendance, and discussion at the event used to develop the Strategy.
- 4.38 Town Centre specific plans are consulted on in a case by case basis. Examples include the recent Harlesden Design and Planning Framework and the Kilburn Night-Time Economy plan which incorporated a range of business surveys, public drop in consultations and meetings with community groups to seek views.
- 4.39 Individual elements of town centre action plans are also consulted on regularly and prior to implementation. The Town Centre Managers ensure they have the support of the community (gained through drop-in consultations, surveys, or letters of support from key local organisations) for any NCIL bid they put forward.
- 4.40 Since mid-2017 a significant amount of work has gone into shaping the draft Brent Local Plan. Public consultation took place in 2017, 2018 and 2019. Throughout the process, all stakeholders had the opportunity to comment on challenges and opportunities related to planning for accommodating Brent's predicted population growth – this included commenting on policies and site allocations.
- 4.41 The draft Local Plan was submitted to the Planning Inspectorate on 17 March 2020. Examination hearings are anticipated to take place in Autumn 2020 (dates still to be confirmed).
- 4.42 **What is the organisational structure for delivering these objectives?**
- 4.43 The organisational structure is summarised in 4.20-4.23 above. In addition, the employment support team and adult education function sit within the department in the Economic Development, Employment and Skills team.
- 4.44 **What are the future plans for the local economy strategies in Brent?**
- 4.45 All relevant strategies or action plans will be reviewed on an ongoing basis in line with changing government guidance.
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4.46 The Council is also working closely with the other West London authorities in the West London Alliance on a specific West London recovery plan, and with London as a whole via London Councils and finally with the London Economic Action Partnership (LEAP), the local enterprise partnership for London.

## **5.0 Financial Implications**

5.1 This report is for comment. Therefore there are no specific financial implications arising at this stage.

## **6.0 Legal Implications**

6.1 This report is for comment. Therefore there are no specific legal implications arising at this stage.

## **7.0 Equalities Implications**

7.1 None

**Report sign off:**

**Amar Dave**

Strategic Director of Regeneration and Environment.

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