



## West London Economic Prosperity Board

13 November 2015

<b>Title</b>	<b>West London Economic Assessment</b>
<b>Report of</b>	Brendon Walsh, LB Hounslow
<b>Status</b>	Public
<b>Urgent</b>	Yes
<b>Enclosures</b>	Appendix 1: Presentation Slides on Interim Findings for the West London Economic Assessment
<b>Officer Contact Details</b>	Judy Flight – Assistant Director of Economic Development - WLA

### Summary

This report explains the approach taken to commissioning an Economic Assessment of West London; explains the interim findings for review by the Board and proposes emerging priorities for focus to comment and agree upon. These emerging priorities will be investigated further and an action plan will be developed for review by the Board in February 2016.

### Recommendations

The Board is asked to:

- 1. Note the interim findings of the Economic Assessment and the presentation contained in Appendix 1.**
- 2. Comment on the emerging priorities (section 3) in the draft Economic Assessment**
- 3. Provide a steer for the consultants to complete the economic assessment in line with the requirements of the Board including any additional areas of analysis / focus necessary**

4. **Agree to receive a Growth Action Plan for these priority areas to promote growth in West London at the February 2016 Board Meeting.**
5. **Commission the West London Growth Directors' Board to plan and resource the development of the action plan and implementation.**

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The most recent Economic Assessment of West London was carried out in 2011 and requires updating. A clear understanding of the West London economy is seen as essential information to help inform the Board's priorities for promoting the economic prosperity agenda in west London.
- 1.2 WLA Chief Executives agreed, early in 2015, that the WLA would commission a new West London Economic Assessment to ensure that West London could identify strengths, weaknesses, opportunities and threats to ensure that the Boroughs, collectively, could better understand the current West London economy, with a realistic assessment of what levers the Boroughs could utilise to promote inclusive growth in the sub-region.
- 1.3 A brief was developed and awarded in conjunction with the west London Growth Directors, with Peter Brett Associates (PBA) appointed in September 2015 through the GLA's Economic Services Framework with the support of GLA Economics.
- 1.4 Steps have been taken to ensure that the Assessment is aligned, as far as possible, to the GLA's work to develop an evidence base for the new London Plan.
- 1.5 The issues identified in the assessment and the emerging priorities are outlined below. PLEASE NOTE these are interim findings and will be revised following further discussion and analysis.

## **2. Issues identified in the Economic Assessment**

- 2.1 We are part of a world city experiencing high growth and change; west London is a Global Hub.
- 2.2 There is a mismatch between the skills of the West London population and the needs of businesses, likely to become more acute over the next ten years and as the population continues to increase.
- 2.3 Current rates of growth could cause the West London economy to overheat unsustainably in terms of increased congestion, reduced air quality, degradation of the environment, pressure on housing supply and difficulty obtaining business premises. Negative impacts of growth need to be planned for and mitigated against to ensure the core desirability of living and working in west London is enhanced.

- 2.4 West London is expecting significant population growth which has positive and potentially negative economic consequences which need to be further investigated.
- 2.5 There are concentrated areas of deprivation, unemployment and low skills within all Boroughs and there is a need to ensure a more inclusive approach to growth going forward.
- 2.7 The lack of affordable housing in particular risks putting a brake on economic growth.
- 2.8 The pace of innovation needs to be maintained and increased and there is a risk of reliance on sectors locally which are shrinking nationally.

Appendix 1 contains detailed findings from the economic assessment for presentation to the Board to ensure the final report incorporates Board Members' views ahead of its completion by 14<sup>th</sup> December 2015.

### **3 EMERGING PRIORITIES**

Drawing on the issues above emerging priorities are outlined below

#### **3.1 *Creating a High Skilled Economy***

Skills are the biggest single determinant of prosperity: Analysis shows that future west London jobs will require a higher level of skills than now:

- Further improving primary and secondary school performance
- Creating a sustainable and more effective FE/HEI sector for west Londoners
- Shaping skills provision to reflect employer and broader economic demands
- Driving up skill levels in disadvantaged communities/ cohorts so they can secure employment opportunities now and in the future?

#### **3.2 *Creating the Capacity for Growth***

West London is growing but the projected rate of increase in GVA is less than other parts of London and West London is not fulfilling its potential to leverage investment opportunities:

- Maximise the benefits for local residents that additional growth, jobs, training and infrastructure opportunities Heathrow expansion could create.
- Securing investment in transport schemes that are likely to enable the greatest overall economic growth in West London.
- Ensuring that employment and training opportunities from all current and future developments are locally accessible.
- Bringing forward development sites to support future growth in West London by using boroughs' statutory powers and partners' influence more effectively.
- Coordinating affordable housing provision within the sub-region.

### 3.3 **Create a Pro-Growth Environment**

Research shows that regions and City regions with a clear and visible approach to growth and a commitment to a pro-growth agenda attract more investment:

- Strengthening public/ private sector relationships to support growth in West London and adjoining areas
- Supporting businesses in high growth sectors to locate, thrive and grow in West London?
- Protecting employment land whilst balancing this with the need to house employees?
- Making west London a destination for national and Foreign Direct Investment and retaining key businesses.
- Sustaining and creating more high quality places for west Londoners to live and work?

#### 4. Timeline

4.1 The following table lays out the timeline for the production and implementation of the West London Economic Assessment

Stage	Date(s)	Activity	Lead
1	2/11/15	Complete Interim Findings	Peter Brett Associates (PBA)
2	13/11/15	Present Interim Findings and proposed areas for priority focus to the West London Economic Prosperity Board	Brendon Walsh – Executive Director Regeneration, Economic Development & Environment, LB Hounslow
3	30/11/15	WLA Growth Directors' Board to review findings, WL EPB views and investigate resourcing options	WLA Growth Directors' Board
4	14/11/15 - 1/12/15	Update report, complete final analysis and key stakeholder consultation	WLA & PBA
4	8/12/15	Review by WLA Leaders' and Chief Executives' Board	WLA
5	14/12/15	Web Publication of Final Report	
6	15/12/15 - 29/1/16	Development of a revised Economic WL Growth Action Plan	WLA Growth Directors' Board
7	February 2016	Report to the West London Economic Prosperity Board	WLA in liaison with the West London Growth Directors' Board.
8	March 2016	Re-launch West London Vision for Growth	WLA in consultation with the WLEPB and the WLGDB

## **5. REASONS FOR RECOMMENDATIONS**

- 5.1 To ensure that the West London Economic Prosperity Board influence the focus of the West London Economic Assessment so that it is fit for purpose for refreshing the West London Vision for Growth and provides a source document for the work of the Board.

## **6. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 6.1 Failing to engage the Board in shaping the focus of the Assessment would weaken the final report and the ability of partners to drive forward implementation.
- 6.2 The key function of the Board is to further the economic prosperity agenda so it is essential that the Board has an up-to-date evidence base on which to base future sub-regional prioritisation and decision making in relation to economic prosperity.

## **7. POST DECISION IMPLEMENTATION**

- 7.1 The final Economic Assessment Report will be completed by 14/12/15. If agreed, an Action Plan for the key priority areas will be presented to the February 2016 Board for review.

## **8. IMPLICATIONS OF DECISION**

### **8.1 Priorities and Performance**

Producing a clear evidence base and developing areas for focussed action is fundamental to driving forward improved performance against the Board's key priorities.

### **8.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

There are no direct revenue implications from this report.

### **8.3 Legal and Constitutional References**

The West London Economic Prosperity Board is a joint committee set up under section 102 of the Local Government Act 1972. Its purpose is to deliver the West London Vision for Growth and advancing the participating Boroughs aspirations for greater economic prosperity in West London.

### **8.4 Risk Management**

The risks of not engaging effectively with the West London Economic Assessment at this stage are:

- A reduced ability for the Board to influence investment, infrastructure, business growth and employment and skills in West London.

- Producing an Assessment that does not adequately reflect the priorities of the West London Local Authorities.
- Greater uncertainty for implementation since it may not be fully aligned with the strategic approach to growth supported by the Board.

#### **8.5 Equalities and Diversity**

An Equalities Impact Assessment was conducted as part of the procurement process. The interim findings of the Economic Assessment confirm that there are disparities of opportunity for residents and businesses and these issues will be further considered as part of the production of the Final Report and, if agreed, the Action Plan being produced for February 2016.

### **9. BACKGROUND PAPERS**

9.1 None