

	West London Economic Prosperity Board 9 February 2022
Title	Proposed next steps in supporting West London’s economic recovery at the sub-regional level
Report of	Niall Bolger, Chief Executive, LB Hounslow David Francis – Director, West London Alliance
Status	Public
Sponsor	Cllr Stephen Cowan, Leader, LB Hammersmith & Fulham and Chair, West London Economic Prosperity Board
Urgent	No
Enclosures	N/A
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<h2 style="margin: 0;">Summary</h2>
<p>This report proposes a set of priorities to focus future sub-regional activity to support economic recovery in West London, taking account of the evolving economic and policy context including the Economic Recovery Framework for London developed between London Councils and the Mayor of London.</p> <p>It also updates the Board on progress in supporting economic recovery at the sub-regional level to date and proposes that the Board endorse in principle a collaboration between key business leaders across West London to contribute to and support the sub-region’s economic recovery.</p>
Recommendations
<p>Leaders are asked to:</p> <ul style="list-style-type: none"> • Note and comment on progress made in supporting economic recovery at the sub-regional level to date and the various factors influencing the proposed future priorities for sub-regional collaboration.

- **Agree** the six proposed future priorities for collaboration at the sub-regional level to support economic recovery and how they relate to the Economic Recovery Framework for London.
- **Note** the resources identified to deliver these priorities and those priorities for which resources still need to be identified/secured.
- **Endorse** in principle emerging strands of work led by the group of West London business leaders in support of economic recovery in the sub-region.

1. WHY THIS REPORT IS NEEDED

- 1.1 The Build & Recover plan, published in September 2020 and informed by initial analysis of the economic impact of the pandemic by Oxford Economics, shaped our initial sub-regional approach to economic recovery, complementing the extensive work underway at the borough level.
- 1.2 Following updated analysis by Oxford Economics, in April 2021, this Board agreed a 'refresh' of sub-regional priorities, rationalising activity in some areas to focus very specifically on what could be best delivered at the sub-regional level and in others – notably skills and employment and green recovery – bolstering and expanding sub-regional efforts. Highlights of progress in delivering these priorities is at Appendix One.
- 1.3 Notwithstanding the uncertainty brought about by the emergence of the Omicron variant, the evolving economic and policy context suggests it is a timely moment to take stock of our collective approach to economic recovery and how best we can support that at the sub-regional level.
- 1.4 Work undertaken at London level through London Councils and the Mayor of London to bring together an [Economic Recovery Framework for London](#), published in November 2021, provides a helpful steer (influenced by the structure of the original West London Build & Recover Plan) on how boroughs might collaborate at sub-regional level for each of five pillars of thematic activity¹ - and where a pan-London approach is appropriate, working with the GLA Group. The Framework also sets out ways in which wider partners beyond London government – including the business community - can support economic recovery. This report details how emerging private sector collaborations at the West London level can support proposed sub-regional priorities.
- 1.5 This report proposes priorities for Leaders' approval as the future focus of sub-regional efforts in West London to drive economic recovery and longer-term prosperity, ensuring we concentrate on those areas with the potential to add most clear value to work underway at the borough level:

¹ The five pillars of activity within the Economic Recovery Framework for London are: Jobs; Business; Thriving Neighbourhoods; Connected City; and Global London.

- Improving co-ordination and addressing fragmentation across the skills and employment support system through a **‘No Wrong Door’ approach**;
- Developing a sub-regional framework and engagement strategy to present, promote and support **growth sectors and innovation districts**;
- Progressing the **West London Orbital**;
- Developing a sub-regional approach to harnessing the impact of **anchor institutions** on prosperity, well-being, inequality and environmental sustainability;
- Enhancing **digital connectivity at scale**, with social value embedded into contracts;
- Sub-regional collaboration to generate at scale **investable propositions for net zero neighbourhoods**, with models then deployed at local level.

2. THE EVOLVING ECONOMIC AND POLICY CONTEXT

- 2.1 The easing of Plan B restrictions, the earlier lifting of most lockdown restrictions, the end of the furlough scheme and likely uplift in travel restrictions set a new context for economic recovery, with tentative signs of West London’s economy beginning to recover.
- 2.2 Various other factors influence our proposed approach:

Changes to regional economic and policy context

- Relatively high levels of unemployment alongside difficulties in filling vacancies in certain sectors;
- Changes in commuting patterns, with more people continuing to work from home;
- Approach to structural racism and other barriers holding our communities back following Black Lives Matter response to the murder of George Floyd;
- Transition to Net Zero following on from COP26 and opportunities to finance elements of our green recovery ambitions;
- Enhanced collaboration across London government, generating the [Economic Recovery Framework for London](#), overseen by a Leader-led task and finish group;
- Engagement with the Minister for London and various government officials;
- Increased engagement at West London level with large corporate business leaders.

Changes to national economic and policy context

- Volatility in the international trading environment and supply chain disruption;
- Emerging skills shortages in various sectors;
- Risks to spending power and consumer confidence dampening recovery (e.g. increased energy prices, rising inflation...);
- Evolving policy on Levelling Up/Devolution and how that applies to London;
- Transition to Net Zero following on from COP26

2.3 The various pillars under the Economic Recovery Framework for London (see Appendix Two) specifically highlight actions with potential for collaboration at the sub-regional level – and where partners beyond London government – including the private sector - can play a role. The proposed priorities outlined below take account of and align with these.

3. PROPOSED PRIORITIES FOR SUB-REGIONAL FOCUS

3.1 Outlined below for this Board's approval are the details of each proposed priority for sub-regional action. Against each proposal we set out the:

- Rationale;
- Proposed activities and outcomes;
- Sub-regional and borough roles;
- Any resource requirements to be explored, where relevant;
- Alignment with the Economic Recovery Framework for London.

3.2 It is proposed that these priorities be underpinned by a focus on shared issues across West London such as the particular economic impact of the pandemic on aviation communities and groups experiencing widening inequalities. West London's existing strengths and competitive advantages as an economy are also factors.

3.3 **Improving co-ordination and addressing fragmentation across the skills and employment support systems through a 'No Wrong Door' approach.**

Rationale: Long-standing challenges related to fragmentation of public services, entrenched silos and a lack of joined-up and local responsiveness in the skills and employment support systems mean that many Londoners – including groups that now face the risk of economic scarring and long-term unemployment - may miss out on opportunities or fall between the cracks.

Proposed activities and outcomes: Working across the various elements of the skills and employment support system, we will develop a ‘whole system’ approach, aiming to ensure existing resources are used to best effect, enabling those in need of support to access the most appropriate provision to move into work or upskilling/reskilling.

This will lead to significant improvements in user journeys through the system - better access, referrals, experience – and put in place models which will help more people, to be supported more effectively towards and into ‘good work’.

Sub-regional role: WLA officers will develop, manage and trial new models of working, convening employment support and skills providers (and employers) operating both locally and sub-regionally, referring across borough boundaries.

Borough role: Borough officers will steer priorities for collaboration, understand any impact on borough-level provision and deploy models ‘on the ground’, tailored to local contexts.

Resource requirements: Funding of some £190K via the GLA (including some funding from the UK Community Renewal Fund) has been secured to March 2023 to deliver this work, with further funding likely at a slightly lower level into 2023/24 and 2024/25, subject to GLA confirmation.

Alignment with London Economic Recovery Framework: Jobs pillar, specifically an identified priority on Access to Services.

3.4 **Developing a sub-regional framework and engagement strategy to present, promote and support growth sectors and innovation districts.**

Rationale: West London is home to world leading companies and higher education institutions across key growth sectors, underpinned by excellent transport links to the rest of the UK and the world.

We need to understand what more we can do – individually as boroughs and collectively at the sub-regional level - to ensure we support and build on this position.

Proposed activities and outcomes: Scoping the nature/value of a sub-regional role in supporting the development of existing and emerging innovation districts – and through that the creation of high-quality jobs.

Sub-regional role: Subject to further discussion with Economy & Skills Directors, this could involve:

- Promotion/telling the West London ‘story’ (either sub-regionally and/or feeding into London-level efforts) – including through reviewing approaches to inward investment promotion

- Commissioning research/insight/analysis and building evidence/data/mapping
- Engagement with national bodies e.g. Connected Places Catapult, UK Innovation Districts Group, UK Research & Innovation.
- Convening stakeholders at sub-regional level e.g. business leaders, universities.
- Catalysing 'green innovation' as a distinct strand of work, linked closely to sector-focused work on green skills/jobs and the London wide Recovery Mission of doubling the size of the sector by 2030

Borough role: Borough officers could support this agenda by understanding the local business base and using levers at boroughs' disposal to create a business-friendly environment.

Resource requirements: We would need to explore opportunities to increase sub-regional capacity to progress this workstrand.

Alignment with London Economic Recovery Framework: Business pillar, specifically identified priorities on Growth Sectors and Innovation & Productivity.

3.5 **Progressing the West London Orbital.**

Rationale: The WLO is a strategic infrastructure project with benefits across the sub-region and beyond (supporting delivery of sustainable growth, boosting orbital public transport connectivity, better access for disadvantaged communities to job and other opportunities, reducing carbon emissions and improving air quality), including places not directly served but linked by 11 new interchanges.

Proposed activities and outcomes: Working with TfL, Network Rail, the Mayor and other stakeholders, progressing the West London Orbital through the second stage of the Governance of Railway Investment Project (GRIP) process. This includes service frequency, station/other infrastructure design and work to identify the project's environmental benefits. It will also involve the first round of public consultation on the project.

Sub-regional role: The shared political support for the scheme through this Board is crucial to its progress. WLA manages resource secured via the Strategic Investment Pot (SIP) of devolved business rates funding on behalf of the boroughs. It provides shared officer resource to continue to manage the partnership with TfL, develop the business case (especially funding) and join up on planning policy

Borough role: Boroughs will provide governance, strategic steer, data/expertise and (potentially) funding. There is also a key role for boroughs in coordinating planning and other strategic policy and in championing the value of the project locally and supporting development of alternative finance models.

Resource requirements: Subject to delegated decisions proposed in a separate report on today's agenda, resource is available from the SIP funding and the next stage of the work is being scoped out as part of TfL's budget and work programme process.

Alignment with London Economic Recovery Framework: Connected City pillar, specifically identified priorities on Transport and Gateways and Interchanges.

3.6 **Developing a sub-regional approach to harnessing the impact of anchor institutions on prosperity, well-being, inequality and environmental sustainability**

Rationale: There is potential, building on London-level work to develop an Anchor Institutions' Charter, to encourage and enable West London's major institutions to make the most of their spending power and status and significant employers and place leaders and support the sub-region's economic recovery and prosperity, building on work with the NHS, higher education institutions and business leaders.

- **Proposed activities and outcomes:** Building on well-developed work with the NHS through the Integrated Care System and its focus on developing the role of its constituent parts as anchor institutions, this work could involve facilitating activities of other anchor institutions through a shared, sub-regional approach to employment, procurement and sustainability practices, taking care not to duplicate or overlap with borough-level interactions with important local anchors.

Sub-regional role: Work at the sub-regional level would focus on convening anchor institutions across a wider geography than a single borough to drive activity at scale across shared priorities – specifically building on and adding to work underway with the Integrated Care System and business leaders.

- **Borough role:** The borough role could involve providing clarity and steer on those anchor institutions focusing tightly on borough-level priorities and those where sub-regional collaboration could augment benefits accrued locally.

Resource requirements: Existing officer resource within the WLA officer team and individual boroughs would deliver this priority.

Alignment with London Economic Recovery Framework: This priority would cut across various pillars, particularly Jobs, Business, Connected City, and Global London and would also touch the cross-cutting themes of Achieving Net Zero and Narrowing Inequalities.

3.7 **Enhancing digital connectivity at scale, with social value embedded into contracts**

Rationale: The importance of putting in place state of the art digital infrastructure to driving business growth and innovation and improving access to services for communities has been brought into even sharper focus by the pandemic. Collaboration across the West London geography has had demonstrable benefits in attracting both public grant funding and in making the sub-region attractive to private investors in digital infrastructure.

Proposed activities and outcomes: Mobilising investment of ca. £8m (via grant funding) to upgrade internet connections at some 450 sites across West London, each site delivering many more individual connections for residents and businesses. Moving towards open-access arrangements for publicly owned assets such as lamp posts and developing better ways of working will ensure infrastructure is deployed at pace, enabling the market to deliver benefits to businesses and residents sooner. Our modelling indicates that this will accelerate between £23m - £39m of new investment into wireless networks across 49 West London town centres over the next 3 years.

Sub-regional role: Secure and manage public grant funding and create an attractive investment environment for private investors through facilitating and managing collaboration at the sub-regional level. Facilitate centralised network planning and procurement at scale, supported by borough input and steer. Support to ensure the benefits of new connectivity are realised for residents, businesses and public services.

Borough role: Steer how best to deploy resource locally, feeding in local data, identifying sites, supporting on-site delivery and removing local barriers to deploying new infrastructure.

Resource requirements: External grant funding already secured will meet the costs of managing and delivering this priority.

Alignment with London Economic Recovery Framework: Connected City pillar, specifically identified priorities on Digital.

3.8 **Sub-regional collaboration to generate at scale investable propositions for net zero neighbourhoods, with models deployed at local level.**

Rationale: As recommended by the recent [UK Cities Climate Investment Commission \(UKCCIC\) report](#), there is clear benefit to developing models of 'net zero neighbourhoods' involving multi-intervention packages capable of attracting private investment at scale to support efforts to reach net zero. Such models need to secure private investment at scale through a model focussed on system change, in and across boroughs and neighbourhoods, rather than discrete silos of one-off interventions.

Proposed activities and outcomes: Develop a West London investment model for net zero neighbourhoods, to attract investment at scale and enable

delivery of place-based, multi-intervention approaches, for deployment at the local level by each borough

Sub-regional role: Collaboration at sub-regional scale is necessary to generate investable propositions at a scale attractive to investors, with models then deployed at local level.

Borough role: Using the principles from the UKCCIC report boroughs would scope methods of deploying any investment model developed at the sub-regional scale, for use locally, leading on deployment and co-ordination of resources at the borough level.

Resource requirements: This work is led by the West London Environment Directors' Board with support from the boroughs' Climate Emergency Officer Group and some WLA officer time. We will need to explore opportunities to enhance this capacity to ensure we can continue to deliver at the scale and pace required.

Alignment with London Economic Recovery Framework: The theme of Achieving Net Zero/Green Economy Actions which cuts across each of the Framework's five pillars.

4. WORKING WITH THE BUSINESS COMMUNITY

- 4.1 From a private sector perspective, in addition to the advice and steer of the cross-sector Economic Recovery Taskforce chaired by Cllr Cowan in his capacity as Chair of this Board, a group of senior business leaders, convened on the Taskforce's behalf by West London Business and chaired by John Holland-Kaye, CEO of Heathrow Airport, is also in place.
- 4.2 Workstreams for collaborative business-led action – which complement priorities in the [Economic Recovery Framework for London](#) and how businesses can support those - are: Skills; Business growth and innovation; Strengthening sense of place and identity; Net zero (security of energy supply chain and carbon reduction); and Infrastructure (Transport/ mobility).
- 4.3 Boroughs are engaged in the evolving workstreams through WLA and borough officer representatives, ensuring alignment with our collective work in related areas. This Board is asked to endorse in principle the emerging thematic work and its alignment with the proposed sub-regional priorities for economic recovery, pending any formal launch of the partnership, anticipated to take place ahead of the pre-election period to ensure Leaders can participate.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Notwithstanding tentative signs of economic recovery in West London, as elsewhere in the country, there remains a pressing need to address the economic impact of the pandemic on the sub-region, working closely with boroughs to ensure any sub-regional efforts complement and add value to those at the borough level. The enhanced co-operation across London as set out in the Economic Recovery Framework for London also provides a structure to help ensure activity undertaken at the sub-regional level in West London also support those at London level, where a pan-London approach is most appropriate.

6. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 6.1 As considered by this Board when the outline sub-regional approach to economic recovery was proposed in September 2020, the possibility of relying on national, London-level and local responses to economic recovery is an option. However, this is not recommended as it would risk failing to address those economic challenges experienced at the sub-regional level and which can be most effectively addressed by collaboration at that geography as articulated in the Economic Recovery Framework for London.

7. POST DECISION IMPLEMENTATION

- 7.1 Subject to Leaders' approval of the approach outlined above, next steps are to:
- Focus sub-regional efforts to support economic recovery on the priorities proposed in this report, in addition to related areas of sub-regional work to be set out separately in the annual WLA business plan, reporting back to this Board's next meeting on progress.
 - Develop the increased business engagement through the corporate leaders' group to align with and support West London's economic recovery, reporting back to this Board's next meeting on progress.

8. IMPLICATIONS OF DECISION

8.1 Corporate Priorities and Performance

- This report relates directly to the development of the agreed West London Build & Recover economic recovery strategy.

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

- Work undertaken to date has been through existing, funded officer time, both within the core West London Alliance team and with relevant officers in West London authorities, supplemented by various external funding sources relating to specific priorities as outlined above. Any specific proposals relating to

funding of related work in the future will be presented on a case-by-case basis.

8.3 Social Value

- Social and economic inclusion is a cross-cutting theme woven into the development of the various activities set out in the original Build and Recover plan and in the specific proposed priorities for future focus set out above. Many of the proposed outcomes directly address economic and social benefits to West London's communities.

8.4 Legal and Constitutional References

- This work falls within the following sections of the WLEPB's Functions and Procedure Rules:
 - Representing the participating local authorities in discussions and negotiations with regional bodies, national bodies and central government on matters relating to economic prosperity for the benefit of the local government areas of the participating authorities.
 - Representing the participating authorities in connection with the Greater London Authority, London Councils and the London Enterprise Panel, for the benefit of the local government areas of the participating authorities, in matters relating to the economic prosperity agenda.
 - Representing the participating local authorities in discussions and negotiations in relation to pan-London matters relating to economic prosperity.
- The Joint Committee's role and purpose on behalf of the Participating Boroughs relates to ensuring appropriate, effective and formal governance is in place for the purposes of delivering the West London Vision for Growth and advancing Participating Boroughs' aspirations for greater economic prosperity in West London, including promoting "the Economic Prosperity Agenda", in partnership with employers, representatives from regional and central government, and education and skills providers.
- The purpose of the Joint Committee will be collaboration and mutual co-operation and the fact that some functions will be discharged jointly by way of the Joint Committee does not prohibit any of the Participating Boroughs from promoting economic wellbeing in their own areas independently from the Joint Committee. The Joint Committee is not a self-standing legal entity but is part of its constituent authorities. Any legal commitment entered into pursuant of a decision of the Joint Committee must be made by all of the Participating Boroughs.

8.5 Risk Management

- This report will support the West London Economic Prosperity Board to oversee a successful, sub-regional response to economic recovery and future prosperity building on work underway at the individual borough level.

8.6 Equalities and Diversity

- The ongoing focus of addressing economic recovery at the sub-regional level assist in promoting equalities and diversity across the sub-region. The priorities – and the Economic Recovery Framework which they support – have as a central focus ensuring that West London’s economic recovery is inclusive, benefiting those most impacted by the economic impact of the pandemic.

8.7 Consultation and Engagement

- 8.8 The proposed priorities for future sub-regional focus on economic recovery complements boroughs’ work at the local level and has been developed in consultation with boroughs’ Economy & Skills Directors. Input has also been sought from the West London Economic Recovery Taskforce.

9. BACKGROUND PAPERS

N/A

APPENDIX ONE

Highlights of progress against the aims of the Build & Recover Plan

- **Job Entry: Targeted Support scheme** – supporting 18,000 unemployed people to autumn 2022.
- **Local recruitment to mass vaccination hubs** - 2,400 referrals made and working on longer term model for entry level NHS roles.
- **Development of an [online tool](#) to improve understanding of how skills provision responds to need** and to inform a more responsive skills system.
- Planning for a **‘No Wrong Door’ approach to the skills and employment system** been developed, ahead of GLA funding being made available.
- **West London approach to ‘sector skills academies’** in key sectors working through Vice-Chancellors of higher education institutions and Principals of further education colleges – and informing three successful bids for Mayoral funding.
- **Retrofitting** more than 300 homes through £4.8m secured through the first phase of Green Homes Grant Local Authority Delivery Scheme with £6.5m secured to retrofit approx. 1,500 homes by June 2022 and £7.9m for an additional 859 homes by March 2023.
- **Low carbon and sustainable procurement** advanced through development of a joint toolkit for use across West London boroughs.
- **An emissions measuring framework** under development to promote a **circular economy**.
- **Corporate Leaders** taking forward work on Skills, Sense of Place, Growth and Innovation, Net Zero and Infrastructure.
- **Anchors work with NHS progressed**, with a focus on recruitment, procurement and sustainability.

APPENDIX TWO

Pillars of the Economic Recovery Framework for London

