

London Borough of Hammersmith and Fulham

Report to: Cabinet

Date: 18/07/2022

Subject: Economic Development Programme 2022-2025

Report of: Cabinet Member for the Economy, Councillor Andrew Jones,

Report author: Joanne Woodward – Chief Planning Officer

Responsible Director: Jon Pickstone, Strategic Director for the Economy

SUMMARY

This report provides Cabinet with an overview of the new three-year Economic Development Programme for Hammersmith and Fulham. This comprehensive programme encompasses a wide range of priorities, focussed on transforming our borough into a global economic hotspot, and developing our economic eco-system to deliver the best possible life chances for local people of all backgrounds.

RECOMMENDATIONS

That Cabinet note the overall approach for the three-year economic development programme to facilitate and deliver inclusive growth in the borough.

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Increasing access to employment and training, supporting growth within the borough's business community, and ensuring that all residents benefit from the borough's recovery and future prosperity are fundamental to the programme of activity within Economic Development.
Creating a compassionate council	The council's commitment to inclusive growth is an overarching aim of the Economic Development service. Improving the employment prospects and prosperity of our businesses will improve the overall wellbeing of some of the community's most vulnerable members.
Doing things with residents, not to them	The borough's Business Network, as well as its job brokerage service, is consistently subject to co-

	design and consultation with local residents and businesses in order to ensure that services and programmes are sensitive to the needs of the local community.
Being ruthlessly financially efficient	The proposed Economic Development programme is needs-based and impactful. Improving the economic prosperity of our residents will lead to reductions in pressures and costs for other services such as Housing and Adult Social Care.
Taking pride in H&F	The Economic Development service is involved in delivering a range of place-making programmes which contribute to the vibrancy and identity of town centres within the borough.
Rising to the challenge of the climate and ecological emergency	The programme of activity within Economic Development has a distinct focus on the provision of Green skills, as well as business support which supports the borough's business community in adopting a greater range of climate-friendly measures.

Financial Impact

There are no financial implications in respect of this report. The use of S106 funds for delivery of the programme is subject to a separate report of the Director of Finance in consultation with the Chief Planning Officer and Cabinet Members for Economy and Finance, in accordance with the Council's financial regulations.

Verified by Sukvinder Kalsi, Director of Finance, 6 July 2022

Legal Implications

There are no legal implications in respect of this report.

Verified by Jane Astbury, Chief Solicitor (Planning, Property, Licensing and Highways), 6 July 2022

Background Papers Used in Preparing This Report

None

The Local Economic Context

1. As we emerge from the worst effects of the Covid 19 pandemic and continue to be affected by the wider economic recession, a cost-of-living crisis, and the impacts of global events such as the war in Ukraine, it's essential we focus on our local economy to maximise its opportunities,

attract inward investment, build resilience and create prosperity everyone can share.

2. The borough has a high proportion of micro-businesses, large entertainment, arts and hospitality sectors, as well as having a net inflow of workers prior to the pandemic. Whilst the local economy was therefore susceptible to the early impacts of the pandemic, its inherent strengths which include the highest rate of 'high growth' industries in West London means there has been a steady recovery and claimant counts are falling. This is largely driven by the established White City Innovation District, the life science, bio tech, digital and communication sectors which are responsible for a significant amount of employment within H&F.
3. Despite the wider economic challenges, c6,500 jobs have been created in high growth sectors including, bio-science; artificial intelligence and cyber-security, creative and digital software including film & screen, and our emerging green economy, all since 2017. The borough has attracted over £3.2b of business investment since 2017 into these high growth sectors, including the largest single private funding success in London's history: a £942m investment into H&F based microsatellite company OneWeb.

Overview of the Economic Development programme 2022-25

Delivering the Industrial Strategy and Economic Growth for Everyone

4. The overarching aim of the Economic Development programme is to deliver against the core priorities of the Industrial Strategy. The strategy has four main strands: to promote inclusive growth, to develop the borough's beacon of innovation at White City, to foster entrepreneurship, and to make the borough a great place to live and work.
5. The growth of the Innovation District at White City, as well as the presence of a range of anchor creative and media institutions, has served to create an established innovation and knowledge cluster, as well as employment opportunities within resilient, growing sectors. Investment in the borough's substantial regeneration programmes at King Street, Olympia, White City and Earl's Court has also been secured. The provision of affordable housing, affordable workspace, and cultural venues are vital to the borough's ambition to be a great place to live and work. The continued growth of Upstream, along with the council's business support programme, has provided a range of support for innovation-led start-ups and scale-ups as well as aspiring entrepreneurs, including residents of the borough.
6. Over the next three years, the focus of the Economic Development programme and a refreshed Industrial Strategy will be the continued growth of the borough's highest potential and most resilient sectors, specifically, life sciences, biomed, digital, tech, creative, and green industries. Upstream, our partnership with Imperial College London will continue to expand business networks to facilitate collaboration and learning in these growing sectors.

7. An equally important focus will be the engagement of these sectors and key businesses with the council's ambitious net-zero 2030 target. Moreover, building upon schemes such as the EdCity development as a foundation to developing better connections and links between industry, employers, schools and local employment support provision will be crucial to the borough's short-to-medium term economic recovery, as well as ensuring positive economic outcomes for all residents of the borough regardless of background. Dedicated sector support has the potential to foster connections between these businesses, creating strong enterprise clusters connected with community outcomes, as well as linking businesses with opportunities for expansion with the council's regeneration programmes.
8. Inward Investment will be a key priority in order to advance Industrial Strategy outcomes. Developing H&F's reputation and appeal as a location for investment, in order to attract, retain and grow more enterprises will be vital to the continued evolution of the Innovation District and the provision of high-quality employment for residents. Through proactive promotion, knowledge of investment patterns and opportunities (UK and Foreign Direct Investment), and the provision of suitable space and infrastructure, the borough will be able to land investment that supports employment, business, and net-zero objectives.
9. At the heart of a refreshed Industrial Strategy will be the promotion of the borough as an inclusive and sustainable economy and we will seek to attract firms that share our values and who want to engage with local communities and employ local residents. Work is already underway to promote the borough across international markets, stemming from our recently completed economic co-operation agreement with the City of Barcelona. This will strengthen links between our innovation districts: 22@ and White City for the benefit of encouraging greater opportunities for business, innovation, research, education and careers. In addition to this and other international outreach activities, we will work with UK government and London agencies to promote investment in the borough.
10. In addition, a key priority will be boosting the reputation of the borough within the national and international visitor economy, as well as developing international partnership opportunities, will be fundamental to the development of the borough and its high streets as destinations.

Supporting Business and Enterprise

11. A key priority will be supporting businesses in the changing role of high streets and town centres exacerbated by Covid-19, ensuring that all high streets have a bespoke place shaping plan, recognising the growing importance of place identity and destination-based marketing. A focus will also be on maximising the potential of place making through growth and cultural corridors across the borough, including the regeneration of King Street Hammersmith led by the completion of the new civic campus, and connecting opportunities within the Hammersmith to White City corridor and the new HS2 station beyond

12. Through our 15-minute neighbourhoods programme, where a fulsome range of local facilities are found within a 15-minute walk of every resident's home, we will develop initiatives which contribute towards the development of vibrant neighbourhoods. Covid-19 has had a profound impact on the way our town centres operate; promoting flexible workspace, Shop Local marketing, and working with businesses to increase outdoor space for socialising will inject life and identity into local high streets, tailored to the needs of residents.
13. Hospitality businesses, the arts, and the wider night-time economy have suffered many of the adverse effects of the pandemic. A programme of support dedicated to these businesses will assist in continuing their recovery and adding vibrancy to the borough, which in turn attracts other businesses.
14. In order that businesses can both sustain and grow resilience to future economic shocks, digital skills are vital. Supporting businesses of all sizes and age in developing digital skills will be a core theme of the programme. A bespoke digital training offer will be delivered, for those with English as a non-native language. As many residents impacted by the pandemic are required to find new employment or retrain, now is an apt time to concentrate on the borough's commitment to entrepreneurship and growing start-ups. Initiatives will include Start Up Schools targeted to youth and older (50+) residents.
15. A key focus will be to bolster supply chains, connecting local businesses with opportunities within and beyond the council to further increase local spend through a local procurement strategy. Equipping businesses with the knowledge and skills to successfully bid for and deliver a wider range of local contracts will be vital to ensuring the council fulfils its social value ambitions, as well as ensuring that large site development within the borough yield significant procurement benefits for local SMEs.
16. In order to retain and attract innovative businesses, the Council will grow its provision of affordable workspace. Opportunities for local creatives to make and market their products, such as the Made in H&F initiative, will be developed. Moreover, connecting local businesses with emerging affordable maker, industrial, and office space in the many developments across the borough will be crucial to supporting business growth over the coming years.
17. Cultural institutions and the creative sector provide substantial economic benefit to the borough. H&F has secured Creative Enterprise Zone status and resourcing through the GLA, and will seek to grow the borough's range of creative talent, skills, and businesses within White City, Olympia, and Earls Court across this priority sector. A new Cultural Strategy building on the recommendations of the Arts Commission forms part of the economic development programme.

Improving Employment & Skills

18. To tackle the increased level of unemployment in the borough as well as residents facing the cost-of-living crisis, a key priority will be to support residents to secure sustainable jobs in growth sectors as well as traditional sectors. WorkZone will be relaunched as 'H&F Works', providing employability support to residents through a 'no wrong door' approach where residents will have access to training and employment as well as wider council support to tackle barriers to employment through a coordinated network of services including Family Support, Virtual School (care leavers), Adult Social Care and People and Talent.
19. Working with external partners, building on the development of a co-located Youth Hub Model at West London College, we will explore ways to engage residents through more channels and referral route through a new Community Engagement Strategy. Local support organisations will be supported to access job opportunities within key sectors.
20. Working with employers to facilitate a steady flow of training, apprenticeship and job opportunities for residents, a key focus will be targeting businesses across sectors to generate inclusive pathways to work. Targeted distribution of the Council's unspent apprenticeship levy presents incentives for local employers to generate apprenticeship openings within businesses.
21. Working with schools and supporting the Council's NEET reduction strategy, we will help raise aspirations, ensuring all young people throughout their school careers have the opportunity to engage with the range of opportunities available within the borough's STEAM sectors, clarifying the path to progression, and filling exciting job and training opportunities.
22. Ensuring that skills provision across the borough reflects demand will be vital to ensuring that local people can enter the emerging employment opportunities in the borough. Skills provision around the green economy, through initiatives such as the green skills academy, will be particularly important given the council's wider net-zero ambitions. Moreover, we will work with developers to ensure that across large developments in the borough, skills provision aligns to both construction phase and final uses in order to provide residents with the skills to benefit from the economic growth driven by developments.

Delivering the programme

23. The three year programme will be supported primarily by s106 funding received from developers specifically for economic development activities. This is subject to a separate report on the allocation of s106 funds in accordance with the Council's financial regulations.
24. A review of the economic development service has also been undertaken which has revised existing roles and service areas to greater align with the priorities of the programme. This has also provided the opportunity to increase capacity and expertise where needed whilst also creating efficiencies through new posts and the merger and deletion of posts.

Reasons for Decision

25. The local economy is in a period of significant transition; unemployment is high, businesses are adapting to a new post-Covid normal, and local people need to benefit from the borough's future investment opportunities, regeneration, and growth. The proposed activity as set out in this paper will enable the creation of resilient jobs for all local people, the survival and growth of businesses in key sectors, and significant future investment from which local residents can profit.

Equality Implications

26. The activity proposed in this report poses no negative implications for groups with protected characteristics under the Equality Act 2010.
27. Proposed initiatives contribute towards the outcome of developing an inclusive economy, with planned interventions to address unemployment within specific age groups, women, BAME residents and disabled residents.
28. Labour market analysis on a borough level demonstrates that unemployment and economic inequality is most prevalent within the borough's most deprived wards, and this programme of activity seeks to address this economic inequality at its core.

Implications completed by: Oliur Rahman – Head of Employment and Skills, 25 March 2022

Consultation

None

LIST OF APPENDICES

None