

London Borough of Enfield

Cabinet Meeting

3rd February 2021

Subject: Economic Development Strategy 2020-2030
Cabinet Member: Cllr Nesil Caliskan
Executive Director: Sarah Cary, Executive Director Place
Key Decision: KD 5088

Purpose of Report

1. The Council's Plan 2020-22 has a focus on "An Economy that Works for Everyone"; described as creating more high-quality employment, enhancing skills and connecting local people to opportunities, developing town centres that are vibrant, safe and inclusive, and crafting a cultural offer to support London's status as a world class city.
2. This report seeks Cabinet approval of an Economic Development Strategy 2020-2030, as set out in Appendix 1, to support the Council's economic development goals.

Proposal(s)

3. Approve the Economic Development Strategy provided in Appendix 1
4. Delegate to the Executive Director of Place, in consultation with the portfolio holder for Economic Development, authority to make minor edits and finalise the presentation of the strategy.

Reason for Proposal(s)

5. Enfield Council has not had an Economic Development Strategy in place since the Improving Enfield - Employment and Skills Strategy of 2014-17, and in recent years has reduced investment in Economic Development, Attracting Inward Investment and Supporting local businesses. There was no Economic Development Team at the beginning of 2019.
6. Over the last [5] years Enfield has underperformed in a number of key economic indicators.

	Enfield	London	Great Britain
Unemployed	5.9%	4.7%	3.9%
Economically Inactive	24.7%	21.1%	20.9%
Gross Weekly Pay	£635.70	£699.20	£587.00
Out of Work Benefits (claimant count)	9.0%	8.0%	6.6%
Workless Households	17.1%	12.0%	13.9%

7. Failing to achieve our potential also has direct financial impacts on the council as Business Rates Growth over the same period has been 7.8% (with a 2% decline last year) compared to other outer London boroughs such as Haringey, Brent and Waltham Forest where growth has been 9%, 12.5% and 13.6% respectively.

	15/16	16/17	17/18	18/19	Change 2015-19	Year on year difference 2018-19
Enfield	£105m	£110.5m	£114.5m	£113.2m	7.8%	-2%
Waltham Forest	£54.2m	£57.1m	£52.6m	£61.6m	13.6%	17.1%
Brent	£114.9m	£118.6m	£122.2m	£129.3m	12.5%	5.8%
Haringey	£64.6m	£66.4m	£64.1m	£70.4m	9%	9.8%
Ealing	£132.5m	£143.5m	£145.2m	£148m	11.7%	1.9%
Hillingdon	£372.3m	£375.3m	£359m	£384m	9%	7%

8. Construction and renewal of homes has accelerated across the Borough at Meridian Water, Edmonton, Ponders End and elsewhere, enhancing what is already a very attractive place to live for a variety of households. However, the regeneration of Enfield will necessarily be much broader than bricks and mortar - the most important assets we have are our young people, children and families that will invest in and populate these refreshed communities and will be best placed to take advantage of new industries and jobs arising in Enfield.
9. The global COVID19 pandemic has accelerated changes that were already happening in the way we shop and work. These shifts are already manifesting themselves in business closures and job losses in several sectors with more challenges ahead. Employment opportunities for young people and those with lower skills.
10. We must also acknowledge the risk that Brexit brings to Enfield, creating a climate of uncertainty which means that it's even more important to have an Economic Development Strategy in place. Like the rest of London and the UK, the Borough may experience a reduction in the flow of investment and skills emanating from the EU. SMEs in particular will have to contend with potential disruptions in supply chains as well as increased costs and bureaucracy.

11. There are however also opportunities with an increasing focus on local produce and local shops, growing support for independent businesses and suggestions that greater adoption of agile working will create demand for flexible office and other co-working space in suburban town centres.
12. The boroughs strong background in food and drink production and logistics and recent investments in sectors such as cloud computing and film & TV Production also offer opportunities for growth
13. An Economic Development Strategy which responds to these challenges and growth opportunities will be an essential tool in our post COVID19 Economic recovery and in meeting the Council Plan objective of *An Economy that works for Everyone*.

Relevance to the Council Plan

Good Homes in Well Connected Neighbourhoods

14. A strategy that seeks to increase average wage levels and provide more employment in the borough will assist in improving the affordability of housing in the borough. The focus on inward investment can also benefit the Council's own regeneration programmes by providing new tenants into the schemes.

Safe, Healthy and Confident Communities.

15. A strategy that seeks to increase average wage levels, enhance skills and provide more employment in the borough will over time assist in empowering young people in Enfield to reach their full potential. A strong and locally minded business community can also help vulnerable residents and education through local support.

An Economy that works for Everyone

16. Over 90% of Enfield businesses are SMEs employing many local residents. There is a significant presence of logistics, warehousing and manufacturing along the eastern corridor/Upper Lee valley providing a substantial employment offer for local people. Many of these roles are currently low skilled and low paid with limited opportunities for career progression. The growth in automation also poses a greater threat to low skilled jobs.
17. Initiatives in the strategy to work with employers to develop skills and promoting inward investment and attracting new sectors will be important in producing more high-quality employment, creating a circular economy and raising household incomes.
18. The Strategy brings forward strategic and place specific best-practice initiatives as part of locally supported Town Centre Action Plans that will support the development of town centres that are diverse, safe and inclusive.

19. The borough has strength in intermediate skills, with the level of higher skill levels improving. However, closing the gap between the skills of Enfield residents and the skills requirements of existing and new employers will be essential to achieve the Council's ambition to enhance skills to connect local people to opportunities. The strategy will help coordinate activity with businesses and teaching and training providers to achieve this.
20. This Strategy will also complement our Cultural Strategy's aims to craft a cultural offer to support London's status as a world class city, by having a creative enterprise focus and facilitating new workspaces that also cater for artists and makers.

Background

21. The Economic Development Strategy presents a plan to realise the vision and relevant priorities recently adopted in Enfield's Council Plan: A lifetime of opportunities 2020-2022 as agreed at the Annual Council meeting on 1 July 2020. The Council Plan refreshes the current Corporate Plan with a renewed vision for delivering lifetime opportunities in the borough until 2022. The plan sets out the Council's strategic direction and three priorities including priority 3 focussing on "an economy that works for everyone" by creating more high- quality employment, enhance skills to connect local people to opportunities, develop town centres that are diverse, safe and inclusive, and craft a cultural offer to support London's status as a world class city.
22. The Council, Borough Residents and local businesses are facing some of the most turbulent and challenging times both socially and financially they have ever faced. It is clear that this Economic Development Strategy will need to support more local people and businesses than have ever been necessary before, as they will increasingly need to access help and support from the Council in a variety of different ways.
23. Whilst we continue to face uncertainty and economic challenges for the foreseeable future, it is important to frame this strategy in an optimistic setting and demonstrate that a resilient partnership between residents, businesses and the Council is possible. We have the opportunity to build new long-lasting relationships, structures and delivery models that ensure the Borough can reach its full potential.
24. The Strategy lays out priority areas on which activity will focus over the next ten years under these themes:
 - High Quality Employment
 - People
 - Places
 - Culture
25. Through these 4 key themes, the Strategy promotes future growth on employment land, diversification of uses in town centres and a reduction in poverty rates to improve career aspirations, skills and higher wages, as

well as a desire to fast-track opportunities in creative and cultural industries. It aims to place local people at the centre of everything and shape an economy that works for everyone.

26. The strategy articulates a detailed vision and will be supported by action plans that will facilitate post pandemic recovery in town centres, improved jobs density and career opportunities in industrial sectors, attracting new entrants and supporting businesses in existing growth sectors alongside targeting emerging sectors offering high value jobs.
27. It aligns with the Cultural Strategy (KD 5165), in supporting the development of the borough as a destination for residents, business and visitors through the borough's growing cultural offer and events scene; and supporting the growth of the creative sector in terms of skills, businesses and workspaces.

Main Considerations for the Council

28. Failure to address pre-existing key challenges and inequalities in the borough and the amplifying effect COVID19 has had on these will have significant implications for the Borough and for the Council.
29. Unemployment is starting to rise with the impact on the young and lower skilled apparently greatest. In a borough with significant growth in its youth population, lower skills than the London average and a high proportion of jobs at risk from automation, the social and economic impacts cannot be ignored.
30. These impacts are likely to be in Adult Services, Children's and Family Services, Social Housing need and Homelessness and Public Health.
31. Conversely, a focus on supporting businesses, promoting skills, attracting inward investment and diversifying town centres, addressing the impacts of COVID19 whilst capitalising on the opportunities will help maintain and grow key income streams from Business Rates, Council Tax and rent from the Council's commercial property portfolio.
32. A strategic approach will also support bids for project and investment funding such as the recent successful Good Growth Fund bid for Angel Edmonton with the Economic Development team leading a cross departmental effort in presenting a clear case for investment.

Key Priorities of the Economic Development Strategy

Employment

33. Enfield has developed a dynamic business base and is market leading in certain sectors such as industrial, logistics and distribution and has major potential for economic growth in a range of sectors, particularly from businesses in the new economy.

34. The impact of Covid-19 on the labour market and business will have a shock on the local economy and on the employment opportunities for local people in the short to medium term. However, there is significant reason for optimism about the future of the Borough's business community.
35. Some sections of the Borough's business community, particularly in sectors such as industrial, logistics and distribution, have been relatively resilient to the impact of Covid-19.
36. Enfield's industrial estates present an opportunity to intensify the offer, deliver world class architecture and placemaking, develop innovative new products such as stacked industrial and maker space and build dynamic economic clusters that will create sustainable business communities that will thrive and grow. The Council also has reason for optimism around the pathways developed to create the right conditions for new sectors and businesses to locate to the Borough.
37. The strategy sets out how we will create more, high-quality employment opportunities:
 - a. We will work with business to understand the challenges caused by the Covid-19 crisis and support them to survive, and ultimately prosper, as part of Enfield's dynamic local economy.
 - b. We will transform our industrial areas to reimagine employment opportunities, targeting creative, tech, culture, knowledge and low carbon industries, central to London's sustainable growth.
 - c. We will create new office space that is flexible and available in a range of different sizes and formats and ensure that the Borough can offer appropriate space from start up through to HQs.
 - d. Affordable workspace is the life blood of growing new business sectors and communities and the Council will work closely with our development partners to deliver this.
 - e. It is now also important to support freelancers and people who need to work close to home. A range of new spaces and products will be examined to explore how this can be provided.
38. The Council's resources are seriously challenged in this current era and must be used in an ever smarter and targeted way to have the maximum impact. Creating employment and building a stronger business community will create prosperity and increased rate receipts and other funding streams for the Council.
39. Inward investment is more important than ever for creating opportunity and ensuring social cohesion. Investment is not just in the businesses, but an investment in our residents through a social impact charter. This innovative programme will bring together business, the Council, community and other key stakeholders to ensure opportunity for all and give the whole community the ability to thrive. We have put in place early thinking on the necessary investment framework to deliver a sustainable strategy for the whole community.

40. The Inward Investment Strategy

- We will proactively promote and attract more national and international employers to Enfield's town centres and industrial areas.
- We will work with local and inward investment partners, including London & Partners, Local London and the UK Innovation Corridor, to define Enfield's offer and make Enfield a prime destination for business, and growth region for London and the South East - a place where businesses have the workspaces and digital infrastructure they need to start, grow, succeed and stay.
- We will review our assets and work collaboratively with developers and investors to deliver the workspaces that enable businesses of all sizes to thrive in Enfield.
- We have the opportunity to re-establish our heritage as a 'making' place and grow our reputation as a destination for creative industries; build on our long-established manufacturing and logistics industries; maximise our strategic location within a range of high-growth sub-regional groups, including the UK Innovation Corridor; and capitalise on post pandemic growth in eCommerce and last mile delivery sectors in our region.

People

41. Compared to the rest of the UK, Enfield is young, diverse and entrepreneurial - and getting younger. Between 2000 and 2019, the number of residents aged between 0-15 grew by 31%. There is a relatively high proportion of adults aged 20-44 years (34.86% of the total) and a growing percentage of over 65s (13.35%). There is a need to design Enfield's places to meet the learning and development needs that flow from its demographics, and from emerging employment trends. Economic activity is lower in Enfield than the London average and those who are in work earn on average less than the capital as a whole. This is despite a moderately well-educated work force. There is a need to provide more high-quality jobs, but also entry level opportunities for those taking their first steps into, or back into, work.

42. The Strategy will:

- Create the right conditions - by providing a full range of support for residents to start a new business.
- Design for the future - by considering how to inspire young people and matching skills and training to the industries that are likely to dominate in the next decade.
- Capitalise on our strengths - by embracing our younger population and looking for the models of working that can be supported by a Borough that is less dense than the London average.
- Build the right partnerships - by encouraging businesses to actively participate in education and training; and reaching out to tertiary providers in adjacent Boroughs.

Places

43. As the UK economy continues to be fundamentally re-shaped by Covid-19 and existing challenges around place and economic vitality have all been accelerated, the place strategy aims to set out an action plan to significantly improve the quality and experience of Enfield, creating sustainable and resilient places to live, work and enjoy.
44. Our aim is for Enfield town centres to be adaptable, flexible and experimental, to support economic, commercial, social and environmental value, and nurture social integration, well-being, environmental sustainability and civic and cultural uses.
45. Aligned with the Mayor of London's vision - high streets – '15-minute cities' – creating town centres, with culture, diverse shops and jobs within walking distance for all Londoners – we will provide wide-ranging support and embed conditions to enable our town centres to build back better.
46. We will:
 - Support the high street economy for a future shaped by experience and convenience.
 - Creatively reuse vacant or underused retail units and department stores to support strategic values.
 - Build on what already exists to plan for a successful mix of activities and uses.
 - Ensure existing community value is retained and enhanced within a process of change and major restructuring.
 - Use data insight to support businesses on the high street.
 - Promote social integration and deliver social value through enterprise.
 - Make the high street a model for sustainable living and public wellbeing.
 - Enable a flourishing culture for work on the high street.
 - Adapt the high street to support culture and civic life to foster social inclusion and interaction.
 - Embed community participation as part of a long-term strategy.

Partnerships

47. In an age of receding Council budgets, we know that we cannot deliver our vision of an economy that works for everyone on our own. Building the right partnerships - inside and outside the Borough, and across businesses, voluntary, not for profit organisations and the public sector, needs to be a fundamental part of our economic strategy.
48. The Borough sometimes struggles from negative external perceptions and place identity, with an uncertain position in London. We need to make the most of our regional position to build a strong forward-looking identity that will attract investment into the Borough.

49. Enfield shares challenges with its neighbours. We need to help build a positive, sub-regional narrative to ensure the social, economic, infrastructure and environmental needs of North and East London are recognised and addressed.
50. Our partnerships strategy will:
- Create the right conditions - by leading and collaborating across our region, working with others to secure the investment that our area needs.
 - Design for the future - by aligning with regional tech and creative strategies, carving out a distinctive brand and place identity.
 - Capitalise on our strengths - by promoting Enfield as a key regional player with strong local, national and international connections.
 - Build the right partnerships - by playing a full and active role within regional networks and organisations.

COVID Recovery

51. The pandemic has resulted in a very difficult economic shock across the United Kingdom, with high unemployment, loss of trade and income for many sectors, and will lead to fundamental changes in the UK and Enfield economy. Enfield has a diverse business sector but many of the borough's businesses in the food manufacturing, industrial and logistic sectors have continued to trade well. Also, major employers in Enfield include food retailers and the public sector, who have also continued to operate. However, restaurants, beauty, general retail, as well as cultural and events businesses have all been badly affected.
52. Some key statistics include:
- The number of working age adults claiming unemployment benefits increased from 7,300 in January to 19,000 in August an increase of 164%
 - For much of the summer of 2020, approximately one third of the working population in Enfield was on furlough
53. The council has responded with the following activity, to date:
- Dedicated business support team to help businesses access grants and rates relief.
 - Promptly distributed government grants and rates relief – as of December 2020 we have facilitated £90million in support.
 - An outdoor Enjoy Enfield summer festival in our town centres with thousands of people attending and positive feedback from businesses.
 - Partnered with e-commerce platform ShopAppy to encourage and support local independent retailers that want to trade online.
 - Contacted our major employers to see if they need support, and encouraged those who are doing well to support struggling businesses through the Small Business Hardship Fund.
 - Reviewed our trading licensing to make it easy for businesses to trade outdoors.

- Waived rent with some council tenants who have been required to close.
- Successfully applied for £670,000 to support cultural venues like Forty Hall, the Dugdale Centre and the Millfield theatre.
- We are launching a Neighbourhood Fund shortly, which can support community organisations .
- Worked with Enfield Voluntary Action and local employers to provide a local volunteering offer.
- Established a skills and Employment board to better link local colleges and local businesses, to support employment among residents.
- Brokered an initial 45 kickstart placements in local businesses, for local residents, with more to come.

Safeguarding Implications

54. None identified as arising directly from an Economic Development Strategy

Public Health Implications

55. The Economic Development Strategy sets out a vision for reduction in poverty rates by improving career aspirations, skills and higher wages. Bringing local people at the centre of everything and an economy that works for everyone. It will make a positive impact on building cohesive communities, create employment opportunities, improve skills levels, increase entrepreneurial activity and business growth opportunities and generate better life chances for local people.

Equalities Impact of the Proposal

56. The Economic Development Strategy in setting out a plan to creating job opportunities, encouraging entrepreneurial activity and business growth, diversifying town centres will be universally beneficial for Enfield's communities and residents.

57. The action plans set out in this report will have a positive equalities impact on Enfield's young people, older people, and across our diverse communities, including those facing multiple barriers into employment and those on low incomes.

Environmental and Climate Change Considerations

58. Adoption of the Economic Development Strategy does not in and of itself lead to implications for climate change. However, the encouragement of expansion of green industries, adoption of low carbon technologies in our infrastructure, and sustainable construction methods in development projects will contribute to the Council's aspiration to be a carbon-neutral

organisation by 2030 and for Enfield to be a carbon neutral borough by 2040.

59. Enfield is well placed to support the green industrial revolution in areas such as active travel and green public transport; greener buildings; low emission vehicles; and protection of the natural environment.

Risks that may arise if the proposed decision and related work is not taken

60. The action plans set out in the Strategy supports the Council Plan objectives in creating an economy that works for everyone. The strategy offers tangible approaches to deliver support for town centre growth and diversification, growing and attracting new businesses, create additional jobs and employment opportunities for local residents. Without a clear strategy and co-ordinated approach there is a risk that our town centres decline, businesses leave the borough taking with them valuable jobs and new businesses fail to be attracted to Enfield establishing themselves elsewhere in London and the region. Furthermore, local residents will be unable to secure employment and communities spiral into deeper poverty.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

61. Risks associated with any of the individual proposals incorporated in the actions plans, if and when progressed, will be set in any future reports.

Financial Implications

62. This report seeks Cabinet approval of an Economic Development Strategy 2020-2030, as set out in Appendix 1, to support the Council's economic development goals. The total cost of the Economic Development Team is circa £500k per annum, which can be met from the existing ED budget.
63. One of the main initiatives in the strategy is to work with employers to develop skills and promoting inward investment and attracting new sectors will be important in producing more high-quality employment, creating a circular economy and raising household incomes, and an economy that works for everyone.

For example; industrial unit 6 Solar Way, Innova Park (former Sony distribution centre – if occupied, the Council's income from this property alone would be circa £900k @ 30% business rate pool share = £270k.

Failing to achieve the Council's potential has direct financial impacts on the council as Business Rates Growth over the same period has been 7.8% (with a 2% decline last year) compared to other outer London boroughs such as Haringey, Brent and Waltham Forest where growth has been 9%, 12.5% and 13.6% respectively.

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64. As part of this strategy the Economic Development Team intends to build up on the current success in bringing and administering grants and contributions to the borough; e.g.

- Kickstart scheme, estimated income of £60k (Placements attract a payment of £300 per placement and service expects to achieve 200 placements during the scheme, generating an income of £60,000)
- £1.1m GLA goods growth fund, match funded by LBE
- Reopening High Street Safely Fund £295k
- The Additional Restrictions Grant is a discretionary scheme which can be spent up to 31/3/22. The Council can decide how to use this funding. It may be used to provide funding to those businesses that don't qualify for other schemes; and it may also be used to fund business support for those sectors most impacted by the pandemic.

Legal Implications

65. The Economic Development Strategy should take into account the council's general power of competence pursuant to section 1 of the Localism Act 2011.

66. The recommendations in this report and the Economic Development Strategy must have due regard to the public sector equality duty in carrying out its functions and services pursuant to section 149 of the Equality Act 2010.

Workforce Implications

67. The Economic Development team is currently carrying vacancies and will need to fill those posts at least on a fixed-term basis to help implement the Strategy effectively.

68. Additionally, it may be necessary to create extra fixed-term posts to deliver agreed business support initiatives and restructure reports will be required to support any such increase in headcount.

Property Implications

69. There are no specific property implications arising directly from this report however future property implications may arise as the Economic Development Strategy is implemented. Any future reports arising as a result of these proposals will need to be further reviewed, and should property activity be included, Strategic Property Services will provide input and comments in those reports at that time.

Other Implications

70. None

Options Considered

71. None – The Council has committed through its Council Plan to the creation of an economy that works for everyone, create more high-quality employment and to do this requires a clear strategy with supporting actions.

Conclusions

72. The Council should adopt the Economic Development Strategy because it will support the council's vision and priority to create an economy that works for everyone and enhance skills to connect local people to opportunities.

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Date of report 25 January 2021

Appendices

Appendix 1 – Economic Development Strategy Document