

1 Introduction and Aims

1.1 The Background

1.1.1 In May 2004 Harlow Council, funded by ODPM, appointed PACEC and Halcrow to develop a Regeneration Strategy and Implementation Framework for Harlow. The context of the project was that Harlow had been identified by the Government as a potential growth area in the Sustainable Communities Plan. Related policy development included **Regional Planning Guidance (RPG14) and the East of England Plan**. The brief stated that the Harlow Strategy would clearly articulate Harlow's regeneration needs and priorities for investment, and detail the extent to which these can be achieved through housing growth and other factors. The Framework will be set within the context of a vision for a regenerated Harlow and the role(s) it could play in the sub-region.

1.1.2 The Strategy will:

- a Build on and develop in practical ways the substantive work already undertaken in the region on alternative growth scenarios, infrastructure and development needs.
- b Articulate Harlow's regeneration needs and priorities for investment, and detail the extent to which these can be achieved through housing growth and other factors.
- c Ascertain how future infrastructure investment opportunities can be realized to bring maximum benefit to the area and people of the town.
- d Develop a regeneration strategy and implementation framework to feed into the RPP process.

1.1.3 The Strategy will consider three alternative development related scenarios, and short, medium and long term infrastructure and investment needs. The project will involve four stages. An inception stage one which primarily focuses on the regeneration needs and issues and provides an evidence base. Stage two is concerned with the vision and role for Harlow, growth scenarios, and required investment needs. Stages three and four involve developing the draft and final strategy and the implementation framework.

1.1.4 The regeneration issues faced are complex and interrelated. The town's economic performance is determined by economic and social factors and its facilities, physical infrastructure and environment. The analysis of needs seeks to get behind these factors and provide an evidence base on which to develop appropriate policies.

1.1.5 Stage One has involved, in summary, a review of existing studies, policy and other documents and stakeholder views on the regeneration needs and role of Harlow in the sub region. The consultations have involved Harlow Council staff, businesses, residents groups, local authorities and other local and regional agencies, the Harlow Area Working Party (HAWP), the Technical Steering Group, and members of the Harlow 2020 Local Strategic Partnership. The consultations sought to gather

evidence and views on the issues faced and the future development options for Harlow.

1.1.6 A survey of a cross section of some two hundred and fifty firms in Harlow has also been carried out to assess their need and business constraints.

1.1.7 This report forms Stage One of the project. It assesses the economic performance of Harlow and its position in the region, the economic and social and physical regeneration needs and issues, and the strengths and weaknesses of Harlow. These are developed as key themes and topics in the report. The report provides an evidence base. It permits partners and stakeholders to develop an advocacy role to help articulate the needs of Harlow, and to advise on practical options and regeneration policies on the way forward for Harlow. It allows the regeneration issues to be defined and the regeneration strategy to be developed.

1.1.8 Environmental issues are considered in separate consultancy reports on master planning principles and sustainability criteria.

1.2 The Methodology

1.2.1 There were a number of integrated research tasks in Stage 1, comprising the following:

- Initial briefings. A series of briefings with Harlow Council staff to develop the issues which could be considered, the outputs which were practical within the project timescales, the overall methodology, establishing stakeholder contacts for interviews and discussions, identifying existing reports and those currently under way which would inform the research.

At the briefing and subsequently, a work plan and a consultation programme were agreed.

- Desk research which has covered
 - **A review of studies, which included the documents, referred to in the brief and supplied by Harlow Council. The desk study was structured to address the issues, i.e. the role of Harlow, its development, and the regeneration issues including housing employment, transport, amenities and facilities, the needs of residents and businesses to help improve economic prospects and which affect the quality of life.**
 - The deployment of the PACEC Local Economic Performance System (LEPS) which provides in-depth data on the past performance and future trends in the local, regional and national economy and related social trends. The analysis covers base line data and statistics that may be used to measure and quantify socio economic conditions and chart both progress and change in Harlow District and the surrounding area. This provides a comparative analysis with Harlow benchmarked against other locations. A more detailed description of LEPS is provided in Appendix A.
 - An overview of policies and initiatives for economic development and regeneration. It will form a basis for identifying the gaps within and between existing initiatives/projects/programmes, which need to be considered in the regeneration strategy and implementation framework.

- Interviews with key stakeholders. A series of interviews with key stakeholders in the area and officers at Harlow Council. These focused on overall regeneration issues and needs and related to the key themes, current policies and projects and priorities for the future regeneration of Harlow.
- A survey of a cross section of two hundred and fifty Harlow firms contacted by telephone with a sample drawn from Harlow Council's employer database. The survey sought to examine growth aspirations, future location, and businesses needs, such as premises and labour. It was designed to help shape policies to meet needs.

1.2.2 The outputs of the research focus on **factual information** rather than opinion or assertion. They form the basis for the work required in Stages 2, 3 and 4, the latter, including the strategy itself, and the implementation framework. The consultees are shown in Appendix B and the sources used for Stage 1 are set out in Appendix C. After the strategy is implemented a fresh evidence base will need in due course to be prepared in the form of a new document that takes into account both the latest trends and changing needs in Harlow.

1.3 The Structure of the Report

1.3.1 The following chapters then deal with key but interrelated regeneration themes. The economic factors cover the socio-economic trends, business development, specific business needs and employment sites and inward investment. The social factors deal with the labour market, community development and health issues facing residents. The main facilities and infrastructure issues are transport, housing, the town centre, retailing and local services.

1.3.2 **The final chapter summarises the needs and issues from each chapter and points towards priority areas for policy intervention.**

1.3.3 This report forms an evidence base for the regeneration strategy itself. It leads directly to the underlying issues set out therein.

2 Strategic Policy Context

2.1 Introduction

- 2.1.1 Harlow and its surrounding area has been the subject of much planning analysis and review since Regional Planning Guidance for the South East (RPG9 – published 2001) identified the growth potential of the London-Stansted-Cambridge corridor, focused around the planned growth of Stansted Airport. This has included the preparation of RPG14 and work towards the subsequent approval of the final draft Regional Spatial Strategy (RSS) by the East of England Regional Assembly (EERA) in October 2004.
- 2.1.2 This review summarises the key planning and transport studies which have been undertaken, describes some of the wider sub-regional issues which provide the context for regeneration in Harlow, and identifies the local implications which must be addressed in considering master planning principles, sustainability criteria and broader development.

2.2 Principal studies, plans, and strategies

London-Stansted-Cambridge Sub Regional Study (July 2002)

- 2.2.1 The first sub-regional study was undertaken to investigate the RPG9 requirement. The study identified the particular need of the Harlow area for regeneration, alongside its significant potential for further growth, to take advantage of its location in proximity to three growth points – London, Stansted and Cambridge. It identified four possible spatial scenarios, and three possible levels of growth. It indicated the potential for significant growth, but did not give conclusive guidance.

London – South Midlands Multi Modal Study (LSMMMS, Feb 2003)

- 2.2.2 The LSMMMS identified the unique position of the area as a corridor for national and international traffic, as well as regional, sub regional and local movements. The main movement corridor is from SE to NW, and the impact of the M25 is clearly seen through increasing number of short trips on and off the orbital route. The study identified a capacity constraint at junction 7 on the M11.

Sustainable Communities Plan (Feb 2003)

- 2.2.3 This Plan announced the Government's policy for four Sustainable Community growth areas – of which the London-Stansted-Cambridge corridor is one. The Plan recognised the negative effects of high and rapidly rising house prices and their impact on the recruitment and retention of staff, particularly close to London and around Cambridge, but spreading deeper into the region.

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- 2.2.4 Harlow and Cambridge were identified as the main early delivery locations in the growth area.
- 2.2.5 Growth was seen as necessary at Harlow in order to regenerate and modernise the town (particularly the town centre) and to fully exploit its prime location in the prosperous M11 corridor. Growth would also revitalise the economy in order for Harlow to respond to global needs for both businesses and people.
- 2.2.6 The sub-region has experienced substantial economic growth in the last decade, underpinned by clusters of some of the UK's most successful businesses in biotechnology, life sciences and ICT/software, and a rapid increase in the use of Stansted airport.
- 2.2.7 The Government has now committed itself to providing significant support for the Harlow Gateway project, which will create 590 homes, leisure and community facilities on a brownfield site, **whilst making better use of an existing transport hub.**
- 2.2.8 RPG 14 is progressing to the spatial allocation of the additional growth required by Sustainable Communities in the East Region, which will be set out in the RSS.

Stansted/M11 Corridor Development Options Study (Sept. 2003)

- 2.2.9 This study was commissioned to examine the potential urbanisation implications that might arise from proposals to increase airport capacity at Stansted, as set out in the South East Regional Airport Strategy (SERAS) report. The Study examined three spatial themes to accommodate forecast growth in jobs and housing and recommended a preferred development strategy, which sought to balance environmental, regeneration and transport objectives.
- 2.2.10 This provided for between 14,600 – 24,800 dwellings and 14,200 to 23,200 jobs at Harlow to 2036, depending upon the scale of airport growth.
- 2.2.11 Harlow was reported as having a large concentration of the **most deprived wards, containing 7 that rank in the 20% most deprived wards in England** based on the census. Furthermore it was reported that Harlow faces serious social and economic problems that result from poor education, poor training and skills levels, decline in the manufacturing sector, and the need for renewal of its urban fabric.
- 2.2.12 The district has been identified as a Priority Area for Economic Regeneration in RPG9, where new employment opportunities should be focused. It was considered that Stansted-related development would bring indirect employment in the form of offices, industry, leisure, entertainment, conference facilities, and warehousing.
- 2.2.13 Based on the current occupational structures, around 30% of airport employment would be semi and un-skilled, falling to 16% for indirect and non-airport jobs. (i.e. 2,870 plus 900 catalytic jobs in the core area.) In all the scenarios modelled, Catalytic employment was likely to have more significant effect than direct airport

related employment in outer areas such as Harlow. Harlow lies within the core area and provides 5% of employees at Stansted.

- 2.2.14 The report suggested that planning and investment frameworks seem likely to have most influence on the scope, scale, and location of these catalytic jobs. More relaxed planning policies in areas such as Harlow could help to attract investment to regeneration priority areas.
- 2.2.15 As a proportion of total employment, the Stansted growth impact has been small, but not insignificant as far as low skilled unemployment in Harlow is concerned.
- 2.2.16 The Airports White Paper (The Future of Air Transport, December 2003) has subsequently clarified government policy that a third runway should be built at Stansted by 2011/12.

Harlow Options Study (Sept 2003)

- 2.2.17 The Harlow Options Study was a strategic land-use planning study intended to identify the further land-use development potential of the Harlow area up to 2021. The need for this study arose from Regional Planning Guidance for the South East of England (RPG9), which called for a study of the growth potential of the London-Stansted-Cambridge area.
- 2.2.18 The Harlow Options Study was primarily a strategic land-use planning study, although a range of social, economic and other contextual information were addressed during its preparation. It set out the broad implications of further urban growth and provided guidance on how the area could be developed in the most sustainable way. Various growth options were developed and subsequently analysed in the light of extensive public consultation.
- 2.2.19 The Harlow Options Report looked at four scenarios for growth up to 2021, including a natural growth option. It concluded that a preferred strategy should contain a combination of focusing on developing the centre of Harlow as a sub-regional centre, and placing new high density development on hubs of public transport infrastructure. This would provide capacity for between 29 and 38 thousand homes until 2026, 10,000 of which are already committed. This will be complemented by up to 181 hectares of employment land, 95 hectares of which are already committed.
- 2.2.20 The study also recommended that a special mechanism be developed to deliver this spatial development framework.
- 2.2.21 Harlow District Council opposed both the high and the high-intermediate growth options, although accepting that some growth is required. HDC was unconvinced that the consultants had put forward a well-founded case for the additional 29,000 homes indicated in the study.
- 2.2.22 HDC wanted affordable housing for young people, with a significant proportion to rent and a range of size mixes to meet different needs. HDC considered that the

Transport and Regeneration-Led Corridor option which proposed housing development only within the existing boundaries of the town would best serve the needs of Harlow. Public and other transport investment coupled with comprehensive regeneration packages were considered vital.

RPG14 (RSS) – East of England Regional Assembly (draft, Feb 2004)

- 2.2.23 The most recent guidance RPG14 (published in draft November 2003 for public consultation) was designed to replace RPG9 (and RPG6, for East Anglia) and provide, for the first time, unified regional planning guidance for the whole of the East of England up to 2021.
- 2.2.24 It suggested that urban areas should meet their own development needs locally to ensure a balance between housing and employment and thus discourage long distance commuting. Allowing the current pattern of development to continue would adversely affect the environment and the character of many settlements.
- 2.2.25 Harlow had been identified as a Priority Area for Economic Regeneration and one of the key centres on which change and development would be focussed.
- 2.2.26 The draft plan identified capacity for 27,700 homes within the Stansted/M11 sub-region, of which 13,350 were expected to be provided within Harlow and Epping Forest. Harlow and the Lee Valley were seen as the key locations for significant inward investment in the sub-region, having more immediate potential than many areas closer to Stansted airport.
- 2.2.27 It was suggested that Harlow should develop as the key regional centre for university-level and research-based institutions, newer economic sectors and growth of SMEs and should implement a concerted programme to raise educational attainment and provide training and skills.
- 2.2.28 Draft RPG14 provided for 23,900 dwellings per annum, which was itself a step change from the 20,850 targets in RPG 6 & 9. This was 900 per annum less than the Government's Sustainable Communities targets for the region.
- 2.2.29 In the light of continuing capacity studies in the extended London-Stansted-Cambridge corridor, the Assembly agreed to give an undertaking as an explicit RPG14 policy that within a plan, urban extensions/new settlements be subsequently identified in time for the RPG14 EIP to secure the additional 900 houses per year over and above the 23,900 target in the existing RPG14, and for Assembly approval by 30 September 2004, subject to early decisions on infrastructure provision and funding in the Spending Review 2004 announced in July.
- 2.2.30 The overall approach followed in the preparation of RPG14 was to have a jobs led rather than a housing led approach, and this principle was to be followed in respect of the spatial distribution of the additional 900 houses per annum.

2.2.31 In September 2004 RPG became known as the Regional Spatial Strategy (RSS). In November 2004 EERA approved submission of the RSS to the ODPM for subsequent public consultation.

EEDA Regional Economic Strategy (RES)

2.2.32 The Regional Economic Strategy (RES) was reviewed in June 2004 and subject to public consultation. EEDA with the support of EERA adopted a “scenario planning” approach which sought to identify 40-50 drivers thought to have a significant impact (positive and negative) on the future of the region’s economic development.

2.2.33 Delphi techniques were used to prioritise and bundle these drivers. The Prioritised drivers were:

- Entrepreneurship and enterprise
- Gaps in the skills base
- Growing importance of the service and knowledge sector
- Importance of knowledge specialists
- Surface transport infrastructure and connectivity
- Network society and high-speed data connections
- Gateways to the sky and sea
- Globalisation of labour and trade
- Importance of flexible businesses
- R&D base
- Business composition and life cycle
- Relationship with London
- Polarised region and society
- Building homes not houses, including affordability
- Quality of Life
- Environmental technologies
- Regional Leadership

2.2.34 Scenarios were then generated by bundling drivers at the extremes of two developmental axes:

- The pace and quality of infrastructure development
- The balance between indigenous business development and the exporting of business ideas.

2.2.35 The four scenarios were:

- 1 Rapid growth in infrastructure with building business
- 2 Rapid growth in infrastructure with exporting ideas
- 3 Minimal growth in infrastructure with building businesses
- 4 Minimal growth in infrastructure with exporting ideas

2.2.36 It was recognised that elements of each of these scenarios could play out at different times and in different parts of the region.

2.2.37 For example, Harlow seemed to have been developing under 3 and Cambridge under 4, despite their proximity to each other. To meet its regeneration and reinvestment requirement, Harlow might need to move towards scenario 1, the drivers and features of which should be examined more closely.

2.2.38 It was suggested that the RES should focus primarily on those areas that justify action at a regional level. Being strategic means making choices about the most important economic development issues facing the region.

2.2.39 Areas for improvement were identified as:

- The region's skills base, where shortages, gaps and educational underperformance are cited
- The region's record in business development and enterprise, which indicates that a strong innovative base is not being exploited
- Transport and infrastructure bottlenecks provide significant barriers to growth and development
- Too many communities continue to suffer from deprivation, even where there are relatively high levels of employment.

2.2.40 The East region faced distinctive challenges from:

- Its unusual pattern of urban development, with several medium sized cities, a large number of market towns, and proximity to London
- Low levels of per capita public expenditure do not match high levels of inward migration
- Weak regional/place identity.

2.2.41 Harlow is characterised by all these seven features, suggesting that the RES should present opportunities to meet regional aspirations and solve local regeneration problems.

2.2.42 The RES "A Shared Vision" was due for publication in November 2004.

Framework for Regional Employment and Skills Action (FRESA)

2.2.43 Major regional institutions have adopted the FRESA and are establishing a Regional Skills Partnership to progress the agenda which could build priorities around:

- Making the learning infrastructure more responsive to employers needs
- Increasing participation in higher education
- Improving skills for employability
- Encouraging workforce development
- Focusing on young people and career choices
- Developing a response to redundancies
- Making better use of all agencies resources

- Tackling the skills issues for an ageing population
- Building opportunities in particular communities facing barriers in access skills training

Replacement Harlow Local Plan (2nd Deposit draft, Jan 2004)

- 2.2.44 The Plan is designed to replace the adopted Local Plan from 1995 and sets out land use and development proposals to 2011. Allocations are made for approximately 2,000 housing units (including 650 commitments) and 2ha of employment land (there are approximately 26ha of undeveloped employment land but with the exception of Harlow Business Park this is constrained). There is a significant stock of vacant and underused employment land and buildings. Intensification of use on existing employment land is sought.
- 2.2.45 The Plan focuses on delivering a wide variety of dwelling types (cost, location, size, tenure, type) on sites released through a sequential approach. Specific principles relating to dwelling density are included; developments must be 30 to 50 dph net (or more) and a need is identified for a greater proportion of smaller properties to cope with demographic changes in the local population. On sites of 15 or more dwellings (or >0,5 ha) provision must include 30% affordable housing.
- 2.2.46 Policies BE2 and BE3 indicate requirements for scale, layout, access and landscaping for new development, and the master planning principles to be used at a more micro scale level for public spaces, groups and individual buildings.
- 2.2.47 The Plan uses the current Essex Design Guides and the Harlow Common Guidelines to provide small scale design advice.
- 2.2.48 Policies for the development of retail and local services should be focused on the town centre, neighbourhood centres and hatches where geographical extension, increased mixed use and intensification are supported.

Harlow 2020

- 2.2.49 Harlow 2020 recognises the real danger that changes that may occur outside Harlow that could have a negative rather than positive impact on the town. The town has an important role to play as a sub-regional employment and shopping centre, but has not benefited as much as it might have from the trading possibilities in these fields.
- 2.2.50 Maintaining the Gibberd planning principles is taken as given, and is one of the Harlow 2020 values. The MORI Harlow residents' survey identified priorities of unemployment, good quality jobs, a skilled workforce and economic success. However, 20% of respondents were recorded as being dissatisfied with Harlow as a place to live, well above the average for England and East of England.
- 2.2.51 Early emphasis on initiatives for young people and provision of affordable housing for second and third generation residents is set against a priority over the next ten years to provide for the housing, care and leisure needs of older people – the number of

over 75s in Harlow will increase by over 33% - and to invest £80m in local authority housing. The aim of regeneration activity is to break the cycle of deprivation and provide a foundation for sustainable generation and wealth creation.

2.2.52 New towns, given the nature of their built environment, tend to experience degradation at the same time, unlike other towns that have grown more incrementally.

2.2.53 The Regeneration Focus programme is initially targeted on the estates within the three most deprived wards. The estates are Ryecroft, The Briars, Moorfield, Northbrooks, Copshall Close and Aylets Field. It is a holistic programme that has attempted to address regeneration in a comprehensive way. It includes critical elements of community development, capital investment and transport. The development of the IIC programme has a main focus on skills development and meeting skills gaps. It will deliver the "Learning and Working" theme within the 2020 vision.

3 Socio-economic Overview

3.1 Introduction

- 3.1.1 This chapter presents important baseline information and data on the socio-economic structure of Harlow and recent population and employment trends. To put these into context, Harlow is benchmarked against other areas, including Essex and Hertfordshire, the East Region, England and Wales and, for some indicators, Northern England.
- 3.1.2 A key purpose is to provide evidence-based reference to selective comparator areas in order to quantify the scale of 'problem' to be addressed, which will also critically inform policy and the strategy development process.
- 3.1.3 In addition, trends in Harlow are compared with those in the 'Harlow Sub Region', defined as the four district authorities (Broxbourne, East Hertfordshire, Epping Forest and Uttlesford) which surround Harlow. These are essentially the town's natural catchment area. Developments in these areas have implications for Harlow itself and vice versa. Comparisons with a grouping of other New Towns in Southern England (Milton Keynes, Basildon, Peterborough, Stevenage and Welwyn,) are also presented.
- 3.1.4 Consideration was given to the area defined by the Harlow Travel to Work Area (TTWA), which covers Harlow, Uttlesford, most of East Herts and a very small part of Epping Forest. The Harlow TTWA adjoins the dominant London TTWA, which has a strong pull effect.
- 3.1.5 While basic information on the social structure and related problems is presented, the primary emphasis is on the changing nature of Harlow's economy. The social data is extensively presented in the District Council publications and are well known. More fundamentally, we focus on the economy because it is this which, we believe, drives or determines to a large extent, the regeneration of Harlow.

3.2 The Changed World

- 3.2.1 The world has changed since Harlow was designed and built out in the 1950s and 1960s. These changes are well known. Nevertheless, they set the context in which Harlow must achieve regeneration. The changes with significance for Harlow's regeneration are briefly summarised:
- 3.2.2 Employment in the manufacturing sector (although not output) has declined dramatically. The vast majority of people now work in service industries, highlighted by the massive rise in business service employment.

- 3.2.3 Over recent years, the amount of overseas direct manufacturing investment into the UK has fallen. Most inward investment into Southern England is now smaller scale service sector (or within manufacturing industries service type function) projects.
- 3.2.4 The proportion of the population of working age who work (either by choice or necessity) has risen substantially. Consequently, many more jobs are required to 'support' a given population.
- 3.2.5 For many individuals income, choice and mobility have risen dramatically. Increased car ownership enables greater choice over leisure and work locations. Increased mobility has also meant greater choice over residential location, with greater population movement reflected in an urban to rural shift.
- 3.2.6 Reflecting the changing economic structure, there has been a decline in 'traditional working class' households, but a corresponding increase in the number of white collar middle class households. Along with a large increase in the number of graduates, the number of 'knowledge workers' has increased, whilst there has been a decline in manual and routine operative workers.
- 3.2.7 Over the last 20 years or so, too, there has been an increase in individualism and reduction in collective consumption. It has become increasingly difficult for the State to provide services and effectively 'plan' society.
- 3.2.8 The world has become more integrated. This means it is increasingly necessary to respond to global trends. At the same time, the nature and influence of the local environment has become more significant. Essentially, a successful economy has to meet the needs of competitive businesses operating at a global level.
- 3.2.9 In combination, these factors have put a premium on the ability of places and towns to both respond and adapt to the changing conditions.

3.3 Population and Employment in Harlow

The Current Situation

- 3.3.1 With 80,000 residents and 44,000 employees, Harlow is a medium sized town, but it comprises a relatively small local authority administrative area.
- 3.3.2 In this context, it is also necessary to take into account the town's surrounding catchment area. Over 400,000 people live in the Harlow sub region, and with around 195,000 jobs, the sub-region is also a major source of employment (Table 3.1).

Table 3.1 Population and Employment 2002

	Population	Employment
Harlow	79,000	44,400
Harlow Sub Region	408,000	194,700
Total	487,000	239,100

Source: Office for National Statistics Mid-year Population Estimates, Annual Business Inquiry, Labour Force Survey, PACEC

- 3.3.3 The defined Harlow TTWA had a total employment base of 135,000 in 2002, but more detailed data is not available on this basis.

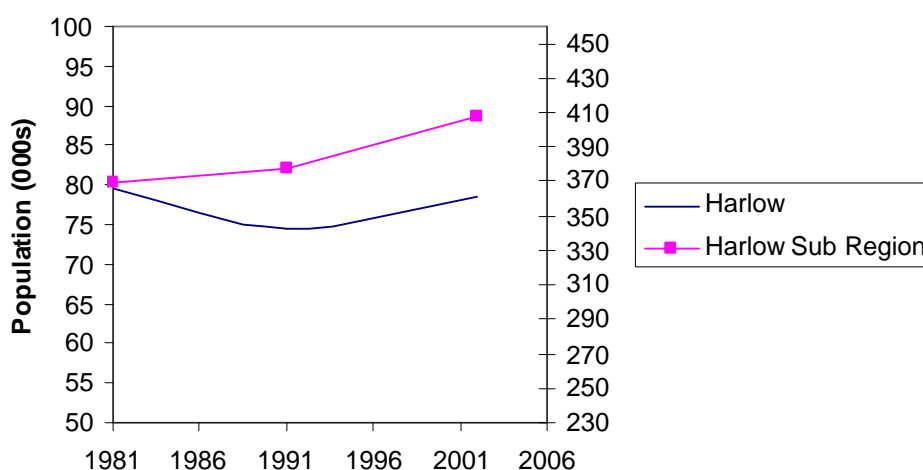
Long Run Trends

- 3.3.4 Changes in population and employment in both Harlow and its surrounding area are summarised in Table 3.2 and Figure 3.1.

Table 3.2 Long Run Population and Employment Trends

	Population (000's)		Employment (000's)	
	Harlow	Harlow Sub Region	Harlow	Harlow Sub Region
1981	79.6	369.0	40.7	141.1
1991	74.6	378.0	39.6	159.4
2002	78.5	408.2	44.4	194.7

Source: Office for National Statistics Mid-year Population Estimates, Annual Business Inquiry, Labour Force Survey, PACEC

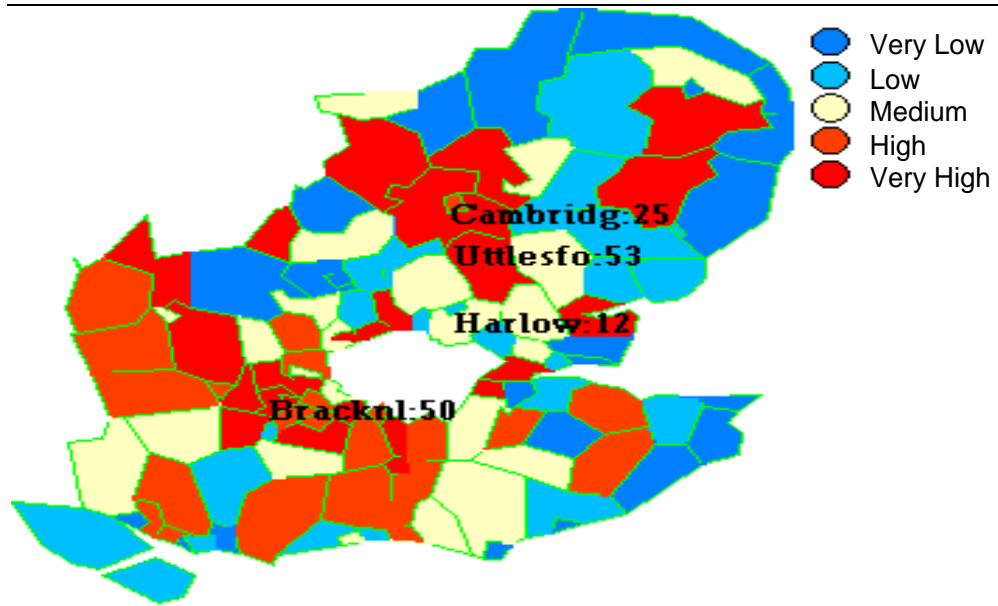
Figure 3.1 Long Run Population Trends

Source: Office for National Statistics Mid-year Population Estimates, Annual Business Inquiry, Labour Force Survey, PACEC

- 3.3.5 Harlow's population since the construction of the new town remained essentially static over a prolonged period, followed by a period of slow but steady decline. The population began to rise from the mid-1990s.

- 3.3.6 In contrast, the population in the surrounding area (the Harlow Sub Region) has risen steadily. It is now 10% higher than in 1981, with the most rapid growth occurring in the last ten years. This reflects the continuing national trend in urban rural shift.
- 3.3.7 The main determinant of population change is net migration. Between 1981 and 1995, Harlow experienced more or less consistent net out-migration. With the construction of Church Langley, there was significant net in-migration between 1996 and 2000. This accounts for the 1991 – 01 population increase. However, since 2000, the town has once again begun to experience net out-migration.
- 3.3.8 Over the period 1981 – 2002, in aggregate the town lost 10,900 residents via net out-migration. Generally, areas in decline lose their younger and more successful residents. In Harlow young people who have left to attend university rarely return to live and work in the town; while at least some successful households have almost certainly sought improved residential accommodation in the surrounding area.
- 3.3.9 While Harlow has lost population via migration, the Harlow Sub Region gained almost 15,000 people between 1981 and 2002. Around 40% of its population growth over this period has come via net in-migration. This may be attributed to the quality of the environment and its economic and social profile.
- 3.3.10 Following reductions mostly in manufacturing, employment fell to 41,000 in 1981. While fluctuating marginally, employment remained largely unchanged until the mid-1990's (Table 3.2), since when there has been more steady growth. Employment in 2002 was 44,400, some 12% higher than in 1991. However, it is far from self-evident that this recent growth has been maintained. For example, over the past 18 months, there have been a number of significant business closures.
- 3.3.11 In contrast, employment has increased steadily in the Harlow Sub Region throughout the period. Compared to Harlow's growth of 12% in 1991 – 2002, employment in the Harlow Sub Region rose by 22%, which may be partly attributed to Stansted growth.
- 3.3.12 While population and employment have changed relatively little in Harlow over the period 1981 – 2002, there has been substantial growth in the surrounding area. Consequently, Harlow's share of the area's population has fallen from 18% in 1981 to 16% today. Its share of employment has declined somewhat more sharply from 22.5% to 18.5%., which points to increased out-commuting.
- 3.3.13 Looking more broadly at Harlow's employment performance relative to districts in the South East and East Regions, Figure 3.2 illustrates the different patterns of employment growth in the period 1991-2002.

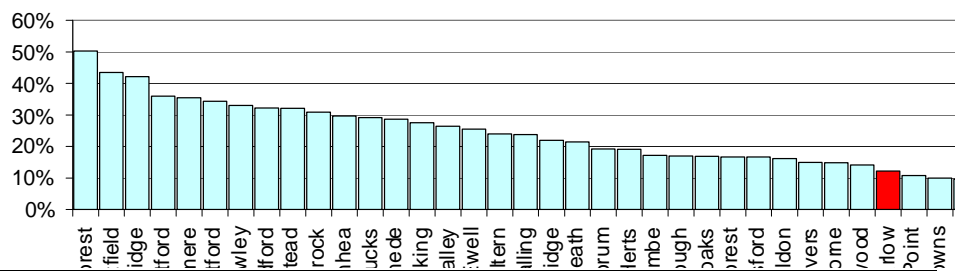
Figure 3.2 % Employment growth in Harlow and SE/ER 1991-2002



Source: PACEC, ABI, Census, LFS

3.3.14 Focusing in on the London ring areas, which may be considered as competitors to Harlow, Figure 3.3 compares their employment growth performance in the period 1991-2002. Bracknell Forest is the strongest performer, with 50% employment growth, compared to Harlow’s 12%.

Figure 3.3 % employment growth in the London ring districts 1991-2002



Source: PACEC, ABI, Censure, LFS

3.4 Industrial Structure

Employment by Sector

3.4.1 The sectoral change in Harlow employment over the period 1981-2001 is set out in Table 3.3 with comparisons to England and Wales for 2001. The greatest proportional falls in employment over the twenty year period were in transport,

storage and telecom services, down from 18% to 5%, high tech metals/engineering, down from 14% to 5%, and other manufacturing, down from 13% to 6%.

3.4.2 In 2001 the predominant employment sectors were:

- Other business services
- Health
- Research and development
- Education

Table 3.3 Harlow Employment by sector 1981-2001 (actual and %)

	Harlow				England and Wales
	1981		2001		2001
	000's	%	000's	%	%
Farming, Forestry, Fishing	0.0	0.1	0.0	0.1	1.6
Chemicals	1.8	4.4	0.8	1.9	2.2
Traditional Metals/Engineering	1.5	3.8	1.6	3.7	4.5
High Tech Metals/Engineering	5.8	14.3	2.0	4.6	1.3
Other Manufacturing	5.2	12.7	2.5	5.7	5.4
Utilities	0.5	1.2	0.3	0.7	0.8
Construction	1.7	4.1	1.9	4.5	6.5
Motor Vehicles: Sales/Repair	0.7	1.7	0.6	1.5	2.4
Wholesale	2.1	5.2	2.5	5.9	4.1
Food Retailing	1.0	2.5	2.9	6.7	4.0
Other Retailing	1.3	3.3	2.9	6.8	6.7
Hotels/Restaurants	1.0	2.4	2.1	4.8	6.3
Transport, Storage, Telecom Services	7.3	17.9	2.3	5.3	6.3
Finance	0.4	1.1	0.7	1.6	3.7
Property/Renting etc.	0.1	0.3	0.4	0.9	2.0
Professional Business Services	2.3	5.7	0.9	2.1	5.9
Other Business Services	1.0	2.4	4.8	11.2	5.9
Computer Services	0.0	0.0	0.7	1.7	2.0
Research & Development	0.1	0.2	3.1	7.2	0.4
Public Admin	1.4	3.5	0.9	2.2	4.6
Education	2.2	5.3	2.9	6.8	7.8
Health	2.0	4.9	4.6	10.8	10.1
Personal Services	1.3	3.1	1.5	3.6	5.7
Total %	40.7	100	43.1	100	100

Source: ONS, Annual Business Inquiry, Labour Force Survey, PACEC

3.4.3 The current industrial specialisms of Harlow are set out in Table 3.4. Research and development, manufacture of office machinery and the manufacture of instruments have the highest location quotients.

Table 3.4 Harlow's Industrial Specialisms 2002

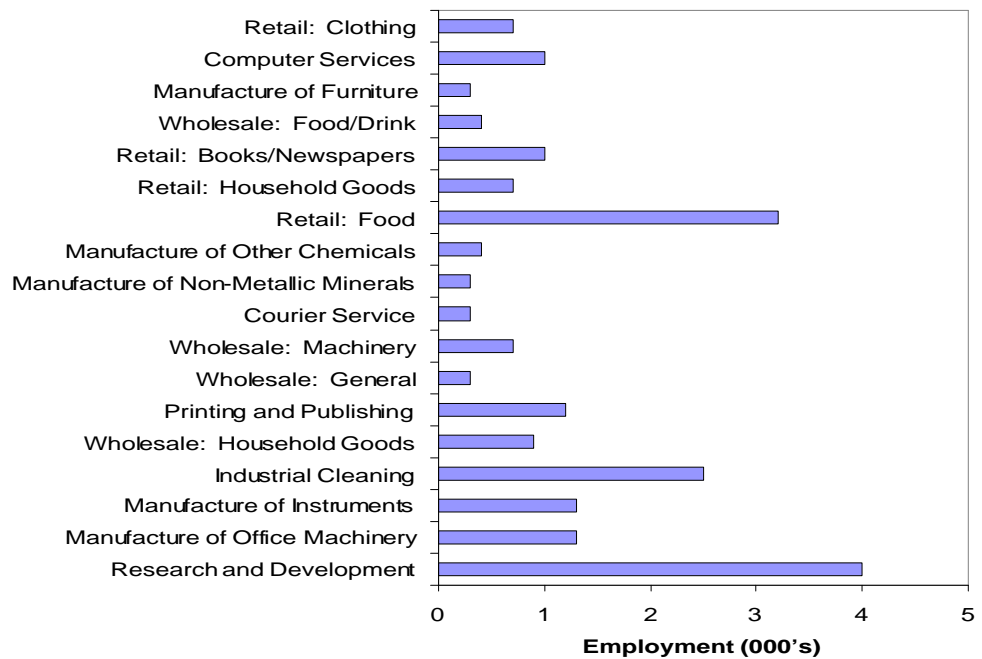
Industry	Employment (000's)	LQs
Research and Development	4.0	24.1
Manufacture of Office Machinery	1.3	22.1
Manufacture of Instruments	1.3	6.4
Industrial Cleaning	2.5	3.6
Wholesale: Household Goods	0.9	2.1
Printing and Publishing	1.2	2.0
Wholesale: General	0.3	2.0
Wholesale: Machinery	0.7	1.9
Courier Service	0.3	1.8
Manufacture of Non-Metallic Minerals	0.3	1.7
Manufacture of Other Chemicals	0.4	1.7
Retail: Food	3.2	1.7
Retail: Household Goods	0.7	1.5
Retail: Books/Newspapers	1.0	1.4
Wholesale: Food/Drink	0.4	1.3
Manufacture of Furniture	0.3	1.2
Computer Services	1.0	1.2
Retail: Clothing	0.7	1.2

Notes: Sectors with over 250 employees and a LQ over 1.2.

Source: ONS, Annual Business Inquiry, Labour Force Survey, PACEC

Comparative employment in different sectors is shown in Figure 3.4.

Figure 3.4 Harlow's Industrial Specialisms 2002



Notes: Sectors with over 250 employees and a LQ over 1.2.
 Source: ONS, Annual Business Inquiry, Labour Force Survey, PACEC

Recent Employment Changes

3.4.4 The main growing and declining sectors are shown in Table 3.5. The most significant percentage declines in the period 1998-2002 have been in utilities, chemical manufacturing and other manufacturing. Apart from R&D/computer services, the other growth sectors have been healthcare, retail, construction, professional business services and hotels / restaurants.

Table 3.5 Harlow's Main Growing and Declining Sectors

	Employment Change 1998 – 02	
	Actual	%
R&D / Computer Services	1,820	58
Health Care	1,160	33
Retail	600	10
Construction	480	28
Professional Business Services	360	54
Hotels/Restaurants	350	21
Other Business Services	-260	-5
Traditional Metal Manufacturing	-250	-17
Transport, Storage, Telecom Services	-350	-17
Utilities	-430	-70
Chemical Manufacturing	-880	-49
Other Manufacturing	-910	-29

Note: Based on a sector industrial disaggregation. Industries which added or lost a minimum of 250 jobs are included.

Source: ONS, Annual Business Inquiry, Labour Force Survey, PACEC

3.5 The Corporate Economy

Business Stock

- 3.5.1 There is no single data source which measures the performance of all businesses. While excluding many self-employment businesses, the VAT data captures businesses with sales of over £56k. There are 1,570 such businesses in Harlow (Table 3.6Table 3.7). This is a remarkably small number of businesses, given the number of economically active residents (i.e. 38.4 companies per thousand). Its corporate stock is smaller than all the benchmark areas, including Northern England.

Table 3.6 Number of VAT Registered Businesses per 1,000 Economically Active

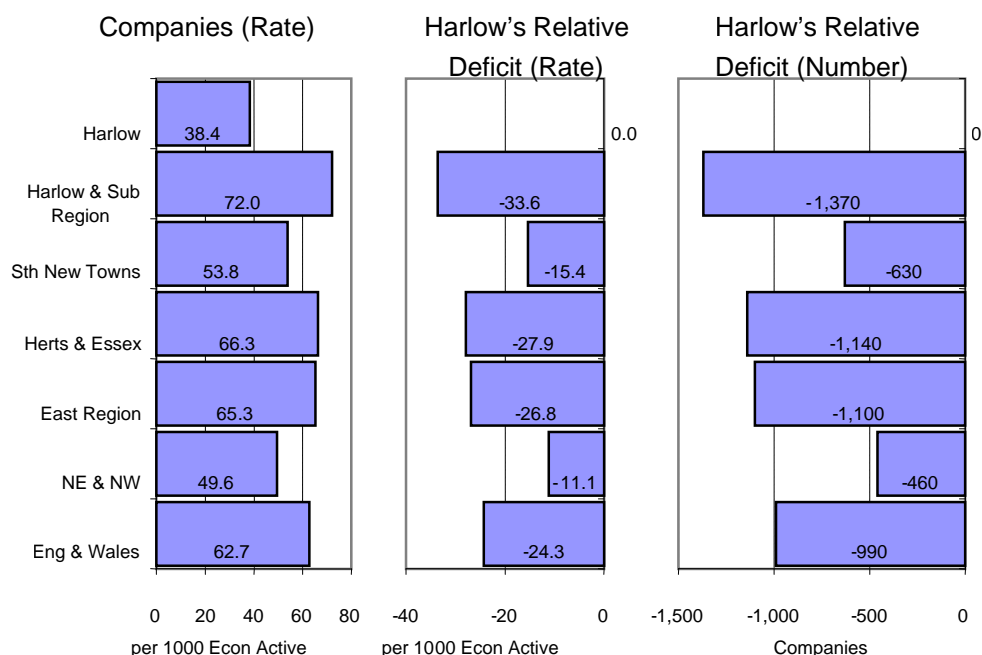
	Number
Harlow	38.4
Harlow Sub Region	78.6
Harlow + Sub Region	72.0
Southern New Towns	53.8
Herts & Essex	74.5
Eastern Region	65.3
North East & North West	49.6
England and Wales	62.7

Source: ONS VAT Register, Annual Business Inquiry, Labour Force Survey, PACEC

With the same number of businesses per economically active resident as, for example, the Southern New Towns, it would have an additional 630 VAT registered businesses; or compared with the national average an additional 990 businesses (i.e. 63% more businesses), as shown in Table 3.7).

Table 3.7 Companies per 1,000 Economically Active %

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Economically Active (000s)	40.9	251.4	503.3	1.3	2.7	4.2	25.0
No of VAT registered companies, 2002	1,570	18,110	27,090	88	176	209	1,568
Companies (per 000 Econ Active)	38.4	72.0	53.8	66.3	65.3	49.6	62.7
Harlow's relative deficit (rate)	0.0	-33.6	-15.4	-27.9	-26.8	-11.1	-24.3
Harlow's relative deficit (number)	0	-1,370	-630	-1,140	-1,100	-460	-990



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

3.5.2

Table 3.8 gives a breakdown of the number of workplaces in Harlow district by sector, as estimated by the Office for National Statistics Annual Business Inquiry. The count of workplaces can include multiple branches of the same company at different locations. The estimate of the total in 2001 is 2,270 workplaces. The largest sector, and also the sector most strongly represented in Harlow relative to the GB population, is construction.

Table 3.8 Harlow Workplaces by sector 1995-2001 (actual and %)

	Harlow				Great Britain
	1995		2001		2001
	000's	%	000's	%	%
Farming, Forestry, Fishing	n/a	n/a	n/a	n/a	0.7%
Chemicals	30	1.4%	30	1.1%	0.9%
Traditional Metals/Engineering	90	4.4%	90	4.0%	2.7%
High Tech Metals/Engineering	30	1.5%	30	1.5%	0.6%
Other Manufacturing	100	4.7%	110	4.9%	4.0%
Utilities	n/a	n/a	n/a	n/a	0.3%
Construction	250	12.0%	300	13.3%	8.9%
Motor Vehicles: Sales/Repair	80	3.8%	80	3.4%	3.7%
Wholesale	140	6.6%	160	6.9%	6.0%
Food Retailing	60	2.8%	60	2.5%	3.3%
Other Retailing	250	12.1%	240	10.7%	10.2%
Hotels/Restaurants	120	5.9%	150	6.8%	7.2%
Transport, Storage, Telecom Services	120	5.6%	120	5.2%	4.7%
Finance	50	2.2%	40	1.8%	2.1%
Property/Renting etc.	60	2.7%	70	3.0%	4.8%
Professional Business Services	110	5.2%	130	5.6%	9.5%
Other Business Services	150	7.1%	170	7.4%	6.5%
Computing and R&D	80	3.8%	140	6.3%	6.1%
Public Admin	50	2.2%	30	1.4%	1.2%
Education	70	3.2%	70	3.1%	2.6%
Health	80	3.8%	90	3.7%	4.8%
Personal Services	180	8.4%	150	6.7%	9.2%
Total %	2,080	100	2,270	100	100

Note: "n/a" denotes statistics that cannot be released under ONS confidentiality requirements.
Source: ONS, Annual Business Inquiry, PACEC

Large Firms and Multinationals

3.5.3 Harlow was developed as a large company town. Until recently, there were ten such private sector companies with over 500 employees. Of these, six were subsidiaries of overseas parents. Around 65 foreign owned businesses account for around one-third of all employment.

3.5.4 Three of these businesses, GlaxoSmithKline (GSK), Nortel and Raytheon Systems have been responsible for much of the recent growth in R&D employment.

3.5.5 Although they have pared down manufacturing activity, GSK have built up their R&D activity in compensation. However, other manufacturers (e.g. Arrow Electronics warehouse operations, C-MAC) are exiting the town.

3.5.6 A key question for Harlow is whether it will be able to continue attracting foreign investment. With a much more competitive international market, future investment will be very different from that attracted in the past.

3.6 The Labour Market

Participation

3.6.1 A greater proportion of Harlow's residents (in the age group 16–74) are economically active, compared with elsewhere in the East Region and in England and Wales as a whole, as shown in Table 3.9.

Table 3.9 Labour Market Participation, Education and Long Term Sick (16-74 year olds) 2001

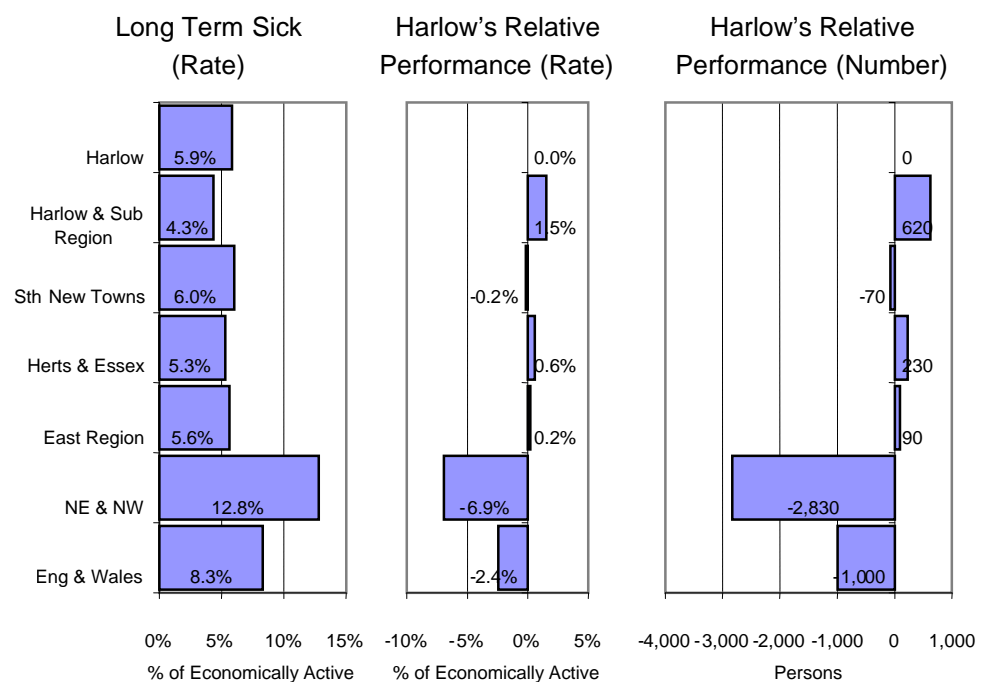
	% Economically Active	% Full Time Student	% Long Term Sick
Harlow	71.7	4.3	5.9
Harlow Sub Region	71.4	5.2	4.0
Harlow + Sub Region	71.5	5.0	4.3
Herts & Essex	70.2	5.5	5.1
Eastern England	69.3	5.8	5.6
Northern England	63.2	6.9	12.8
England and Wales	66.5	7.0	8.3
Southern New Towns	71.2	5.9	6.0

Source: ONS, Census 2001, PACEC

3.6.2 This high level of labour market participation reflects two factors. First, slightly fewer people are outwith the labour market because of long term sickness than the overall average for England and Wales. Around 2,400 people are registered as long term sick, which is marginally above the regional average and the Harlow sub region. However, Harlow's problems in this respect pale in significance compared to Northern England (Table 3.10). It is slightly below the Southern New Towns.

Table 3.10 Long term sick

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Economically Active (000s)	40.9	251.4	503.3	1.3	2.7	4.2	25.0
Long term sick (000s)	2.4	10.9	30.4	0.1	0.2	0.5	2.1
Long Term Sick (% of Economically Active)	5.9%	4.3%	6.0%	5.3%	5.6%	12.8%	8.3%
Harlow's relative performance (rate)	0.0%	1.5%	-0.2%	0.6%	0.2%	-6.9%	-2.4%
Harlow's relative performance (number)	0	620	-70	230	90	-2,830	-1,000



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

3.6.3 **The second reason why more people participate in the labour market is because substantially fewer are in full time education than elsewhere in England and Wales.** Compared to the national average of almost 78%, just 69% of Harlow's 16 – 17 year olds are in education. By contrast, 82% of those in the Harlow Sub Region remain in full time education (Table 3.11).

Table 3.11 Participation in education (16-17 year olds)

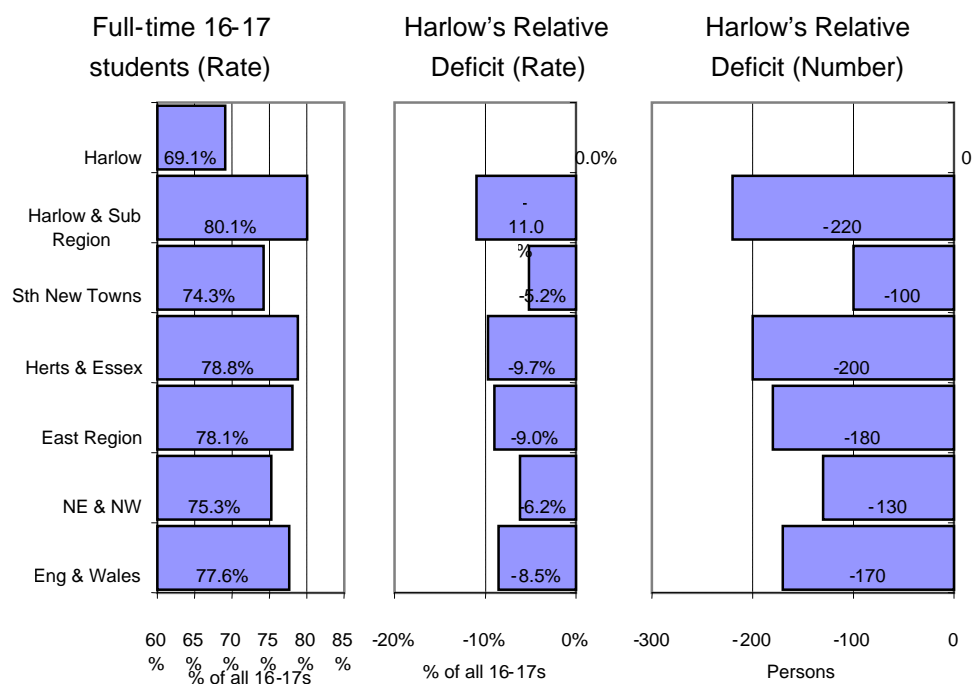
	% of 16-17 year olds in education
Harlow	69.1
Harlow Sub Region	81.6
Harlow + Sub Region	80.1
Herts & Essex	78.8
Eastern England	78.1
Northern England	75.3
England and Wales	77.6
Southern New Towns	74.3

Participation in Source: ONS, Census 2001, PACEC

- 3.6.4 The relative deficit in educational participation between Harlow and the comparator areas is shown in Table 3.12. Harlow's educational participation among 16-17 year olds lags behind that of the rest of the country, particularly when compared to the Harlow sub-region and the rest of Hertfordshire and Essex. Harlow would require a further 9.7% of its 16-17 year olds to remain in education for it to match the performance of Hertfordshire and Essex (amounting to a further 200 students).

Table 3.12 Students aged 16-17

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
16 - 17 Population (000s)	2.0	11.8	25.4	0.1	0.1	0.2	1.3
Full-time 16-17 students (000s)	1.4	9.4	18.9	0.1	0.1	0.2	1.0
Full-time 16-17 students (% of 16-17s)	69.1%	80.1%	74.3%	78.8%	78.1%	75.3%	77.6%
Harlow's relative deficit (rate)	0.0%	-11.0%	-5.2%	-9.7%	-9.0%	-6.2%	-8.5%
Harlow's relative deficit (number)	0	-220	-100	-200	-180	-130	-170



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

Unemployment

3.6.5 Table 3.13 shows that while slightly lower than in the surrounding Harlow sub region area, an above average number of Harlow residents are in employment. Just over 67% of those aged 16 – 74 are in work compared with the national average of 63%.

Table 3.13 Employment and Unemployment, 2001

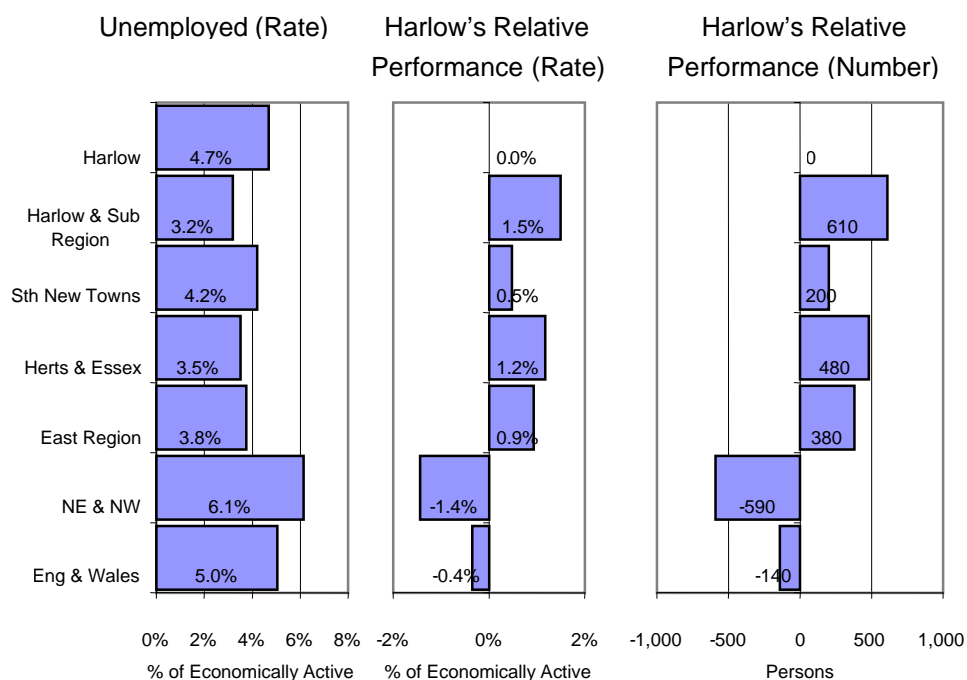
	% of 16 – 74 Year Olds in Employment	% Unemployment Rate (ILO)	
		Total	Long Term
Harlow	67.2	4.7	1.2
Harlow Sub Region	69.2	2.9	0.8
Harlow + Sub Region		3.2	
Herts & Essex		3.3	
Eastern England	66.7	3.8	1.0
Northern England	58.2	6.1	2.0
England and Wales	62.7	5.0	1.5
Southern New Towns	67.9	4.2	1.1

Source: ONS, Census 2001, PACEC

- 3.6.6 While more people are in work than elsewhere in the East Region and England and Wales, the unemployment rate amongst Harlow residents is above the regional average. Using the International Labour Organization (ILO) measure of unemployment (which includes all those looking for work and not just those in receipt of benefits), 4.7% of the economically active are unemployed compared to 3.8% in the region and just 2.9% in the surrounding area (Table 3.14).

Table 3.14 Unemployment (all)

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Economically Active (000s)	40.9	251.4	503.3	1.3	2.7	4.2	25.0
Unemployed (ILO, 000s)	1.9	8.0	21.2	0.0	0.1	0.3	1.3
Unemployed (% of economically active)	4.7%	3.2%	4.2%	3.5%	3.8%	6.1%	5.0%
Harlow's relative performance (rate)	0.0%	1.5%	0.5%	1.2%	0.9%	-1.4%	-0.4%
Harlow's relative performance (number)	0	610	200	480	380	-590	-140



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

3.6.7 However, on the 2001 figures, with around 1,900 unemployed people, the unemployment rate was marginally below the national average and well below the levels of Northern England. Of those unemployed, one quarter (or around 500) are classified long term unemployed. While a slightly more substantial problem than in the surrounding area, long term unemployment is no more of an issue in Harlow than in much of Britain.

3.6.8 The April 2004 Claimant Count figures as a proportion of the economically active provide an up to date picture. In Harlow there are 1,176 claimants representing an unemployment rate of 2.89%. Table 3.15 illustrates claimant unemployment in Harlow as being slightly above the East Region at 2.24%, but below England at 3.24%.

Table 3.15 Harlow Claimant Unemployment Rate (April 2004)

District	Unemployed	Economically Active	% Rate
Harlow	1176	40693	2.89%
Harlow Sub Region	3253	211177	1.54%
Chelmsford	1291	83038	1.55%
Colchester	1327	76833	1.73%
Epping Forest	1306	60228	2.17%
Maldon	488	30965	1.58%
East Region	60778	2711063	2.24%
England	782546	24160390	3.24%

Source: PACEC

Qualification and Achievement

- 3.6.9 As already noted, a below average number of young people stay on in school post-16 in Harlow and, over a prolonged period of time, the town has lost some of its better qualified people via out-migration. This reinforces the picture of Harlow residents having educational qualifications below the national average, as shown in Table 3.16

Table 3.16 Qualifications: % of Population Aged 16 – 74

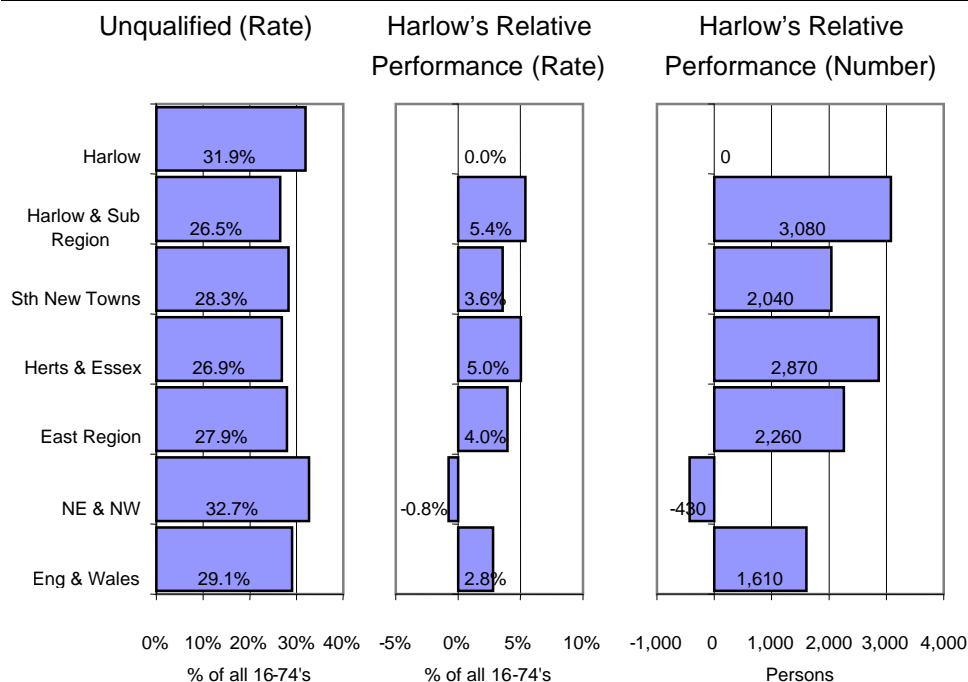
	No Qualifications	Degree
Harlow	31.9	11.8
Harlow Sub Region	25.4	19.5
Harlow + Sub Region	26.5	18.3
Herts & Essex	26.2	19.1
Eastern England	27.9	18.1
Northern England	32.7	16.6
England and Wales	29.1	19.8
Southern New Towns	28.3	16.0

Source: ONS, Census 2001, PACEC

- 3.6.10 Almost 32% of Harlow residents (aged 16 – 74) have no qualifications. This exceeds the national average of 29% and is above the Harlow Sub Region (25%), but below Basildon at 32.2% (see Table 3.17).

Table 3.17 Qualifications (None)

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
16 - 74 Population (000s)	57.0	351.8	706.5	1.9	3.9	6.7	37.6
No qualifications (000s)	18.2	93.2	200.1	0.5	1.1	2.2	10.9
Unqualified (% of 16-74s)	31.9%	26.5%	28.3%	26.9%	27.9%	32.7%	29.1%
Harlow's relative performance (rate)	0.0%	5.4%	3.6%	5.0%	4.0%	-0.8%	2.8%
Harlow relative performance (number)	0	3,080	2,040	2,870	2,260	-430	1,610



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

3.6.11 Only 12% of Harlow residents have a degree. This is also substantially below the average for England and Wales of just under 20% and also under all the benchmark areas including Northern England and other Southern New Towns (Table 3.18).

Table 3.18 Qualifications (Degree)

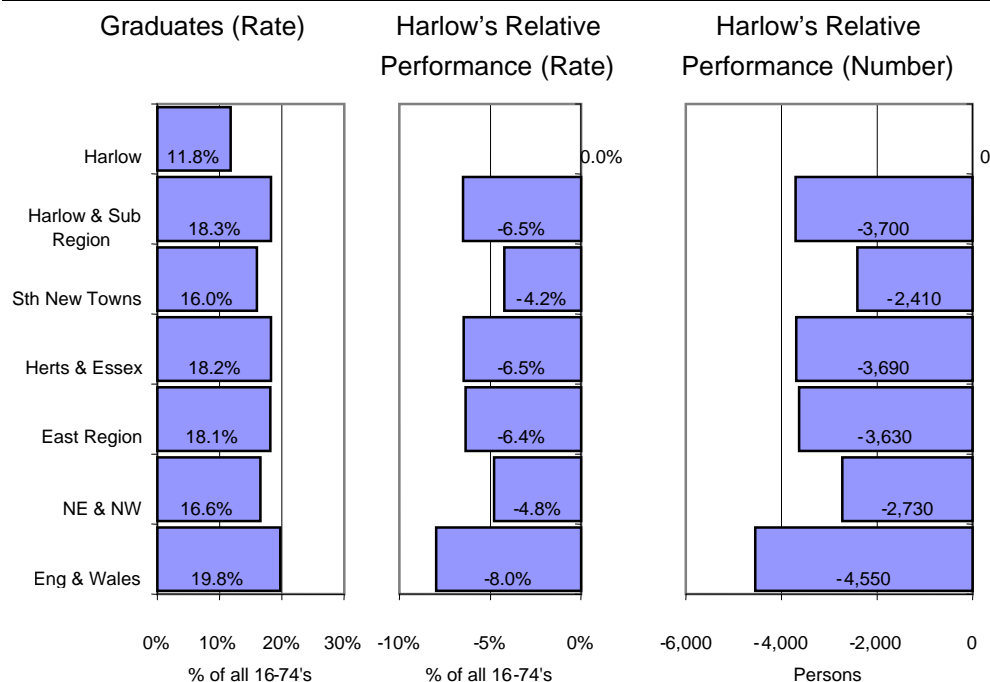
	% of 16-74 year olds with degrees
Harlow	11.8
Harlow Sub Region	19.2
Harlow + Sub Region	18.3
Herts & Essex	18.2
Eastern England	18.1
Northern England	16.6
England and Wales	19.8
Southern New Towns	16.0

Participation in Source: ONS, Census 2001, PACEC

- 3.6.12 The scale of Harlow's deficit of graduates is shown in Table 3.19 below. Harlow would require a further 8% of its working-age population to be graduates to have the same rate as England and Wales as a whole. This difference would amount to four and a half thousand extra graduates.

Table 3.19 Qualifications (Degree)

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
16 - 74 Population (000s)	57.0	351.8	706.5	1.9	3.9	6.7	37.6
Graduates (000s)	6.7	64.3	113.0	0.3	0.7	1.1	7.4
Graduates (% of 16-74s)	11.8%	18.3%	16.0%	18.2%	18.1%	16.6%	19.8%
Harlow's relative performance (rate)	0.0%	-6.5%	-4.2%	-6.5%	-6.4%	-4.8%	-8.0%
Harlow's relative performance (number)	0	-3,700	-2,410	-3,690	-3,630	-2,730	-4,550



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

Occupational Structure

3.6.13 Qualification levels are reflected in the occupational characteristics of Harlow residents. One-third of economically active residents are in management, professional or technical occupations. Despite the strength of R&D employment opportunities in the town, this is well below the national average. Indeed, it is lower than all the benchmark areas including the other New Towns and Northern England. By way of contrast, almost 46% of residents in the Harlow Sub Region are in these occupations (see Table 3.20).

Table 3.20 Harlow Occupational Structure

	% of Economically Active			
	Harlow	Harlow Sub Region	Northern England	England & Wales
Managerial, Prof., Technical	33.4	45.7	36.1	40.1
Admin/Secretarial	14.8	15.0	13.0	13.3
Skilled Trades	12.3	11.5	11.9	11.6
Personnel/Customer Services and Sales	14.6	12.2	16.2	14.6
Operatives/Elementary Occupations	24.6	15.6	22.8	20.4

Source: ONS, Census 2001, PACEC

3.6.14 Almost one quarter of residents are classified as operatives or in 'elementary' (i.e. low skill) occupations. This is above the national average and above both the Southern New Towns and Northern England. Just 16% of residents in the Harlow Sub Region are in these occupations.

3.6.15 The evidence shows that there is a clear pattern within the workforce, with the less skilled living in Harlow and the highly skilled and better educated living in the surrounding Harlow sub region.

3.6.16 Table 3.21 indicates that:

- There are marginally more jobs in Harlow than there are economically active residents (1,600 extra jobs).
- However, for all levels of qualifications up to, and including NVQ3, there are more residents than jobs. There is a job shortage of around 5,300 up to this level.
- In contrast, there are 9,300 jobs in Harlow with NVQs 4/5, with only 5,600 residents with this level of qualification. In other words, large numbers of highly qualified people commute into Harlow.

Table 3.21 Employment and Residents by NVQ Qualification: Level (000's)

	Harlow			Harlow Sub Region		
	Economic ally Active Residents	Employe ment	Gap	Economic ally Active Residents	Employe ment	Gap
NVQ 0	12.0	10.1	-1.9	51.3	44.7	-6.6
NVQ 1	10.6	8.7	-1.9	41.7	35.2	-6.5
NVQ 2	9.8	8.4	-1.4	51.0	37.8	-13.2
NVQ 3	3.0	2.9	-0.1	19.1	13.6	-5.5
NVQ 4/5	5.6	9.3	3.7	47.3	31.1	16.2
Total	39.3	40.9	1.6	210.5	162.6	-47.9

Source: ONS, Census 2001, PACEC

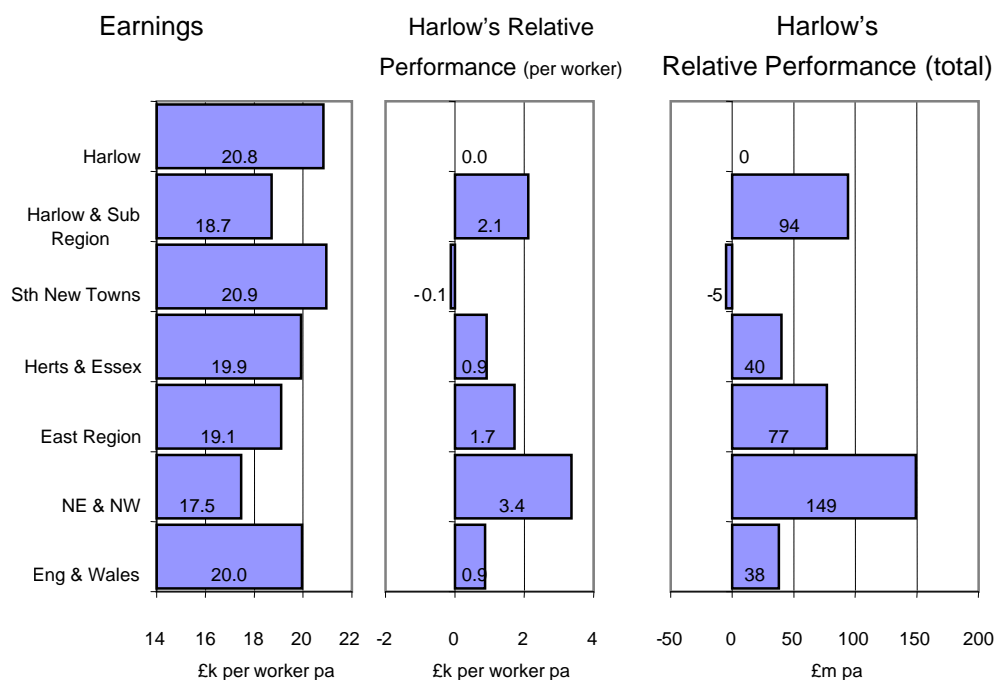
3.6.17 Below average educational qualifications not only impact on the labour market in Harlow, but also have implications for Harlow's residents in terms of salaries and take home pay.

3.7 Average Earnings

3.7.1 The average earnings per workplace job in Harlow gives a positive impression of earning potential in the town, with earnings in Harlow exceeding average earnings in all benchmark areas and matching the Southern New Towns (see Table 3.22).

Table 3.22 Average Earnings (Workplace)

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Workplace jobs, 2002 (000s)	44	239	614	1	3	4	26
Earnings (2002, £m)	925	4,475	12,860	26	51	77	529
Earnings (£k per workplace job pa)	20.8	18.7	20.9	19.9	19.1	17.5	20.0
Harlow's relative performance (£k per worker pa)	0.0	2.1	-0.1	0.9	1.7	3.4	0.9
Harlow's relative performance (£m pa)	0	94	-5	40	77	149	38



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

3.7.2 However, despite the higher average salaries and wages on offer in Harlow, the people actually resident there take home relatively poor earnings when compared to the national average and with those living in the immediate area and wider East region. Of the benchmarks used in our analysis, earnings received by people living in Harlow only exceed those earned by workers resident in the North East and North West regions of England (see Table 3.23).

3.7.3 This implies that the higher income jobs in Harlow are going to people who commute into the town and that those who are resident in Harlow are employed in lower paid

occupations. Indeed, this is reflected in the occupational structure of Harlow residents already detailed (Table 3.23), and ties in with the earlier observation that the less skilled tend to live in the town and the more highly skilled and better educated in the surrounding area.

Table 3.23 Average earnings (Residence)

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Resident workers, 2003 (000s)	38	242	485	1	3	4	24
Total earnings (2003, £bn pa)	1	7	12	0	0	0	1
Average earnings (2002, £k pa)	23	31	25	29	26	22	25
Harlow's relative performance (£k per resident worker pa)	0.0	-7.5	-1.7	-5.5	-3.2	0.9	-1.9
Harlow's relative performance (£m pa)	0	-290	-65	-212	-123	33	-74



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

3.8 Strengths, weaknesses, opportunities and threats

Strengths

- Harlow has key strengths in Research and Development, the manufacture of office machinery and instruments.
- Harlow residents are slightly more economically active than in the surrounding area.

- Harlow's average workplace earnings are higher than in the sub region

Weaknesses

- Harlow's population has remained static for several decades in spite of additional housing development
- The population of the Harlow sub region has grown more rapidly
- As with population employment growth in Harlow has lagged behind the sub region
- The employment structure lacks diversity and is dominated by a few large firms
- Business formation rates are low as is the stock of small firms. Unemployment rates are higher in Harlow, the occupation of residents are in the less skilled areas compared to the sub region.
- Few Harlow residents are in full time education
- Commuters in to Harlow are from the higher occupational groups.

Opportunities

- The high tech and R&D clusters in Harlow provide a platform for growth and enterprise.
- Stansted airport and the M11 corridor provide accessible markets for Harlow firms.
- The Harlow workforce, including commuters into Harlow, provides the higher level skills required by employers.
- Harlow is well placed, and located, to take advantage of growth opportunities resulting from Stansted and the M11 corridor.

Threats

- Continued over concentration larger firms could make Harlow vulnerable if downsizing, or closures, occurs.
- Continued over concentration in a small group of sectors.
- Other competing locations along the M11 corridor and in north London take advantage of the growth opportunities
- Harlow continues to be identified as a low skill location.
- Harlow continues to be perceived as lacking in entrepreneurial activity with few small firms and business start-ups.

3.9 Strategic Challenges

- 3.9.1 The extent to which Harlow is a self-contained labour market has declined over time. It is now a relatively small sub-regional employment centre.
- 3.9.2 Of the 44,000 jobs in Harlow, 52% are filled by Harlow residents and 48% (around 21,300) by non-residents. This latter proportion has risen from 37% in 1991. In other words, Harlow is attracting an increasing number of commuters, and local people are less able to compete for the jobs available.

3.9.3 It can be argued that these trends are inevitable. They reflect the way that the structure of the Harlow and the national economy has changed. As already noted:

- The nature of employment among some of the major employers has changed, with a **decline in traditional manufacturing** and increase in management and R&D jobs. These require different skills and people.
- Relatively few of these employees have chosen and, given the nature of the housing market, would have chosen, to live in Harlow.
- While Harlow's population (and workforce) have been more or less static, population growth has been much higher in the surrounding 'Harlow sub region'.
- The majority of new job opportunities have been created in the Harlow sub region rather than in Harlow itself. The Harlow TTWA is adjacent to the very significant London TTWA. Not surprisingly, local residents have increasingly found it necessary to seek work outside the town.

3.9.4 Given these changes, it is probably unrealistic to believe that Harlow can, in the short to medium term, once again become a highly self-contained labour market. But building a more sustainable economy and labour market could be achieved in the long term.

3.9.5 The town has not developed as a 'strong' sub-regional employment centre. The majority of those who out-commute from the surrounding area, i.e. the Harlow sub region, do not commute into Harlow. They find employment elsewhere. In-commuting to Harlow exceeds out-commuting by just 500. This represents 1.2% of Harlow's employment. In contrast, net in-commuting amounts to just over 12% of employment in the benchmark Southern New Towns.

3.10 Needs and Issues

- Harlow's population, from the completion of the construction of the new town, was broadly static for several decades, but then went into steady decline. The position improved from the mid 1990s, with net immigration primarily to the new development of Church Langley, but the population has started to decline again.
- Long run population trends show that Harlow's population has experienced overall decline since 1981, while the population of the surrounding area has increased by more than 10%. The (relatively small) size of the population of Harlow has also determined the size of its labour market. The small size of the labour market has failed to keep pace with local labour requirements.
- Employment growth in Harlow has lagged behind growth in neighbouring areas for some time. Harlow jobs grew by only 12%, compared to 22% in the Harlow sub region, in the period 1991-2002, indicating a relative economic underperformance.
- The structure of Harlow's economy lacks diversity because it is dominated by a small number of very large employers. Harlow developed in the 1950s and 1960s as a large company town. This concentration and imbalance in the structure means that the town's economy is potentially fragile, vulnerable to large firms downsizing, and reliant on a narrow business base.
- Given the large company context the small firms sector is seriously underdeveloped.

- VAT registration data show that Harlow has a markedly small number of registrations relative to its size. The town had only 38 registered businesses per 1,000 economically active residents in 2004, which is less than half that of the sub-region (79 registered businesses per 1,000 economically active). National research indicates that new firms are an important component of a successful, dynamic local economy.
- The current industrial specialisms and strengths of Harlow are Research & Development, Manufacture of Office Machinery and the Manufacture of Instruments.
- A greater proportion of Harlow's residents are economically active than in the East Region and the country as a whole, which is a positive attribute for the local labour force.
- Substantially fewer Harlow residents are in full time education than in the rest of the country. Only 12% of Harlow residents hold a degree, compared to 20% in England and Wales.
- About 4.7% of the economically active are unemployed in Harlow, compared to 2.9% in the Harlow sub region and 3.8% in the East region. This suggests the need for higher levels of local employment and job creation and skills development.
- Qualification levels are reflected in the occupational characteristics of Harlow residents. A third (33%) of Harlow residents are in managerial, professional or technical occupations, compared to 46% in the Harlow sub region. Higher income jobs go to those who commute into Harlow and residents tend to be in lower paid occupations.

4 Business Development

4.1 Introduction

4.1.1 This chapter reviews issues relating to the indigenous business sector in Harlow. It initially sets out the policy context. The chapter then examines small firms and self employment, new firms and entrepreneurship, factors restricting and contributing to growth and research on skills gaps.

4.1.2 Before examining the role of indigenous business in the regeneration of Harlow, a number of conclusions from the socio-economic overview above need to be summarised.

- The level of employment in Harlow has not increased substantially since the early 1980's.
- Manufacturing employment (especially in large companies) will continue to decline.
- Foreign inward investment is unlikely to create as many jobs as in the past.
- Harlow has an under-developed SME sector.
- Harlow has a low business birth rate. It does not have the dynamism of Southern England's most prosperous, growth orientated local economies.
- New firms are responsible for most job creation and the emergence of new industries in the UK.

4.2 Current Policy Context

4.2.1 The Harlow 2020 Vision, under the Learning and Working heading, lists amongst its aims, the following:

- 'Harlow will be a key town in the region where companies will wish to stay or relocate.'
- 'The town will be particularly well known for its high tech industries, building on those that are already here. '; and
- 'We will have a One Stop Shop Business Centre providing advice and assistance to businesses, all in one place... The presence of the Centre will encourage new businesses to come to Harlow because it will show that we are serious about business.'

4.2.2 However there are no specific proposals or recommended actions on how to make Harlow a more attractive location for inward investors or how to build up its 'high tech' industries. Nor are the implications of such aims for other aspects of the Vision established. For example, how the desire to be a 'high tech' location relates to generating jobs for local people is not examined.

4.2.3 There is little on meeting the needs of Harlow businesses, improving competitiveness, increasing the business birth rate or development of the SME sector.

- 4.2.4 The Vision largely assumes that businesses will create enough jobs by exploiting opportunities such as the development of Stansted. Its main focus is to ensure that more jobs go to Harlow residents.
- 4.2.5 The focus on new and small businesses is considered marginal in the Ten Year Regeneration Programme. Amongst the seven objectives, it lists:
- To promote small business development in Harlow's most deprived areas and to target support services specifically at marginalized groups such as ethnic minority businesses and lone parents.¹
- 4.2.6 The main focus of new and small firm support is social inclusion not economic regeneration and restructuring the Harlow economy.
- 4.2.7 The CLES study saw the development of the SME sector as critically important for the future of employment in Harlow. It saw the potential target markets (and the source of new firms) as women and the long term unemployed. Again, this emphasises social inclusion rather than the need to restructure the Harlow economy.
- 4.2.8 A further illustration of recent policy focus is the emphasis on workers' co-operatives and other not-for-profit social enterprises. There is a well established Co-operative Development Agency. The CLES study notes that in 2001 there were 12 workers' co-operatives with around 200 workers, and that they have the potential for leading the way on demonstrating the value of investing in employees.
- 4.2.9 In contrast, concern and support for mainstream entrepreneurship and SMEs is more recent and less well developed. The Harlow Business Support Network was created in 2000, bringing together Harlow College, Harlow Chamber of Commerce, Harlow CDA, East Herts and Harlow Enterprise Agency and the District Council Regeneration Unit. More recently, these have been co-located with the creation of the Harlow Centre for Business Support (HCBS).
- 4.2.10 The CLES study found a seriously under-developed SME support structure, but substantial local demand for support services. It argued that a new organisation was required with '*a stronger and more influential position in the procurement of resources*'² The Harlow Centre for Business Support is the organisation set up in response to the 2020 Vision's aim of creating a one stop shop.
- 4.2.11 However, the Centre is far from financially secure and, compared to services provided in much of the UK, support for 'mainstream' new and small firms remains limited. In setting up the Harlow Centre for Business Support, the main concern has been delivery co-ordination rather than improving the range of services delivered. For example, the Centre is not the location for one of Essex's Enterprise Centres.
- 4.2.12 Business Link for Essex (BLE) services are principally focused on brokering, and they operate a 'no wrong door' policy, where agencies working in partnership with each

¹ Ten Year Regeneration Programme 2003 – 13, p.15.

² CLES (2001). Small Business Needs in Harlow and the Development of a Networked Mode of Delivery, Executive Summary, August 2001, para 5.3.

other have enough knowledge about each others' services to signpost clients onwards. The emphasis for BLE work includes:

- adviser and brokering between external suppliers
- project management
- client penetration,
- markets satisfaction
- measuring economic impacts of activities
- monitoring business needs

4.2.13 The HCBS collectively act as Consortia to help start-up businesses during their first year of operation. The consortia can exploit the synergies between member organisations and "gather critical mass to help support start-ups in a measured way". Most of the work of HCBS for start-ups is funded by BLE. HCBS and BLE hold regular meetings to discuss issues. The relationship is quite formal, and they have to bid competitively for any other business development work. Between April 2003 and 2004, there were 686 recorded start-ups in Harlow, which was 6% of the Essex total.

4.2.14 BLE were fairly non-committal when they were asked about the possibility of an Enterprise Hub being based in Harlow. BLE is set to resource a Hub when it is set up and it will be covered in the next Business Plan.

4.2.15 Harlow Council is at present organising an Investors in Communities Initiative, which is a programme to fund established skills and business development based initiatives in the Town.

4.3 Small firms, self employment and business births

Small Firms and Self-Employment

4.3.1 In contrast to larger companies, the small firm sector is under-developed in Harlow. Consequently, a disproportionately small share of employment is in SMEs. For example, compared to 52% in Harlow, SMEs account for 62% of employment nationally. The other side of the coin is that average employment per VAT registered business is much higher in Harlow than elsewhere.

4.3.2 Many of the self-employed are not captured by the VAT data. However, self-employment in Harlow is also low. This is illustrated in Table 4.1. Of the 44,400 people working in Harlow, 9.5% (4,200) are self-employed. This is substantially below the national average and, indeed, below the figure for Northern England. In contrast, almost 17% of people working in the Harlow Sub Region are self-employed.

Table 4.1 Self-Employment 2001/2 by Place of Work and Residence

	% of Workplace jobs	% of Economically Active Residents Self-Employed
Harlow	9.5	9.0
Harlow Sub Region	16.9	16.1
Harlow + Sub Region	15.5	14.9
Herts & Essex	14.3	13.7
Eastern Region	14.1	13.4
Northern England	9.7	10.4
England and Wales	12.2	12.4
Southern New Towns	10.9	10.1

Source: ONS, Annual Business Inquiry, Labour Force Survey, PACEC

4.3.3 Turning to Harlow's residents, 9% (3,700) of the economically active are self-employed. Again, this is well below the national average, and below that of Northern England and other Southern New Towns. In contrast, 16% of economically active residents in the Harlow Sub Region are self-employed. With the same percentage as the Harlow Sub Region, Harlow would have an additional 2,900 self-employed residents (i.e. some 75% more).

4.3.4 The low level of self-employment is reflected in the relatively low proportion of residents who work from home. Many self-employed, especially those involved in business and professional services and women, work from home. At least historically in many places, both council housing and flats have been a constraint on the ability of residents to work from home.

Business Births

4.3.5 To develop the small firms sector in Harlow (and indeed, tomorrow's larger businesses), new firms have to be created. It is also now well established that new firms are responsible for large numbers of new jobs and that, generally, areas with a high business birth rate experience more rapid employment growth. New firms are an important component of a successful, dynamic local economy.

4.3.6 As a percentage of the corporate stock, Harlow appears to have a good business birth rate as Table 4.2 shows. However, this is because its corporate stock is small. From the perspective of job creation and economic regeneration, it is the number of new businesses which is critical. Compared to over 1,900 per year in the Harlow Sub Region, there are just 200 new VAT registered firms per year in Harlow.

Table 4.2 Business Birth Rates

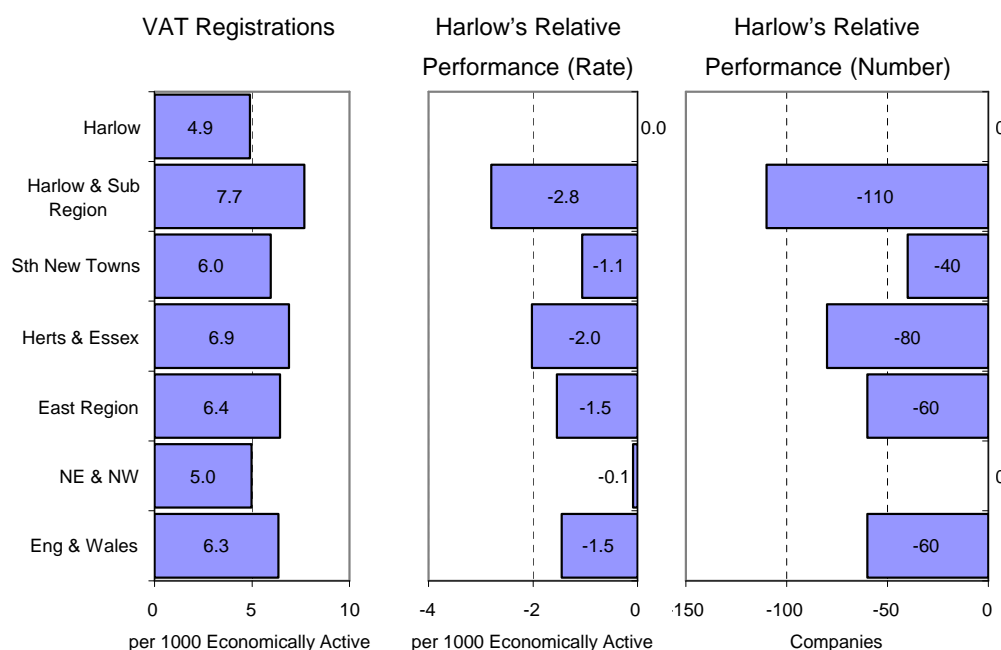
	% of Stock	Per 1,000 Economically Active
Harlow	12.7	4.9
Harlow Sub Region	10.5	8.2
Harlow + Sub Region	10.7	7.7
Herts & Essex	10.4	7.8
Eastern Region	9.7	6.4
Northern England	10.0	5.0
England and Wales	10.1	6.3
Southern New Towns	11.1	6.0

Source: ONS VAT Register, Annual Business Inquiry, Labour Force Survey, PACEC

- 4.3.7 Compared to the benchmark areas, Harlow has a very low business birth rate. Measured as new firms per 1,000 economically active, Harlow has a business birth rate of just 4.9, compared to 6.3 in England and Wales and 8.2 in the Harlow Sub Region. Indeed, its business birth rate is marginally below that of Northern England.
- 4.3.8 Table 4.3 shows that if it matched the business birth rate of the East of England, Harlow would have an additional 60 new starts (i.e. 30% more) per year. In this context, it should be noted that the East Region's business birth rate is only just above the national average and well below that in much of South East England. With the business birth rate of Essex/Hertfordshire, Harlow would have an additional 119 new firms (almost 60%) per year. Furthermore, to close the 'SME gap' with the surrounding areas, Harlow needs not only to match their business birth rates but exceed them.

Table 4.3 Company start-ups per head

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Economically Active (000s)	40.9	251.4	503.3	1.3	2.7	4.2	25.0
2002 VAT registrations (Number)	200	1,935	2,995	9	17	21	159
VAT registrations (rate per 000 of Economically Active)	4.9	7.7	6.0	6.9	6.4	5.0	6.3
Harlow's relative performance (rate)	0.0	-2.8	-1.1	-2.0	-1.5	-0.1	-1.5
Harlow's relative performance (number)	0	-110	-40	-80	-60	0	-60



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

4.3.9 Despite the substantial level of R&D employment in the town, there is little evidence of new 'high tech' businesses being set up by scientists and technologists coming out of the major employers. However, one or two technology-based firms have been set up by staff released following the recent closures of large firms.

4.4 Factors Influencing the Birth Rate of Firms

4.4.1 The emergence of small business units may be seen in Harlow on the main industrial estates (e.g. the Seedbed Centre), the development of business centres outwith the estates (e.g. Latton Bush) and the conversion of premises in, and around, the neighbourhood centres for business use along with the Greenway Business Centre at Harlow's Business Park. Nevertheless, the business birth rate remains remarkably low.

4.4.2 National research suggests a range of factors which are likely to account for Harlow's low business birth rate:

- **The Role of Large Externally Owned Firms.** Employees from larger businesses are less likely than those with SME experience to set up their own business. However, the R&D and HQ nature of several Harlow businesses should offer an opportunity for the future. Managerial, professional and R&D staff are much more likely to set up their own business than production line staff.
- **Harlow's Housing Market.** Areas with substantial home ownership have higher business birth rates. This mainly reflects the fact that non-home ownership restricts access to start-up finance.
- **Educational Attainment.** Graduates are much more likely to set up their own business than those with limited educational attainment. Graduates are under-represented in Harlow's resident population. On the other hand, large numbers of graduates work in the town.

4.4.3 Harlow was planned as a large business town at a time when large firms were dominant in the national economy. It was not planned as a town catering for the premises needs of small firms.

4.4.4 A consequence of this is a shortage of appropriate premises for all types of start-up, including professional, business and local services. Most towns which have grown organically offer a wide range of property options, and premises are rarely a major constraint on start-ups. However, there is much less choice in Harlow. Small units and business centres are well occupied, while vacant town centre office space is designed for large companies and long term tenants. Ensuring the availability of appropriate start-up and SME premises is therefore an important regeneration requirement.

Business Closures and Churn

4.4.5 The UK's most rapidly growing areas generally have high business birth rates with above average closure rates but more rapid growth. Because many new starts do not survive, high business birth rates are also closely associated with higher closure rates. Areas which grow rapidly do so because they have the capacity to generate large numbers of new jobs and not because they lose fewer jobs. Growth therefore depends upon the ability to change and create new economic activity rather than on protecting existing economic activity.

4.4.6 In Harlow, around 155 businesses deregister (a proxy for closure) per year. Relative to its size, this is only a small number of closures (Table 4.4).

Table 4.4 Business Closures Rates

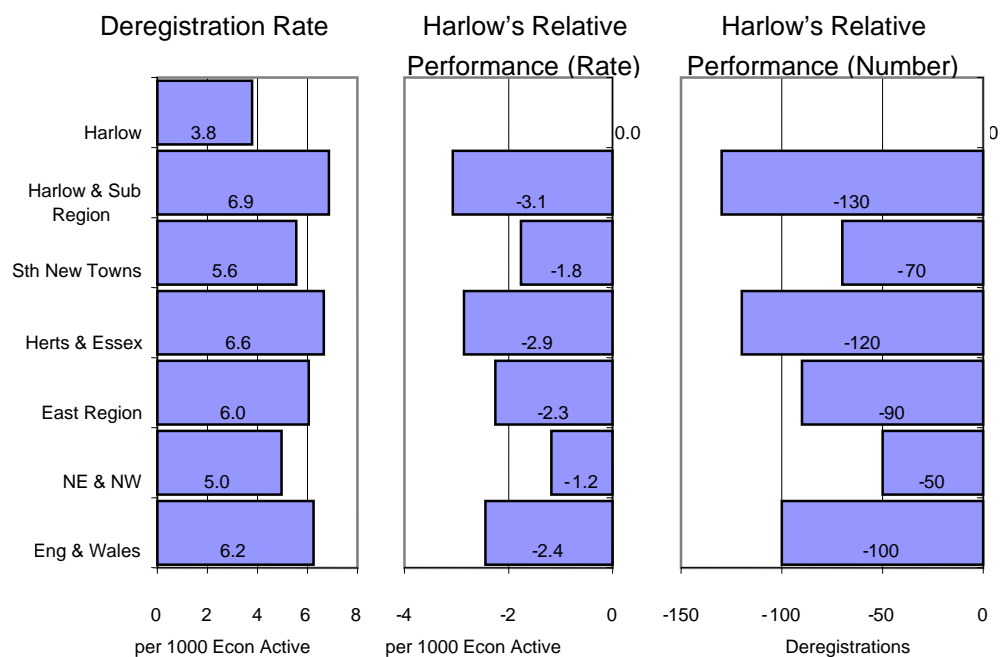
	% of Stock	Per 1,000 Economically Active
Harlow	9.9	3.8
Harlow Sub Region		
Harlow + Sub Region	9.5	6.9
Herts & Essex	10.0	7.5
Eastern Region	9.3	6.0
Northern England		5.0
England and Wales	9.9	6.2
Southern New Towns	10.3	5.6

Source: ONS VAT Register, Annual Business Inquiry, Labour Force Survey, PACEC

- 4.4.7 For example, Harlow lost 3.8 businesses per 1,000 economically active, compared to the national average of 6.2 (Table 4.5).

Table 4.5 Company Closures per head

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Economically Active (000s)	40.9	251.4	503.3	1.3	2.7	4.2	25.0
No of deregistrations (2002)	155	1,725	2,795	9	16	21	156
Vat deregistrations (rate per 000 Econ Active)	3.8	6.9	5.6	6.6	6.0	5.0	6.2
Harlow's relative performance (rate)	0.0	-3.1	-1.8	-2.9	-2.3	-1.2	-2.4
Harlow's relative performance (number)	0	-130	-70	-120	-90	-50	-100



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

4.4.8 As a percentage of existing business, Harlow loses about 10% per year. This is around the national and regional average.

4.4.9 Compared to much of Southern England, Harlow has been a relatively stable economy with limited churn or turbulence in both the labour market and its corporate stock. This is reflected in its low business birth and closure rates along with the longevity of its business. In this respect, it lacks the characteristics of some of the more dynamic, entrepreneurial local economies of Southern England.

4.5 Factors Restricting and Contributing to Growth

4.5.1 There is no available information on whether individually Harlow's SMEs perform better or worse than those located elsewhere. The historical research on growth

constraints and stimuli is the CLES study³ carried out in 2001 which provided a broad overview of the issues.

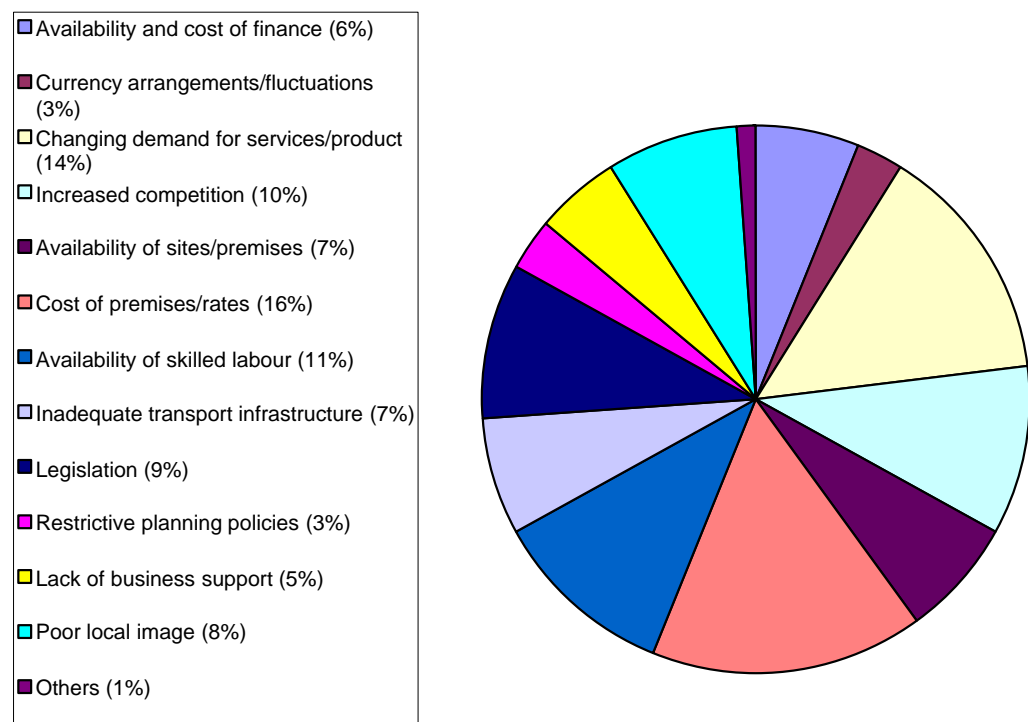
4.5.2 The main external factors restricting growth in Harlow are shown in Table 4.6 and Figure 4.1. As in similar studies elsewhere, changing markets and competition are important. However, two other factors stand out. First, a high number of firms consider the availability and cost of premises as a restriction on growth. The second issue is the availability of skilled labour.

Table 4.6 External Factors Restricting SME Growth

Barrier	Frequency*	%
Availability and cost of finance	23	6
Currency arrangements/fluctuations	13	3
Changing demand for services/product	52	14
Increased competition	38	10
Availability of sites/premises	27	7
Cost of premises/rates	58	16
Availability of skilled labour	40	11
Inadequate transport infrastructure	25	7
Legislation	35	9
Restrictive planning policies	12	3
Lack of business support	20	5
Poor local image	30	8
Others	1	1
Total	373	100

Note: * Frequency refers to the number of individual respondents who identified this barrier
Source: CLES

³ CLES Consulting, (2001). Small Business Needs in Harlow and the Development of a Networked Mode of Delivery, June 2001.

Figure 4.1 External Factors Restricting SME Growth

Source: CLES

4.5.3 The survey found that very few SMEs in Harlow had used 'public sector' support services. However, the majority of firms said they required some sort of support (advice etc.). The low level of service use was due to the absence of services (i.e. no supply) rather than lack of demand.

4.5.4 The main factors which Harlow businesses believe would stimulate growth are shown in Table 4.7 and Figure 4.2. Four growth stimuli are emphasised in ranked order:

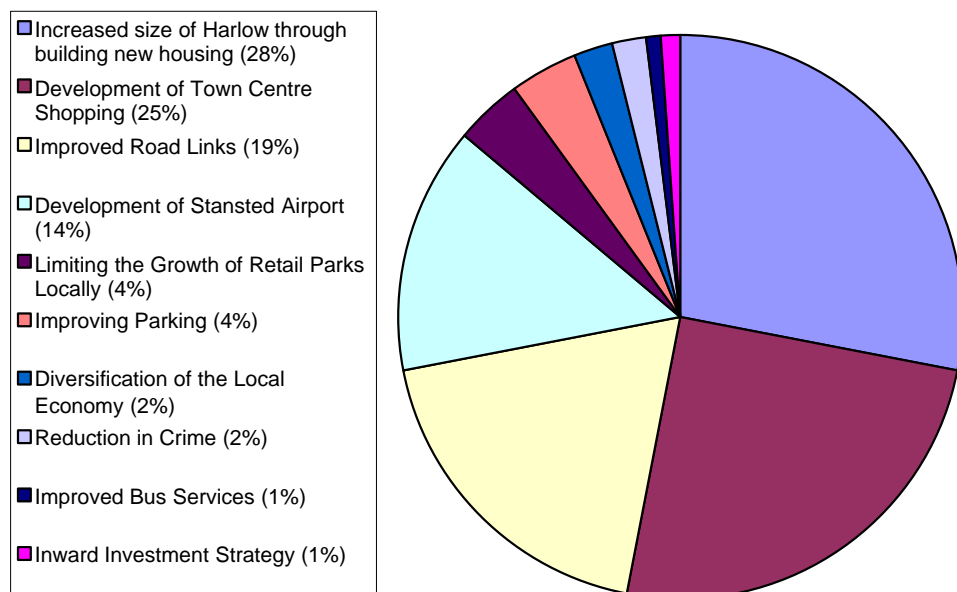
- Development of town centre shopping.
- Increased Harlow population through new house building.
- Improved road links; and
- Development of Stansted Airport.

Table 4.7 External Factors Contributing to Business Growth

Improving Factor	Frequency*	%
Increased size of Harlow through building new housing	34	28
Development of Town Centre Shopping	30	25
Improved Road Links	25	19
Development of Stansted Airport	17	14
Limiting the Growth of Retail Parks Locally	5	4
Improving Parking	5	4
Diversification of the Local Economy	2	2
Reduction in Crime	2	2
Improved Bus Services	1	1
Inward Investment Strategy	1	1
Total	122	100

Note: * Frequency refers to the number of individual respondents who identified this barrier.
Source: CLES

Figure 4.2 External Factors Contributing to Business Growth



Source: CLES

4.5.5 Other factors such as improved bus services, reduction in crime or improved parking are much less frequently mentioned. The Harlow SME business community clearly saw potential benefits coming from the growth and regeneration of Harlow and Stansted Airport with improved road links.

4.6 Harlow Vacancies and Skills Gaps

- 4.6.1 In the past Harlow firms faced recruitment problems and skill shortages especially for managerial and professional posts which hinders business development. For lower level skills, Job Centre Plus indicated that ASDA recruited 90% of people locally, which is a plus for the Water Gardens Group initiatives. It was also suggested that recruitment of 'key workers' into teaching and the health services is problematic, but shortages are at technician level NVQ3 and above. The local hospital has reported shortages at all levels. Pay rates and affordability of housing are significant issues here.
- 4.6.2 Information on skills gaps and vacancies forms part of the guide to Harlow's economy and work undertaken between 1999 and 2001. The information allows some comparison with Essex. The data is summarised in Table 4.8. It shows the occupational distribution of vacancies. A very similar picture emerges for hard-to-fill vacancies. This supports the view that the main shortages are in professional and technical positions and in the personnel and protective services. These were particularly problematic compared to the rest of Essex. At that time, there were few vacancies in sales occupations.

Table 4.8 Harlow Vacancies and Skills Gaps 1999 - 2000

	% of Vacancies		Occupations with Skills Gap	
	Harlow	Essex	Harlow	Essex
Managers/Administrators	3.9	4.4	55.8	68.4
Professionals	11.5	5.1	6.3	11.6
Associate Professional/Technical	23.5	11.9	-	7.9
Clerical/Secretarial	3.7	9.8	-	13.4
Craft Related	4.8	19.9	51.2	13.8
Personnel/Protective Services	35.5	14.6	-	3.6
Sales	6.3	16.4	9.6	19.0
Plant/Machinery Operators	9.6	9.3	-	1.5
Other	1.2	8.6	-	2.4

Note: i) At any one time, there were around 400 unfilled vacancies and 1,050 registered unemployed.
 ii) A skills gap is defined as a shortfall between the skills employers need to meet their business objectives and those possessed by their current staff
 Source: Guide to the Harlow Economy 2000/1

4.6.3 Table 4.8 also shows occupations in which Harlow firms said they had a skills gap. Of the firms saying they had a skills gap, the majority identified managers/administrators and craft skills. The latter were particularly problematic compared to Essex.

4.6.4 This data focused attention on the need to train the Harlow workforce both to promote economic/social inclusion and to assist local businesses. Here we simply make the following related observations:

- Harlow's relatively low levels of educational attainment and the high level of young people not In Education, Employment and Training (NEET) could aggravate recruitment difficulties.
- A similar conclusion could follow from the relatively low level of basic skills amongst Harlow's residents.

4.6.5 These are critical regeneration issues which are analysed further in the next section which sets out the results of an up to date survey carried out on Harlow firms.

4.7 Strengths, weaknesses, opportunities and threats

Strengths

- A relatively stable economy, compared with much of southern England
- Limited churn in both the labour market and corporate stock
- Low rate of business closures in H
- A substantial level of Research and Development employment

Weaknesses

- A lack of dynamism and entrepreneurship in economy
- The small firm sector is under-developed, and SMEs account for a disproportionately small share of employment
- A low rate of self-employment, compared with the sub-region and other southern New Towns
- A relatively low business birth rate
- A shortage of appropriate premises for business start-ups
- High cost and low availability of premises, which severely constrain business development and growth
- A shortage of managerial, professional and technical skills

Opportunities

- Development at Stansted airport will give businesses opportunities to provide services, and employment growth
- The emergence of small business units (at the Seedbed Centre) and development of business centres (at Latton Bush), as well as the conversion of premises in neighbourhood areas will address the problems of shortage and availability of premises
- High level of R&D employment means scientists and technologists can set up new high-tech businesses more easily
- The establishment of the Investors in Communities Initiative will fund skills and business development based initiatives

Threats

- The focus of new and small firm support on social inclusion issues rather than larger scale economic restructuring and regeneration
- Low home ownership and lower property values are likely to restrict access to start-up finance
- Recruitment problems and skill shortages, especially for managerial and professional posts will hinder business development.

4.8 Strategic Challenges

- 4.8.1 For a future successful economy, Harlow needs a stronger SME sector. In turn, this means a substantial increase in its business birth rate.
- 4.8.2 Assuming employment opportunities are a necessary (even if not sufficient) condition for social and economic regeneration, a social, economic and physical environment which encourages, enables and accommodates new firm formation and subsequent growth, is a prime regeneration requirement.
- 4.8.3 This raises the question of how new firm formation (and the SME sector) can most effectively contribute to regeneration.
- It is possible, as under current policy, to target minorities and the socially/economically excluded. This appears to tackle social problems directly. However, the socially/economically excluded may be the least able

to take the risks involved in setting up a business. Ensuring access to jobs may be more appropriate for these groups.

- It is possible to encourage and support new firms across the economy and society as a whole. 'Mainstream' would-be entrepreneurs are more likely to set up and grow successful businesses and generate more employment. This must be a goal for those who work in Harlow as well as Harlow residents. In addition to standard 'start-up' support, consideration could be given to a 'high tech' incubator as part of any wider strategy to develop the R&D/high tech sector.
- A stronger focus on 'enterprise education' in the schools and Harlow College could go a long way to creating the skills necessary to bring about a more dynamic, entrepreneurial town. Delivered well, enterprise education can make a significant contribution to employability skills, and also improve school performance and educational attainment. While relevant to all pupils, it can be an effective means of engaging and stimulating the 'educationally marginalised'⁴.

4.8.4 Harlow is not a sufficiently large market to support specialist business support services. Indeed, there are many more SMEs in the surrounding areas than in Harlow. A sub-regional perspective is therefore required.

4.8.5 The supply of potential or would-be entrepreneurs appears constrained. In-migrants to the town are more likely to have the necessary entrepreneurial characteristics and assets. All available national research shows that in-migrants have a substantially higher probability of setting up in business (and creating jobs for others) than non-movers.

4.8.6 Many in the business community see potential benefits from an increase in Harlow's population. Increased overall demand and access to a larger workforce (i.e. easier recruitment) are seen as the main benefits.

4.8.7 Increasing population would also generate 'more or less' automatically some increase in local employment (via a local multiplier effect, normally at 0.3). Many of these jobs would be in local services. In addition, as implied in the preceding section, it would also enable an increase in the business birth rate. However, there is nothing automatic about these processes. A social, economic and physical environment has to be created in Harlow that is more sympathetic to the needs of new and small businesses.

4.8.8 The creation of incubator units and an Innovation Centre located adjacent to the Nortel Networks facility would be significant business development initiatives for Harlow. A feasibility study would be appropriate

4.9 Needs and Issues

- The small firm sector in Harlow is particularly underdeveloped. The sector accounts for only 53% of employment, compared with a national average of 62%. This also means that self-employment rates in Harlow are lower than in

⁴ See for example, the Davies Report on Enterprise Education. In response the Government has launched a substantial series of pilot programmes with a national programme from 2006 onwards. As far as we are aware, enterprise education has made little progress in Harlow.

the other areas; 9% of economically active Harlow residents are self-employed compared to 16% in the Harlow Sub Region.

- The rate of business formation in Harlow is also much slower, at 4.9 per 1,000 economically active population. This is only 60% of the rate in the Harlow sub-region (8.2 per 1,000 economically active). Taken together, the relatively small number of registrations and slow rate of business formation are an indication of the lack of dynamism and business growth in Harlow.
- The cost of premises, availability of skilled labour, availability of premises and inadequate transport infrastructure are the key factors restricting SME growth in Harlow. More particularly, Harlow is not able to provide the range of space required by businesses at different stages of their development.
- As a business location, Harlow has a demonstrable appeal for the Research and Development sector. The sector accounts for about 10% of employment in Harlow, compared with a national rate of only one per cent. However, Harlow is not exploiting the opportunities of this potential area of business and is, therefore, failing to develop a genuine cluster from which to encourage SMEs spin-offs. The development of a genuine Research and Development cluster will assist the development of the knowledge based economy in Harlow.
- A substantial number of graduates work in the town in both R&D and management. They represent a pool of potential 'high tech would be' entrepreneurs who could be encouraged to establish new businesses in Harlow.
- Harlow does not currently offer appropriate entrepreneurial culture or environment to support start ups.

5 The Specific Needs of Businesses

5.1 Introduction

5.1.1 This chapter is concerned with the specific needs of businesses in Harlow. It supplements and provides insights into the analysis carried out on business constraints in the previous chapter on Business Development and updates it. The evidence in the chapter is taken from the survey of Harlow businesses carried out in October 2004. In total, a representative sample of almost two hundred and fifty firms was interviewed by telephone. The respondents were drawn from Harlow Council's employer database which is updated regularly and has information on some fifteen hundred firms. The analysis is structured around the following topics.

- The characteristics of firms
- Growth and business constraints
- Workforce development
- Recruitment difficulties and skills gaps
- The strengths and weaknesses of Harlow

5.1.2 The results are shown primarily in the tables that follow, covering the responses by all firms and by sector. Significant differences by size of firm are stated in the text and in tables if appropriate and identified in the survey. To ensure the information reflects Harlow firms, the responses have been weighted to match the populations.

5.2 The Characteristics of Firms

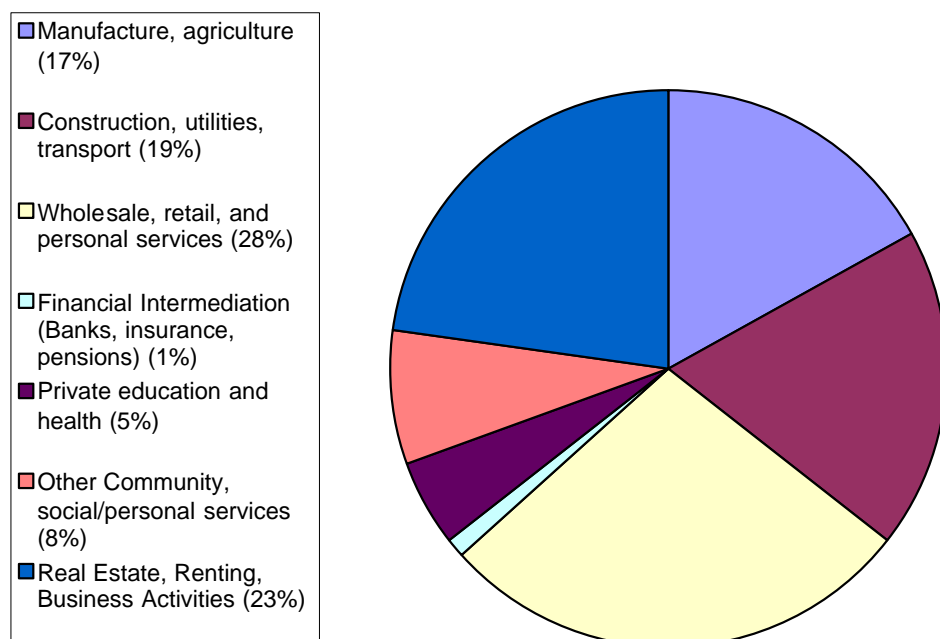
5.2.1 Table 5.1 and Figure 5.1 show the sector breakdown of the firms included in the survey. The firms were to be found mainly in the retail and wholesale sector (28%); in business services (23%), and construction and transport (19%). About one in six (17%) were in manufacture and production, and the rest in health, community and social services and education. Only one per cent of firms were in financial services, although for the rest of this report, they are included in the wider finance and business services sector.

Table 5.1 Sector and Activities

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Manufacture, agriculture	17	100	0	0	0	0
Construction, utilities, transport	19	0	100	0	0	0
Wholesale, retail, and personal services	28	0	0	78	0	0
Financial Intermediation (Banks, insurance, pensions)	1	0	0	0	5	0
Private education and health	5	0	0	0	0	100
Other Community, social/personal services	8	0	0	22	0	0
Real Estate, Renting, Business Activities	23	0	0	0	95	0

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q1bgrp)

Figure 5.1 Sector and Activities



Source: PACEC Survey (Q1bgrp)

5.2.2 The size distribution of the firms is shown in Table 5.2. The vast majority of the firms are micro businesses, employing 10 or fewer people. Indeed three-quarters of the firms employed between one and five people. The construction and transport sector in particular had a high concentration of the smallest firms; which could largely be explained by the high incidence of self-employment in the construction industry. The

finance and business services sector also had a high proportion of such firms, which again could be explained by the preponderance of independent financial and business advisers, IT specialists, accountants and solicitors.

Table 5.2 Total number of all employees

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
1 to 5	76	80	90	70	82	36
6 to 10	11	9	4	16	9	19
11 to 19	9	7	5	10	6	34
20 to 49	2	4	2	0	2	10
50 to 99	1	0	0	3	0	0
100 +	1	0	0	1	1	2

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q16C)

5.2.3 More than two-thirds of the firms (69%) were private companies. But as many as a quarter were self-employed businesses. Fewer than one in ten firms were from the public companies, or were from the charitable sector. The sector distribution of the firms largely reflected their ownership status. As might be expected, firms in the manufacturing sector, and in finance and business services were considerably more likely than the others to be private companies. Firms in the combined health and education sector (39%) were the least likely to be private companies. Not surprisingly too, self-employment was significantly more prevalent in the construction and transport sector than anywhere else (see Table 5.3).

Table 5.3 Status of Firms. By Sector

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Private	69	89	54	66	77	39
Self-employed	24	11	43	27	17	14
Public	4	0	1	4	6	16
Charity / Trust	2	0	0	2	0	32
Co-operative	0	0	2	0	0	0
Voluntary	0	0	0	1	0	0

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q2A)

5.2.4 The size distribution of firms similarly reflected their ownership status, as Table 5.4 shows. Company ownership was associated with size, *ie* larger firms were more likely than those smaller to be incorporated. The smallest firms on the other hand, were the most likely to be owned by individual self-employed people.

Table 5.4 Status of Firms. By Size

	Percentage of all respondents (by number of employees)			
	Total	0-10	11-20	Over 20
Private	69	65	83	83
Self-employed	24	30	0	0
Public	4	3	8	12
Charity / Trust	2	2	7	4
Co-operative	0	0	3	0
Voluntary	0	0	0	0

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q2A)

5.2.5 Table 5.5 shows that four out of five firms in the survey (83%) were independent companies, and one in seven (14%), part of a national chain. Only few were a franchise. The sectoral breakdown of the data shows that construction firms, to a large extent, as well as those in production and the business services, were more likely than the others to be independent. At least nine out of ten of construction firms (95%) were in this category, compared with three out five firms in the health and education sector (60%). Indeed firms in the health and education sector were almost twice as likely as any of the others to be part of national organisations.

Table 5.5 Status of Firms. Chain / Independent

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Part of a National Chain	14	11	5	20	13	33
A franchise	3	1	0	4	3	8
Independent	83	88	95	76	84	60

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q3)

5.2.6 Further disaggregation of the data showed that the smaller the firm, the more likely it is to be independently owned. More than four-fifths of firms with 10 or fewer employees (87%) were independent, compared with about three-quarters of those with 20 or more employees (73%). The association was reversed in other respects, with small and medium sized firms more likely than micro firms to be part of national chains.

5.2.7 Virtually all the firms were in UK ownership. One in ten firms (nine per cent) were owned by ethnic minorities. Most of these were retail companies; and almost all were small, with ten or fewer employees.

5.2.8 The age profile of the firms is shown in Table 5.6. A fifth of them (20%) are relative newcomers to Harlow, having been there for five years or less. However, more than a third of the firms (35%) have operated in Harlow for 20 years or more. Finance and business services firms were the more likely newcomers. Perhaps not surprisingly, construction and transport firms were among the oldest currently operating in Harlow.

Table 5.6 How many years has your firm been in Harlow?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Under 1	1	0	0	2	0	0
1-5	20	9	13	23	31	17
6-10	25	32	19	26	25	10
11-15	12	11	14	13	11	9
16-20	7	5	0	9	10	17
20+	35	43	54	27	22	47

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q6)

5.2.9 There was no consistent pattern when the data was analysed according to size, although on the whole, larger firms appeared to have operated in Harlow longer than those smaller.

5.3 Growth and Constraints

5.3.1 The survey sought information from firms about their expectations for the future; in particular their plans for growth, and what they considered to be the possible constraints on those plans.

5.3.2 First, they were asked about their plans for growth over the next five years. Their responses are set out in Table 5.7. Just under two-thirds of those interviewed indicated that they expected to remain the same in the short term. Around a third anticipated some growth; but another four per cent expected to contract during this period. Manufacturing firms were the most optimistic about their future, with two-fifths expecting to grow during the next five years. But some firms in this sector were also among those more likely than in other sectors to take a pessimistic view of the future and shrink. Both conditions may be explained by the overall uncertainties in the manufacturing industry over the last few years, not least because of intense

competition from countries in Eastern Europe, South Asia and the Far East, all of whom have significantly low production costs.

Table 5.7 Future Plans. By Sector

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Remain the same	65	55	61	72	62	73
Expand	31	39	35	26	32	26
Shrink	4	6	4	2	7	2

Source: PACEC Survey (Q7A)

5.3.3 Planned expansion was particularly concentrated in the mid-sized firms (Over 20 employees), with three out of five (59%) planning to expand over the next five years. It is notable, though, that more than a quarter of firms in the other size groups were anticipating some growth during this period (see Table 5.8).

Table 5.8 Future Plans. By Size

	Percentage of all respondents (by number of employees)			
	Total	0-10	11-20	Over 20
Remain the same	65	67	73	37
Expand	31	28	27	59
Shrink	4	5	0	3

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q7A)

5.3.4 Almost all the firms expect to continue operating from their current location in Harlow, at least over the next three years. Fewer than one in ten firms thought there was a serious likelihood that they would move some or all of their operations from their current premises in the next three years. Retailers, education and health providers, and production firms were more likely to suggest they could move their operations; education and health providers with some certainty, but retail firms, less so (see Table 5.9). Here too, it was the mid-sized firms that were more uncertain about their continued presence in Harlow.

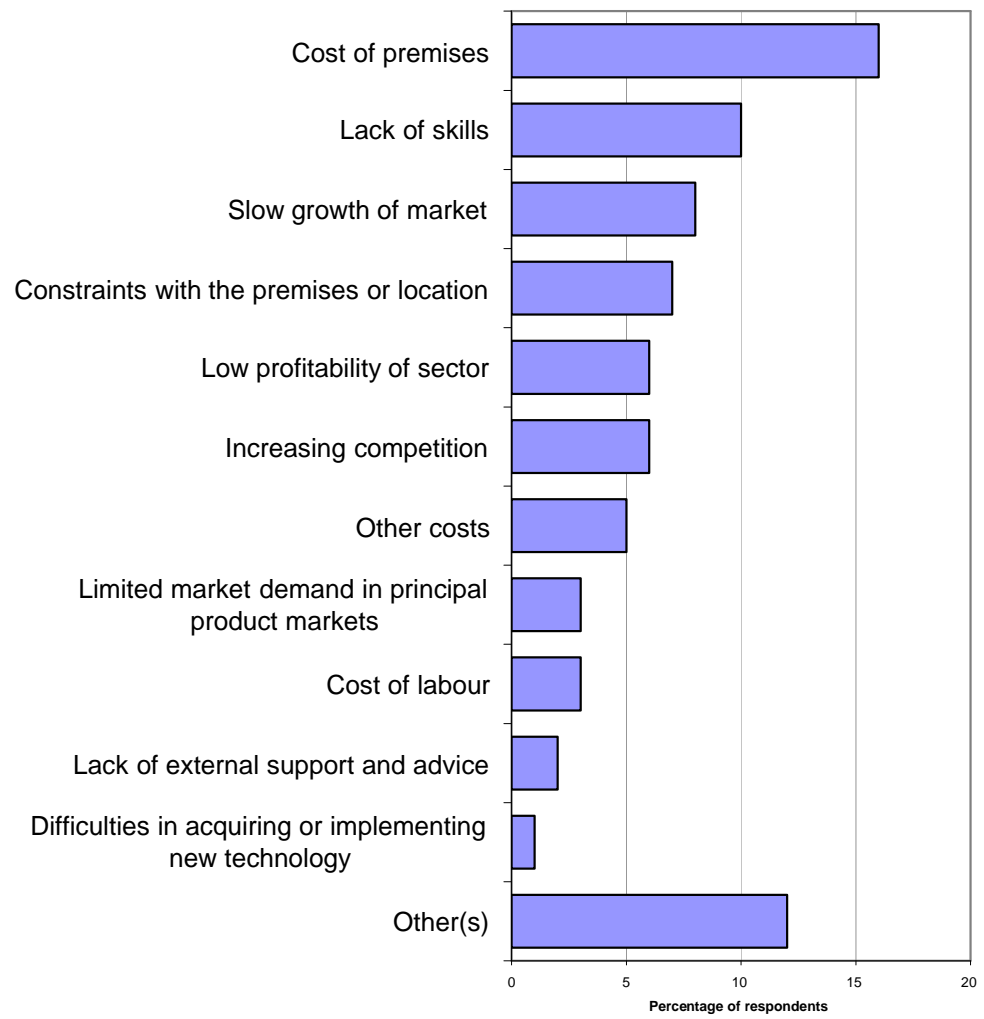
Table 5.9 Relocation from current premises in the next three years

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Yes, will move all its operations	2	0	0	4	1	7
Yes, may move all its operations	3	6	0	3	4	0
Yes, will move some of its operations	0	0	2	0	0	0
No, will not move	94	93	98	93	92	93
Don't know/refused	1	0	0	1	3	0

Source: PACEC Survey (Q8)

5.3.5 Still on their prospects for the future, the firms were asked about a range of possible circumstances which could act as constraints to their meeting business objectives. Figure 5.2 shows that around half of the businesses did not consider any of the circumstances listed as likely to affect their business. The major constraints are displayed in Table 5.10. Where these circumstances were considered to be limitations, about one in seven firms (16%) thought the cost of premises was the most significant constraint to meeting their business objectives. This was particularly true of firms in the retail and finance and business services sectors; and might, perhaps, also explain the likelihood of firms in those sectors moving away from Harlow. The lack of skills locally was mentioned as a constraint by one in ten firms. The other significant constraints related to market conditions, mainly slow growth, low profitability and increasing competition. Retail firms and those in business services were, again, the most likely to cite the lack of skills as a limitation on their ability to meet their business objectives; whilst manufacturers regarded slow growth of their market as the most significant limitation.

Figure 5.2 Are any of the following limitations on the ability of the business to meet your business objectives?



Source: PACEC Survey (Q10A)

Table 5.10 Are any of the following limitations on the ability of the business to meet your business objectives?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Cost of premises	16	17	9	20	14	16
Lack of skills	10	7	6	13	14	8
Slow growth of market	8	16	0	5	15	0
Constraints with the premises or location	7	6	8	8	5	14
Low profitability of sector	6	17	0	5	7	0
Increasing competition	6	6	1	7	11	0
Other costs	5	2	1	12	0	13
Limited market demand in principal product markets	3	6	1	2	3	0
Cost of labour	3	2	0	3	7	5
Lack of external support and advice	2	0	6	1	3	0
Difficulties in acquiring or implementing new technology	1	5	0	0	0	0
Availability of debt finance	0	0	0	0	0	0
Cost of debt finance	0	0	0	0	0	0
Availability and cost of equity finance	0	0	0	0	0	0
The firms' products and services need development	0	0	0	0	0	3
Other(s)	12	12	9	7	21	14
None	49	39	61	53	40	57

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q10A)

5.3.6 There was some variation in the type of limitations faced by firms of different sizes. Small and mid-sized firms were more likely to consider the cost of their premises as a constraint on meeting their business objectives. Thus a quarter of firms with over 20 employees and slightly fewer than this proportion of those in the 11-20 size groups cited this factor. Firms in the 11-20 size group were considerably more likely than any of the others to express concern about the slow growth of their market. This may also help explain the earlier observation (see Table 5.8) that most of these firms were not expecting to expand over the next five years.

5.3.7 The firms in the survey were next asked what they would like to see, in the form of provision to attract and retain businesses in Harlow. By far the most frequently mentioned change they wanted made was more concerted effort, aimed at improving the image, and the marketing of Harlow (Figure 5.2). About half of the respondents cited this. The other significant measures sought were more information from the

local chamber of commerce (19%), an inward investment service for the town (14%), and information about possible sources of finance (11%). The sector analysis given in Table 5.11 shows that manufacturing firms were, overall, more likely to mention the measures listed in the table. More specifically, construction, transport firms and retailers suggested they would like better information about access to finance and better business advice. This is not surprising, as these are often the most pressing needs of self-employed businesses, which dominate this sector in Harlow. Education and health firms, to a large extent, and finance and business services firms to a lesser extent, would like to see improvement in the image and marketing of Harlow.

Figure 5.3 Which of the following would you like to see provided to attract and retain businesses?



Source: PACEC Survey (Q13A)

Table 5.11 Which of the following would you like to see provided to attract and retain businesses?

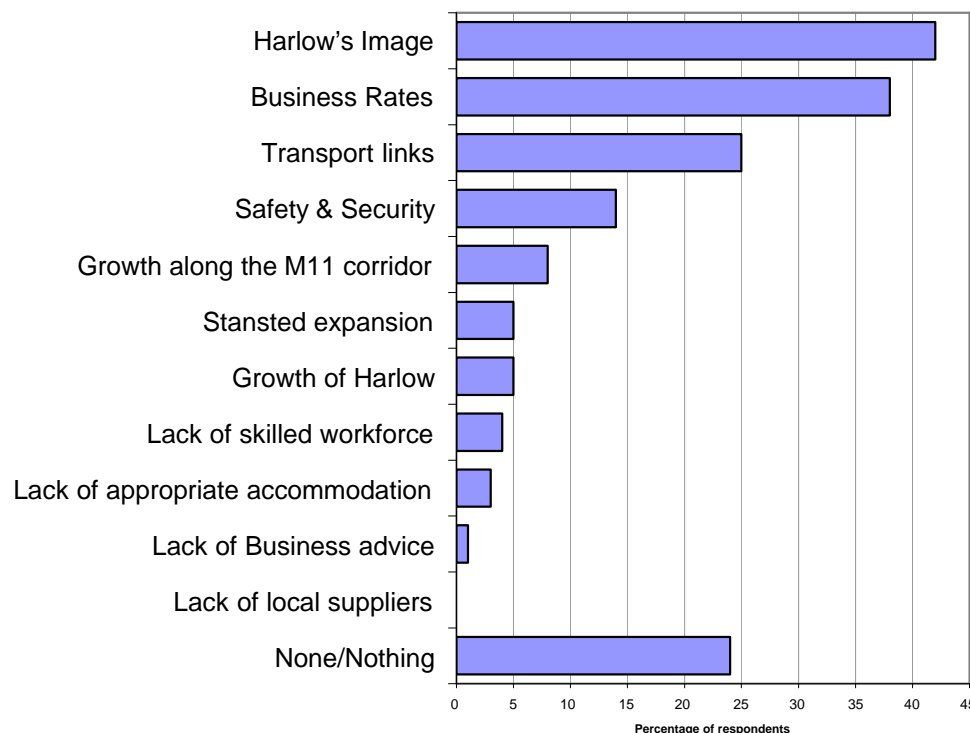
	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Improved Image and Marketing of Harlow	48	49	43	43	57	63
Chamber of Commerce information	19	26	15	15	21	27
Inward investment package	14	25	1	18	11	11
Access to finance information	11	17	26	4	3	17
Better Business advice	9	16	19	6	0	5
Property search location service	3	2	0	3	5	9
Business Mentoring	2	7	0	2	0	5
None	34	21	48	37	30	30

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q13A)

5.3.8 The firms were asked further about which of a number of factors they considered to be the main constraints to businesses locating and developing in Harlow. The results are shown in Figure 5.4. Here too, Harlow's image came to the fore, and was mentioned by two-fifths of the respondent firms (42%) as one of the main constraints to attracting businesses to the town. A slightly lower proportion than this (38%) believed that (high) business rates in Harlow were another significant constraint; and for one in four (25%), (poor) transport links to and from Harlow.

5.3.9 There was some variation between the sectors (see Table 5.12). Firms in the health and education sector to a large extent, and business services firms to a lesser extent were more likely than the others to consider Harlow's image as the most severe constraint to businesses locating in the area. Retail firms and those engaged in construction and transportation were the least concerned about image. Of those that were, manufacturing firms were more likely to cite the issue of high business rates in Harlow. By contrast, construction firms were more likely than the others to view transport links as one of the main constraints to the development of businesses in Harlow. Perhaps surprisingly, construction and transport firms were also most likely to view growth along the M11 corridor as a threat to the location and development of businesses in Harlow.

Figure 5.4 Which 3 of the following are the main constraints to businesses developing / locating in Harlow?



Source: PACEC Survey (Q14A)

Table 5.12 The main constraints to businesses developing / locating in Harlow

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Harlow's Image	42	46	35	36	47	70
Business Rates	38	53	30	45	26	26
Transport links	25	19	41	17	26	29
Safety & Security	14	13	17	14	9	23
Growth along the M11 corridor	8	1	21	2	10	15
Stansted expansion	5	5	9	2	3	8
Growth of Harlow	5	5	2	2	10	14
Lack of skilled workforce	4	2	5	5	6	0
Lack of appropriate accommodation	3	0	6	4	1	5
Lack of Business advice	1	0	6	0	0	0
Lack of local suppliers	0	1	0	1	0	0
None/Nothing	24	20	14	28	36	8

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q14A)

5.3.10 There was considerable variation between the size groups. Medium sized firms were considerably more likely than the others to consider the image of Harlow as the most significant constraint to attracting businesses to locate in the town. Around two-thirds of them (66%) cited this constraint, compared with only two-fifths of those in the other size groups. They were also, together with small firms, more likely to be concerned about high business rates, as Table 5.13 shows.

Table 5.13 The main constraints to businesses developing / locating in Harlow

	Percentage of all respondents (by number of employees)			
	Total	0-10	11-20	Over 20
Harlow's Image	42	40	40	66
Business Rates	38	36	47	44
Transport links	25	25	24	24
Safety & Security	14	12	20	13
Growth along the M11 corridor	8	8	13	2
Stansted expansion	5	4	6	2
Growth of Harlow	5	4	13	2
Lack of skilled workforce	4	4	4	9
Lack of appropriate accommodation	3	3	5	0
Lack of Business advice	1	2	0	0
Lack of local suppliers	0	0	0	2
None/Nothing	24	27	16	15

Source: PACEC Survey (Q14A)

5.4 Workforce Development

5.4.1 The survey also aimed to also find out from the respondent firms, their expectations and plans for the development of their workforce. To start with, the firms were asked about possible changes in their level of employment. More than three-quarters of the firms (78%) expected the level of employment to stay the same over the next year. However, a fifth anticipated a rise in the number of people they employed (see Table 5.14). **Manufacturing firms**, in particular, were more optimistic about employment, in spite of past decline in the sector, with a third of them expecting a rise in the level of people employed. Only one per cent of firms expect employment to contract. This is encouraging, given the persistent decline in UK manufacturing jobs over the last few years.

Table 5.14 Changes in employment levels in the next year. By Sector

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Rise	21	32	18	17	21	14
Fall	2	5	4	0	0	2
Stay the same	78	62	78	83	79	85

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q24)

5.4.2 Further analysis of the data suggests there is a size effect at work here, with smaller firms less likely than those larger, to expect a rise in employment levels. Thus, for example, only one in seven (16%) of micro firms expected employment levels in their organisation to rise, compared with two-fifths of those with 11 or more employees (see Table 5.15).

Table 5.15 Changes in employment levels in the next year. By Size

	Percentage of all respondents (by number of employees)			
	Total	0-10	11-20	Over 20
Rise	21	16	38	41
Fall	2	1	8	4
Stay the same	78	83	54	56

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q24)

5.4.3 Workforce development invariably involves the provision of training for employees. Effective training (necessarily) requires the existence of a (training) plan that is also supported by a training budget. The firms were, therefore, asked whether or not they had a training plan and a training budget. Table 5.16 shows that more than two-thirds of the firms did not have a training plan in place, and **approximately a third of firms (31%) had a training plan**. Construction firms were the least likely to have a training plan, with only one in ten (10%) doing so. By contrast more almost three-fifths of those in education and health (55%) said they had a plan in place.

Table 5.16 Does your firm have a training plan?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Yes	31	41	10	30	36	55
No	69	59	90	70	64	45

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q26)

5.4.4 Even fewer firms indicated they had a training budget (see Table 5.17). Indeed only about one in four (23%) of them had a training budget, which suggests that a significant proportion of training is provided on *ad hoc* basis, unsupported by a budget. Not surprisingly, construction firms were least likely to have a training budget, with fewer than one in ten doing so. The education and health sector was again distinct, with more than half (55%) funding training from an approved budget.

Table 5.17 Does your firm have a training budget?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Yes	23	33	6	21	23	52
No	77	67	94	79	77	48

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q25)

5.4.5 The disaggregated data further showed a size effect, with size determining the existence of both a training plan and budget. Only one in five (20%) of the smallest firms (with 1-10 employees) had a training plan, and one in seven (13%), a training budget. By comparison, more than 80% of those with 11-20 employees had a training plan, and two-thirds of these (66%), a training budget.

5.4.6 The training associated with workforce development is not an end in itself, but is intended to improve the performance of individual employees and, ultimately, that of the organisation. There is a lot of research evidence which suggest that good performing organisations are more likely to have systems and processes in place for assessing the performance of individuals, identifying their development needs; and addressing those needs through training and other development initiatives and activities.

5.4.7 The survey sought to gauge the extent to which firms in Harlow develop their workforce on a systematic basis, through individual appraisal and performance assessment. They were probed, in particular, about the existence of training and

development plans for their employees. Given the earlier evidence on firms' training plans and budgets, it is perhaps not surprising to find that fewer than a third of the firms had appraisal schemes in place (29%), or had individual training and development plans (27%). Table 5.18 shows a similar trend to earlier findings; that the construction sector is least developed in this respect, with fewer than one in ten carrying out appraisals, or drawing up plans for training and developing their staff. This, perhaps, reflects two important factors at work in the sector; the small size of firms, which is also the result of the high incidence of self-employment in the sector. There was a consistent pattern among firms in the other sectors. Except for those in the manufacturing sector, there was a close link between firms which had appraisal schemes and training and development plans for their employees.

Table 5.18 Do your employees have individual appraisals/performance meetings and training & development plans?

Individual appraisals/performance meetings	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Utilities, cons- truction, comms	Retail, wholesale, leisure	Finance, business services	Education, health, public admin
Yes	29	33	8	28	36	54
No	71	67	92	72	64	46
Individual training & development plans						
Yes	27	28	7	27	33	60
No	73	72	93	73	67	40

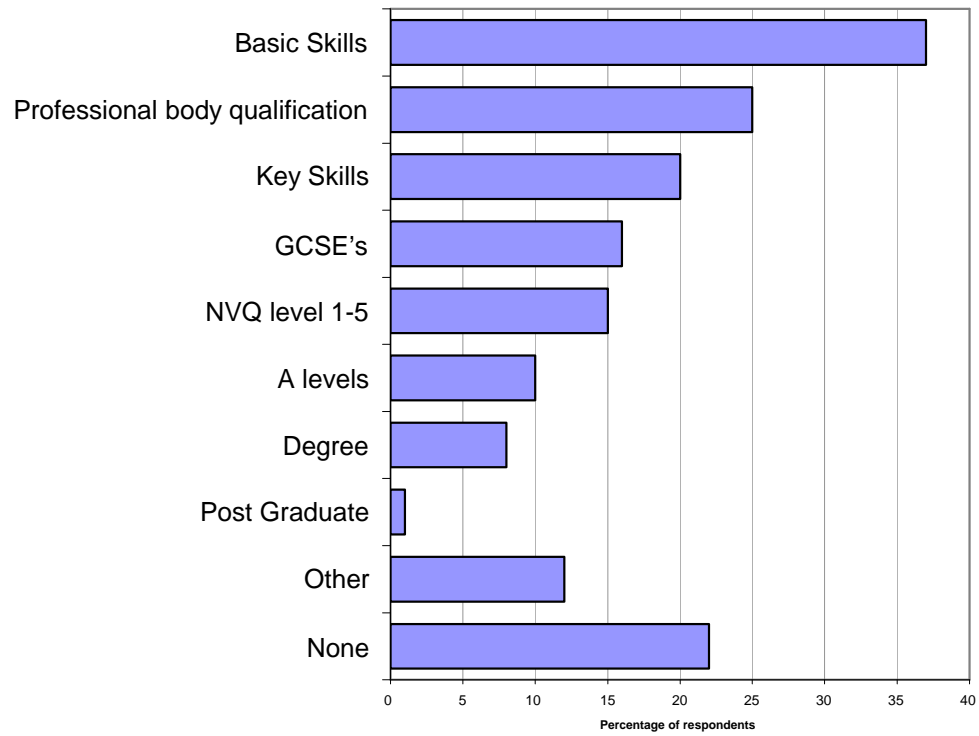
A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q30A)

5.4.8 The survey sought to explore whether there were gaps between the skills employers require for their operations and those that their current employees possess. The firms were, therefore, asked if their employees needed a number of specific qualifications to do their job. Their responses are set out in Figure 5.5. It is notable that around a fifth of the employers believed their employees did not need any qualifications to do their job. More generally, it is also notable that employers relied mainly on basic to intermediate skills among their workforce. Only one in ten employers had jobs that required high level qualifications, such as a university degree. Indeed, it is significant that as many as two-fifths (37%) indicated that their employees only needed basic skills, and a fifth (20%) key skills, to do their job. And although one in seven (15%) mentioned NVQ level 1-5, it was not clear at which end of this qualification scale their employees were concentrated.

5.4.9 The sector analysis presented in Figure 5.5 and Table 5.19 also shows considerable variation in skill requirements between firms in the different sectors. Perhaps not surprisingly, firms in the education and health sector were the most likely to require their employees to have a professional qualification. Almost half of them (47%)

indicated this was the case. A majority of retail firms (57%), by contrast, expected their employees to have only basic skills. Finance and business services firms were more likely than the others to require intermediate and high level skills; with at least a quarter relying on employees with GCSEs, A levels and university qualification. On the whole, the construction sector was least likely to require educational qualifications.

Figure 5.5 Do your employees need any of the following qualifications to do their job?



Source: PACEC Survey (Q30A)

Table 5.19 Do your employees need any of the following qualifications to do their job?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Basic Skills	37	28	35	57	20	20
Professional body qualification	25	43	23	13	29	47
Key Skills	20	27	10	23	22	8
GCSE's	16	6	4	18	30	22
NVQ level 1-5	15	27	5	12	19	22
A levels	10	0	3	7	27	3
Degree	8	1	3	4	23	8
Post Graduate	1	0	0	1	1	3
Other	12	14	21	7	12	3
None	22	21	29	21	20	12

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q30A)

5.4.10 There was a strong association between firm size and the demand for qualifications. Smaller firms were, on the whole, less likely than those larger to say their employees needed the range of qualifications described, to do their job.

5.5 Recruitment and Hard-to-fill Vacancies

5.5.1 Given their skill requirements, the survey probed employers to see if they had difficulty filling their vacancies. Considering the tightness of the current labour market in the south east region as a whole, it was perhaps surprising that as many as three out of four firms said they had no recruitment difficulties at present. Of those who said that they did, one in ten (11%) had difficulty recruiting skilled trades, and five per cent, sales and customer service personnel (see Table 5.20).

Table 5.20 In which occupational areas have you had recruitment difficulties over 3 months?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Skilled trades occupations	11	28	5	11	2	0
Sales and customer service occupations	5	1	0	10	6	0
Associate professional and technical occupations	4	6	0	1	10	0
Professional occupations	3	1	0	2	8	12
Administrative and secretarial occupations	2	1	2	0	6	0
Personal service occupations	2	0	0	6	0	0
Process, plant and machine operatives	2	3	1	0	5	0
Elementary occupations	2	1	1	4	0	4
Managers and senior officials	0	0	0	1	0	0
None	76	67	90	73	77	84

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q32A)

5.5.2 Employers were probed further about which skills they felt that applicants lacked during the recruitment process. Again, Table 5.21 shows that a large proportion of them (86%) stated that they did not identify any skills deficiencies among applicants. Those that did however, noted that technical and practical skills – particularly marked in the manufacturing sector - and customer services skills were the most common areas where applicants lacked the necessary skills.

Table 5.21 In which occupational areas have you had Hard to Fill Vacancies (over 3 months +) ?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Skilled trades occupations	7	22	0	6	0	0
Sales and customer service occupations	4	0	0	8	5	0
Elementary occupations	2	1	1	5	0	0
Associate professional and technical occupations	1	0	0	1	4	0
Personal service occupations	1	0	0	3	0	0
Managers and senior officials	0	0	0	1	0	0
Professional occupations	0	0	0	0	0	0
Administrative and secretarial occupations	0	0	0	0	0	0
Process, plant and machine operatives	0	2	0	0	0	0
None	86	76	99	81	91	100

Source: PACEC Survey (Q32B)

5.5.3 The very few employers who said that they had recruitment difficulties indicated they were taking a number of steps to resolve their recruitment problems. The actions being taken included: expanding their recruitment channels; increasing their training programmes; and increasing the resources given to their job advertisement. It is disappointing, though, that a quarter of the firms indicated they were not taking any action at all to resolve their recruitment problems (see Table 5.22).

Table 5.22 What is your business doing to resolve recruitment problems?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Expand recruitment channels	25	26	11	34	11	50
Increase/expand trainee programmes	24	57	0	16	21	0
Increase the training given to your existing workforce	10	0	0	2	35	0
Increase advertising / recruitment spend	9	9	0	0	27	50
Increase salaries to make the job more attractive	3	0	0	6	0	0
Use technology as a substitute for labour	2	0	0	0	8	0
Redefine existing jobs	1	0	0	2	0	0
Other, please specify	14	4	79	14	0	0
Nothing	24	5	11	27	38	50

Source: PACEC Survey (Q35A)

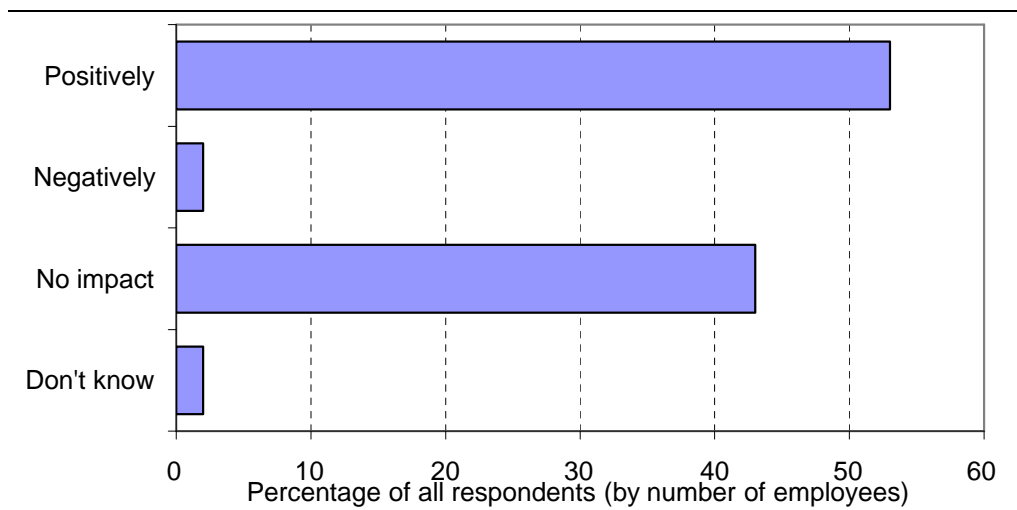
5.5.4 In the survey employers were asked how they thought that the plans to regenerate Harlow Town Centre would impact upon them. Over half (53%) stated that they felt it would have a positive effect. Retail and business services firms, in particular were most optimistic about the positive impact the development would have on their businesses. However, two-fifths of all firms (43%) did not think they would be affected in any way; with this sentiment particularly strong among manufacturing and construction firms (see Table 5.23 and Figure 5.6).

Table 5.23 How do you think the regeneration of Harlow Town Centre will impact on your organisation?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Positively	53	35	40	62	62	52
Negatively	2	0	8	2	0	0
No impact	43	64	52	34	35	45
Don't know	2	1	0	1	4	3

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q40A)Section F Strengths and Weaknesses

Figure 5.6 There are continuing plans to regenerate Harlow Town Centre. How do you think this will impact on your organisation?



Source: PACEC Survey (Q40A)

5.5.5 The final part of the survey was concerned with employers’ perceptions about the strengths and weaknesses of Harlow. 5.5.7 summarises employers’ views on the strengths and weaknesses of Harlow. The main weaknesses cited by employers were associated with the cost of running a business there; the transport infrastructure; the cost of premises; and the poor image of parts of the town. Specifically, Harlow was considered an expensive place from which to run a business in the first place, and this was exacerbated by the lack of business advice and support. Transport and access were described as poor, mainly because of traffic congestion. The sites and premises needed to attract new firms were often expensive, and not helped either by high business rates. Lastly, the town centre presented a poor and shabby image.

5.5.6 It is clear from the table that Harlow’s strengths were few indeed. The main ones identified by respondents were the quality of the physical environment and the town shopping services (mainly Town Centre South).

5.5.7 The strengths and weaknesses of Harlow

Weaknesses	% of all respondents	Strengths	% of all respondents
<ul style="list-style-type: none"> • Generally Running a business <ul style="list-style-type: none"> – Expensive Location 29 – Lack of business advice / support 19 – Poor image of Harlow 11 • Transport and Access <ul style="list-style-type: none"> – Very slow traffic/congestion 16 • Sites and premises for attracting new firms <ul style="list-style-type: none"> – Business rates are too high 22 – Rents are too high 13 • Housing facilities <ul style="list-style-type: none"> – Difficult to get on the council list 6 – Not enough housing for young people 5 – Not enough low cost housing 4 • The town centre <ul style="list-style-type: none"> – Generally Shabby 17 – Market area is in poor condition 17 – The creative/leisure activities – Not enough free / cheap facilities 5 – Not much for older children / young people 5 – Poor facilities 4 		<ul style="list-style-type: none"> • The Physical Environment <ul style="list-style-type: none"> – Clean 9 – Pleasant 8 • The town centre (mainly Harlow South) <ul style="list-style-type: none"> – New areas are good 5 – New shops 4 – Highly developed shops 8 • Schools/education <ul style="list-style-type: none"> – Good schools / nurseries 9 • The creative/leisure activities <ul style="list-style-type: none"> – Quite good 6 – Plenty to do 5 	

Source: PACEC Survey

5.6 Strengths, weaknesses opportunities and threats

Strengths

- A high rate of business retention with few firms expecting to leave Harlow
- High expectation for growth in employment, especially in manufacturing
- A clean and pleasant environment for business

Weaknesses

- A large proportion of micro businesses recruit few staff and therefore few employment opportunities for residents
- A relatively narrow business base; for example, poor representation in financial services, education and health, and personal services
- Premises are a significant constraint on the ability of firms to meet their objectives
- Workforce development is not a high priority for a large majority of firms; two-thirds of firms do not have training plans, and only a quarter have training budget. This means that training is *ad hoc*
- Harlow external image is poor
- Firms do not develop their workforce in systematic way, e.g. through appraisal and performance assessment
- Firms regard Harlow as an expensive location, for example, high business rates

Opportunities

- Expectations of growth among firms provide opportunities for business led regeneration
- The potential to strengthen measures for attracting firms to Harlow, including the provision of information and an inward investment service
- Firms taking steps to resolve recruitment difficulties, by expanding recruitment channels and increasing training programmes
- Plans to regenerate Harlow Town Centre and Stansted will have positive impact on businesses

Threats

- High cost of premises and lack of skills locally will be constraints to firms meeting their business objectives. The high cost of premises is a particularly big problem for mid-sized firms with growth ambitions
- The poor image of the town deters firms from locating in Harlow
- High business rates a significant constraint
- Growth along M11 corridor will attract firms away from Harlow
- Poor transport links a threat to location and development of businesses
- Complacency among firms who say their employees do not need qualifications to do their job

- Over-reliance of businesses on employees with only basic and intermediate skills

5.7 Strategic Challenges

- 5.7.1 Harlow has a relatively large number of micro businesses. However, many of these businesses are sole traders concentrated in the construction sector, where they have fewer current opportunities for growth. They, therefore, offer few prospects for future employment growth, which is a requisite for regeneration.
- 5.7.2 To the extent that the majority of firms in Harlow have been established there for ten years or more, the town could be said to provide a stable environment for businesses. Of course it could be argued that by the same token, this may also be interpreted to mean that Harlow is a less attractive destination for new inward investment. Either way, both views have important implications for policy.
- 5.7.3 Growth expectations among firms varies considerably, with manufacturing firms in particular more optimistic about their future along with others (compared to other sectors) who said they could shrink in size. This may be attributed to the wider uncertainties created by the growing threat to UK manufacturers from firms in Eastern Europe, Asia and the Far East. It may be more difficult for firms in Harlow to withstand external competition their own. They will stand an improved chance if they are part of a broader sub-regional strategy for sector clusters.
- 5.7.4 On a positive note, almost all the firms surveyed expect to continue to operate from their current location in Harlow. Only few believe they are likely to move out of Harlow, at least over the next three years. This reinforces the fact of Harlow's attractiveness as a location for existing businesses. At the same time, only few firms reported any constraints on achieving their business objectives, as a direct result of internal and external factors. Where they did, for a significant minority, the main concern was related to the cost of premises. The lack of skills locally was a small, but nevertheless significant, concern for retail and manufacturing firms in particular. These factors point to the need for appropriate support services to be put in place to ensure firms continue to remain in the town.
- 5.7.5 The fact of firms' location and intention to remain in Harlow should not be taken for granted. A significantly large proportion are concerned by the poor external image of Harlow, and would like concerted effort made to change this, perhaps through a better marketing strategy. The poor image of Harlow is considered by a substantial number of firms as one of the main constraints to attracting new businesses to the town.
- 5.7.6 The performance of the workforce has a direct effect on the competitiveness of firms. Increasingly, workforce development holds the key to the success or otherwise. Workforce development requires the provision of training for employees and effective training needs to be set within the framework of a training plan, supported by a training budget. It is here that the firms in Harlow perform less well. Fewer than one in

three have a training plan, and fewer still, a training budget. This means that even where they provide training, a significant proportion of firms may be doing so on an *ad hoc* basis.

- 5.7.7 Training associated with workforce development is intended to improve the performance of individual employees and, in the end, that of the firm itself. Only a small proportion of firms in Harlow have systems and processes in place to ensure the effective development of their workforce. Relatively few have appraisal schemes or training and development plans for their workforce.
- 5.7.8 It must be an issue of concern that a large number of employers in Harlow do not require their employees to have any qualifications, or if they do, mainly low level ones, to do their jobs. The implication of this is that these low skilled jobs are precisely the ones that are most vulnerable to competition from the new market economies of eastern Europe, and the fast-growing economies of India and the Far East, where there are significantly lower labour and other production costs.
- 5.7.9 Workforce development, along with other factors, is a key differentiating factor between high performing economies and those that are stagnating. A concerted effort is required by the different stakeholders to ensure that employers recognise this fact; but also that they are provided with support to enable them develop and invest in their workforce.
- 5.7.10 Overall, Harlow is perceived by employers to have more weaknesses than strengths, as a business location. Much of the weaknesses cited by them may be based on perception rather than fact. But they cannot be ignored. The main weaknesses relate to the high cost of running a business in Harlow. This is exacerbated by traffic and congestion problems, the cost of premises, and the overall physical appearance of the town's centre. These are areas that policy can be directly targeted at local level.

5.8 Needs and Issues

The needs of businesses are based on a survey of firms carried out in October 2004.

- Almost 90% of the firms interviewed in Harlow are micro businesses, employing 10 or fewer people. Most of the remainder are small to medium sized firms and a few large firms.
- The micro and small enterprises are concentrated mainly in construction, transport, finance and business services. Firms in these sectors are also mainly those that have been established in Harlow for 20 years or more. This implies that Harlow is not attracting the new businesses that utilise high level skills; the type of businesses which are essential for regeneration, and which will also enable the town to attract and retain its graduates.
- A significant proportion of the firms expect to grow over the next five years. Most of these are mid-sized businesses; but it is a concern that many were expressing uncertainty about their continued presence in Harlow because of business constraints they face.
- By far the most severe constraint on firms meeting their business objectives is the (high) cost of suitable premises. This is closely followed by the lack of suitable skills among the resident population.

- Harlow's poor image is considered by the firms as one of the significant factors discouraging new businesses locating and developing in the town. The other discouraging factors are the business rates and poor transport links. The firms believe these are pressing issues which the Council and its partners must tackle to both encourage and retain businesses in Harlow.
- Although it is generally acknowledged that Harlow has a low skills base, there appears to be little effort made by firms to address the problem by training and developing their current workforce. Only a small minority of firms have a training plan, or one that is supported through dedicated training budgets. Moreover, very few firms appear to have systems and processes in place for the development of their workforce.
- The evidence from the survey suggests that firms in Harlow do not place much importance on workforce development and a significant number believe their workforce needs only basic skills to do the job. The lack of investment in their workforce will have serious implications for the future competitiveness of firms in Harlow.

6 Employment Sites and Inward Investment

6.1 Introduction

6.1.1 This part of the report considers the evidence related to employment sites provision and inward investment needs in Harlow. It is structured around sections covering the following topics.

- The policy context
- Inward Investment Trends
- Current employment site provision
- The views of the development industry on the Strengths and Weaknesses of Harlow
- Strategic and Challenges
- Key Issues affecting reinvestment

6.2 Policy Context

6.2.1 The economic policy context for Harlow is primarily set by the 1998 “Competitiveness White Paper” which created a ten year policy framework for building a knowledge driven economy. This underpins the Regional Economic Strategy for EEDA, which has a vision to make the East of England a renowned world class economy.

6.2.2 The Regional Economic Strategy acknowledges that Harlow faces considerable urban renaissance and regeneration challenges as a former new town, with a need to improve and strengthen the town centre as well as renew its existing housing stock and community infrastructure. However, the town has the potential to become an important regional centre for business growth through the economic development opportunities afforded by its proximity to London, Stansted airport and Cambridge, the presence of leading biotechnology companies and its Growth Area designation. Realising these opportunities requires major new transport investment to improve access to employment site, the M11 and Stansted airport and improve regional east-west links.

6.2.3 The Environment White Paper “This Common Inheritance” emphasises the need to link the pursuit of economic growth with the need for a high quality and sustainable environment. PPG4 government planning policy guidance on employment has suggested that a choice of suitable sites will facilitate competition between developers to the benefit of end users. PPG12 points to the need for local plans to assist in revitalising and broadening the local economy, and to the importance of encouraging industrial and commercial development.

6.2.4 Harlow is defined under Regional Planning Guidance as a Priority Area for Economic Regeneration (PAER). The priority is to restructure, diversify and increase Harlow’s local employment base.

6.3 Inward Investment Trends

6.3.1 Comparative Foreign Direct Investment FDI inward investment trends for Essex are set out in 6.3.1.1 with comparison to the adjacent County/Greater London/EEDA areas for the period 1997-2003. Essex contributed 19% of all FDI inward investment projects in the East of England during the period 1997-2003, performing slightly above Hertfordshire at 18%, but below Cambridgeshire which made a significant 36% contribution to the regional total. It should be noted that Essex adjoins Greater London which achieved a figure over four times the East of England total in the same period. Harlow is well positioned on the M25 in relation to Greater London and could potentially tap into this opportunity.

6.3.1.1 Relative inward investment performance of Essex 1992-2003 (number of projects)

	Period 1997-2003							
	1997	1998	1999	2000	2001	2002	2003	Total
Essex	9	6	9	6	6	3	1	40
Hertfordshire	12	1	7	5	8	1	4	38
Cambridgeshire	11	10	14	10	13	15	3	76
East of England Development Agency	48	29	40	28	35	23	10	213
Greater London	157	145	140	182	92	125	112	953

Source: European Investment Monitor FDI Projects by Year (number)

6.3.2 The FDI inward investment projects performance of the different parts of Essex is now examined in more detail. 6.3.2.1 shows the main location of projects across the county for the period 1997-2003.

6.3.2.1 Essex Inward Investment Performance 1997-2003 by location (number of projects)

	Period 1997-2003							Total
	1997	1998	1999	2000	2001	2002	2003	
Basildon	1		1	2	1	1		6
Brentwood			1	1				2
Chelmsford		2	3					5
Coggeshall	1							1
Colchester	2	1			1			4
Frating Green				1				1
Harlow	1	2	2	1	1	2		9
Harwich	3							3
Ongar					2			2
Rayleigh				1				1
Southend-on-Sea		1						1
Stansted Mountfitchet	1						1	2
Tilbury			1					1
Witham			1		1			2
Total	9	6	9	6	6	3	1	40

Source: European Investment Monitor FDI Projects by Year (number)

6.3.3 The best performing location by number of projects was Harlow with 23% of all projects in the period 1997-2003. Basildon followed with 15% and Chelmsford with 13% of all projects in the county of Essex

6.3.4 The nine companies which brought FDI projects to Harlow in the period 1997-2003 are described in detail in 6.3.4.1. It should be noted that the majority of these projects are reinvestments in existing sites arising from the restructuring of facilities.

6.3.4.1 Companies bringing FDI projects to Harlow, 1997-2003

	M/A-COM Connectivity Zone	Northern Telecom Ltd	Raytheon Corp	Johnson Editorial	Pitney Bowes	Nortel Networks	Connect Electronics	Fructamine	Arrow Electronics
Parent/Origin	AMP Inc USA	BCE Inc Canada	Raytheon Corp, USA	Bertelsmann AG Germany	Pitney Bowes USA	BCE Inc, Canada	Connect Electronics, Ireland	Bracco, Italy	Arrow Electronics Inc, USA
SIC/NACE	Machinery & Equipment	Electronics	Other Transport Equipment	Publishing	Scientific Instruments	Telecommuni- cations & Post	Retail	Chemicals	Electronics
Activity	Manufacturing	R&D	Testing & Servicing	Manufacturing	Manufacturing	R&D	Sales & Mark	Sales & Mark	Sales & Mark
Description	Cable assembly	Research centre for broadband tech	Expansion of jet aircraft servicing centre	New printing facility for diaries and other paper stationery	Expansion of digital meter production line	R&D centre for telecom co.	Office for component distributor	Office for flavour co	Office for electronics components company
Employment Band	20-49	350-499	50-99	20-49	Not available	500-999	20-49	1-19	20-49

Source: European Investment Monitor

- 6.3.5 The most significant company by the number of employees was Nortel Networks, followed by Northern Telecom Ltd, but much R&D has now been restructured away from Harlow. Any success in securing reinvestment in Harlow should therefore be tempered in the light of more recent developments which point to the fragility of projects and the continuing adverse perceptions of Harlow, which impacts on the take up of new sites and premises.
- 6.3.6 Harlow gains sectoral strength from its corporate profile of global companies but cannot afford to be complacent. For example in the global pharmaceutical sector, bearing in mind the GSK operations, development of a new drug costs some \$800m in the US or Europe, but only \$50m in the emerging industry in India. Similarly Nortel carries considerably higher R&D costs in the US and Europe than its competitors operating in other emerging economies which may reinforce the trend of R&D loss.

6.4 Current Employment Site Provision

- 6.4.1 The Essex County Structure Plan proposes that an additional 50 hectares of employment land is made available in Harlow.
- 6.4.2 The Replacement Harlow Local Plan (Second Deposit Draft) states that there is a significant stock of vacant and underused employment land and buildings already existing within the built up area of Harlow.
- 6.4.3 The employment land supply in Harlow with planning permission for development (1.4.01) is stated at 39 hectares, of which 8.2 hectares has been completed and 4.7 hectares has been lost to other uses. The Plan states that 26.1 hectares of employment land have not therefore been developed and until these opportunities have been taken up it is not considered appropriate to allocate additional employment land. The only exception to this is an additional allocation of 2.0 hectares at New Hall Farm required in connection with the proposed mixed use development.
- 6.4.4 It should however be noted that with the exception of the Harlow Business Park (12 hectares) this allocated land is constrained, being either in small parcels or held by existing companies for future expansion.
- 6.4.5 The Plan states that in order to help ensure that a range of premises is available both to support existing local businesses and to attract new businesses, it is essential that the best use is made of existing employment land. It is suggested that this involves the reuse and intensification of previously developed land.
- 6.4.6 The Plan identifies the existing employment areas where permission will normally be granted for B1, B2 and B8 development. These are identified in 6.4.6.1.

6.4.6.1 Harlow Existing Employment Areas

Employment Area	Local Plan Ref No.
Templefields & Riverway	ER 5/1
Pinnacles	ER 5/2
Burnt Mill	ER 5/3
Staple Tye	ER 5.4
Bush Fair	ER 5/5
Nortel Networks	ER 5/6
Church Langley	ER 5/7

Source: PACEC

6.4.7 With the exception of Harlow Business Park, located within the Pinnacles area, few of these sites are appropriate for larger scale inward investment projects. There are inherent dangers for the future economic vitality of Harlow in allowing the prevalent adverse perceptions of the location (recorded in discussion with the property sector) and related lack of market demand to determine the future use of the town's key employment sites. Specific pressures for change of use to retail warehousing and for housing redevelopment were identified in the context of the discussions with the development industry. It is considered that the existing sites do have a role, particularly in providing appropriate new premises for SMEs.

6.4.8 The property sector believes that there is the risk of a downward spiral arising, both from current market perceptions and the failure within Harlow to properly address the constraints, mainly transport and accessibility, affecting the existing employment areas. The lack of appropriate new employment land provision is considered to be a medium to long term constraint in Harlow.

6.5 Strengths, weaknesses, opportunities and threats

6.5.1 The SWOT analysis is mainly based on discussions with developers and agents in the property sector, and reflects their views on the weaknesses that need to be addressed and the strengths that could be built upon. These views are particularly important given the necessary role of private sector investment in the regeneration of Harlow.

Strengths

- The proximity to M11/Stansted and M25/Heathrow
- A recognised location for major companies engaged in R&D activity
- Green environment and pleasant rural setting
- The relationship to Cambridge/M11 corridor and growth points
- Relatively short journey time to Stansted airport sites

Weaknesses

- Incomplete A414 east/west link between A1(M) and M11.

- Single carriageway link to the M11 Junction 7.
- Single Route north from Elizabeth/Edinburgh Way to A414 Dual Carriageway
- Ageing stock of industrial and commercial premises
- Failing and outdated new town image
- Lack of quality housing for young professional labour force
-
- Inadequate provision of future employment land

Opportunities

- Potential improved rail link to the City and London
- Creation of a Park & Ride network and related Commuter Parking Facilities.
- Proximity to Stansted airport
- Town centre improvement and redevelopment opportunities
- Potential to create a new science/R&D Business Park
- Lowest industrial and commercial rent levels in the South East
- PAER Growth Area Designation

Threats

- Further loss and downsizing of major employers
- Collapse of industrial and commercial property demand
- Further fall in achieved rents
- Increasing competition from new Thames Gateway and other M25 locations
- Increasing economic and social deprivation reinforcing adverse perceptions of Harlow.

6.6 Strategic Challenges

- 6.6.1 The image and external perception of Harlow in the business and development community is poor. The factors behind this perception range from the inadequacies of the road transport infrastructure to meet current needs and requirements, outworn industrial estates, poor quality housing, and the pockets of welfare dependency with associated social problems in the resident population.
- 6.6.2 The opening up of Harlow for business would deliver a range of benefits, including a greater choice of employment for residents, higher levels of disposable income which would contribute both to town centre regeneration and help to change the adverse external perceptions of Harlow. Road infrastructure capacity improvement may require some rebalancing of Harlow's sustainable transport policies.
- 6.6.3 The rural setting and high quality environment around Harlow is seen as a major strength. Significant growth beyond the District boundaries would degrade this attribute.

6.6.4 An increased allocation of land for employment purposes in Harlow may require a different balance of uses in the proposed areas for mixed use development.

6.6.5 The achievement of significant new inward investment will be a challenge in the current global economic environment. Consideration will also have to be given to the further encouragement of indigenous business development and new firm formation to achieve an improvement in the take up of industrial and commercial floorspace in Harlow and increase economic vitality and viability.

6.7 Needs and Issues

- Since the late 1990s, Harlow has secured the highest number of recorded new investment projects in Essex, but the majority are reinvestments arising from the restructuring of existing facilities.
- Despite its success in attracting high levels of inward investment, Harlow is still plagued by not only its poor image, but also perceptions about its inadequate road network and transport infrastructure. The town suffers from road congestion, poor access to sites and has outworn industrial estates.
- Harlow is constrained by its current boundaries and there are few opportunities for the identification and designation of new employment land.
- There have been significant losses of employment land, particularly off Edinburgh Way on the northern side of the town, to retail warehouse, car showroom and leisure related uses. This detracts from the primary employment use of the area and adversely affects market perceptions, particularly in relation to the reletting of industrial and office premises. This is a consequence of market failure, and further reduces the employment potential of land, thereby undermining Harlow's attractiveness as an investment location.
- The Essex County Structure Plan requires that land lost to non employment uses should be replaced. This replacement process is increasingly problematic, given the constraints on developing Green Wedges and Green Belt in Harlow.
- The Local Plan has identified a significant stock of vacant or underutilised employment sites and premises in Harlow. However, much of this stock is outworn, and constrained further by its size and desirability. The employment sites themselves suffer from poor accessibility. They are poorly located relative to the strategic transport network, and can be accessed only via the town's congested road network, and as such are unattractive to potential investors.
- The Harlow industrial and commercial premises market is not strong, as older industrial and office stock become redundant. This also means that achieved rent levels falling. Although this provides for businesses some of the lowest industrial and commercial rents in the South East, these same market conditions also prevent reinvestment and renewal of stock.
- The cost of new build B Class development in Harlow is not covered by current achieved rents, with the result that the development market is stalling.
- Harlow suffers from severe peak period congestion on all principal routes into and out of the town, which has an adverse impact on both new investment and reinvestment in sites and premises.
- The persistent message throughout this analysis of Harlow's needs is the very poor image of the town and negative perceptions of Harlow as a location for business and inward investment. The evidence from the analysis is that

potential investors and employers feel the town has only a limited offer. Consequently, Harlow is marketed on the basis of its proximity to London and Cambridge, rather than on its own intrinsic qualities or attractions. The image of Harlow as a failing New Town detracts from its ability to attract investment.

7 Labour market, skills and workforce development

7.1 Introduction

7.1.1 This chapter looks at, education, skills, workforce development and labour market issues affecting Harlow. The fieldwork involved initial discussions with large local employers and relevant education and training institutions.

7.1.2 The chapter first explores the local education and skills policy context in which Harlow District Council (HDC) operates. Secondly, it considers the level and extent of education and training provision in place for Harlow residents. Thirdly, it engages in a preliminary labour market analysis which seeks to provide a broad brush picture of labour market dynamics in Harlow. Fourthly, it draws together the findings from interviews with both local large employers and institutions and comments on the current strengths/weaknesses and future needs of Harlow. The final section identifies key workforce development challenges which are likely to impact on the regeneration of Harlow.

7.2 Policy context

7.2.1 The Harlow 2020 Vision includes a section on learning and working which seeks to highlight the need to create a 'learning town'. It addresses the main issues of educational performance and participation, the need to recruit and retain good teachers, and to attract funding for learning orientated programmes. The Vision includes many short, medium and long term targets which are now the responsibility of the Education Sub Group (ESG).

7.2.2 The Harlow 2020 ESG draft action plan has three objectives:

- To raise aspirations and achieve recognition within the Harlow community of measurable progress across all phases of learning
- To secure the best possible education staff, facilities and resources for the Harlow community
- To develop an inclusive strategy for lifelong learning

Central to the plan is the concept of lifelong learning via the implementation of a community learning strategy which will raise aspirations, attainment and achievement in Harlow.

7.2.3 Harlow's Skills for All Programme seeks, under the Investing in Communities (IIC) programme, to build upon the success of the SRB4 programme, Regeneration through Youth. The key priorities of Harlow's Skills for All Programme are concomitant with those reflected in DfES lifelong learning national policies.

7.2.4 Harlow's Education Consortium (HEC) and Harlow FE College play a key role in the development of education services in Harlow and both are stakeholders in the Local Strategic Partnership (LSP). Anticipated growth in retail and leisure jobs arising from

town centre development, Harlow College and the expansion of Stansted airport means that local residents will have access to more jobs. Implementation is currently under review.

- 7.2.5 Skills development issues are considered in local strategy documents, including Harlow 2020 Vision, the Local Plan, the Stansted/M11 Corridor Development Options Study, Sustainable Communities Plan, and regionally in the EEDA Sharing the Challenge.
- 7.2.6 A recurring theme from the interviews with stakeholders was how best to contact hard-to-reach groups in order to engage them in training and education and get them 'work ready'. It is widely acknowledged in these strategy documents that the maximisation of the skills and potential of the local residents is crucial for them to take up emerging local jobs, both in the short and long term.
- 7.2.7 The Learning and Skills Council Essex (LSC) has a pivotal role in addressing skills development needs. Sector workforce development initiatives are in place at regional level. The LSC has identified four regional priority sectors and target groups (see Table 7.1).

Table 7.1 Essex LSC priority groups and sectors

Key Sectors	Young people	Adults
Construction	disengaged 14-16 year olds	low skilled and unskilled workers
Health and Social Care	young people in employment without structured learning	people with basic skill needs
Transport and Logistics	young people without a Level 2 qualification	those disadvantaged or in a group under represented in learning and or the labour market
Retail, Wholesale Trade and Hospitality	those disadvantaged or in a group under represented in learning and or the labour market <i>NEET groups</i>	

Source: Essex LSC

The LSC local plan states its commitment to employers by giving them greater choice and control over the training that the LSC funds and, more importantly, how it is delivered.

- 7.2.8 The Framework for Regional Employment and Skills Action (FRESA) in which the LSC is a key partner provides a plan to tackle the skills issues specific to the East Region. The FRESA is set in the context of a number of strategies which will guide the sustainable development of the region. It is also a process which is central to the development and delivery of the new sector skills agenda. Key to the FRESA is effective working between the network of partners, such as LSCs, Connexions, Job Centre Plus, EBLOs, LEAs, and schools. The main priorities of the FRESA are:
- Increasing participation in HE

- Responding to redundancies
- Skills for employability
- Workforce development (WFD) and 'in work' progression
- Young people and career choices

7.2.9 A view was espoused by stakeholders that the FRESA tends to reflect the needs of the high skills economy in areas such as Cambridge and Hertfordshire, rather than the lower skill, more traditional profile of the local economies in the south of the region.

7.3 Current Provision

7.3.1 Education and training provision in Harlow includes diverse programmes to address the key issues of low basic skills, Level 2 achievement and employability. Presented below is a list of collaborative projects where many agencies play a key role.

- Harlow Basic Skills project, addressing skills deficits
- Modern apprenticeship development
- Young apprenticeship pilot, under consideration
- Children's Centre network, signposting adult and family learning opportunities, involving NW Essex Adult Education College
- Science Alive; visitor/education centre project promoting careers in the high technology field
- Aim Higher, funding to support
 - Mentoring activity
 - Summer schools
 - Career events
- Partnership work with Princess Alexandra Hospital Trust
- Partnership work with BAA Stansted, promoting career pathways
- Miscellaneous education-business partnership activity, including Pearson Education, Blue Arrow etc., all of which have potential for links to HE / seminars / HDC Business debate
- Excellence in Cities; Harlow, along with twelve other districts, has been designated an 'excellence cluster' under the Excellence in Cities programme. The clusters are designed to penetrate smaller pockets of deprivation, extending opportunities for gifted pupils, using learning support units to tackle disruption, and providing support for weaker pupils through learning mentors.
- Young Enterprise

Employer-led training

7.3.2 The main employer-led training programme in Harlow is Profit from Learning, which is a government funded training initiative designed to increase the skills of existing staff. The pilot scheme is managed by the LSC and Business Link.

7.3.3 The programme has targets for employer engagement, new learners, basic skills qualifications and Level 2 qualification. The cumulative number of beneficiaries in Harlow is almost 500.

7.3.4 Job Centre Plus are also engaged in a work based learning scheme (WBLA) This national programme aims to generate sustainable employability training.

European Social Fund

7.3.5 There are three projects specific to Harlow funded through ESF Objective 3 via the LSC, totalling almost £140,000. The Harlow Continuity and Progression Committee is engaged in a project which aims to provide increased tutorial support to learners to reduce the number that withdraw from learning and improve retention rates. The programme also aims to enhance the monitoring and review of student progress in order to support the continuation of learning at 16, and to develop an additional 14-16 vocational programme, thus enabling a more coherent progression route for 14 – 16 year olds. There are almost 250 beneficiaries of this programme.

7.3.6 Cornerstone Training provide basic skills and IAG for adults. It is a 6-8 month one-to-one, mentoring programme for those aged 25+ and unemployed for more than a year. There are 40 beneficiaries of this programme.

7.3.7 The Adult Community Learning College is engaged in a project of vocational training to gain generic/basic skills and sector specific qualifications at NVQ Entry and Level 1, with a route to Level 2 for those without the skills and confidence to start at that level. This programme has 200 beneficiaries and is aimed at all ages.

7.3.8 HDC have also secured a range of funding for a number of co-financing initiatives. The LSC co-financed projects include Jobstart for Women, YPIC On-Line, the provision of ICT equipment for young disadvantaged people. ESF alternative bidding projects –Women into Work and Get Real and the JobCentre Plus Co-financing project – Harlow in Work. These are substantial local projects amounting to almost £1,700,000

7.3.9 ESF funded programmes not specific to Harlow, but which benefit Harlow residents, are based at Harlow College. One project comprises a 30-hour programme to assist unemployed people to move into employment at Stansted Airport. The programme will form Unit 1 of the new Airport Skills Training Programme, equivalent to NVQ Level 1. Those who successfully complete will be guaranteed an interview, arranged through the Airport Jobcentre Plus facility. There are 100 beneficiaries of this project. To follow on from this are seven 30 hour programmes comprising units 2-8 of the new Airport Skills Award. About 80 learners will achieve units at levels equivalent to NVQ Level 2, and 20 will achieve units at equivalent to NVQ Level 3.

Basic skills

- 7.3.10 Tackling the basic skills problem in Harlow is a significant component in a strategy to ensure that all of its residents engage in further learning and/or enter into employment. The most significant project is The Harlow Basic Skills Project, which is one strand of the 'Regeneration through Youth' initiative drawn up by the Harlow 2020 partnership. The main source of funding is SRB 4.
- 7.3.11 There is a Basic Skills strategy for adults and young people in Harlow. The project is delivered over three phases; pre-school, schools and adults. The aims include:
- to raise awareness that the responsibility for reducing the level of literacy and numeracy skills need in Harlow lies with every employer, community and voluntary organisation, statutory service provider, school and pre-school group;
 - to work in partnership with employers, community and voluntary organisations, statutory service providers, schools and pre-school groups to develop and implement new local learning opportunities for adults and children;
 - provide training for key staff in businesses, community and voluntary organisations, statutory service providers, schools and pre-school groups to enable them to identify people with a basic skills need and to enable them to implement new local learning opportunities to address the poor levels of basic skills;
 - to ensure the long-term sustainability of work within Harlow to raise levels of basic skills.
- 7.3.12 The project began in September 1999 and finishes in March 2005, and aims to reduce the level of those with basic skills needs by 20%; which is the target set out in the 20/20 plan. This equates to 2,500 beneficiaries. Thus far there have been 1,600 beneficiaries and it is on target to achieve the target set out in the plan.
- 7.3.13 A further initiative in Harlow linked to regeneration and learning and skills is The Neighbourhood Fund which is the LSC Essex branding of the National Learning and Skills Council "Neighbourhood Learning in Deprived Communities (NLDC) Fund. The purpose of NLDC is to support local voluntary and community sector organisations to develop their capacity to deliver learning opportunities for residents of disadvantaged neighbourhoods. Through the Cornerstone Trust 33, single parents (all women) received Basic Skills Tutoring and Essential Cookery Skills with one-to-one support. There were no formal qualifications linked to this programme since it was aimed at encouraging the participants with very low self esteem and confidence to engage in a learning opportunity.
- 7.3.14 The Job Centre plus is a major organisation in Harlow addressing basic skills needs. They have a fast track process whereby they identify client needs and then refer them on to relevant providers. They are also involved in New Deal.
- 7.3.15 This wide array of programmes and projects in place in Harlow is significant and will help to address the skills needs of Harlow's residents. It will ensure that Harlow residents are equipped to enter employment and develop skills, which will enhance

their employment prospects, but sustainability has to be considered beyond March 2005 when the Basic Skills Project ceases.

7.4 Harlow labour market

7.4.1 This section describes the labour market characteristics and other related issues in Harlow

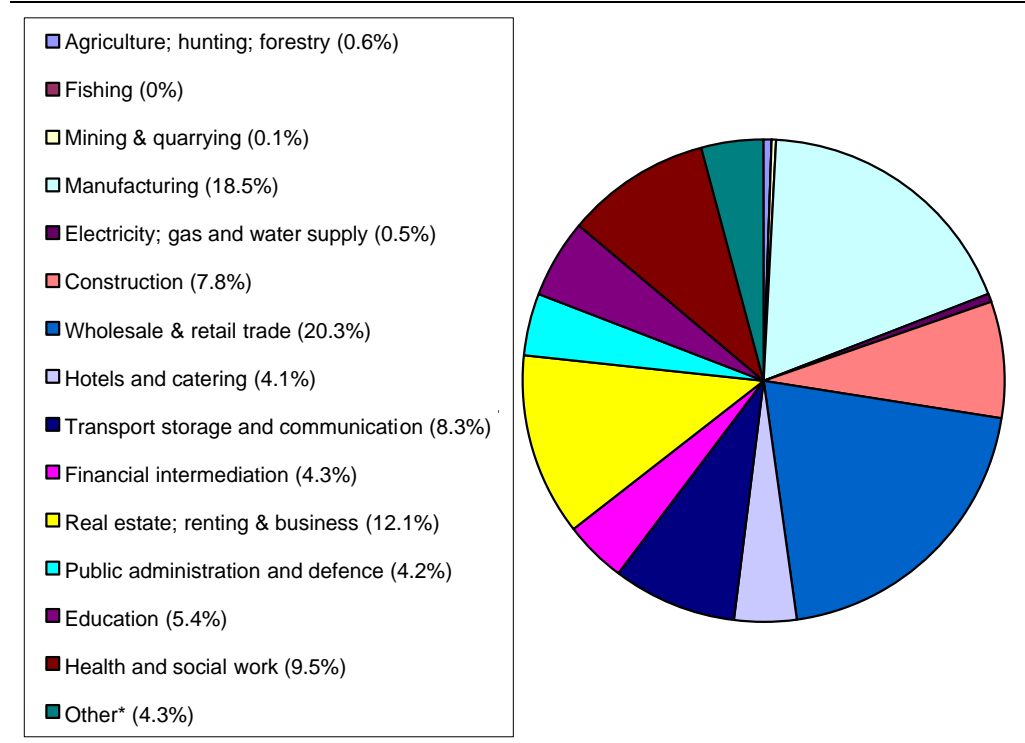
7.4.2 The most distinctive feature of Harlow's employment structure is the higher proportions of workers employed within the manufacturing, wholesale & retail trade and the transport, storage and communication industries. The town also has the lowest proportion workers employed in the real estate, renting and business activities sector in relation to the comparator areas (see Table 7.2 Figure 7.1).

Table 7.2 Employment by sector (% of 16-74 Residents in employment)

	Harlow	Harlow Sub Region	Harlow + Sub Region	Herts & Essex	East Region	Eng & Wales
Agriculture; hunting; forestry	0.6%	1.7%	1.5%	1.2%	1.9%	1.5%
Fishing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining & quarrying	0.1%	0.2%	0.1%	0.1%	0.2%	0.3%
Manufacturing	18.5%	13.5%	14.3%	13.2%	14.5%	15.0%
Electricity; gas and water supply	0.5%	0.4%	0.4%	0.5%	0.6%	0.7%
Construction	7.8%	8.3%	8.2%	7.9%	7.6%	6.8%
Wholesale & retail trade	20.3%	17.3%	17.8%	17.4%	17.3%	16.8%
Hotels and catering	4.1%	3.6%	3.7%	3.7%	4.2%	4.8%
Transport storage and communication	8.3%	7.7%	7.8%	7.6%	7.4%	7.0%
Financial intermediation	4.3%	7.2%	6.7%	7.5%	5.8%	4.7%
Real estate; renting & business	12.1%	15.4%	14.9%	14.8%	13.3%	13.0%
Public administration and defence	4.2%	4.6%	4.6%	4.8%	5.2%	5.7%
Education	5.4%	7.4%	7.1%	7.2%	7.3%	7.8%
Health and social work	9.5%	7.8%	8.1%	9.2%	9.7%	10.8%
Other*	4.3%	5.0%	4.9%	4.9%	5.0%	5.2%
Total employment	100%	100%	100%	100%	100%	100%

Source: Census of Population 2001, ONS, PACEC

Figure 7.1 Employment by Sector in Harlow (% of 16-74 residents in employment)



Source: Census of Population 2001, ONS, PACEC

7.4.3 Table 7.3 shows female employment in Harlow, the surrounding area, the region, and England and Wales. There are high proportions (70%) in Education and Health and Social Work, similar to the comparator areas. The proportion of females in manufacturing and financial intermediation is relatively high compared to the East Region.

Table 7.3 Employment by gender

	Female as % of total by gender (residents in employment by sector by area)					
	Harlow	Harlow Sub Region	Harlow + Sub Region	Herts& Essex	East Region	Eng& Wales
Agriculture; hunting; forestry	23	25	25	25	26	25
Quarrying	44	28	29	26	17	13
Manufacturing	35	30	31	27	27	27
Electricity; gas and water supply	23	19	20	26	27	28
Construction	10	12	12	11	10	10
Wholesale & retail trade	48	47	47	48	48	48
Hotels and catering	59	59	59	58	60	58
Transport storage and communication	26	30	29	27	27	28
Financial intermediation	63	42	44	46	49	55
Real estate; renting & business	45	44	44	43	43	43
Public administration and defence	47	42	43	44	42	45
Education	76	75	75	75	73	71
Health and social work	83	82	82	82	82	80
Other*	56	53	54	53	52	53
Total employment	46	44	45	45	45	46

Source: Census of Population 2001, ONS, PACEC

7.4.4 The main sectors with higher proportions of people of ethnic minority origin in Harlow are hotels, quarrying (albeit a small number), and health and social work. Overall, this is similar to the position in England and Wales. There is a low proportion of this group in utilities and construction (see Table 7.4).

Table 7.4 Employment by ethnic origin

	Non White as % of total by ethnic origin (residents in employment by sector by area)					
	Harlow	Harlow Sub Region	Harlow + Sub Region	Herts & Essex	East Region	Eng & Wales
Agriculture; hunting; forestry	0.0	0.5	0.5	0.7	0.7	1.0
Quarrying	11.1	3.8	4.4	3.9	2.7	2.7
Manufacturing	3.7	2.6	2.8	3.3	3.7	5.4
Electricity; gas and water supply	0.0	3.9	3.2	2.4	2.8	4.8
Construction	1.8	1.3	1.3	1.5	1.5	2.9
Wholesale & retail trade	3.4	3.5	3.5	4.2	4.2	7.7
Hotels and catering	13.8	6.4	7.7	9.4	8.5	12.0
Transport storage and communication	4.0	2.9	3.1	3.8	4.4	8.6
Financial intermediation	4.9	3.0	3.2	3.2	3.4	7.7
Real estate; renting & business	4.9	3.4	3.6	4.3	4.4	7.8
Public administration and defence	3.4	2.7	2.8	3.4	3.6	6.2
Education	3.3	2.5	2.6	2.7	3.0	5.3
Health and social work	10.1	6.1	6.8	7.6	6.5	8.9
Other*	3.3	2.4	2.6	3.0	3.5	5.9
Total employment	4.6	3.2	3.4	4.0	4.1	6.9

Source: Census of Population 2001, ONS, PACEC

7.4.5 The economic activity rate of residents in Harlow is higher than the East Region and England and Wales, with 71.5% of residents in this category, compared to 66.2% on the England and Wales average (Table 7.5).

Table 7.5 Economic Activity

	Harlow	Harlow Sub Region	Harlow + Sub Region	Herts & Essex	East Region	Eng & Wales
All people aged 16 - 74	57.0	294.8	351.8	1.7	3.9	37.6
Economically Active	40.7	210.0	250.8	1.2	2.7	24.9
% of 16-74 year olds are Economically Active	71.5%	71.2%	71.3%	69.9%	69.0%	66.2%

Note: Number of persons is given in 1000s for Harlow and its ring and in Millions for Herts and Essex, Eastern Region and England & Wales

Source: ONS, PACEC

7.4.6 Unemployment in Harlow is slightly higher than in other South New towns and for the Harlow Sub Region, Herts, & Essex and the East region, but is lower however than the England & Wales average (Table 7.6).

Table 7.6 Unemployment (all)

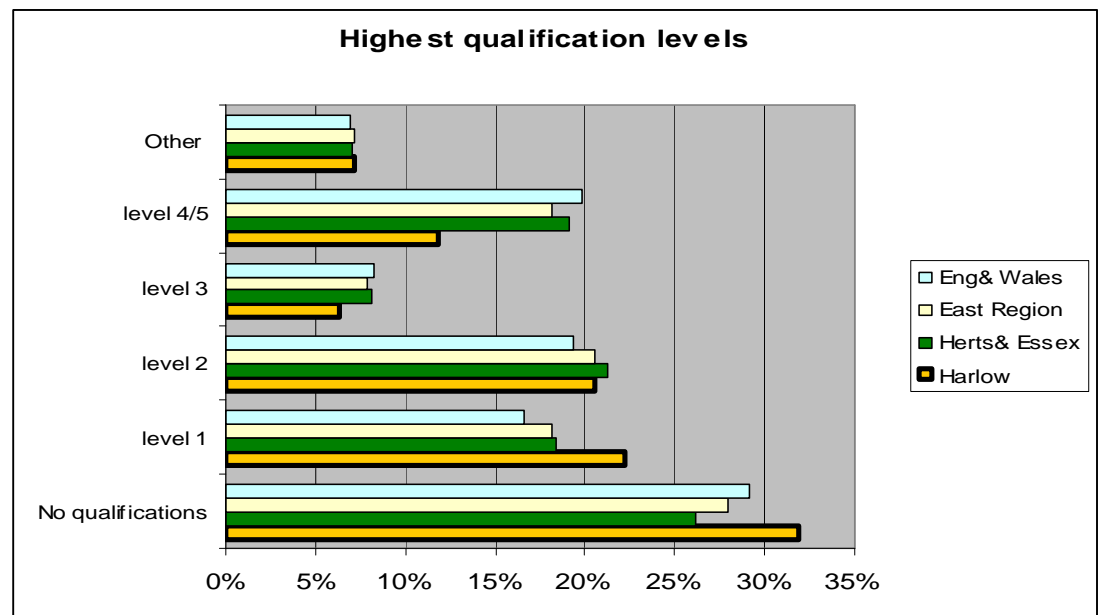
	Harlow	Harlow +Sub Region	Sth New Towns	Herts& Essex	East Region	NE & NW	Eng& Wales
Economically Active (000s)	40.9	251.4	503.3	1.2	2.7	4.2	25.0
Unemployed (ILO, 000s)	1.9	8.0	21.2	0.0	0.1	0.3	1.3
Unemployed (% of economically active)	4.7	3.2	4.2	3.3	3.8	6.1	5.0
Harlow's relative performance (rate)	0.0	1.5	0.5	1.4	0.9	-1.4	-0.4
Harlow's relative performance (number)	0	610	200	560	380	-590	-140

Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001
 Source: ONS, PACEC

Qualification levels

7.4.7 The qualification level profile of Harlow residents presented in Figure 7.2 shows that they are far less likely to hold Level 3+ qualifications and far more likely hold qualifications below Level 2; and moreover, hold no qualifications at all than is the case in the region and England and Wales. The chart below shows that there are significant numbers of Harlow residents who hold no qualifications at all, or only up to Level 1 qualifications. Even though the figures have improved on past performance, they are still very high when compared with the regional average. Most significant is the comparatively low numbers at Levels 4 and 5, where only 11.9% hold qualifications at Levels 4+, compared with the national average of 19.9%.

Figure 7.2 Highest qualification levels



Source: ONS (Census of Population 2001), PACEC

7.4.8 Harlow residents are more likely not to participate in learning, compared with residents in Essex/Herts, the region and in England, as shown in Table 7.7. Most worrying are the participation rates for 16-17 year olds, at 10% lower than for Herts and Essex, and 8% below the national average.

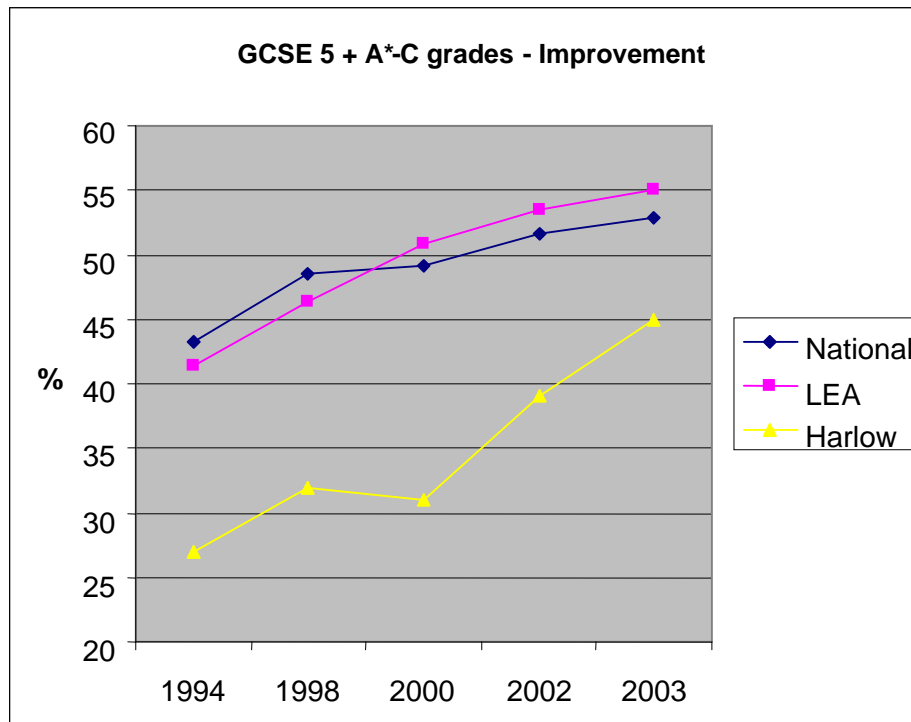
Table 7.7 Participation in education students aged 16-74

	Harlow	Herts & Essex	East Region	Eng & Wales
Full-time students % of 16-74s	4.30%	5.50%	5.80%	7.00%
Full-time students % of 16-17s	69.10%	79.20%	78.10%	77.60%

Source: ONS, PACEC

7.4.9 Figure 7.3 below shows the percentage of students achieving 5 or more GCSE A*-C Grades in Harlow relative to performance across Essex and the UK. Although GCSE attainment figures in Harlow are still considerably lower than the Essex and UK averages, the gap between Harlow and the Essex LEA average has narrowed from 15% in 1994 to 10% in 2003; and against the UK average, from 16% in 1994 to half that, 8% in 2003. This narrowing of the gap has been more marked over the period 2000-2003, when significant improvements have been made in Harlow. Provisional 2004 data suggests, however, that this more recent improvement has not been sustained.

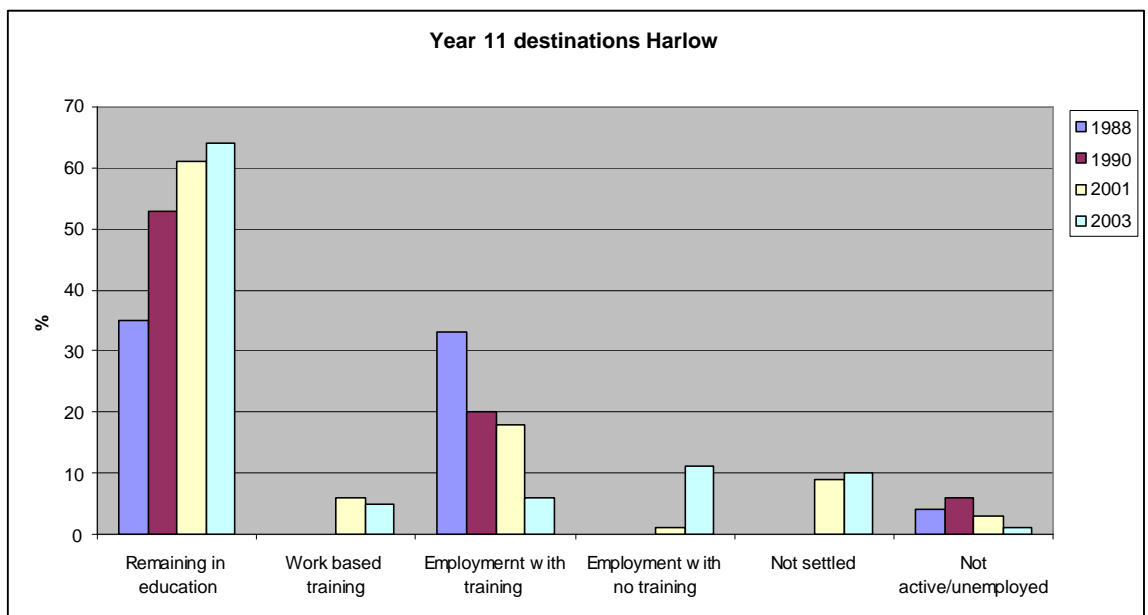
Figure 7.3 School performance tables



Source: DfES GCSE attainment figures.

7.4.10 Destinations of Year 11 Leavers data set out in Figure 7.4 is derived from the Connexions service and shows the first destinations of all Year 11 Leavers for 1988, 1990, 2001 and 2003. The trend shows that young people are more likely to remain in education which is encouraging. Interestingly, there is a significant decrease in young people entering employment with structured training.

Figure 7.4 Year 11 destinations 1998 - 2003



Source: Careers Essex Activity Survey, 2001 Base: Harlow, 950; Essex, 18,7

7.4.11 Looking at the 2003 Performance Tables, the average point score per student for GCE and VCE results in Essex is 257.9; the Harlow College score is 172.1. However, on other qualifications the 'Other Advanced' average for Essex is 74.1%. Harlow College performs strongly on this score, with 91% achieving qualification. On 'Intermediate Vocational Qualification' the Essex average is 72.3%; 76% achieve that qualification at Harlow College.

7.5 Discussions with local stakeholders and large employers

7.5.1 Interviews were held with local stakeholders, including Harlow FE College, the Learning and Skills Council, Harlow Education Consortium and Harlow Job Centre Plus. The views of a small number of large employers in Harlow were also sought. The discussions explored the strategic role of local institutions and business in meeting the future skills needs in the local labour market, responses to employer needs, and the main workforce development challenges for Harlow. Respondents were also asked for their views on the key strengths and weaknesses of the local labour force, and about their perceptions of Harlow as a place to invest.

Stakeholder Perceptions

7.5.2 The main issues which emerged from the interviews with stakeholders centred around the poorly qualified local workforce and the low skills base of Harlow. These weaknesses were exacerbated by many Harlow residents having low employment and educational aspirations. This was particularly true of young people, or at least a pool of young people caught in a cycle of relative deprivation.

7.5.3 It was also observed that the local labour market is quite buoyant, but there were concerns about some residents' job goals being unrealistic. A recent boom in retail activity has meant many new vacancies in this sector. However, many residents were unwilling to take this type of work.

7.5.4 The number of graduates leaving the town also emerged as a key concern. Respondents claimed that reversing this trend would go a long way to redress the lack of residents in high level occupations in Harlow. Concern was also expressed around high labour turnover in low paid jobs. Another overriding concern was re-skilling people for new and emerging sectors/industries. It was felt that there was too much emphasis on basic skills and related programmes.

7.5.5 A key topic raised by stakeholders was a lack of engagement between the public sector support bodies and employers. It was suggested that employers were circumspect about using FE institutions even though they have links with these. It was mentioned that the post 16 offer is not sufficiently widespread or tailored to employers' needs. There were also issues around employer awareness of what is on offer locally.

7.5.6 It emerged clearly from the stakeholder discussions that despite a multiplicity of measures attempting to address Harlow's skills deficiencies and social exclusion,

there were divisions between services and institutions in terms of a joined-up and coherent strategy for skills and workforce development linked to the regeneration process.

Employer Perceptions

Labour Force

7.5.7 The employers that provide both high skilled and semi-skilled jobs tend to recruit from outside Harlow and these jobs are usually advertised regionally or nationally. Many commute in from North London, but it is not uncommon for staff to live beyond a twenty-five mile radius, and from as far away as the Essex coast, Kent and Surrey. Employers also reported that some highly-trained staff had moved to nearby towns such as Bishop's Stortford, Hertford, Ware and even Ely.

7.5.8 Where skills needs are not met via advertising, employers tend to use regional agencies for specialist staff or contract work to identify individuals in the region to fill highly-skilled roles. One employer said that many recruits from outside the area had not heard of Harlow – or they have a negative image of the Town. Jobs are advertised on the strength of Harlow being close to London and Cambridge.

7.5.9 The employers indicated that the Harlow labour force tends to fill lower order back office jobs, such as routine IT, first level technical, manual, customer contact and administration. Local workers are more prevalent in SMEs, rather than larger employers in Harlow. Recruitment is often via newspaper advertising for these jobs, although one employer admitted that they were looking for more creative ways of recruiting, following unsuccessful Harlow-focused campaigns. Recruitment of manual and manufacturing staff has slowed recently, due to companies restructuring, downsizing or increasing efficiency. Consequently, recruitment difficulties were not a current issue.

Skills and training

7.5.10 Employers suggested that the skills issue was not high on the list of problems in their companies. There was positive feedback about the local training providers in Harlow, such as Harlow College and Harlow iTEC. Accessing training for specialist staff is more difficult, and this is usually overcome by buying in specialist expertise.

Harlow as a business location

7.5.11 Some companies spoke of their long-standing roots in Harlow. Employers regarded Harlow as an advantageous business location due to its proximity to the M11, Stansted Airport, the M25 and Heathrow Airport. Employers suggested that as the Town has no university there is no ready supply of graduates, and bright local youngsters tend to see a degree as a ticket out of Harlow.

Participation in local initiatives

7.5.12 One or two firms had been involved in local regeneration initiatives. One cited the 2020 Vision for Harlow Strategy, with which they had become engaged by invitation of Harlow Council. They also sat on the 'Image of Harlow' sub-group, and there was wider involvement in the Education-Sub Group. The Specialist School Initiative was also cited, with particular involvement in the Science School, which had recently opened. Another employer was involved in school-based projects. Overall involvement was described as disjointed and not concerted. There was a consensus opinion among employers that both Harlow Council and the 2020 Partnership had to build stronger ongoing relationships with the wider business community.

Harlow as a place to work

7.5.13 The perception amongst employers was that the town has a negative reputation, due in part to dark underpasses, and boarded up shops. Managers who commuted in complained that the peak period traffic was heavy and made commuting very slow, although the grid-road system within the town itself was easy to negotiate.

7.5.14 Most considered that Harlow was satisfactory as a place of work, with adequate supermarkets which staff could visit at lunchtime, but that it lacked the full range and quality of service provision that would be expected in a town of its size.

Overall Assessment of Harlow

7.5.15 A common theme was raised by employers about the need to raise the low aspirations and attainment levels of the resident community in Harlow. There were also comments about local complacency regarding the relative position of Harlow.

7.5.16 One employer suggested a difference between younger residents who were more responsive to change and the older generation which wanted to maintain the status quo. It was also suggested that the younger people, hungry for greater opportunities, may leave Harlow if the town fails to develop.

7.5.17 More inward investment was suggested as necessary to reinforce a positive business environment in Harlow. A key strength reported for Harlow was that it had the highest concentration of university level research employees in the East of England.

7.5.18 It is of concern that there was a view amongst the large employers that the negative image of Harlow and a relatively low indigenous skills base were of limited relevance to their own plans for growth. They were intending to continue to rely on their higher skilled staff commuting into the town, and could tolerate the fact that they could not fulfil growth objectives using the current local labour force. The benefits of Harlow's M25/M11 location outweighed its negative aspects.

7.6 Strengths, weaknesses, opportunities and threats

Strengths

- High levels of economic activity
- Faster improvement in GCSE attainment levels than the UK and Essex
- High level of ongoing provision for socially excluded groups
- Buoyant local labour market in Harlow and the sub-region
- Proximity to Stansted, M11 corridor and M25
- High levels of vocational learning participation

Weaknesses

- Low qualified and low skilled indigenous workforce
- Low aspirations amongst younger people
- Poor retention of higher skilled people
- Low educational attainment and participation (post 16)
- High labour turnover and poor quality jobs for local people
- Poor levels of engagement between indigenous SMEs and the public sector

Opportunities

- Growth in demand and retail activity and thus job creation
- Local competition for jobs resulting in higher wage levels in traditionally low paid jobs
- Potential to link a renewed skills strategy with current wider regeneration objectives
- Larger businesses are mainly positive about their future in Harlow, due to its M25/M11 location, future growth in the area, and their ability to attract highly skilled and specialist workers from outside Harlow, but there are growing concerns about accessibility

Threats

- Continued indifference towards skills development from both firms and individuals
- Ongoing low skills equilibrium: low labour skills/low skilled jobs
- Continued lack of local supply of graduates in labour market
- Lack of diversity in workforce

7.7 Strategic Challenges

7.7.1 The strategic challenges facing Harlow arising from this assessment of skills and workforce development are set out as follows:

- In order to move away from a local low skills equilibrium in Harlow, the post-16 offer must be more balanced in favour of Level 3+, but all levels must be addressed though not to the detriment of higher level progression

- Retention of educated local young people is crucial. Making Harlow more attractive to this group is a fundamental requirement.
- The development of a new local entrepreneurialism is necessary in Harlow, through embedding notions of an enterprise culture and achieving success amongst Harlow's residents
- There is a need for clearer strategic thinking and links between regional bodies, neighbouring councils' education providers, employers and public sector institutions by developing and overarching local skills strategy linked directly to higher aspirations for economic regeneration in Harlow.
- Educational qualification attainment by young people in Harlow, though improving, needs to be further strengthened.
- Generational issues which maintain a non-learning culture in Harlow must also be addresses perhaps through measure such as family learning
- Harlow employers tend to operate independently and do not regard regeneration of the town as being related to future business growth. Appropriate mechanisms are necessary to build a greater commonality of interest.
- Reversing through internal and external place marketing the widely held and negative perceptions of Harlow as a poor place to work and live

7.8 Needs and Issues

- The most distinctive feature of Harlow's labour market compared with the wider area is the higher proportions of workers employed within manufacturing, wholesale and retail trades, and transport, storage and communications.
- Harlow's labour pool is relatively low skilled. A higher proportion of residents have no qualifications at all; and compared with its surrounding areas, only a very low proportion of the workforce has higher qualifications.
- Harlow is characterised by a poor retention rate for higher skilled residents. Graduates and other qualified residents tend to leave the town, and are more likely to live and work in towns and villages in the neighbouring travel to work areas, which offer a better quality of life.
- Underpinning the skills deficit in Harlow is the fact that fewer residents are likely to participate in learning compared to both the region and the country as a whole. This is most noticeable among 16-17 year olds. Harlow has the highest proportion of pupils not achieving 5+ GCSE/GNVQ qualifications among local authorities in Essex although the position is improving.
- The skills and employment mismatch has an inhibiting effect on local business creation and the potential for spin-off in the knowledge sectors, for example the Research and Development base. Research evidence to suggest that workers with higher level qualifications are generally more predisposed to starting their own small business.
- Some of the large Harlow employers for the most part operate independently and do not regard regeneration and the low indigenous skills base of Harlow as being particularly related to their future business growth.

8 Community Development

8.1 Introduction

8.1.1 This chapter examines the policy context of Community Development in Harlow, the nature of the population and concentration of deprivation and the composition of the community in Harlow as a context for community development. It seeks to establish the extent to which community development and involvement occurs in Harlow's regeneration process, and will explore capacity building for the community and voluntary sector. Furthermore, it seeks to map out community involvement and provide an evidence base to inform future intervention at local level where appropriate.

8.2 Policy context

8.2.1 The Local Government Act 2000 brought in a duty for local councils to promote the economic, social and environmental well being of their area. The launch of the process for preparing community strategies in 2000 required local authorities to engage and involve local communities on both an area-based and issues/interest basis. The guidance encourages local authorities and others to recognise that: 'Individuals belong simultaneously to a number of communities of interest, of both place and interest and will identify with different communities according to their circumstances and the issues under discussion. Community strategies should reflect this complexity and accommodate it by putting in place a variety of routes into participation' (DETR, 2000)

8.2.2 Under the New Commitment to Neighbourhood Renewal the government has prioritised 88 Local Authorities and is focussing on wards that are within the 10% most deprived in the country. The guiding principle is that no-one should be disadvantaged by where they live.

8.2.3 Local Strategic Partnerships (LSPs) have provided an effective mechanism for preparing community strategies. They have integrated anti-deprivation strategies within wider community strategies and local authority plans in order to improve general well being. The aim is to ensure that the activities of the various bodies that provide services to the public are better co-ordinated and are more responsive to the concerns of local communities. Community strategies aim to enhance the quality of life of the local community through action to improve the economic, social and environmental well being of an area and its residents. The LSPs and the community planning process have provided an overarching framework involving service agencies, business and local community interests.

8.2.4 Harlow 2020 Vision is the community strategy for Harlow and was formulated through extensive consultation with residents, led by the Harlow 2020 LSP. The aim of the Vision was to consider the future direction of Harlow. This is a significant document in terms of both its breadth of content and the extent of community consultation, it sets

out residents' views on the future social and economic growth of Harlow. The voluntary and community sector is however relatively unrepresented on the LSC.

8.2.5 Essex County Council has assembled The Essex Partnership, which is the wider LSP serving the county. The first task was to set an agreed vision for a community strategy - Shaping the Future of Essex. After due consultation including the district level LSPs, this strategy was launched in January 2003.

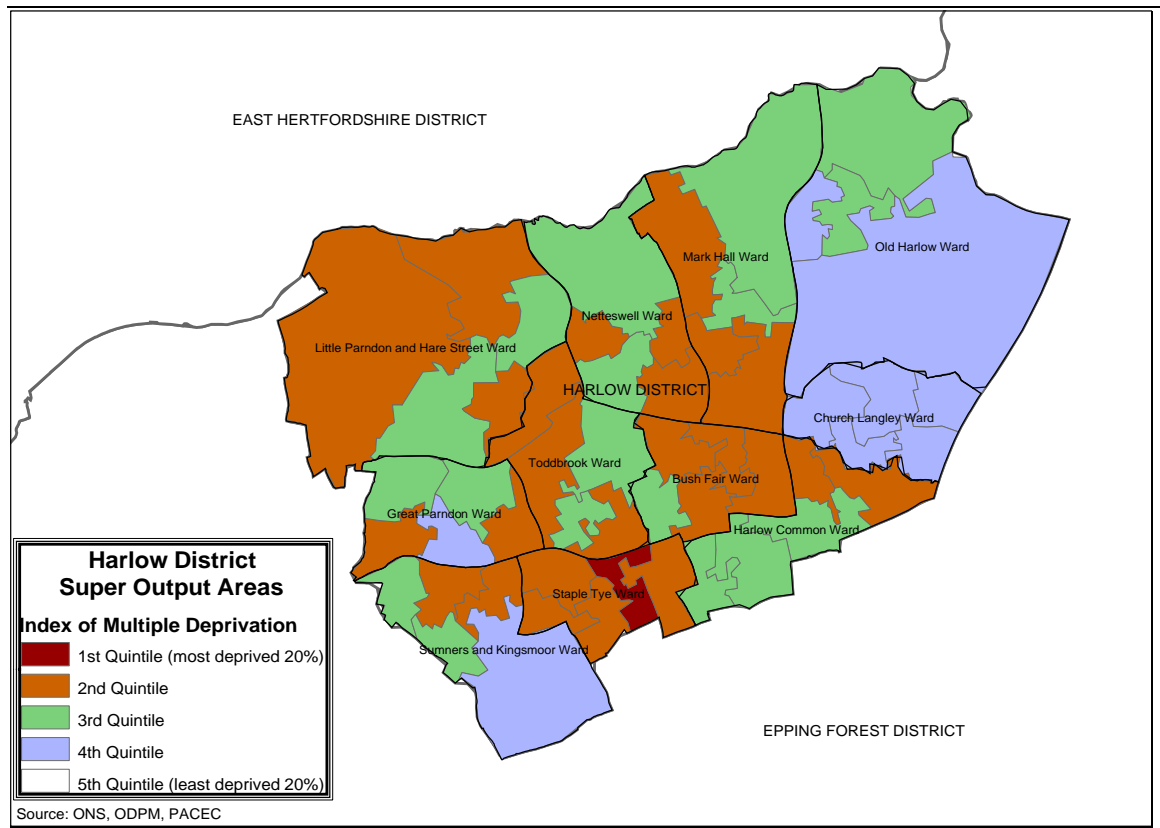
8.2.6 The winding down of the Single Regeneration Budget will result in increased pressure on community and voluntary groups more generally, at a time when the focus and efficacy of Local Strategic Partnerships are in the spotlight, though several projects have been mainstreamed in Harlow.

8.2.7 A key strength for Harlow is that there is a rich history of community participation, on which policy can build, and residents like living in Harlow and may have their families living there.

8.3 Deprivation and Community Composition

8.3.1 The Index of Multiple Deprivation (2004) shows that Harlow is the 3rd most deprived Local Authority area in Essex and 9th in the East of England region out of 48 LA's and 120th in England. The map in Figure 8.1 shows at the Super Output Area (SOA) level that part of Staple Tye Ward is within the 20% most deprived areas in the country.

Figure 8.1 Harlow District Super Output Areas



8.3.2 The national ranking of the top ten most deprived areas by SOA in Harlow is set out in Table 8.1 with the most significant deprivation indices. It is of note that barriers to housing and services / crime and disorder put part of Staple Tye within the most deprived 10%, part of Sumners and Kingsmoor score similarly on education, skills and training / barriers to housing and services and part of Mark Hall also scores similarly on barriers to housing and services.

Table 8.1 The Top Ten Most Deprived Areas in Harlow by SOA

WARD	SOA	Rank of IMD	Rank of Income Score	Rank of Employment Score	Rank of Health Deprivation and Disability	Rank of Education Skills and Training Score	Rank of Barriers to Housing and Services Score	Rank of Crime and Disorder Score	Rank of Living Environment Score
Staple Tye	E01021858	6265	7801	9366	9261	3714	2289	2007	27888
Sumners and Kingsmoor	E01021864	7453	6924	11610	11236	2802	2997	7948	25996
Mark Hall	E01021846	7732	8319	11168	12458	6070	2736	4126	15823
Little Parndon and Hare Street	E01021842	7794	8848	11169	9161	4333	5682	4712	16312
Staple Tye	E01021860	7977	8451	11366	10104	4007	7476	4910	15136
Staple Tye	E01021859	8300	5377	14375	11833	4044	11694	3430	25856
Netteswell	E01021851	8356	8505	10722	8832	6323	4268	11478	13090
Toddbrook	E01021871	8359	8601	8528	7981	8384	8435	3409	28396
Harlow Common	E01021836	8679	8213	10789	9523	3418	9002	9932	22724
Staple Tye	E01021861	9401	9388	12327	11418	5001	5373	6267	29150

Note: 1 is most deprived.

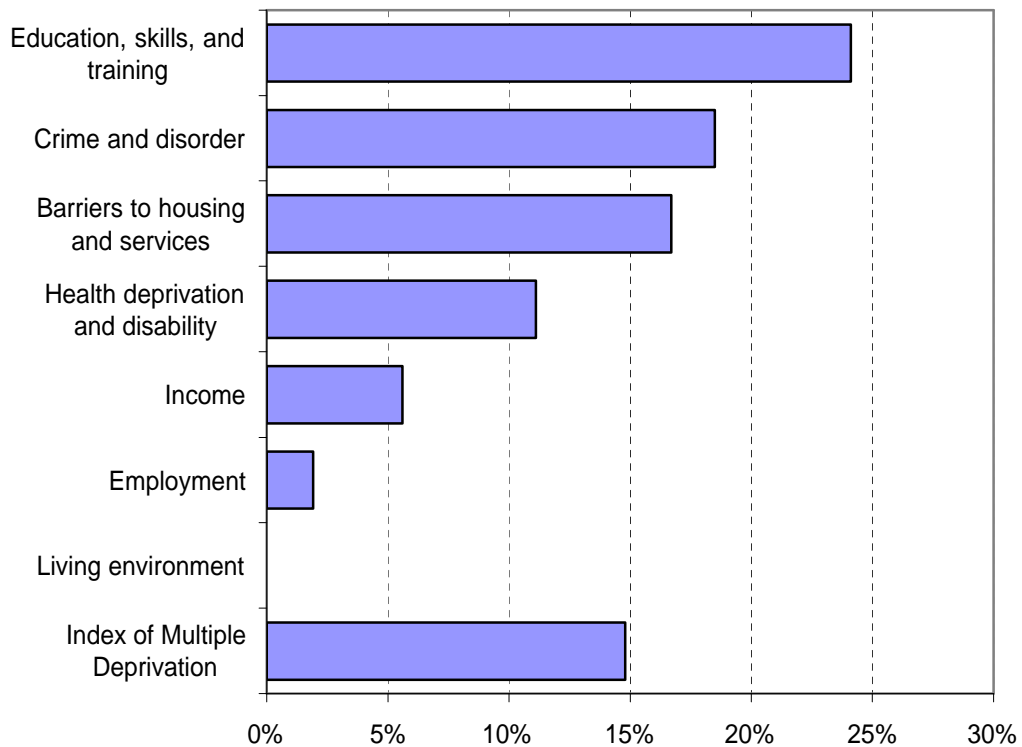
Bold applied to most deprived 10% of SOAs

There are 32,482 Super Output Areas in England

Source: PACEC, ONS, ODPM

- 8.3.3 Looking at some local comparisons on the actual number of SOAs in the most deprived 20% across England, Harlow has one, Basildon twenty two and Epping Forest none. The full Super Output Area data set out in **Error! Reference source not found.** illustrates how deprivation is concentrated geographically within Harlow.
- 8.3.4 In comparison with the Eastern Region, Figure 8.2 confirms that the significant deprivation scores are in education, skills and training, barriers to housing and services and crime and disorder.

Figure 8.2 Components of the Index of Multiple Deprivation, 2004 – percentage of Harlow SOAs within the most deprived 10% in the Eastern Region

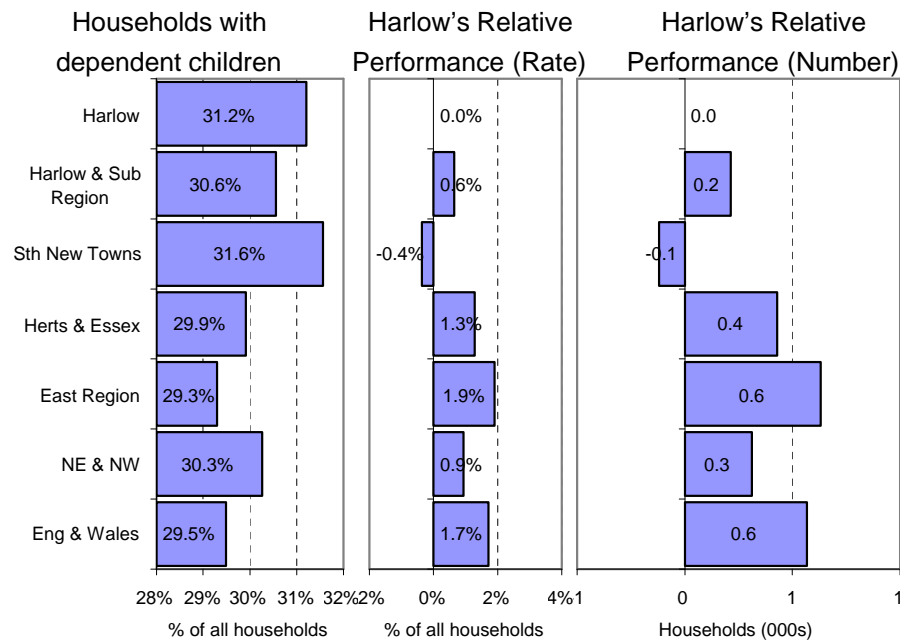


Source: IMD 2004, PACEC

- 8.3.5 Reports on the future of Harlow tend to highlight the high ethnic diversity found in Harlow and the need to cater for individual needs. However, it is worth noting that the percentage of white British people in the population of Harlow (91.7%) is above both the national average (87.5%) and the East region as a whole (91.4%).
- 8.3.6 The following tables and figures illustrate the composition of households in Harlow with reference to the comparator areas.
- 8.3.7 Harlow, in common with other New Towns, has a slightly higher proportion of households with dependent children compared with the East region and national average, as shown in Table 8.2. This characterises factors related to social cohesion and the shaping of policy for community development.

Table 8.2 Household composition (dependent children)

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
All households (000s)	33.2	198.3	404.6	1.1	2.2	3.9	21.7
H/Hold with dep children (000s)	10.4	60.6	127.7	0.3	0.7	1.2	6.4
H/Hold with dep children (% of all households)	31.2	30.6	31.6	29.9	29.3	30.3	29.5
Harlow's relative performance (rate)	0.0	0.6	-0.4	1.3	1.9	0.9	1.7
Harlow's relative performance (number)	0.0	0.2	-0.1	0.4	0.6	0.3	0.6

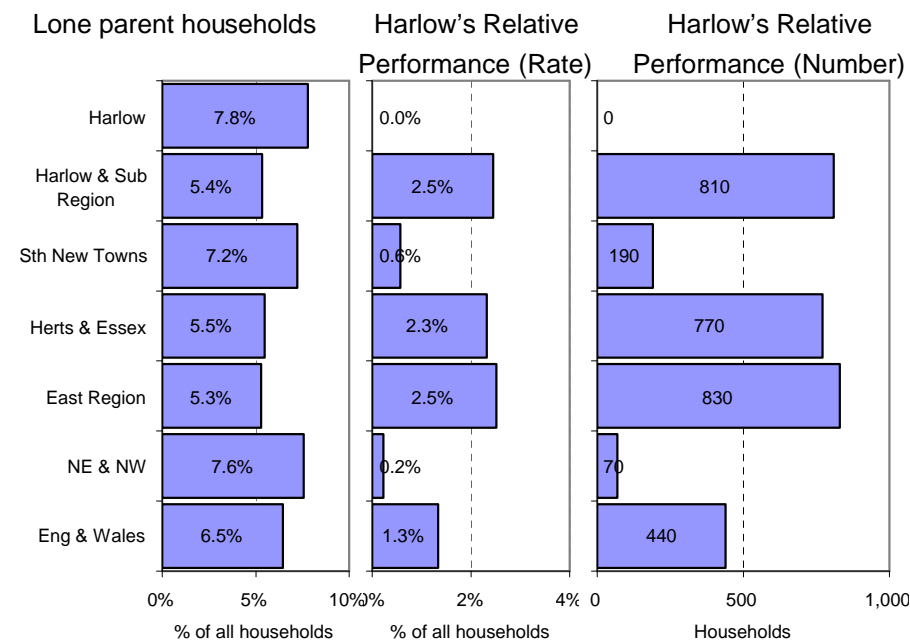


Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

8.3.8 Table 8.3 also shows that the town has a high proportion of lone parent households compared to the comparator benchmark regions. However, it is interesting to note that the household composition in Harlow is typical of all Southern New Towns, and that the immediately surrounding area, comprising the Harlow sub region, has different household characteristics.

Table 8.3 Household composition (Lone parents)

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
All households (000s)	33.2	198.3	404.6	1.1	2.2	3.9	21.7
Lone Parent Households (000s)	2.6	10.6	29.2	0.1	0.1	0.3	1.4
Lone Parent Households (% of all households)	7.8%	5.4%	7.2%	5.5%	5.3%	7.6%	6.5%
Harlow's relative performance (rate)	0.0%	2.5%	0.6%	2.3%	2.5%	0.2%	1.3%
Harlow's relative performance (rate)	0	810	190	770	830	70	440

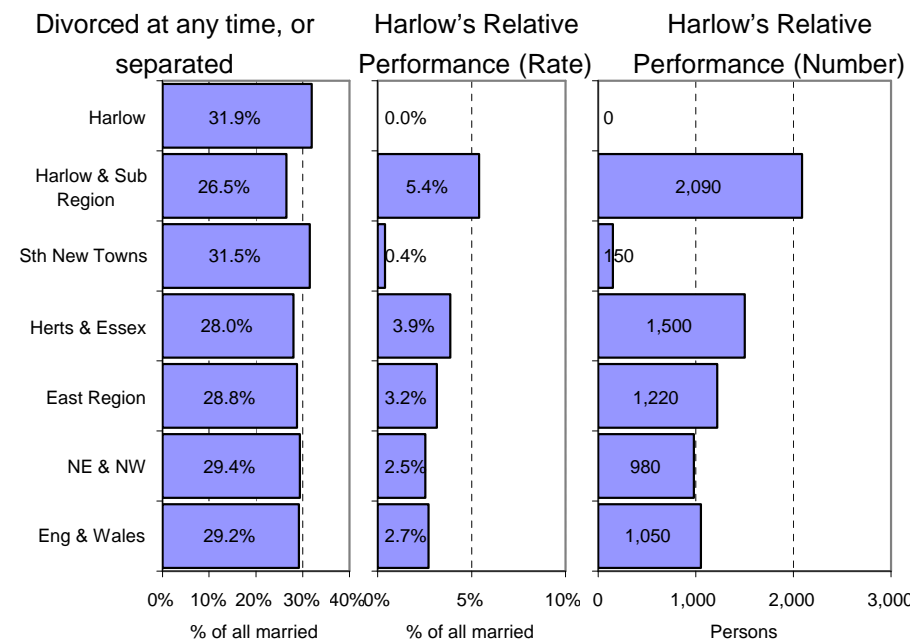


Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

8.3.9 The figures for divorce and separation in Harlow set out in Table 8.4 are comparable with the other South New Towns, but are 5% greater than for the Harlow sub region.

Table 8.4 Marital status: Divorce/Separation

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Married at any time (000s)	38.7	250.5	482.8	1.4	2.8	4.5	25.6
Divorced at any time, or separated (000s)	12.3	66.4	152.1	0.4	0.8	1.3	7.5
Divorced at any time, or separated (% of married)	31.9	26.5	31.5	28.0	28.8	29.4	29.2
Harlow's relative performance (rate)	0.0	5.4	0.4	3.9	3.2	2.5	2.7
Harlow's relative performance (number)	0	2,090	150	1,500	1,220	980	1,050



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

8.4 Single Regeneration Budget Programmes

SRB 4 - Regeneration through Youth

8.4.1 The regeneration through youth SRB round 4 scheme sought to realise the vision of the Harlow 2020 partnership through pursuing the following five objectives:

- Objective 1: To improve the provision of housing in the Town Centre.
- Objective 2: To tackle crime and improve community safety in the Town Centre.
- Objective 3: To enhance the education and skills of young people in Harlow.
- Objective 4: To enhance the employment prospects of young people in Harlow.
- Objective 5: To enhance the quality of life, health and the capacity to contribute to regeneration of local young people and tackle social exclusion.

- 8.4.2 The Harlow 2020 partnership moreover, sought to develop the capacity of the voluntary, community and co-operative sector to enable them to develop services which improve the quality of life in Harlow.

Community Connections Development Programme

- 8.4.3 The development programme is linked to the services provided by a Community Learning Resource Centre and includes training and development packages, together with the development of a Tool Kit. Its primary objectives were:

- To provide outreach contact to existing groups and supporting the development of new groups.
- To provide in-depth training needs analysis for organisations, together with an action plan.
- To work with people with disabilities to enable them to access the labour market.
- To provide Disability Awareness Training to staff and members of third sector organisations.

Co-operative Development Package

- 8.4.4 The aim was to increase the capacity of existing co-operative organisations and to build the capacity of the local community to participate in those organisations. Harlow already had an active co-operative sector. However, the members of existing co-operatives were focused on activities required to sustain their own organisations on a day-to-day basis. By tapping into what already existed and offering the support necessary for organisations, the overall capacity of the sector has been raised. The overall package consisted of:

- Work with existing community co-operatives such as the credit unions, LETS scheme, food co-operative and housing co-operatives in Harlow, providing support in skills analysis, training needs identification and one-to-one development support based on identified needs.
- Supporting the development of links between the different community co-operatives, to enable the sharing of information and skills, to build their capacity to engage in the local government decision-making processes, and to enable shared promotional activity.
- Networking with other community and voluntary support organisations to raise awareness of the co-operative option for community development and avoid unnecessary duplication of activities.
- To promote co-operative options within local communities and offer support and advice to groups wanting to start a community based co-operative.

SRB 6.3 – Community connections

- 8.4.5 Harlow District Council's Regeneration Unit conducted a final evaluation of Harlow's SRB6 programme – Community Connections in 2003. Community Connections has been embedded within years three, four and five, (i.e., 2000-2001, 2001-2002 and 2002-2003) of Harlow's SRB4 programme - Regeneration Through Youth. The final evaluation of Community Connections would examine the extent to which the overall

programme had contributed towards addressing two key objectives of the Harlow 2020 Partnership:

- Lowering social exclusion and improving the opportunities for local people by enhancing their employability.
- developing the capacity of the voluntary, community and co-operative sector to enable providers to take independent action and develop services which improve the quality of life in the local community.

8.4.6 Community Connections was developed by Harlow Council for Voluntary Service, (Harlow CVS). The main aim of SRB 6 Community Connections was to build the capacity of the voluntary and community groups to become more effective and self-sustaining. This was achieved by the creation of a Resource Centre that would become a hub for voluntary sector activity, skill sharing and development. The HOLLI Centre was established to develop Information Technology and communication skills among voluntary and community groups.

8.4.7 The Quality Assurance system PQASSO was introduced to voluntary and community groups.

8.4.8 The second strand of SRB 6 was to provide in-depth training needs analysis for local community and voluntary organisations. It targeted Social enterprises as SMEs, and sought to raise sustainability through the development of skills and competence of their workforces.

8.5 Community networks and participation structures

Tenant participation

8.5.1 The following section explores the nature and extent of community participation in Harlow. There are essentially two main conduits for community participation; through the Community Partnership and Housing teams. A full review took place in early 2002 and the Town-wide Tenants Advisory Group (TWTAG) appointed an independent advisor to assist them in formulating and negotiating a new participation structure, overarching Compact and a new internal governance system.

8.5.2 TWTAG and HDC drafted a Tenant Empowerment Strategy in April 2004 which standardises the future strategy through key action points. The issues identified were:

- Maintaining meaningful and productive tenant participation – more focused on what can realistically be achieved.
- Reaching out. – engaging with a wider range of residents.
- Improving communication – style and delivery of materials.
- Reducing barriers to participation – identification of information overload and training for tenants.

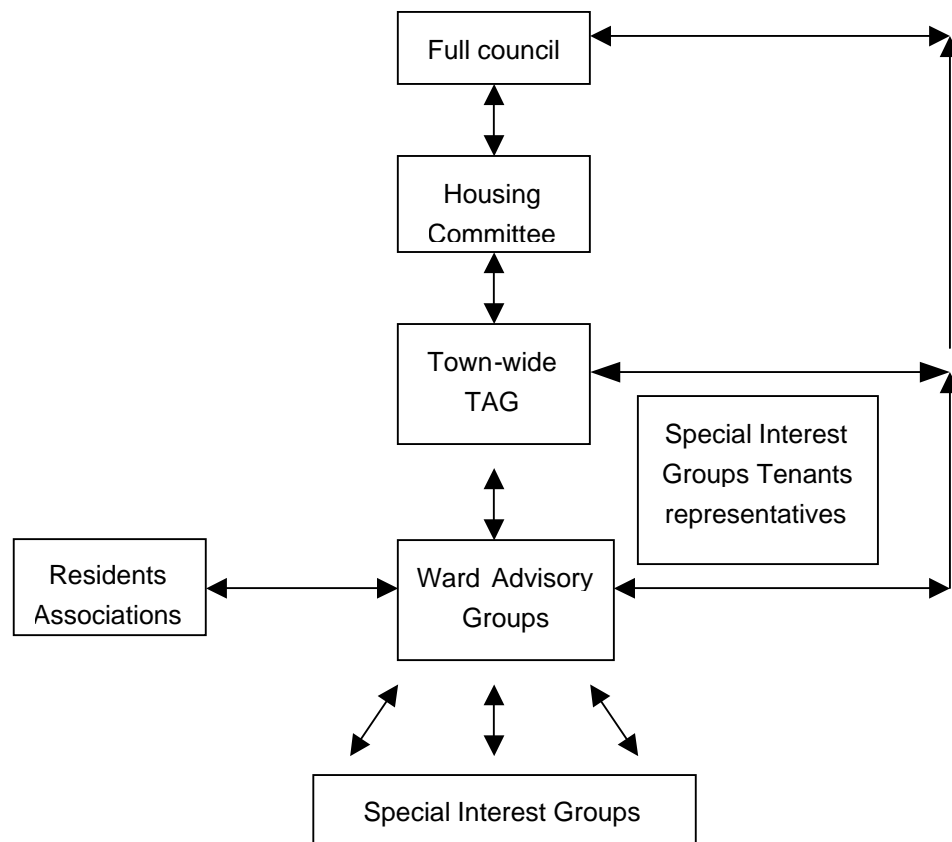
8.5.3 Along with the Tenant Empowerment Strategy, HDC drafted a Communication and Consultation Strategy in 2004. The key themes are:

- Communicating with residents

- Internal communications
- Media relations
- Consultation
- Branding
- E – communications
- Communicating with hard to reach groups.

8.5.4 HDC’s policy towards tenant participation is influenced by the specific duties imposed on them by the ODPM and the Audit Commission. This represents an important area of community participation, and the structure in Harlow is illustrated in Figure 8.3 below.

Figure 8.3 Tenant Participation Structure



Source: HDC

8.5.5 The existing ward-based structure of tenant participation has evolved and taken over from the previous Neighbourhood structure. Groups now represent Wards rather than Neighbourhoods. This has meant that some groups have changed names according to boundary criteria. There is one overall group, the TWTAG and 10 Ward Advisory Groups (WAGs). TWTAG is made up of tenants who are elected from the WAGs on a proportional basis - 1 rep per 500 tenants. The WAGs are open to all residents but are primarily to discuss housing issues.

8.5.6 The objectives of the TWTAG are to maximize tenant and leaseholder involvement in the development, implementation, monitoring and evaluation of Housing Services.

Moreover, the purpose is to develop an effective partnership with HDC to ensure that the commitments in the Harlow Tenant Compact are implemented effectively. The Compact, based upon the Government's framework for tenant participation, was drawn up in June 2004 and prepared by TWTAG, and is the model template for local ward-based Compacts. After extensive consultation and a survey of around 2400 residents, the Compact was drawn up. It comprised the aims and objectives, methods and resources for participation and the governance structures necessary for effective tenant participation.

Community Engagement

- 8.5.7 Over the last fourteen years, the following types of meetings have been held between residents, councillors and stakeholders: Area Committees, Area Forums, and Community Partnerships
- 8.5.8 From approximately 1990 until March 2000 Harlow Council held seven Area Committees. The Area Committee was the council's response to decentralisation and democratisation, which enabled decisions (planning/environmental and resource) about the neighbourhoods to be made at a local neighbourhood level. These decisions were fed into the council's financial/policy strategy via references and resolutions from the Area Committees.
- 8.5.9 From June 2000 until March 2002 Harlow Council held seven Area Forums. The Area Forums consisted of three elements: an Open Forum where residents would be able to raise any issues of concern with their councillors; the Community Forum was for community reports, consultation on important issues, presentations by other agencies and community safety reports, including the Beat Officers and Fire Officer reports; the final session was Matters for Decisions, which included planning applications, licensing applications and spends on the Neighbourhood Incentive Budget (approximately £176K divided pro rata on the population of the neighbourhoods). The aim of these changes was to develop a meeting, which had a stronger community focus and met the needs of the local community. Decisions were fed into the council's financial/policy strategy via references and resolutions from the Area Committees.
- 8.5.10 From October 2002 to March 2004 eleven Community Partnerships were established, one for each local ward. The purpose of the Community Partnerships was: to enable and empower residents to identify and prioritise the needs of their local area (ward); to develop and monitor the residents' Community Action Plan; to act as a consultation and scrutiny mechanism for the council in relation to local service quality and performance; to provide the council's partners and other public service providers with a mechanism to engage with local people on service performance; and to enhance the council's scrutiny function.
- 8.5.11 Each of the 11 Community Partnership wards had a Community Incentive Budget (CIB) (2002/03 £10K per ward, 2003/04 £11,800 per ward) that was used to fund ward-based projects and initiatives that would benefit the local community. Any 'not

for profit' community group, organisation or a group of three or more neighbours could apply for funding for their own project (e.g. to start up a residents association, to purchase new equipment or to improve local facilities).

- 8.5.12 The Community Partnership recommendations on spending were referred to the Policy and Resources Committee for resolution. A summary of some of the work originating from the Community Partnerships is shown in the table below, which also incorporates projects of the Community Partnership Team. The work of the Community Partnership Team is currently under review.

Work originating from Community Partnerships

- 8.5.13 The following projects have flowed from work originating with the Community Partnerships.

- Community Partnerships
- The Stow CCTV Project
- Harlow Youth Bank
- Youth Shelters
- Moorfield Regeneration Working Party
- Maunds Hatch Community Project
- Copshall Close, Aylets Field and The Briars Residents' Associations (CABRA)
- Asian Women Project
- BME Community Development Work
- Chinese Garden Project
- Partnership Working
- Race and Diversity Training
- Youth Diversity Festival
- Summer Youth Project
- Piecing Together
- Le Crunch
- Harlow Mentoring Network

- 8.5.14 The Community Partnerships provided the framework for consultations with residents and community groups to ascertain their views and wishes for the future of their ward and the town in relation to the Harlow 2020 vision.

8.6 Strengths, weakness opportunities and threats

Strengths

- Rich history of community participation in Harlow
- Residents like living in Harlow and have families there

- Inception of a youth council (2003) engendering participatory activities for young people
- Harlow residents are consulted widely on a broad range of issues
- Participation structures which HDC put in place exhibit coherence
- A wide array of local community projects being delivered effectively
- Capacity building has enabled more effective community participation initiatives
- The Index of Multiple Deprivation (2004) shows that Harlow does not suffer from widespread deprivation although there are significant pockets experiencing disadvantage

Weaknesses

- Social exclusion continues and can constrain community empowerment
- Pockets of discrete deprivation exist
- Lack of skills related to community participation and empowerment
- The opportunities for residents to continue to participate in community initiatives may be under threat as projects are wound up and need to be restructured.
- Lack of long term funding both for community groups and further capacity building.

Opportunities

- To develop regeneration projects to address the underlying social exclusion issues and improve deprivation levels across Harlow.
- New town wide regeneration will enhance community participation in regeneration initiatives
- Building consensus of what can be realistically achieved in community participation
- Community partnership working can draw in diverse community groups

Threats

- External factors including macro socio-economic policy changes
- Changing local, political landscape hinders sustainable local community participation
- Local political change and interventionist policy may threaten effective community governance structures
- Participation should be seen as genuine and not mere tokenism
- Sustainability of funding needs to be addressed
- The winding down of the Single Regeneration Budget will result in increased pressure on community and voluntary groups

8.7 Strategic Challenges

- 8.7.1 The foregoing analysis highlights a number of strategic challenges faced if the Harlow community is to strengthen its role in regeneration.

- Developing sustained urban regeneration and new forms of community governance in Harlow depends not simply on the creation of networks but on how those networks are supported and maintained over future years. Action on two key issues is required namely widening involvement and strengthening resourcing. Providers of support and training for urban regeneration community participants should ensure that there is a focus on review and development.
- HDC and its partners need to maintain its consistent approach to evaluating community participation in area regeneration programmes and ensure that sources of technical advice, independent consultancy, community support and learning support are available to local communities.
- Dissemination of examples of good practice is important in Harlow as is supporting initiatives to enable communities to develop their own projects and their own community-based partnership bids. Providing support for the community sector to facilitate participatory monitoring and evaluation and to facilitate networking at local and regional levels to share experiences and findings is important.
- Community participation structures should be genuinely inclusive, representative and democratically accountable, taking account of minority as well as majority interests. Community groups should share responsibility for participatory monitoring and evaluation, taking account of the wider impact on the community sector.

8.8 Needs and Issues

Key characteristics of the population have implications for community development.

- Harlow is not ethnically diverse; the white British population is above the national and regional average, but there are distinct minority community needs.
- The proportion of Lone Parent households is comparable to other Southern New Towns.
- According to the Index of Multiple Deprivation, the Harlow community does not suffer from widespread deprivation. Nevertheless, Harlow remains within the most deprived 10% of local authorities in the East of England region.
- Deprivation tends to be more dispersed in Harlow and hence less visible. Nevertheless part of Staple Tye Ward falls within the 20% most deprived areas of the country.
- The Harlow Ward deprivation scores of significance in terms of community need are education, skills and training, barriers to housing and services and crime and disorder.
- The opportunities for residents to continue to participate in community initiatives may be under threat as projects are wound up and need to be restructured.
- Mainstream service providers have a low level of awareness on how to build the community participation process into service planning and delivery.
- The Voluntary and Community Sector is relatively underrepresented on the LSC.
- Community involvement and participation in Harlow is constrained by the lack of basic skills.

9 Health

9.1 Introduction

- 9.1.1 This chapter considers the current provision of public health services in Harlow, developing services and the needs and issues the service faces in the context of possible 'growth area' population change. This review is considered in the context of national and local policy.
- 9.1.2 Healthcare catchment areas and the flow of patients to facilities overlap district and town boundaries. The consideration of healthcare provision in Harlow therefore, incorporates the four surrounding districts of Harlow, 'the Harlow Sub-Region': Broxbourne, East Hertfordshire, Epping Forest and Uttlesford. The Primary Care Trusts in each of these districts access secondary care services at Princess Alexandra Hospital NHS Trust, as well as surrounding acute hospitals.
- 9.1.3 Future growth scenarios for Harlow have shown a departure from the relatively stable demographics of the past two decades. The scenarios show population expansion. Infrastructure and investment for healthcare are normally related to population.
- 9.1.4 If no related expansion in healthcare takes place, it is reported that the present NHS healthcare will face over-demand in its facilities and service and on its workforce. NHS representatives advise that hospital provision for Harlow is currently running at 90-95% capacity. There is also a skills shortage - securing senior nursing staff has been identified as a problem and some hospital consultants and GPs are due to retire in the forthcoming period, adding to the problems in Harlow.
- 9.1.5 Assessments of future healthcare demand and planning for demographic change are underway. An internal assessment of site capacity at the Princess Alexandra Hospital and the West Essex Clinical Services Review (WESCR) undertaken by the local Primary Care Trust will indicate the capability and healthcare requirements at primary and secondary level healthcare.

9.2 Policy context

- 9.2.1 Reports which are pertinent to defining the direction of the NHS in Harlow include:
- The Modernisation Agenda
 - NHS Plan, 2000
 - NHS Plan: National Policy and Priorities 2003/06
 - NHS Essex Strategic Health Authority Local Delivery Plan 2004
 - NHS Improvement Plan 2004/08, June 2004
 - NHS White Paper 2004, Choosing Health
 - NHS Planning Round 2005/08

9.2.2 The changing agenda and strategy for the NHS and the implications of these changes in Harlow will now be considered.

NHS Plan 2000

9.2.3 The NHS Plan of 2000 presents a blueprint for radical reform of the NHS, supported by a financial commitment of increasing investment to fund modernisation and expansion of NHS facilities. National targets aim to: expand bed numbers in hospitals and intermediate care; build new hospitals and new one-stop primary care centres; modernise GP premises; and invest in staff (more consultants, GPs, nurses and therapists).

9.2.4 This improved health service is to be designed around the patient. A system of 'earned autonomy' is used which devolves power from the central government to local NHS, so that those local NHS organisations that perform well should get more freedom to run their own affairs.

9.2.5 At the centre of the NHS Plan, 2000, is the 'Modernisation Agenda'. The Agenda has been to place patient health at the heart of the health service - making health services more accessible, safer and more personalised. The work of the Modernisation Agency is to support NHS clinicians and managers to improve services of the NHS and act as the 'centre for excellence' in identifying and celebrating good practice in the NHS. The role of the Modernisation Agency is itself changing, with an increasing emphasis on leadership development and learning. The refocusing of NHS workings to bring empowerment to frontline staff and patients in the NHS is a programme called the 'Shifting the Balance of Power'.

9.2.6 A main feature of this power shift towards the patient has been to give locally-based Primary Care Trusts (PCTs), and increasingly individual or groups of practices, a stronger commissioning role in the running of the NHS. Strategic Health Authorities have a wider strategic role across a much larger geographical area (see Figure 9.5) for how local structures interrelate). There are effectively five PCTs, across two Strategic Health Authorities, affected by growth in the area – Harlow, Epping Forest and Uttlesford PCTs in Essex SHA; and South East Herts and Royston, Buntingford and Bishops Stortford PCTs within Bedfordshire and Hertfordshire SHA.

NHS White Paper 2004: Choosing Health

9.2.7 The White Paper published in November 2004 builds on the Modernisation Agenda and develops the concept of individual choice in "a diverse, open and more questioning society".

9.2.8 Three principles underpin the Paper:

- 1 Informed choice: People will be able to make decisions about choices that impact on their health with trustworthy information to help them do so
- 2 Personalisation: Tackling health inequalities will be tailored to individuals, with services and support personalised sensitively and provided flexibly and conveniently

3 Working together: Progress depends on effective partnerships across communities

- 9.2.9 The Choice Programme is central to the Government's vision for the NHS and will be rolled out across the UK in 2005. Patients needing surgical treatment will be offered a choice of up to four or five hospitals once their GP has decided that a referral is required. Hospitals could be within NHS organisations, new treatment centres, or doctors with a special interest operating from a GP surgery.
- 9.2.10 This programme is aimed at expanding capacity and the options for patients to support the next stage of improved access times for elective treatment which require further capacity in the healthcare system. The assumption is that local people will choose their local hospital where the hospital is able to provide services in line with national access and quality standards.
- 9.2.11 It is reported that for the Princess Alexandra Hospital to be able to compete equitably within this new healthcare environment, it will need to have the appropriate capacity available. Over the last two years the hospital has been remodelling its services and has introduced a new model of care supported by a first phase of hospital capital development. With the planned population expansion in Harlow, the hospital will need a second stage of capital development to provide further additional capacity and also to remodel its emergency care and clinical diagnostic facilities in line with the most modern emergency secondary healthcare facilities in the world. The level of capacity expansion will be controlled through changes in models of care by working jointly with primary care colleagues enabling, where clinically appropriate, more services to be provided outside the hospital.
- 9.2.12 This recently issued review of progress against the NHS Plan 2000 and next steps identifies the further changes and priorities for the NHS which will need to be taken into account in local planning for Harlow. The major issues cover:
- 4 Public health and the need to provide greater focus on this to improve healthcare (details to be added from the PCT, Public Health Director).
 - 5 The move to more proactive management of individuals with longer term conditions (chronic diseases) to improve their quality of life and reduce the deterioration of these individuals' clinical conditions which if occurs requires a hospital admission. Evidence based medicine in this area shows successful management of a number of patients. Joint work between secondary and primary care in this area will help control the level of additional hospital capacity required to meet planned population change as detailed in the section above.
 - 6 A reduction in the waiting times for non urgent elective (planned) admissions to a maximum wait of 18 weeks from outpatient referral to treatment, which will require an expansion in elective capacity. Planned population expansion will cause an additional capacity requirement, which will result in additional facilities being required at both The Princess Alexandra Hospital NHS Trust and within primary care. Part of the impact of this change will also likely be met through other providers including the independent sector.

NHS Improvement Plan 2004/08 June 2004

- 9.2.13 The NHS Improvement Plan, published in June 2004, set out the next stage of the Government's plans for the modernisation of the health service, including further devolution of decision-making to local organisations and greater joint working.
- 9.2.14 This Plan is a move away from the previous system driven mainly by national targets to one in which standards are the main driver for continuous improvements, with greater scope for addressing local priorities.
- 9.2.15 The Improvement Plan will be implemented by: shifting as much power to patients as possible through greater choice; giving local leaders much more control; fewer national targets but a requirement for local targets; and an emphasis on equity.
- 9.2.16 These themes are drawn out in the most recent NHS Planning round (2005/08): service planning will orientate around a smaller set of national targets with greater scope for locally-determined targets and priorities. Devolution will therefore play a greater role in service decision making. Patient Choice and funding by results will ensure that there is competition between healthcare services.

Essex Strategic Health Authority 2004/2005 Local Delivery Plan, June 2004

- 9.2.17 The Strategic Health Authority (SHA) is, among other things, responsible for developing strategies for the local health service and ensuring high quality performance of the local health service and its organisations. The SHA's Local Delivery Plan, built up from individual plans put together by groups of local commissioning PCTs, confirms national and local strategic priorities; and defines the investment, activity and capacity needed to deliver key targets. The SHA report also shows systematically how improvements will be made and provides the basis for monitoring progress and performance management and accountability to local people.

Existing education arrangements

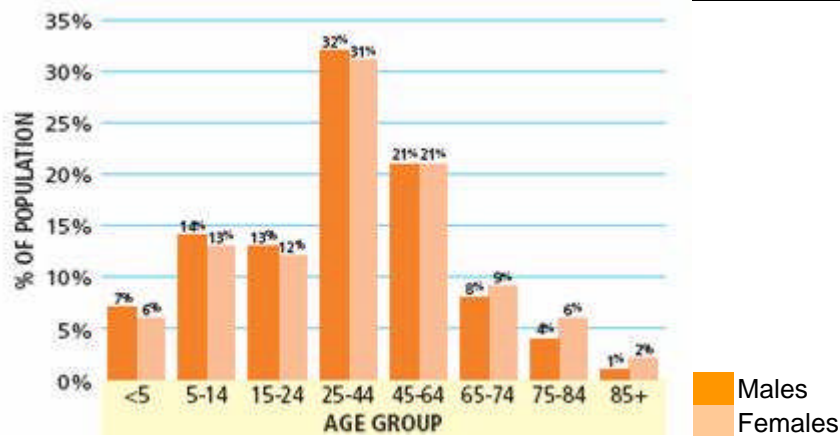
- 9.2.18 Education, learning and development are key to delivering the Government's vision of patient centred care in the NHS. All the health organisations across primary and secondary care are committed to providing staff with appropriate personal development and training whilst in post: the aim being to ensure that each, working with its partners and related sectors, develops and equips its staff with the skills they need to: support changes and improvements in patient care; take advantage of wider career opportunities; and realise their potential.

9.3 Main health issues in Harlow

- 9.3.1 The following information in this section was taken from the Annual Public Health Report 2002-03, Feb 2004 (APHR), with up dated figures supplied by Harlow PCT where possible. This section will draw out the main health issues affecting Harlow.

9.3.2 **Age profile:** The Harlow age distribution is slightly different to the national picture. There is a larger percentage aged 0 to 44 years in Harlow (64% compared with the England and Wales average of 60%), whilst Harlow has a lower percentage of older people (75+ years age groups). The population in Harlow will be ageing, in keeping with, but to a higher degree than, national trends. This brings the risk of increased levels of certain conditions e.g. diabetes, cancer, coronary heart disease, osteoporosis.

Figure 9.1 Harlow Gender Distribution

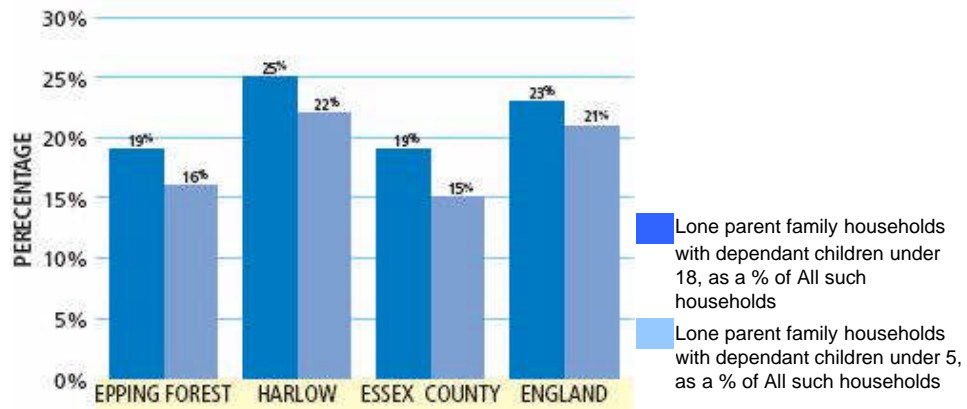


Source: APHR (2004) sourcing Office of National Statistics, Census 2001

9.3.3 **Life expectancy** for men is 75.6 years, similar to life expectancy for England, but slightly lower to that for Eastern Region. For women in Harlow, 82.3 years life expectancy is much higher than national and regional figures.

9.3.4 **Marital status and lone parents:** Reflecting the new town effect, and overall younger population in Harlow, there is a smaller percentage (7.7% compared with 8.4%) of widowed people and people who have never married; 29.8% compared with 30.1% for England and Wales. However, compared to the national picture, Harlow has a greater percentage of separated and divorced people. In Harlow there are slightly higher percentages, when compared to Essex County and the national figure, of lone parent families with children aged under 5 and under 18 years. A quarter of dependent children under the age of 18 in Harlow live with a lone parent. Of children aged under 5 years old, 22% live with a lone parent. The Primary Care Trust considers that there is a correlation between household composition, marital status and dependent children and factors related to community health.

Figure 9.2 Lone Parent Families



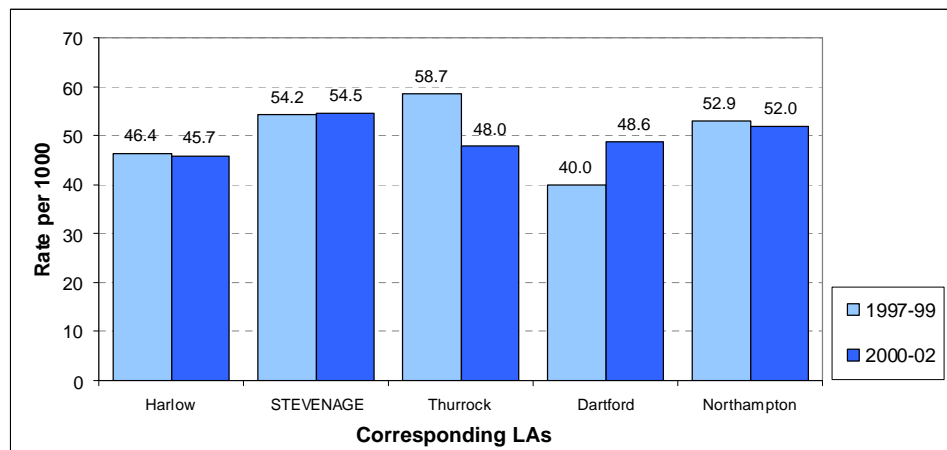
Source: APHR (2004) sourcing Office of National Statistics, Census 2001

9.3.5

Teenage Conceptions (see Figure 9.3): APHR 2004 notes that although parenthood is, for the majority, a positive experience, for young parents and their children it can bring negative consequences. In particular, there can be negative impacts on the:

- health of both child and mother (short and longer term),
- education and employment opportunities for teenage parents; which can affect health
- likelihood of secure and stable housing for the family, which can affect health.

Figure 9.3 Under 18 conception rates 1997-99 and 2000-02 by selected Local Authorities



Source: Harlow PCT, Teenage Pregnancy Unit

9.3.6

It is not appropriate to show the above rates on a yearly basis because the numbers are small (less than 100), so rates of teenage conceptions are grouped into 3 yearly averages. Teenage pregnancy in Harlow is shown to be at 45.7 per 1,000 in 2000-02 relatively similar to the 1997-99 figure. The recent figure of 2000-02 is the lowest compared to the surrounding local authorities, and the APHR describe the reduction as ‘encouraging’.

9.3.7 **Smoking:** A key risk factor associated with many of diseases and causes of death is the rate of smoking. It is estimated that there are 17,000 people over the age of 16 years in Harlow who smoke which is similar to the South East.

9.4 Hospital Admissions

9.4.1 A key proxy of ill-health is the elective (planned) and emergency (unplanned) admissions to hospital.

9.4.2 **Elective inpatients:** Table 9.1 below shows the main reasons for elective admission in more detail, which are diseases of the digestive system, the musculo-skeletal system, and the genito-urinary system.

Table 9.1 Elective Admission, Harlow district

ICD-10 Chapter	Description	Total Elective Admissions	% of Total
11	Diseases of the digestive system	415	18%
13	Musculo-skeletal system	397	17%
14	Genito-urinary system	336	14%
2	Neoplasms	331	14%
7	Diseases of the eye and adnexa	171	7%
10	Diseases of the respiratory system	159	7%
9	Diseases of the circulatory system	125	5%
21	Factors influencing health and health status and contact with the services	106	5%
18	Systems, signs and abnormal clinical and laboratory findings not elsewhere classified	103	4%

Source: APHR (2004)

ICD-10 - the tenth version of the International Statistical Classification of Diseases and Related Health Problems. This is a classification that is used throughout the world to code different disease diagnoses in order that different areas and countries can be compared.

9.4.3 **Daycases:** Table 9.2 shows the main reasons for day cases, which are neoplasms, diseases of the digestive system, and the genitor-urinary system.

Table 9.2 Day case Activity, Harlow district

ICD-10 Chapter	Description	Total Daycases	% of Total
2	Neoplasms	1,616	27%
11	Diseases of the digestive system	1,039	17%
14	Genito-urinary system	895	15%
7	Diseases of the eye and adnexa	675	11%
13	Musculo-skeletal system	271	4%
3	Disease of the blood	247	4%
18	Systems, signs and abnormal clinical and laboratory findings not elsewhere classified	223	4%
21	Factors influencing health and health status and contact with the services	198	3%
15	Pregnancy and child birth	194	3%
4	Endocrine/metabolic disease	152	3%

Source: APHR (2004)

ICD-10 - the tenth version of the International Statistical Classification of Diseases and Related Health Problems. This is a classification that is used throughout the world to code different disease diagnoses in order that different areas and countries can be compared

9.4.4 **Emergency Admissions:** Table 9.3 shows the main reasons for emergency admissions, which are systems, signs and abnormal clinical and laboratory findings not elsewhere classified, and diseases of the circulatory and digestive systems.

Table 9.3 Emergency Admissions, Harlow district

ICD-10 Chapter	Description	Total Emergency Admissions	% of Total
18	Systems, signs and abnormal clinical and laboratory findings not elsewhere classified	1,090	17%
9	Diseases of the circulatory system	945	15%
11	Diseases of the digestive system	864	14%
19	Injury, poisoning	786	12%
10	Diseases of the respiratory system	686	11%
15	Pregnancy and child birth	385	6%
14	Genito-urinary system	315	5%
2	Neoplasms	312	5%
12	Diseases of the skin	181	3%
13	Musculo-skeletal system	159	3%

Source: APHR (2004)

ICD-10 - the tenth version of the International Statistical Classification of Diseases and Related Health Problems. This is a classification that is used throughout the world to code different disease diagnoses in order that different areas and countries can be compared

9.4.5 **Deaths, Cancer:** The target, for cancer is to reduce deaths from cancer in the population aged under-75 by at least a fifth by 2010 from the 1995-97 average baseline. Progress is being made and the rate of cancer deaths per 100,000 population has fallen from 153 (1995-97) to 140 (1999-00), but this is still higher than the national average of 142 and 120, by respective year group.

- 9.4.6 **Deaths, Circulatory Diseases:** There has also been significant progress in the fight against circulatory diseases and the number of deaths have fallen from 143 (1995-97) to 108 (1999-00) – a fall better than the national average over the same periods (142 and 116, respectively).
- 9.4.7 **Deaths, Mental Health:** The main national target for mental health is to reduce the death rate from suicides by at least 10% by the year 2010. At PCT level, the number of suicides is small: 1999-2000 baseline showed 10.4 per 100,000 population, the national figure being 9.4.
- 9.4.8 **Health inequalities** are very evident in Harlow. On some main health issues, the district does not compare favourably to other areas in Essex or the national average.

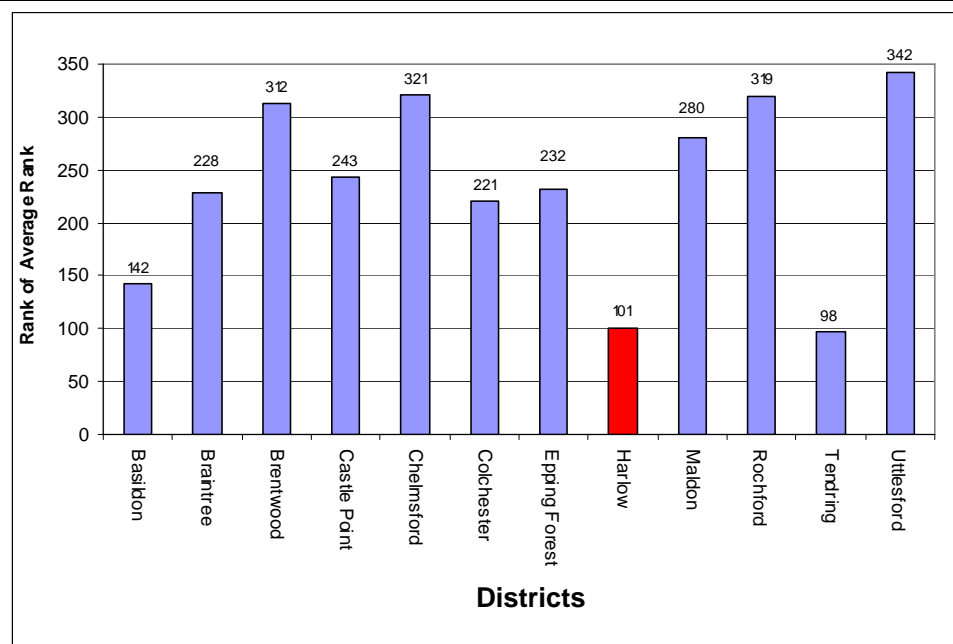
9.5 Summary

- Reflecting the new town effect, Harlow has a 4% larger proportion of 0-44 age groups and a lower proportion of 75+ age groups, and an ageing population.
- There are a slightly higher proportion of dependant children under the age of 18 live with a lone parent.
- Teenage pregnancies are shown to be falling and most recent rates are lowest compared to surrounding local authorities.
- Elective inpatients: The most common reasons for elective admission were for diseases of the digestive system, musculo-skeletal system, and the genito-urinary system.
- Day cases: The most common reasons for day cases were neoplasms, diseases of the digestive system, and the genitor-urinary system
- Emergency admissions: The most common reasons for emergency admission were systems, signs, and abnormal clinical and laboratory findings not elsewhere classified, and diseases of the circulatory and digestive systems.
- Deaths by cancer are shown to be higher than the national average (significantly), which is also the case for mental health. Death by circulatory diseases have fallen at a rate faster than the national average and most recent figures show they are below the national average.
- Health inequalities are very evident in Harlow. On some main health issues, the district does not compare favourably to other areas in Essex or the national average.

9.6 Harlow Deprivation

- 9.6.1 Health and deprivation are closely linked and Harlow is shown to be slightly below regional average in deprivation. Figure 9.4 below shows in 2004 Tendring was the most deprived district overall in Essex followed by Harlow. Harlow has fallen down the national ranking from 82 to 101 which means that it is now judged to be relatively less deprived.

Figure 9.4 Deprivation Average Rank achieved by districts in Essex



Source: Indices of Deprivation 2004, Office of the Deputy Prime Minister

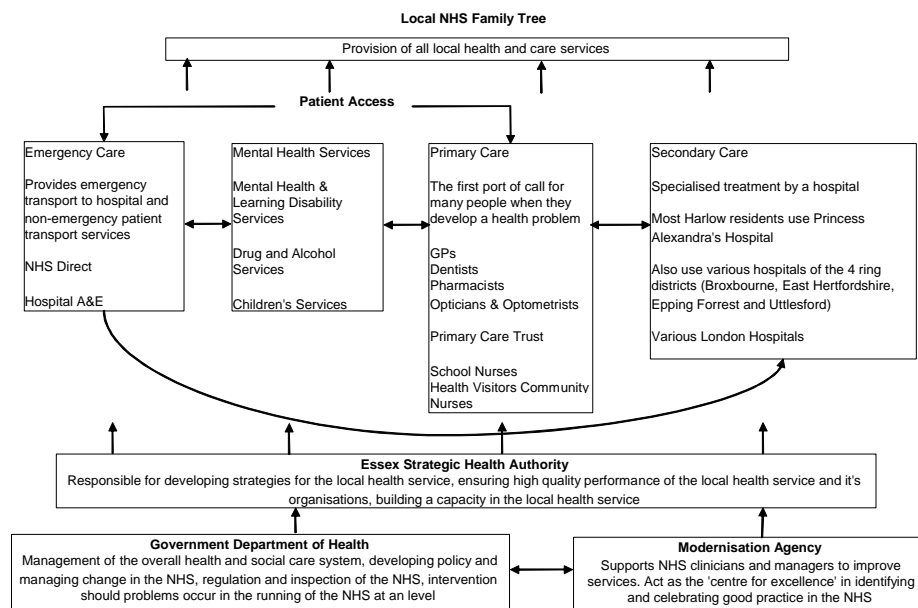
9.6.2 The data in this report shows that Harlow residents are in slightly worse health than those living in the surrounding areas, though compared to the National average Harlow has a smaller proportion of the less healthy. The proportion of the working population with a limiting long term illness is also higher when compared to the East region, but again lower when compared to the national average. Incapacity benefits do not vary from the national average to any degree. This is an oversimplification to some extent, as some individual wards outside Harlow town itself also have significant deprivation.

9.6.3 Local demographics are likewise important to plan for health facilities. Age structure affects the type of health services in demand. A younger population for instance will have higher fertility rates and a greater need for maternity and children’s services. The West Essex Clinical Services Review will consider changing demand in healthcare given the changing demography of the Harlow area.

9.7 Structure of the NHS

The local NHS family tree

9.7.1 The pictorial representation below (Figure 9.5) shows the relationships of management and provision between central government, regional and local structures of healthcare control.

Figure 9.5 Local NHS Family Tree

9.7.2 The NHS tree shows that there are four front-end services which interact with patients Primary, Secondary, Mental Health Services (often provided through the PCT) and Emergency Care. Underpinning these services is the SHA which is informed by the Department of Health and the Modernisation Agency whose roles are to manage and regulate the social care system.

9.8 Current Healthcare provision in the West Essex / East Hertfordshire area

NHS services in Harlow

9.8.1 Essex SHA was established in October 2002 following the merger of the former North and South Essex Authorities, its prime functions to: help trusts to put national policy into practice; set the strategic direction for Essex; monitoring performance and standard setting; and support modernisation. Of the 12 PCT's within Essex SHA, the West Essex sub-economy comprises Uttlesford, Harlow and Epping Forest PCT's, with the acute Trust, Princess Alexandra Hospital. The Clinical Services Review includes the two East Hertfordshire PCT's, South East Herts and Royston, Buntingford and Bishop's Stortford PCT's, both with significant flows of patients to Princess Alexandra Hospital.

Primary Care Trusts and Secondary Care

9.8.2 Primary Care Trusts (PCT's) are responsible for managing health services at a local level to ensure community's needs are being met. Primary care as it implies, refers to the 'first point' of contact and is provided by GPs, dentists, opticians, etc. Primary care workers provide over 90% of healthcare needs and services and are provided

locally, usually at GP surgery. Primary Care Trusts also incorporate mental health provision.

9.8.3 Harlow Town has one PCT, and there are 5 other PCTs in the surrounding 4 districts of the Harlow Ring. Harlow Primary Care Trust was established in 2001.

9.8.4 Health problems which cannot be sorted out through primary care or emergencies are dealt with by secondary care. PCTs are responsible for commissioning secondary care. The West Essex and East Herts PCTs work closely with Princess Alexandra Hospital Trust to agree about how to deliver services.

9.8.5 PCTs are at the centre of modern NHS and receive 75% of the budget. Based locally they are best positioned to understand the needs of their community and ensure services are working effectively. PCTs will identify shortfalls in services and negotiate with practices to provide extra services. PCTs can also contract non-NHS bodies such as voluntary or commercial sector providers to supply primary medical services.

9.8.6 By 2005/06, procedure level commissioning will apply to all activity commissioned within the NHS.

Harlow Primary Care Trust

9.8.7 The Harlow PCT was established in April 2001 and manages around 260 staff and serves the population of Harlow (some 80,000 people), and holds the National Health Service budget for Harlow. The area the PCT covers is based on GP surgery registration so that patients may access Harlow PCT and Princess Alexandra Hospital Trust though not live within the boundaries of Harlow Council.

9.8.8 As commissioners of healthcare, the majority of revenue funding is directed to PCTs, with a formula based on population numbers. A new funding formula was introduced in 2002/03 which was based on 2001 Census population figure. This means allocations fall short of the population increase since 2001 and therefore will add extra pressure to finding funds for development and modernisation. PCTs within designated growth areas are anticipating future allocations to be uplifted in recognition of substantial population expansion. The precise level of uplift is yet to be agreed.

9.8.9 In 2001 there was a change in the configuration of the Trust's healthcare provision such that services for paediatrics and care for the elderly were transferred from the former Essex and Hertfordshire Community NHS Trust to The Princess Alexandra Hospital NHS Trust. Non acute care of the elderly services was transferred to Primary Care Trusts in 2001.

9.8.10 There are 9 related PCT clinics, and the PCT also manages directly manages:

- District Nursing, School Nursing and Health visiting services
- Health promotion nurse for over 75's
- Collaborative care

- Intermediate Care Centre at Sydenham House and Williams Day Hospital
- (47 bed centre opened in 2003)
- Walk-In Treatment Centre and Young People's Information Centre
- Diabetes Specialist nurses
- Child Protection Team

9.8.11 The PCT has Service Level Agreements with:

- Epping Forest PCT for the provision of therapy services and specialist nurses
- Essex Ambulance Trust

The vast majority of Harlow PCT commissioning of secondary health services go to the Princess Alexandra's Hospital.

9.8.12 There are 11 GP practices within the PCT (46 GP's)

- Community Pharmacies (13)
- Dentistry Practices (10)
- Optometry Practices (08)

9.8.13 Harlow PCT also commissions services from the following organisations:

- St Clare Hospice
- North Essex Mental Health Partnership NHS Trust
- East and North Herts NHS Trust
- Essex County Council
- Voluntary Sector
- Mid Essex Hospitals NHS Trust
- Harlow Council

9.8.14 Developments in Clinical Services:

- Redevelopment of specific clinics
- Diabetes service re-launch
- Improving dermatology services locally
- Full operation of Sydenham House Intermediate Care Centre
- ECP pilot for admissions avoidance
- Heart failure pilot – West Essex project
- Referrals management and Tier 2 services in Orthopaedics – West Essex Project

This information was drawn from the Harlow PCT service profile, which sourced: Harlow PCT Annual Report 2002/3; Harlow PCT Improvement Plan 2003; CHI Action Plan; and, PCT Clinical effectiveness and clinical audit strategy.

Recent provision being developed in the PCT

- 9.8.15 The PCT is working with local partners to develop medium term service and financial strategies to ensure continued sustainable improvement in the local health services, together with the delivery of the key NHS plan targets.
- 9.8.16 Provision specifically includes, for older people:
- Expanding the collaborative care team, to include a speech therapist and more help to assess people's needs while still in hospital
 - Moving the Williams Day Hospital from Princess Alexandra to the Leah Manning Elderly People's Centre so we can work closely with other services to meet older people's needs
 - Expanding the collaborative care team to provide more rehabilitation care for people at home
 - Developing a wider range of services at Sydenham House Intermediate Care Centre
- 9.8.17 For young people:
- Seven teams of health visitors based at clinics in Harlow to carry out development checks and offer advice, etc.
 - Young Peoples Information Centre in Harlow Town Centre
- 9.8.18 Mental Health Teams at Latton Bush. The teams work with patients in their own homes, clinics and the Community Mental Health Resource Centres. Community Mental Health Teams include community psychiatric nurses, occupational therapists and assistants, psychologists, approved social workers, support workers, psychiatrists and staff grade doctors.
- 9.8.19 Other improvements planned
- Opening a new, modern GP surgery at Sydenham House, to replace the old one
 - Extending the Walk In Centre
 - Launching a dermatology clinic at Keats House, meaning people with these problems will not have to face waiting times for hospital treatment
 - Refurbishment work at Osler House GP practice
 - Strong local demand for the Walk In Centre. Plans are in place for further expansion to provide a wider and more proactive range of services
- 9.8.20 Harlow PCT have implemented the national patient choice programme, initially, for patients waiting six months or longer for an operation, but by December 2005 this will be rolled out to everyone in need of secondary treatment, who will be then offered four or five choices. Initially, Choice will be offered to patients who face waits of six months or longer for orthopaedic or general surgery, as locally these are the surgical areas with the longest waiting lists.

Secondary Healthcare (Acute)

- 9.8.21 The Princess Alexandra Hospital Trust was established in 1995. The Trust provides health care services at Princess Alexandra Hospital, Harlow together with outpatient services at the Herts & Essex Hospital, Bishop's Stortford, St. Margaret's Hospital, Epping and the Tower Centre Clinic in Hoddesdon. In addition to the communities of Harlow Epping, the trust serves the population of Bishop's Stortford and Saffron Walden in the North, Loughton and Waltham Abbey in the South, Great Dunmow in the East, Hoddesdon and Broxbourne in the west.
- 9.8.22 The Princess Alexandra Hospital NHS Trust was established on 1 April 1995. The catchment for this main hospital reaches out to serve populations in Harlow and Epping; to the North - Bishop's Stortford and Saffron Walden; to the south – Loughton and Waltham Abbey; to the east – Gt Dunmow; to the west – Hoddesdon and Broxbourne, adding up to a population of 210,000 to 250,000.
- 9.8.23 Strategic priorities of the Trust include:
- Provide clinically appropriate and cost effective health services
 - Modernising health services
 - Duty to work in partnership with patients, the public, staff and other health and social care agencies and education and training bodies
- 9.8.24 Under NHS arrangement, PCTs commission work from NHS Trusts to secure health service for their local population. This new contracting was introduced in 2004.
- 9.8.25 PCTs drive the patient load of Princess Alexandra Hospital (PAH) in that PCTs commission care from the Acute providers. The PAH catchment area incorporates the four districts surrounding Harlow, providing secondary healthcare for the surrounding PCTs. The vast majority of Harlow's secondary care activity is commissioned from Princess Alexandra Hospital (95%) (only those specialist care issues being referred elsewhere), with a small proportion via proportions via Uttlesford PCT commissions up to 9 or 10%, the 2 PCTs in Hertfordshire requiring 25% of their Acute sourcing, and Epping PCT commissioning about 26-28% of their secondary care from PAH.
- 9.8.26 Service provision by the hospital includes:
- Acute services based at PAH (460 beds with A&E and core acute services)
 - Out-patient services at PAH plus Herts & Essex Hospital, St Margaret's Hospital, and Tower Centre Clinic, Hoddesdon
- 9.8.27 Harlow PCT has experienced 'heavy' demand for local acute services during 2003-2004, both in elective and emergency care. This highlighted a need for a medium term strategy which is being developed to manage demand and reduce requirements for secondary care provision by developing suitable alternative community services.
- 9.8.28 There has been significant recent redevelopment of site facilities at the PAH, including a £16million wing extension to the main site complex providing:
- 3 wards

- 2 additional inpatient theatres
- Same-day admission unit
- Pre-assessment unit incorporating four consulting rooms
- New staff accommodation (208 units)
- Improved care by a 'working differently' programme
- Refurbishment of the maternity department
- Provision of new treatment facilities for heart patients
- Construction of new staff accommodation with 208 units

9.8.29 The facilities of this extension will relieve pressure from the accident and emergency department. The development will also allow greater flexibility in delivering the additional patient activity to further reduce waiting times for treatment, and meet targets set out in the NHS Plan.

9.8.30 Modern facilities are crucial for expanding capacity and enabling flexibility. Moreover developments are likely to draw workforce to the hospital which may contribute toward raising hospital 'star ratings' which fell in 2002/2003 due to pressures on services partly due to a combination of shortages in bed theatre capacity.

9.8.31 There are still plans for additional capacity expansion to enable the PAH Trust to deliver on the local delivery plans of PCT and Health Authorities, which have been investigated by the on-site capacity assessment.

9.9 Future provision of health services in Harlow

Forecasting demand

9.9.1 Forecasting demand and the required healthcare provision is a complex matter. Presently a study is being undertaken, commissioned by the five local PCTs and PAH Trust with the SHA, and sponsored by Office Deputy Prime Minister (ODPM), to develop forecasts for healthcare demand infrastructure and to develop a medium to long term health strategy for Harlow and the surrounding area. This study is called the West Essex Clinical Services Review (WECSR).

9.9.2 The Review is intended to deliver a strategic vision for the transformation of healthcare locally. The important drivers for this work include;

- The need to increase the pace and extent of modernisation initiatives across West Essex/East Herts
- A recognition that from the point of view of clinical quality, access to services and cost, it would not be possible to meet increasing demand for healthcare through investment in 'more of the same',
- The need to plan for significant population growth in the area, to 2021 and beyond.

9.9.3 The values and principles underpinning this work include;

- Provision of care in the most appropriate setting and location

- To develop and provide the most appropriate and cost effective service determined in partnership with our patients, public and staff
- Collaborative working between organisations
- Involvement of the widest range of local statutory and voluntary organisations as the planning work progresses.

9.9.4 A number of important themes run through the development of new models of care, as part of this work;

- An emphasis on integrating care across professional and organisational boundaries
- Emergency, unplanned care should only be an option when absolutely necessary
- Improving the populations' health by encouraging self-managed care
- Improving the management of long-term conditions as a priority
- A commitment to managed care through the development of care pathways and protocols
- Training and education as a key element in supporting the implementation of service change
- A commitment to IT to improve integration/communication, as a support to clinical decision making and patient choice more generally.

9.9.5 The Review will place far greater emphasis on services which can more effectively be provided in a primary care rather than a hospital setting, by appropriately skilled staff. By January, 2005, the Consultants engaged to undertake a major part of the service modelling work, will have produced their draft report. This will describe the new service model, and what this will mean in terms of;

- The boundary between primary and secondary care services
- The potential for building capacity in primary care and its impact on reduced lengths of stay, admissions avoidance and the demand on workforce generally
- The costs of commissioned activity and directly provided services within primary care
- How population growth impacts on the whole.

9.9.6 Broadly, the Review will look at two options, a minimal service change option, and a radically new service model, mapped upon population growth projections over the period to 2021. Health organisations locally will need to process the outputs of the Consultants report, before arriving at an agreed service development strategy, with a clear assessment of impact, quantifying the future requirements for health services. This work will take place over the Spring, 2005.

9.9.7 Early work from the Review has driven a number of local initiatives now underway, which will be subject to further development in the future;

- The introduction of emergency care practitioners across West Essex
- The piloting of case finding/case management in Epping Forest
- The introduction of a referral management centre and the development of specialist primary care services in Orthopaedics

- The development of a new model of care for chronic heart failure.

9.9.8 In general, the emerging themes from the Review include;

- A strong shift from an acute to a community focus in the delivery of healthcare, incorporating the further development of intermediate care services.
- Integrating and developing a range of community services providing rapid response or care at home; a range of walk-in treatment and minor injuries centres; improving the support available to those with long term conditions to avoid unnecessary admission to hospital.
- Enhanced primary care, using a different and more flexible set of skills in primary care
- Develop short stay and day case facilities
- The need to improve access to diagnostic services across primary and secondary care.
- The need for a comprehensive workforce strategy which fully takes into account the EWTD (European Work Time Directive), changes in medical training, recruitment and retention initiatives, the requirement for new and flexible professional roles needing new sets of skills and knowledge, as well as meeting the demand for an overall expansion in staff numbers over the coming period.
- Local implementation of the National Programme for IT, to support Choice, the introduction of electronic care records, and a reliable IT infrastructure.

The Princess Alexandra Hospital

9.9.9 There are plans to improve facilities for patients and staff. PAH has undertaken its own investigations to consider potential for site expansion (bed space, nursing accommodation, etc.). The findings from the site investigation will be carefully considered in relation to the findings of the WECSR.

9.9.10 This PAH capacity site study and the WECSR will combine to inform planning of healthcare provision. Detail from the PAH site survey will only be released when the WECSR has been published and detailed consideration given to design options for expansion and redevelopment.

9.9.11 If population expansion is realised in line with house building proposals for Harlow and potential expansion of Stansted Airport by 2011, senior representatives at PAH said that decisions would have to be made quickly and concertedly (with PCTs and Essex SHA, etc.) and facilities and infrastructure in place by 2010 ready to cope with increasing demand.

9.9.12 One finding from the PAH site-capacity study was that the present site can offer room for capacity expansion up to 650 beds (20% on present bed number) without building upwards. Improvements in clinical healthcare science mean that turnaround of operations, period of patient recovery means 650 beds calibrates to the equivalent of 800-900 beds just 10 years ago. Such an expansion to 650 beds, PAH believe, would offer services for current catchment and any population expansion of up to 80,000. Calculations from statistics from bed occupancy figures and length of stay statistics,

together with a current bed use audit and projected workload figures for 2004/05 will be used to plan bed numbers.

- 9.9.13 Site expansion would include a planned updating of modern health facilities with a new life space of 40-50 years. It is thought that redevelopment would also be necessary as 60% of building stock dates back to 1965. Such a massive capital build project would require funding by a Private Finance Initiative scheme (PFI).
- 9.9.14 To meet house build and associated population growth, PAH capital investment project would require a PFI process starting late 2005 or early 2006 and commitment would have to be sought at ministerial-level before PFI tendering could begin. There would be added complication in relation to Government timescales of the PFI bidding timing (twice a year) and when PFI tenders can advertise in the European Journal of Operation (EJO). It is thought a 12- 15 month period from ministerial commitment to contract a signing would be needed. Following this building would begin most likely based on a 3-month rolling programme of clearance and redevelopment to minimise disturbance.
- 9.9.15 Discussions with senior NHS representatives at PAH also raised concern that changes to the Essex district boundary would change population flows to secondary care. Considered broadly, if the boundary is drawn south of the A120, the population of Essex will contract and lessen demand to the PAH as population capture are likely to demand acute care north-wise. Drawing the boundary north of the A120 will result in greater demand for PAH. It is not yet known where the new boundary will be drawn, but it was thought that this decision would be critical to planning secondary care.

9.10 Strengths, weaknesses, opportunities and threats

- 9.10.1 The summary of the main health issues in Harlow is as follows:
- Reflecting the new town effect, Harlow has a 4% larger proportion of 0-44 age groups and a lower proportion of 75+ age groups, and an ageing population.
 - There are a slightly higher proportion of dependant children under the age of 18 live with a lone parent.
 - Teenage pregnancies are shown to be falling and most recent rates are lowest compared to surrounding local authorities.
 - Elective inpatients: The most common reasons for elective admission were for diseases of the digestive system, musculo-skeletal system, and the genito-urinary system.
 - Day cases: The most common reasons for day cases were neoplasms, diseases of the digestive system, and the genitor-urinary system
 - Emergency admissions: The most common reasons for emergency admission were systems, signs, and abnormal clinical and laboratory findings not elsewhere classified, and diseases of the circulatory and digestive systems.
 - Deaths by cancer are shown to be higher than the national average (significantly), which is also the case for mental health. Death by circulatory

diseases have fallen at a rate faster than the national average and most recent figures show they are below the national average.

- Health inequalities are very evident in Harlow. On some main health issues, the district does not compare favourably to other areas in Essex or the national average.

9.10.2 This strengths, weaknesses, opportunities and threats analysis related to provision reflects the views of the healthcare sector in Harlow.

Strengths

- PAH site location has good opportunities for on-site expansion with potential space for up to 650 beds.
- PAH has recently expanded capacity and capabilities. The extensive capital schemes of 2003/04 with £16m new elective treatment centre and new wing providing 82 bed spaces will provide up-to-date healthcare and attract skilled workers.
- Modernisation and expansion of a number of key facilities including a new emergency surgical assessment unit will provide additional capacity to support patient choice and manage emergency referrals more effectively. The new day surgery theatres have also enabled expansion of day services from two to four theatres.
- Record of successful service change and modernisation in primary care

Weaknesses

- A large change in health catchment would require new greenfield locations for facility development.
- Staffing issues in relation to location. Any increase in population will create a subsequent increase in demand for skilled healthcare practitioners, the supply of which is not available locally.
- Access to the PAH site is poor. There are only two buses which run into the site offering patient access. There is over-emphasis on car use and parking facilities would have to expand significantly were the site facilities to be expanded.
- The lack of an established Local Delivery Vehicle engaging all local partners, including health, in driving forward change.
- Demand for healthcare is high in the town. This is reflected in the relatively poor health status of the Harlow population, which is linked to deprivation.

Opportunities

- PAH has clear capability to expand facilities.
- New developments at PAH such as new A and E building will hope to attract new and better staff.
- Population expansion provides an important opportunity for service change.
- Regeneration and population related developments should be implemented in a way that allows for the health status of the current population to improve. Community facilities, transport links, good quality and appropriate housing are examples of underlying determinants of health that need to be exploited within existing and new developments to ensure health improvement.

Threats

- Uncertainty of border change for West Essex and potential changes in demand for primary and acute sector services. Plans for healthcare expansion are dependent on knowing where this border will be drawn and are somewhat in a state of limbo until this decision has been made.
- Population expansion could impact on 'earned autonomy' and central government funding. The government's target is to reduce the maximum wait for an out patient appointment from 17 weeks to 13 weeks by December 2005 would be threatened, for example as would 98% of A&E patients being managed within 4 hours.
- Through the 'Patient Choice' programme, London healthcare could become a strong draw for patients in Essex, especially if waiting times increase following population expansion. This would further add to a cut in funding for Harlow health services in line with demand.
- Health inequalities across the town could further increase if population expansion occurs without regeneration benefiting the existing residents of Harlow.

9.11 Needs and Issues

9.11.1 The main health issues that Harlow faces are as follows, although they are similar to the regional and national issues.

- Harlow has a 4% larger proportion of 0-44 age groups and a lower proportion of 75+ age groups, and an ageing population.
- There are a slightly higher proportion of dependant children under the age of 18 live with a lone parent
- Deaths by cancer are shown to be higher than the national average (significantly), which is also the case for mental health.
- Harlow Town's healthcare needs and issues cannot be viewed in geographical isolation from the adjacent area and should be considered within the context of the requirements of the surrounding Primary Care Trusts.
- Under any planned population expansion in Harlow, secondary healthcare will require a second stage of capital development to provide further additional capacity and remodel its emergency care and clinical diagnostic facilities, and develop short stay and day case facilities.
- The West Essex Clinical Services Review (WECSR) and internal assessment of site capacity at the Princess Alexandra Hospital will indicate the capability and healthcare requirements and combine to inform planning of healthcare provision in the area to 2021 and beyond. Healthcare facility developments should, ideally, be in place before the expansion of population.
- There is a need to increase the pace and extent of modernisation initiatives across West Essex/East Hertfordshire. It is also recognised that it would not be possible to meet increasing demand for healthcare through investment in 'more of the same'.
- There is a need for a medium term strategy to manage requirements for secondary care provision by developing suitable alternative community services. Integrating and developing a range of community services improving the support available to those with long term conditions to avoid unnecessary admission to hospital.

- A comprehensive workforce strategy for healthcare is required to meet any planned growth, which takes into account the European Work Time Directive, changes in medical training, recruitment and retention initiatives, the requirement for new and flexible professional roles needing new sets of skills and knowledge, and overall expansion in staff numbers. This will impact on affordable housing needs.

10 Transport and Accessibility

10.1 Introduction

10.1.1 This chapter provides a review of transport and accessibility issues in Harlow, particularly focused on the interface of transport planning issues with the emerging master planning and sustainability work.

10.1.2 Harlow is a town which experiences traffic congestion in the peak hours, particularly at pinch points on the road network; for example Junction 7 on the M11, and along key routes into town such as the A414. Car dependency in Harlow is high (at 59% for the journey to work, Census 2001); public transport mode share is low (at 11%), reflecting a poorly developed network. Mode shares for walking and cycling are also low, despite good route network provision.

10.1.3 Given the existing traffic congestion and the future pressures that Harlow is likely to experience – both through general traffic growth and the traffic that may be generated by new residential and employment development in and around the town – the future master planning of the town must seek to facilitate the greatest possible public transport, cycling and pedestrian mode share to and from new development sites and a regenerated town centre.

10.1.4 New development should seek to facilitate improved levels of public transport, pedestrian and cycle use than already experienced across the town. The 1957 Gibberd Masterplan provided an excellent basis for self-contained neighbourhood centres and extensive walking and cycling networks; new master planning should build on this legacy.

10.2 Policy Context

10.2.1 Harlow has been the focus of much planning analysis and review in recent years; particularly since Regional Planning Guidance for the South East (RPG9, 2001) identified the potential for the London-Stansted-Cambridge corridor, focused on Stansted Airport. The policy climate at the moment is very much one of accommodating high levels of growth, and using this growth for regeneration. Key policy documents are noted below.

10.2.2 The *Transport White Paper* (DETR, 1998) establishes the national policy framework for integrating land use and transport planning. In addition, guidance issued in the form of *PPG13* (DETR 2001) offers a number of broad principles to influence the planning of new development. These include:

- Locating the majority of new developments adjacent to or within larger urban areas;
- Locating major generators of travel demand in existing centres;
- Siting development where it is accessible to means of travel other than the private car.

- 10.2.3 *Places, Streets and Movement* (DETR, 1998) provides good practice guidance on the application of these principles in development proposals. It emphasises the need to provide networks of routes and spaces to shape development, rather than sites and layouts designed solely for car access. *Going to Town: Improving Town Centre Access* (ODPM, 2002, Companion Guide to PPG6) is useful in developing best practice guidance for improving accessibility in town centres and includes advice on overcoming traffic severance and improving permeability to and through centres. All of these documents are good reference points for the future transport planning and master planning of Harlow.
- 10.2.4 The East of England *Regional Transport Strategy* (East of England Local Government Conference, 2003) provides the regional strategy for transport, including the route hierarchy, public transport accessibility criteria and approach to parking standards. At the local level, the *Essex Local Transport Plan* (Essex County Council, 2000) provides the transport policy strategy and investment programme for the next five years. Key objectives are to:
- Protect and enhance the built and natural environment.
 - Improve safety for all travellers.
 - Contribute to an efficient economy and support sustainable economic growth in appropriate locations.
 - Promote accessibility to everyday facilities for all, especially those without a car.
 - Promote the integration of all forms of transport and land use planning, leading to a better, more efficient transport system.
 - See and encourage investment in transport and make efficient use of the resources available.
- 10.2.5 *Sustainable Communities: Building for the Future* (ODPM, 2003) is a national programme of action setting out how the Government intends to achieve sustainable communities for all. It sets out a step-change in the level of development, aimed at tackling the housing shortage. A number of documents are available. Of particular relevance to Harlow is *Sustainable Communities in the East of England* (ODPM, 2003), the regional action plan highlighting actions to address housing, planning and neighbourhood renewal issues. There are some challenges, though:
- Provide for the East of England's growing population, which increased by 6% in the last decade and is projected to increase by over half a million over the period 1996 to 2021.
 - London and the Growth Areas have the potential to accommodate an additional 200,000 homes above levels currently planned in regional planning guidance.
 - The London-Stansted-Cambridge study generated growth options for Upper Lea Valley, Harlow, Cambridge, and, in the longer term, new settlements in north Essex or south of Cambridge. The study suggests that the potential for growth in housing provision to 2031 could range from around a quarter to half a million, dependent on the provision of significant transport infrastructure.

10.3 The Current Situation

10.3.1 The following summarises the current transport and accessibility context within the Harlow area. It is based on a broad assessment of existing data and reports, and should be considered alongside the work currently being undertaken by MVA (Table 10.1 Figure 10.1).

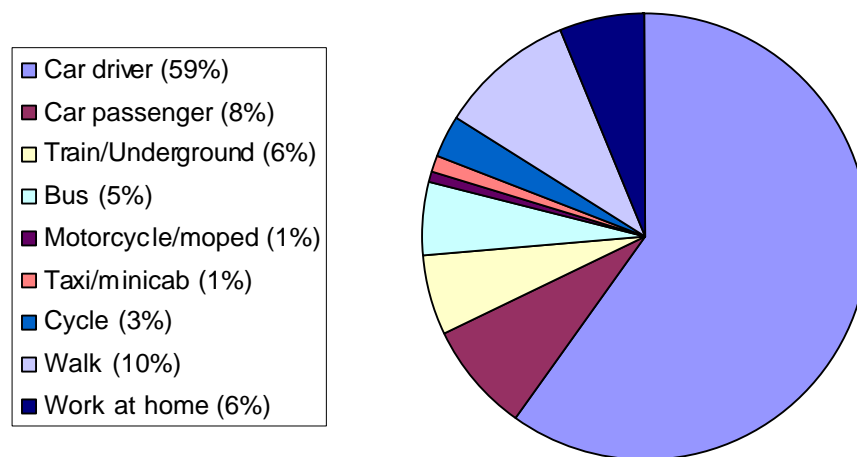
- The current mode split for Harlow shows that car dependency in the town is high at 59%. This compares to 57% in Essex and 55% for the UK as a whole. Lower mode shares for other sources of travel include rail (at 6%), bus (5%) and walking (10%) and cycling (3%).

Table 10.1 Comparative Mode Share in Harlow

Mode	Harlow	Essex	UK
Car driver	59%	57%	55%
Car passenger	8%	6%	5%
Train/Underground	6%	12%	7%
Bus	5%	3%	7%
Motorcycle/moped	1%	1%	1%
Taxi/minicab	1%	1%	1%
Cycle	3%	3%	3%
Walk	10%	10%	10%
Work at home	6%	9%	9%

Source: Travel to Work, Census 2001

Figure 10.1 Comparative Mode Share in Harlow



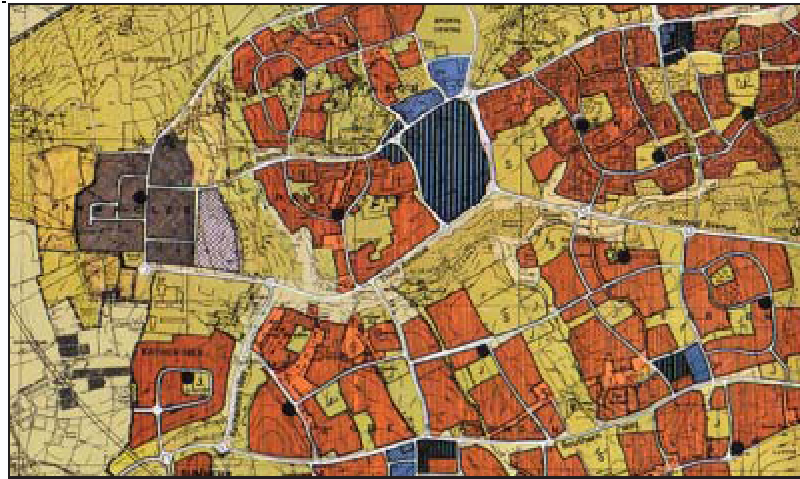
Source: Travel to Work, Census 2001

- Traffic growth predictions, based on DETR forecasts, suggest that increases in traffic of between 6% and 38% can be expected in Essex; and between 20% and 35% in Harlow, to the end of the Structure Plan period in 2011.
- Like most New Towns, Harlow retains a reasonable degree of self containment; 14% of the workforce commute to London and 25% work outside the district, with the balance of 61% working in Harlow.

- There was an overall increase of 6% in outcommuting by Harlow residents between 1991 and 2001.

10.3.2 Existing movement patterns and congestion 'hotspots' are shown in Figure 10.2. There is particular conflict on Edinburgh Way between A414 through traffic and local traffic accessing the industrial areas. The M11 and A414 carry the greatest volumes of traffic; London Road, Fifth Avenue, Velizy Avenue and Second Avenue are also well-used and are often close to capacity in the morning peak.

Figure 10.2 Traffic Flows and Congestion Hotspots in Harlow



Source: Harlow Town Masterplan, 1947

Strategic Route Network

- In terms of the strategic route network, Harlow is located on the West Anglia mainline, with services to London (Liverpool Street), Bishop's Stortford, Stansted, Cambridge and beyond. The main Harlow railway station is located to the north of the town centre. Additional, nearby stops are at Roydon and Sawbridgeworth. The M11 skirts the eastern fringe of the Harlow; Junction 7 being the closest access point (Junction 8 is 16km to the north serving Stansted Airport and Bishop's Stortford). The A414 provides an important route from the north and west, linking directly to the A10/A1(M).
- The Gibberd vision for strategic road connections to Harlow has not been realised. The Norwich Radial road was proposed to skirt Harlow on the west and run along the northern boundary of the town, and to be used as the main approach from London, Bishop's Stortford, Cambridge, Birmingham and the North. It was assumed that this motorway-standard route would be completed by the time Harlow was built, or at least not long afterwards. Gibberd explicitly stated that "without it the town plan cannot properly function".
- The M11 now passes the eastern rather than western fringes of Harlow, providing a much less effective network to access the town. In addition, Junction 7 of the M11 is heavily congested. There is over capacity in both north and south directions at peak periods; vehicle/capacity ratios are in excess of 1.20 (120% planned road capacity); car queuing reaches up to 15 cars per lane (2001 figures).
- The Northern Orbital was also not built to its planned northerly alignment. Gibberd (following the alignment proposed in the Abercrombie London Regional Plan, 1944) proposed that the Northern Orbital – built as the M25 – would travel east-west to the north of Epping. This northerly alignment would

thus have served Harlow much more effectively than the southerly alignment that was eventually built.

Internal route network

10.3.3 The internal road pattern is based on a grid pattern, with major town roads as follows:

- Fifth Avenue links the A414, to the north of Harlow, north-south towards the railway station and the town centre.
- Elizabeth Way and Edinburgh Way run along the 'baseline' of the town, providing a direct connection between the Pinnacles industrial estate in the west, the railway station, and Temple Fields industrial estate to the northeast, and the northerly residential neighbourhoods (Little Parndon, Hare Street, Netteswell, Mark Hall South and Mark Hall North).
- Velizy Avenue/Third Avenue/Haydens Road/Fourth Avenue provide an effective dual-carriageway 'collar' around the town centre.
- Second Avenue and Third Avenue run to the south of the town centre, providing a central west-east axis.
- Southern Way provides a southerly west-east axis, and gives access to the residential neighbourhoods to the south (Stewards, Passmores, Great Parndon, Kingsmoor, Sumners, Brays Grove, Tye Green and Latton Bush).
- Howard Way provides a north-south link between the residential and industrial areas.
- To the east, the A414 provides a north-south link, access to the residential neighbourhoods of Old Harlow and Potter Street, and a link via London Road to the M11.
- The residential neighbourhoods are well served by minor access routes, with spine roads leading traffic directly to the major neighbourhood centres and neighbourhood sub-centres.

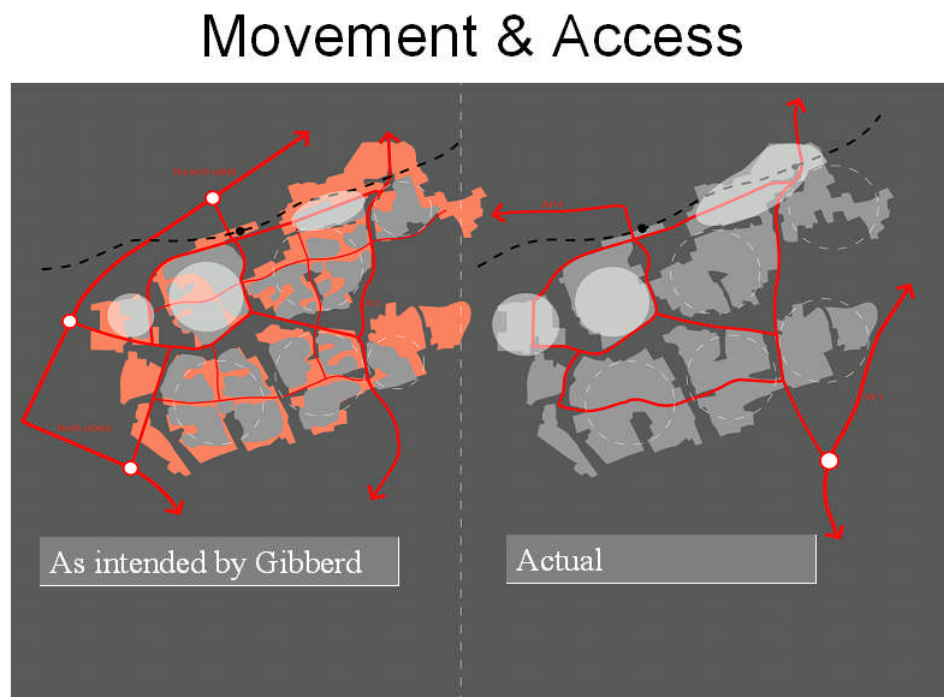
10.3.4 The Gibberd vision for internal town traffic circulation has been seriously compromised in a number of ways. Links from the south (the North Orbital) and west (Norwich Radial) were never established. Traffic coming from the west was envisaged by Gibberd to use the Norwich Radial and a new link road travelling adjacent to, and just to the south of, the West Industrial Estate (the Pinnacles). The industrial areas would thus have direct connections to the motorway network and industrial-related traffic would not have to pass through the town centre. Without this envisaged route network the industrial areas are poorly located relative to the motorway network, have required upgrades to Southern Way and the Easterly A414 and have put greater traffic pressure on the A414 to the north and Junction 7 of the M11. (see Figure 10.3).



Figure 10.3 Current Harlow transport infrastructure and route network

- 10.3.5 In addition, Gibberd's distinction between radial town roads and major town roads has been broken, providing an unclear route hierarchy. Southern Way and the A414 have been upgraded to provide easier access by car around town (leading to greater car movements and dependency).
- 10.3.6 Traffic circulation in the town centre was never envisaged by Gibberd as an orbital 'racetrack'. Third Avenue and Velizy Avenue were major town radial routes, Fourth Avenue a lower grade town road, and Haydens Road a residential access route. Highway 'upgrading' has unfortunately led to the town centre being severed from its hinterland – providing a restrictive 'collar' around the town centre - pedestrian crossing across the dual carriageway is difficult and very unattractive, at times using pedestrian underpasses.

Figure 10.4 Gibberd's Proposed TC Circulation and Existing Circulation



- 10.3.7 An additional and critical factor exacerbating traffic difficulties in Harlow has been the huge growth in car traffic in the last few decades; not foreseen by transport planners (or indeed Gibberd) in the 1950s. The result is that Harlow's current transport network does not adequately serve current needs, nor will it the additional growth plans. Future investment is critical. However, future transport investment needs to be closely integrated to the master planning vision for Harlow, and must seek to reduce car dependency in the town.

Rail

- 10.3.8 Harlow is connected to the national rail network, located on the West Anglia Great Northern Line, but services are slow. The line runs from London Liverpool Street, diverging northwards from the Great Eastern Main Line at Bethnal Green. The route passes through Harlow and Bishop's Stortford to Cambridge. A branch goes to Stansted Airport. The Central Line of London's Underground network only runs to Epping, which is not well connected to Harlow. There are significant rail and tube line capacity constraints.

Bus

- 10.3.9 The Gibberd vision for bus routing was for routes to pass through each of the residential areas and to link to the neighbourhood centres and town centre. Further internal routes were connected to the industrial areas and the railway station, via a central pick up and set down point in town, to the residential areas. Bus and rail

integration is critical, particularly in a town where the rail station is remote from the centre.

Walking and cycling

- 10.3.10 Harlow has a high quality walking and cycling network. Much of the footpath and cycle network system is segregated away from the main roads; designed as part of the landscape pattern, giving walks between the built up areas, into the surrounding countryside. Routes are well designed, taking the shortest distances between different centres.
- 10.3.11 The concept of pedestrian catchments is important to a town such as Harlow, which is designed as a series of self-contained, walkable neighbourhoods. Harlow is built around four centres and the original village of Harlow (Old Harlow) which together form the five neighbourhoods of the town. Within these neighbourhoods are sub-centres, which usually focus around a school building and small-scale retail/community facilities. Industrial facilities are kept separate to the west and north east.
- 10.3.12 The Gibberd plan envisaged each of these neighbourhood centres, and the railway station and industrial zones to be accessible by pedestrians. Most of the original sub-centre pedestrian catchments (using a 5 minute or 400m walk) are within the boundaries of the neighbourhood centre, as envisaged in the original Harlow Masterplan. The exceptions are the Potter Street sub-centre which is somewhat isolated from Bush Fair, and Old Harlow, which is a neighbourhood in its own right, but which does not have any specific sub centres.
- 10.3.13 There have also been a number of ad-hoc extensions/suburbs added to Harlow in recent years - such as Potter Street West and Old Harlow West - which don't conform to the original philosophy of the Gibberd master plan, and are located beyond the pedestrian catchments of the neighbourhoods. There is only one major area of overlap between neighbourhood centre catchments. This is between the Town Centre and East Netteswell. This area is also adjacent to the station, though not within easy walking distance (an approximate 15 minutes walk).
- 10.3.14 The industrial area catchments do not overlap with any residential district catchments except at the most northerly edge of Mark Hall North. The industrial areas are typically isolated by large areas of open spaces; hence are difficult to reach quickly by modes other than car.

10.4 Strengths, weakness opportunities and threats

Strengths

- a Access to London via direct rail link
- b Easy access to the M11
- c Comprehensive internal road system

- d Good bus links both internally and externally (Bishops Stortford, Stansted, Epping, London, Chelmsford)
- e Successful overall cycle and pedestrian network, which allows users to move away from traffic

Weaknesses

- f Putting the motorway to the east of Harlow (rather than west as envisaged by Gibberd) reduces access to the motorway for the whole town
- g Highway upgrading around the centre has created an orbital 'collar' which reduces permeability
- h Access for sub regional shopping centre
- i No direct access from industrial estates to the motorway
- j Pedestrian often a 'second class' citizen, e.g. the use of underpasses
- k Additional housing extensions are isolated

Opportunities

- l Downgrading of dual carriageway collar and removal of underpasses will allow reconnection of the centre with the rest of Harlow
- m Development to the north would centralise the railway station
- n Development of the station area to improve access and permeability
- o Creating a cycle friendly town (Beacon Town) building on topography and original concepts
- p Going back to the original Gibberd concepts for the expansion of the town
- q Harlow Mill park and ride/commuter parking

Threats

- r Growth in car ownership, reduced town self-containment and increased long distance commuting
- s New development has the potential to be car-dependent
- t Continued isolation of the centre for pedestrians and cyclists. Continued poor usage of networks.
- u Decrease in bus/train provision
- v Further ad-hoc expansion of the town, with continued isolation from the town and neighbourhood centres, moving away from the original Gibberd vision
- w Continued poor quality urban environment within the centre, leading to further out commuting for shopping etc.
- x Failure to provide new A414 links to M11 and upgrade from J.7 will further undermine the economic and business base of Harlow

10.5 Strategic Challenges

10.5.1 The foregoing analysis has identified some challenges with respect to transport, as shown below.

- All main road routes and junctions in Harlow suffer from over capacity and will undergo increasing strain as car ownership forecast growth by up to 35%

in Harlow. A key challenge will be to develop a clearer route hierarchy to relieve bottlenecks, make routes more free flowing and improve internal town traffic circulation.

- Westerly and northerly employment sites need to be better connected to the motorway network and the sub regional shopping centre needs better access also.
- The dual carriageway surrounding the centre acts as a 'collar', severing the centre from the neighbouring residential areas, and restricting pedestrian movement into the town centre. Efforts must be made to make links, routes and environment within the town friendlier to travel by foot and bike.
- Consideration must be given to the capacity constraints with respect to rail and tube lines. Access to the main railway station from the town centre should be improved. Train connections into the Region also need developing.
- To deal with growing car use and present over capacity. Future transport investment must be designed to reduce car dependency and raise the level of public transport use. Public transport networks need to improve in terms of density, frequency and access to services with special consideration of points of interchange i.e. moving between buses and trains. Additional housing extensions, shopping and leisure developments should not be car-dependent, but served by good public transport links and other alternative methods of transport.
- All effort possible should also be made to promote alternative modes of transport – especially walking and cycling, especially in light of the well designed existing route provision.

10.5.2 The current issues coupled with growth area development targets for the town require a clear aspiration to shift from a car dominated environment towards a public transport driven solution. The following transport and accessibility measures present challenges to support the proposed new scale and format of Harlow.

- A northern road link: a new urban avenue/boulevard linking the A414 to the M11, potentially with a new junction onto the M11 to the north of Harlow.
- A new Pinnacles link road: a new boulevard providing direct access from the A414 north to the Pinnacles industrial estate. Particularly relieves congestion on Fifth Avenue.
- Parking management: the supply and design of parking has a major influence on the character of an area and may also affect how people choose to travel. Parking in non-residential developments should not exceed the maxima set out in PPG13 and attempts should be made to reduce this provision through the implementation of travel plans (in particular, the town centre and the Pinnacles and Temple Fields industrial areas should be encouraged to develop area-wide travel plans).
- A high quality north-south public transport spine: a high level of public transport service – perhaps guided bus or light rapid transit; at least a fully prioritised, high frequency bus route. The service would provide at least a 10-minute frequency service. Potential route alignment would be from north to south through Harlow, linking new development to the north, to the rail station (with direct interchange with national rail services to London and Stansted), the Northern Gateway site, the town centre, providing a retrofitted public transport service to Church Langley, and potentially extensions to North Weald and Epping.
- A network of feeder bus services: providing direct links from each of the neighbourhood areas to the main public transport spine, the town centre and two main industrial areas (Pinnacles and Temple Fields). Potential future upgrading to demand responsive services; with early pilot scheme.

- A downgraded town centre ring road: particularly the Fourth Avenue and Haydens Road sections, providing improved pedestrian movement potential from the town centre to the neighbouring residential areas (Little Parndon and Hare Street).
- Improved walk and cycle networks and parking facilities: discontinuous routes completed and major parking facilities provided in the town centre, at the station and at the Pinnacles and Temple Fields industrial areas. Freiburg bicycle parking facilities provide the good practice example here.

10.5.3 Additional traffic demand management measures to be considered include: travel awareness campaigns, individual travel marketing, public transport marketing, venue marketing; car sharing; teleworking, home delivery and internet shopping; workplace, school and hospital travel planning; freight delivery strategies; parking restraints; roadspace reallocation; pricing measures; and other parking strategies such as controlled parking zones.

10.6 Needs and Issues

10.6.1 There are a number of significant transport problems and opportunities for Harlow, and these are highlighted in brief as follows:

- Harlow is poorly provided for in terms of strategic road connections: Junction 7 of the M11 and the A414 are both significantly congested during the peak periods.
- Capacity is restricted in the main routes and junctions.
- The main railway station is remote from the town centre, has poor facilities for passengers (including parking and waiting rooms) and offers only limited connections into the Region. The main use is for commuting purposes to and from London.
- The town centre is cut off, surrounded by a dual carriageway – effectively a ‘collar’ - which severs the centre from the neighbouring residential areas and restricts pedestrian movement into the town centre.
- The plan for internal traffic circulation has been compromised by the lack of links from the south and west. The result is that the westerly and northerly employment sites are not directly connected to the motorway network.
- The neighbourhood centres themselves are well-planned in transport terms, separated from through traffic, with extensive local walking and cycling networks.

11 Housing

11.1 Introduction

11.1.1 The 1952 Harlow Masterplan planned for housing to be arranged around 14 distinct neighbourhoods consisting of 4,000 to 7,500 people, each with its own primary school and sub shopping centre. The neighbourhoods were clustered around 4 major centres, one of which was the town centre; these being situated so that the maximum distance from its catchment area was 1 mile (1.6km). The aim was to create 3 possible social groupings – the housing group with its own play space, the neighbourhood group with its own primary school and the neighbourhood cluster supporting a major centre.

11.1.2 Units were planned at an average net residential density of 50 persons to the acre (20dph), depending upon topographical constraints. Each neighbourhood was broken down into a series of Housing Groups (between 150 – 500 dwellings) to incite visual variety, social grouping, individual character and innovative design. One of the arguments for this approach was that a degree of neighbourliness can arise between families living in smaller sized neighbourhoods.

11.1.3 The result is the current context where two types of ownership dominate the market. The Council owns just over 30% of all the housing in the town whilst over 60% is owner occupied. Housing Associations and private landlords own a relatively small proportion, at 5% and 4% respectively. (*Source: Homes for Harlow: Harlow's Housing Strategy 2004-2007*). At the end of March 2003, the Council owned 10,516 rented properties plus 2,000 leasehold flats, numbers of which are reducing each year due to the Right to Buy scheme (292 properties were sold in this way in 2002/3). (*Source: Investing in Harlow's Homes: Harlow's Housing Revenue Account Business Plan 2004– 2007*)

11.2 Policy Context

East of England Housing Strategy 2003 – 2006

11.2.1 Under “Sustainable Communities: Building for the Future”, the East of England will share the £4.7 billion provided for housing investment, including key workers, in the three growth areas and the £2.8 billion for Council housing improvements, over the next three years. Focus through the Housing Investment Programme (HIP) encourages a 40% growth agenda and a 30% regeneration agenda, which will assist house building levels in the region, which are falling behind the 7,000 new homes needed per year.

11.2.2 In addition, the Regional Housing Board (RHB) and the Single Housing Investment Pot (SHIP) will assist with non-market investment in the region.

11.2.3 In order to reflect more accurately the issues across such a diverse area, the East of England is broken down into 10 sub-regions, with Harlow at the heart of the London Commuter Belt Sub-Region.

London Commuter Belt Sub-Regional Housing Strategy

11.2.4 The strategic vision for the sub-region is the provision of affordable housing. This has been fuelled by a steep increase in house prices throughout the commuter belt, a high Right to Buy take-up in recent years and borrowing restrictions on Council and Housing Association landlords. Little housing choice for low and intermediate income households, degradation of the existing affordable stock, and private rented markets unable to meet affordable needs have led to the sub-region having more in common with the urban problems of the South East rather than the traditional rural problems of the East of England. The vision therefore is;

- To make the best use of all resources including finance, land and the existing housing stock
- To deliver affordability and choice in housing for all households
- To meet the support needs of vulnerable households
- To seek innovative solutions through joint working as sub regional relationships develop.

11.2.5 There are also more New Towns in this sub-region than any other (25%), and all need infrastructure reinvestment on a cycle that is currently at a peak. It is recognised that strategic intervention is now needed to ensure that resources are delivered as a joint approach across district and county boundaries.

Harlow's Housing Strategy 2004 – 2007 "Homes for Harlow"

11.2.6 As well as linking in with the broader national and regional housing strategies, Harlow must recognise the wider issues of the local community and the contribution that housing can make in achieving these goals. The Housing Strategy is built upon a clear vision for the future of housing in Harlow, expressed in a robust Community Plan, Harlow 2020 Vision and the Council's priorities, the Statement of Intent for Harlow. The four priorities are;

- Affordable Homes – Meeting local housing needs
- Decent Homes – Improving the condition of Harlow's homes
- Homes for All – Promoting social inclusion and regenerating communities
- Community Matters – Empowering stakeholders

11.2.7 In order to deliver each of these, the Council has developed an action plan outlining the activities needed to be undertaken, which are linked to key officers and other Council Strategy targets. In addition, the Council has recently commissioned research into housing need.

11.2.8 The Council also published its Homelessness Strategy in July 2003 and has accepted to assist 350 households of which 155 were families with children. A Key Worker

survey also found that lower paid workers tended to live within the town's boundaries, but the more skilled higher paid workers prefer to commute to Harlow, rather than live nearer work.

Harlow Private Sector House Condition and Energy Survey - 2000

- 11.2.9 A study undertaken by The Housing Consultancy Ltd under Harlow District Council's statutory obligation to review housing conditions in its private sector stock to assist in establishing the base line position, the setting of targets and measurement of performance.
- 11.2.10 There are an estimated 21,238 dwellings in the private sector stock in the District. Almost 90% of the stock is owner occupied, 15% privately rented (all types) and 2% under the management of Registered Social landlords. About 3% of dwellings in the private sector stock have been constructed pre 1919 and 50% built after 1964. The majority of houses are occupied as single households. 16% of the private sector stocks are flats (purpose built, non-residential + flat).
- 11.2.11 The predominant building type in the District is the terraced house type. There are an estimated 429 empty houses (1.5%) in the District of which 34 (0.1% of the District stock total) are estimated to be 'long term' void vacant and may be problematic.
- 11.2.12 Only 0.5% of Harlow's private sector housing stock is classified as unfit (1 in 200 dwellings) compared to the national average of 7.5%. Further, 6.6% of properties in the private sector (1 in 14) are identified as dwellings which although not unfit are seriously defective and on the borderline of descent into unfitness. Just 1% of Harlow's owner/occupied stock is unfit compared to the national position at 6%, whilst in the private rented sector alone the unfitness level is notably lower at 6% compared to the national position at 19%. Unfit dwellings were found to have poor energy efficiency and in particular condensation and associated problems were most prevalent in the private rented sector.

Harlow's Housing Revenue Account Business Plan 2004 – 2007 "Investing in Harlow's Homes"

- 11.2.13 The Housing Business Plan (HBP) works alongside the Housing Strategy, setting out the aims for the Council's housing stock and how they contribute to broader housing and community strategies for the town. It also provides details of the condition of housing stock, improvement strategies and options for future provision.

Growth Area and the Harlow Gateway Housing Scheme

- 11.2.14 In 2003, the Sustainable Communities Plan identified Harlow as being part of a proposed area of housing growth known as the London-Stansted-Cambridge corridor, and £12 million has been awarded to undertake activities aligned to the growth area. In particular, the funding is being used to unlock two major housing sites in Harlow – the current Sports Centre and Harlow Pool sites, which will assist the relocation of

leisure facilities and release the land for development of 530 new homes, 30% (160) of which will be affordable.

Structure Plan

- 11.2.15 Essex County Council has allocated 5,450 new dwellings up to 2011 to Harlow. Between 1996 and 2003, nearly 2,800 dwellings were completed, with a further 651 granted planning permission (committed) as calculated at April 2003. Based on these figures, land will have to be allocated for an additional 2,041 dwellings between 2003 and 2011.

Harlow Local Plan

- 11.2.16 Housing sites have been identified as part of the Urban Capacity Study, prepared in 2001. The study shows that there are opportunities to develop previously developed land and other capacity sources in the town. It also identified a range of 768 to 1,115 dwellings at 35 and 45 dwellings per hectare respectively. Identified larger sites (10 dwellings or more) have been included as allocations. The remainder of the capacity is assumed to have the potential to contribute towards development between 2001 and 2011. The progress of which will be a factor in determining the phasing of development.
- 11.2.17 Policy H4 of the Adopted Local Plan identifies several sites for 10 or more dwellings to meet the housing requirement between April 2003 and March 2011, as follows;

Allocation Reference	Site Name	Indicative Capacity (dwellings)	
		Gross	Net
H4/1	Harlow Sport Centre	456	456
H4/2	Harlow Swimming Pool	60	60
H4/3	Old Harlow Area of Opportunity	25	25
H4/4	Faircroft Little Bays	27	20
H4/5	Northbrooks Regeneration Area	420	53
H4/6	Sherards House	18	10
H4/7	Rye Croft Garage Site	16	16
<i>Total on Previously Developed Land within Neighbourhoods</i>		<i>1022</i>	<i>640</i>
Urban Capacity Study Windfall		520	520
Total		1542	1160
H4/8	Marshgate Farm Depot	10	10
<i>Total on Previously Developed Land on edge of urban area</i>		<i>10</i>	<i>10</i>
H4/9	New Hall		871
<i>Total on Greenfield Land</i>			<i>871</i>
Final Total			2041

11.2.18 Harlow seeks to use its planning powers to ensure that affordable housing is provided within new housing developments and regeneration projects. The Deposit Draft Local Plan identifies sites for new housing development and sets out a policy which requires at least 30% affordable housing on housing sites of 15 or more units.

11.3 Existing Initiatives

11.3.1 Key general housing programmes and initiatives under way for Harlow are summarised below.

Harlow's Council Housing Strategy and Business Plan

11.3.2 The analysis, priorities and expenditure of the council with regards to housing are outlined in the council's literature. The housing priorities set by the council are:

- Affordable Homes – making sure the council stock plays an active part in providing good quality affordable housing. This involves maintenance and renewal of what is considered a poor stock of properties.
- Decent Homes – ensuring the Council's stock meets Decent Homes Standard. In 2003, the number of non-decent homes was 2,024.
- Homes for All – ensuring accessibility to all and provide services that actively enable people to live independent lives. This includes developing area based regeneration projects aligned with estate sustainability ratings.
- Community Matters – be an open and accountable landlord.

11.3.3 The Council's planned expenditure on maintenance and improvement of its stock is estimated at £370 million for the period 2003-2033, an average of around £12.3 million per annum over this period. The majority of this is on planned maintenance (£334 million).

11.3.4 The Council is undertaking a Housing Options Appraisal which is expected to be completed by April 2005. However, the Council already considers that wholesale stock transfer is almost impossible as the remaining stock is that which no-one really wants, and also because tenants are opposed to complete transfer. In addition, the Strategic Options: Regeneration Focus Programme has proved ineffective in housing terms because in the past it has been undertaken at a small scale, community level to address localised issues. The council is undertaking extensive work to assess the housing stock in the town. This includes Housing Stock surveys, the Estate Sustainability Index, Key Worker Housing Surveys and the Strategic Options process.

Regeneration Focus Areas

11.3.5 These areas were set up to try and attract Neighbourhood Renewal Funding to the town, and were chosen based on a range of criteria that included deprivation (identified through IMD2000), identified local neighbourhood issues, and the level of public sector ownership (and hence opportunity). The areas were initially established as a two-year pilot initiative. The areas chosen were :

- Northbrooks – a large area for redevelopment. The main achievements have focused on capacity building among residents in an area where previously there was a fragmented community.
- Copshall Close, Aylets Field & the Briars – targeted for estate renewal, given the failing nature of the area. Capacity is well established among residents and some physical renewal has taken place, including the redevelopment of a derelict maisonette block to build social housing.
- Moorfield – small scale redevelopment of under-utilised garages that attract crime and anti-social behaviour, and addressing parking and traffic flow problems.
- Ryecroft – similar localised problems to Moorfield associated with under-used garages and anti-social behaviour. The disused garage site will be redeveloped as a self build scheme providing social housing

11.3.6 The emphasis of the regeneration focus areas is clearly at a community level, and the actions are important in their own right. However, in terms of strategic and large-scale regeneration they are unlikely to radically change the image or conditions in the wider area, which is essentially what is required to achieve wholesale regeneration. In some respects, a stronger link needs to be made between the housing renewal and the focus of regeneration efforts.

Best Practice

11.3.7 Harlow, together with English Partnerships is hailing its Gateway Scheme on the former leisure centre site as a best practice example of comprehensive renewal. The scheme is mixed use, residential-led and involves the relocation of existing leisure facilities and the development of the site for high density, high quality homes.

- 11.3.8 Construction of the Cala Domus “Abode” scheme on the eastern outskirts of the town at New Hall is also embracing high quality urban design principles at high densities to produce residential houses and apartments and small scale employment. It still has to pass the test of time, but appears to be encouraging a more balanced social mix.
- 11.3.9 The Council should also look beyond its boundaries to other best practice examples, particularly where direct comparisons can be made, such as in other New Towns. Bracknell New Town, for example, similarly to Harlow, suffered from high levels of in and out commuting and could not attract its highly skilled workforce to live in the town. In general, employees of the high tech companies such as British Aerospace, ICI and 3M lived in the more attractive outlying towns of Berkshire, leaving a lower skilled residential population. However, significant changes in employment opportunities and construction of the North Bracknell development have attracted a new generation of New Town dwellers; a young, professional population base who have actually chosen to live there
- 11.3.10 In addition, a partnership between land owners and the Council is taking forward the major redevelopment of the town centre, helping to rebrand the town’s shopping and living experience. Bracknell has now begun to be seen as an attractive option, close to major employment opportunities, alongside other, more attractive nearby town centres, such as Wokingham and Ascot.

Neighbourhood Centres

- 11.3.11 Neighbourhood Centres are an important part of the fabric of Harlow, in terms of their service function. However, their character is poor and need improving as they are reaching the end of their lifespan. Some have been renewed already (Staple Tye, for example; Bush Fair is being improved). Local shops are important, but the design of some have poor public spaces that are not well utilised and provide space for youths to congregate. Neighbourhood centres provide shops, living/working accommodation, public spaces, services and some employment land. This mix of functions should be maintained in redevelopment. Employment is mainly service based.

11.4 Strengths, weakness, opportunities, threats.

Strengths

- Clear neighbourhood identity makes renewal easier to market
- Well established neighbourhood centres and hatches providing local services and employment
- Primary Schools provided at the heart of neighbourhoods within walking distance from most residential areas
- A concerted effort has already taken place in recent years to improve the town centre working and shopping environments
- Clear focus on neighbourhood renewal areas with physical housing renewal and building capacity with residents.

Weaknesses

- Mixed tenure on all estates creates problems for HDC in renewal terms, maintenance and costs of buy back
- Public sector designs of their times now create serious maintenance problems due to poor quality building standards
- Prefabricated units built off site now have serious quality implications and are increasingly difficult to maintain
- Designs of their times now create serious personal safety problems for residents due to an inward looking public realm and housing layouts with unconnected linkages
- Green wedges have been despoiled and are uncared for in many places, so have become threatening to personal safety
- Accessibility by road to many estates is difficult in peak periods
- Harlow town centre is downmarket in character
- The pilot areas for neighbourhood renewal are relatively small and are not on a scale likely to change overall neighbourhood images and perceptions
- The character of neighbourhood centres is poor and needs improving

Opportunities

- Public sector housing stock in certain areas has become so poor that opportunities for comprehensive renewal now exist
- The initial neighbourhood renewal work can be transferred to other neighbourhoods.

Threats

- Harlow has a poor image to non-residents
- Private sector investment tends to be concentrated in large peripheral areas
- Harlow is not perceived as a location where people with choices choose to live

11.5 Strategic Challenges

Image

- 11.5.1 There are two sides to the image of Harlow: that from within and that from the outside. In 2002, the resident population of Harlow was almost 80,000, and there is evidence of a strong sense of civic pride among residents. However, to outsiders, Harlow has a relatively poor image of a sterile New Town with low quality and unattractive housing, and pockets of deprivation in a number of neighbourhoods. As such, many Harlow employees choose to live outside of the town and commute into work. Those who live in the town and are in employment tend to be employed in work which requires lower skills. This has resulted in the town having a negative liveability image, with an unbalanced population structure and a situation where private investment is confined to only a few specific areas.

11.5.2 Although the neighbourhoods, town centre and employment areas are well connected by local buses, the structure of the town and its residential areas are dominated by car-based access, using a wholly inadequate road infrastructure. Although the radial routes and collector roads allowed for ease of movement and have led to the creation of neighbourhoods with strong individual identities, they have created segregated communities which have become isolated from their surrounding areas. Lack of connectivity, unsympathetic housing layouts and outdated designs have meant that many neighbourhoods are facing decline and a downward spiral of isolation and insularity.

Investment

11.5.3 The Council has become the main investor in housing in certain neighbourhoods, but due to the significant costs involved in maintaining atypical and poorly built stock, it is struggling to keep up with maintenance demands. It is also becoming increasingly difficult to raise the profile of many of the worst hit neighbourhoods. Private investment can be seen in pockets throughout the town, but these appear to be on large, specified sites such as Church Langley, which although they are characterised by good infrastructure and landscaping, tend to be on the periphery of the town, with little connection to the older, more established neighbourhoods. There is little evidence of smaller scale, private investment within the older residential areas.

Residualisation

11.5.4 Over the years, Harlow Council has effectively adopted the position of landlord rather than a holistic partner in the town's housing supply and, as it has been the dominant housing operator, has not aligned itself with the housing market. This, along with the Right to Buy scheme, has resulted in the residualisation of stock (i.e. The Council being left with the worst housing stock). The good stock has been transferred to private ownership and the Council is left with poor quality, badly designed housing in increasingly unattractive areas. Stock is becoming increasingly concentrated in specific areas, leading to 'sink estate' situations.

11.5.5 The issues here are about creating choice and establishing new pockets of demand within existing areas, in order to raise and spread liveability profiles. This can only be achieved through partnership between the Council and the private sector and a determined aspiration from both parties to improve Harlow as an attractive living environment. It is to be hoped that, over time, as neighbourhoods build up better reputations for having good Council housing stock, good schools and services and become interconnected with adjacent up-and-coming areas, expectations and perceived improvement will lead to significant benefits for existing and new residents.

11.5.6 There are four key housing challenges, which face Harlow Council and its partners today.

- a In the past, there is a feeling that Harlow has accepted inappropriate development - poorly designed housing estates, which lack connectivity to surrounding areas and do not address the issues, which are also apparent in

the older areas. However, the Council is trying to move towards a position of control and influence, and has been involved in the master planning exercise for the New Hall housing being built on the eastern outskirts of the town.

- b Harlow is approaching a housing needs crisis, stemming from the poor quality “new town” housing, now 40 to 50 years old, which was prefabricated and is all ageing at the same rate. Fundamentally, the majority of the housing stock, particularly in the public sector, is unattractive and underlines the desire of professionals and key workers to live outside Harlow.
- c The provision of affordable housing is a big and growing issue. In general, the Council stock is residual and so renewal needs to take place in a comprehensive way alongside major new affordable provision.
- d Neighbourhood Renewal is needed as a holistic approach, to recreate existing areas as attractive for a wide social mix. The Council’s view is that failing estates need a fresh start that removes reputation and changes image. The small scale change that the Council has tried to enact in the past has not worked and so a decisive action of reviewing wider areas and creating change in needed.

11.5.7 The following represent further potential initiatives for consideration within the Regeneration Strategy to facilitate the renewal of housing and image in Harlow:

Strategic linking of growth with renewal. Planning agreements on major new housing allocations need to be linked with the renewal of existing failing neighbourhoods in Harlow. A successful future for housing will rely on a large scale rolling programme, moving from area to area, particularly as stock tends to degrade in large swathes. This large scale process also creates critical mass for developers to provide affordable housing and still make a profit. Effectively, the Council needs to package areas up for private sector involvement, and link new allocations to the renewal of old areas. Through this process, the community can be relocated (permanently or temporarily) in new areas while the renewal of old areas continues.

Prioritisation of renewal areas. Through analysis of the extensive work being undertaken to understand the nature of stock in the town, large scale areas for renewal need to be identified. Mapping the results of the current ‘Estate Sustainability Index’¹ and analysis of IMD 2004 indicates that priority Wards should be Staple Tye, Little Pardon & Hare Street, and Sumners & Kingsmoor. Each of these three wards contain failing council owned estates and concentration of housing for renewal. These provide public sector assets that can be levered in the renewal process. Further points to note include:

- Staple Tye ward has the most Super Output areas within the 20% most deprived in the East of England, containing over 370 failing council properties and have low sustainability ratings. Regeneration of these areas needs to take place within a renewal of the wider area to facilitate image change and increase demand rankings.
- Little Pardon & Hare Street has significant deprivation within the IMD2004 housing domain. The high levels of council stock provide opportunity, as does proximity to on-going regeneration initiatives including the Town Centre, Harlow Gateway and Princess Alexandra Hospital. Housing renewal in this ward would benefit immensely from these synergies.
- Sumners & Kingsmoor ranks high in terms of IMD2004 housing domain.

Regeneration of Neighbourhood Centres. As the heart of many neighbourhoods in Harlow, regeneration of these centres needs to remain a priority. Already completed has been the centre in Staple Tyre that has proved successful. Associated with this is continuation of the capacity building within existing communities so that they are

¹ Source: Investing in Harlow’s Homes – Harlow’s Housing Revenue Account Business Plan 2004-07

involved and engaged in the regeneration process and help shape future facilities and space.

Deliver more affordable housing. Ensure that new development and renewal of existing neighbourhoods contributes to and extends the stock of affordable housing in Harlow. Linked to this is facilitating an increased role for the Housing Association sector in Harlow to provide and maintain future affordable stocks, and the continued transfer of council housing into different tenures, through wholesale or 'trickle' transfers.

Support improvement to owner-occupiers. The problems of depreciation also affect the owner-occupied sector, where high prices and a lack of affordability mean the investment in property maintenance is low. Regeneration initiatives should support this sector through offering small grants to eligible residents.

Encourage housing demand in difficult areas. Negative stereotypes and poor images of neighbourhoods have a direct effect on demand. Whatever actual improvements are made to a neighbourhood (through improving the appearance and condition of the stock, tackling crime and anti-social behaviour, etc), demand will remain limited if a negative image persists. Alongside physical renewal, conscious efforts need to be made to alter perceptions through image management (changing attitudes, challenging current behaviour and perceptions, enacting social change).

11.6 Needs and Issues

- Two types of housing ownership dominate the Harlow housing market. The Council owns 30%, whilst 60% is owner occupied, with Housing Associations and private landlords owning the balance of 10%.
- Harlow's housing market is characterised by an ageing stock and some poor quality build. The worst housing stock is in Council ownership, but the Council struggles to provide an effective maintenance programme, given the nature of the stock and its poor build quality.
- Less than 1% of Harlow's private sector housing stock is classified as unfit, compared to the national average of 7.5%. In the private rented sector just 1% of the stock is unfit, compared to the national position of 6%. Poor energy efficiency and the problems associated with condensation were the most prevalent unfitness factors.
- Harlow faces a dual problem, in terms of affordable housing. It faces both a shortfall of affordable homes, with a projected shortfall deficit of 987 homes over the next six years. This is made worse by the fact that an increasing proportion of the residual stock of affordable housing is in Council ownership, and is affected by the problem of poor maintenance. The Council's holdings of affordable housing is, therefore, the poorest stock with high maintenance costs.
- Although there is some buoyancy in the housing market, the limited diversity and choice of housing makes Harlow a less attractive residential location, particularly for people with higher income occupations. Nevertheless, the overall view of housing in Harlow is of a stock lacking in choice, largely unattractive and, in parts, approaching the end of its liveability.
- The quality of sports facilities needs upgrading. Harlow has benefited from the Sustainable Communities Plan with a £12 million award to unlock the Sports Centre and Harlow Pool sites, forming the Gateway Scheme.
- The neighbourhood renewal work, while effective where it is carried out, is relatively small scale.

12 Town Centre, Retail and Other Services

12.1 Introduction

12.1.1 This chapter considers the town centre, retail and other services in Harlow. The issues are considered under the following sections. It first considers the policy context and evidences related to an assessment of the current provision. Leisure and hotel provision in Harlow is reviewed. It then makes an assessment of the strengths, weaknesses, opportunities, and threats facing Harlow Town Centre. A series of questions are raised on strategic choices and challenges. New initiatives are flagged to build on current town centre, retail and local service provision. It concludes with a summary of key issues.

12.2 Policy Context

12.2.1 Harlow is recognised as a sub-regional shopping centre in the Essex County Structure Plan, but had fallen from 78 to 130 in the national hierarchy in the past twenty years. However, the completion of Town Centre South has helped to turn the position round and will raise its Experian ranking back up into the 90s.

12.2.2 Harlow 2020 sets out to strengthen the town centre's position as a sub-regional shopping centre, to increase town centre footfall by at least 1% per annum, and to attract over 300,000 visitors from a wide catchment area. In the town centre there is a significant backlog of private (and public) sector investment decisions awaiting the growth specifications of RPG14 / RSS and the implications for Harlow's catchment potential. Retailers have resisted joint working with HDC to date, possibly in part due to growth uncertainties and the performance of HDC itself.

12.2.3 The Local Plan recognises the need to enhance the vitality and viability of the town centre to retain this role by diversity and quality of uses in the town centre (retail, employment, leisure, entertainment and culture), and encouraging residential development in the town centre.

12.2.4 Lakeside/Bluewater are considered serious accessible competitors for Harlow's town centre and its related neighbourhood centres. The Harlow Baseline Study (2002) indicated that around one-fifth of all Harlow jobs are based in the town centre area, with the majority of these being taken up by local people. But the number of town centre jobs has fallen significantly since 1998. BL/LSC and HDC are planning a pilot training and recruitment scheme for Harlow retailers to anticipate increasing competition with town centre redevelopments.

12.2.5 The 2002 Harlow residents survey carried out by MORI showed that 67% of the population thought creating a pleasant and relaxing environment was the most important thing to do to improve the town centre. There is no budget for environmental improvements to the town centre in 2004. Harlow has a big image problem internally and externally, and there is no marketing budget to address these

with information about recent developments. Early settlers consider Harlow's appearance, facilities and services have gone downhill over a long period.

- 12.2.6 Harlow was designed with a hierarchy of retail centres; a town centre, five neighbourhood centres (half mile standard) and eighteen hatches (quarter mile standard). The hierarchy has been undermined over the past decade by local retail parks and other sub-regional shopping centres, but also by changing shopping practices.
- 12.2.7 Nevertheless, the Local Plan suggests that the neighbourhood centres and hatches have an important role to play in providing local facilities for residents and minimising car travel, particularly important for Harlow's ageing population. This will require the improvement of the range and quality of facilities to meet the needs of the local population, supported by retaining and increasing residential accommodation above shops and on previously developed land.
- 12.2.8 Neighbourhood centres should also be the foci for redevelopment, regeneration and reinvestment through extension, mixed use and intensification. The majority of retail areas are looking dated and run down, and have some form of restriction on change of use from retail to non-retail. This suggests weak market conditions and a lack of reinvestment incentives for the private sector.
- 12.2.9 Harlow has been successful at the value end of the retail market, but needs to broaden its retail offer through increasing the amount and quality of comparative shops and securing a department store. CB Richard Ellis (CBRE) confirms that Harlow has a limited retail offer, which is skewed to the mid to lower end of the market. Their report concludes that Harlow could have a much wider catchment area, given its strategic location within the M11 corridor, but is hindered both by the failure of Harlow to meet shoppers' requirements and the growth of competitors.
- 12.2.10 CBRE recommends that new development should broaden the retail offer of Harlow towards the middle and upper sectors of the market and provide key variety store anchors, which will integrate with the existing centre. This is not addressed by the new Water Gardens development.
- 12.2.11 The Local Plan envisages that the sustainable principle of providing schools, community and health centres facilities within each neighbourhood and within walking distance of home should continue, although the evolving nature of health provision requires a more flexible approach. Major new housing development should set aside land and make financial contributions for the provision of associated community facilities.
- 12.2.12 The use of community services rests on access (physical and financial) and the attitudes of the people in the community. To address issues of social inclusion, people with special requirements should form an integral part of the liaison, planning and possibly management processes.

- 12.2.13 As a former New Town, Harlow has a number of planned community facilities spread throughout the town, but many need refurbishment or rebuilding, and these will be conditions of any planning approvals. In Harlow 2020, an emphasis on initiatives for young people and housing for second and third generation residents is set against a priority over the next ten years to provide for the housing, care and leisure needs of older people (the number of over 75s in Harlow will increase by over 33%) and to invest £80m in local authority housing.
- 12.2.14 The term leisure covers indoor and outdoor sports and recreation, entertainment and cultural activities. These activities increasingly have significant land use implications, and can be significant differentiating factors in personal and business attraction to an area.
- 12.2.15 Good quality financially sustainable facilities are required for the regeneration of Harlow and improvement of the town's image, but many of Harlow's facilities are dated and in need of reinvestment to increase participation and levels of performance.
- 12.2.16 The [State of Play](#) identified the need for appropriate facilities for athletics, wheeled sports, football, tennis, rugby, swimming and outdoor pursuits, and the need to consider facilities for most other sports.
- 12.2.17 Harlow has a high proportion of open space compared to its built up area. This included 159 hectares of POS, 26 hectares of recreation grounds, 58 hectares of public playing fields, 11 hectares of playgrounds, 83 hectares of principal parks and 134 hectares of woodlands.
- 12.2.18 This is necessary due to relatively high densities and very little vacant or underused land in the housing areas. The Green Wedges, together with other areas of internal open space, have enabled playing fields and other recreational facilities to be distributed so that they are easily accessible to every home.
- 12.2.19 The Council has always encouraged the arts in Harlow and these activities are important to regeneration, employment creation and quality of life.
- 12.2.20 The Harlow Cultural Strategy intends to integrate cultural issues into the development plan and express and realise a vision in response to the needs and aspirations of the local community. Efforts to improve the visual quality of the town by the provision of sculptures, murals, and street decoration are to be supported particularly through "Percentage for ART" schemes where developers are required to contribute.
- Care must be taken, however, not to cater /improve for the visitor at the expense of the residents.
 - Improving visitor attractions only makes sense if people will have the interest in them and know about them.
- 12.2.21 Leisure and Arts are heralded by the Cultural Strategy as having a considerable role to play in the local economy and making the town a lively and attractive place to live and work. They could be critical factors in attracting new higher skilled residents and

their employers, and possibly specific creative industry sectors such as software and design.

12.3 Current Provision

Retail

- 12.3.1 Harlow's central shopping area is typical of a New Town; it is small, compact and based round a series of pedestrianised precincts. The town centre, bound by the ring road, is predominantly made up of commercial and civic uses. The primary shopping areas include the Harvey Centre and Broadwalk, together with Little Walk, Cross Street and Terminus Street. The Harvey Centre is anchored by Marks & Spencer, Tesco, Littlewoods and British Home Stores. The Water Gardens, located at the southern edge of the town centre, is a recent development comprised of new civic offices, restored Water Gardens and significant retail and leisure development. It was envisaged that the scheme will be fully completed by October 2004. Asda, TK Maxx, Matalan, Next and Woolworths were the first to open.
- 12.3.2 Harlow market, comprised of approximately 100 fixed stalls, is open five days a week and is located in Market Square. The market, owned by Harlow District Council and operated by Hughmark International, has come under increasing pressure from other markets such as North Weald (one of the largest in Europe) and a lack of investment and current construction works which has made the market relatively unattractive and inaccessible to shoppers. As a result, a number of long term stall holders have left the market and it has become more difficult to attract new stall operators. Market refurbishment work was completed in 2004 and possible relocation of the market is under consideration
- 12.3.3 A number of retail developments took place in Harlow in the late 1980s and 1990s, including retail warehouse parks along Edinburgh Way, large food stores such as Sainsbury's and Tesco, a new neighbourhood centre for Church Langley and the redevelopment of the Staple Tye neighbourhood centre. The retail warehouses have however tended to dilute the character of Edinburgh Way as an area of employment.
- 12.3.4 Harlow's proximity to the M11 and M25 and the town's limited provision means that residents in the catchment area are likely to travel to competing town centres, including Cambridge and Chelmsford. Furthermore, the town centre has come under pressure in recent years from out of town development and other centres such as Lakeside and Bluewater. Significant retail developments in the catchment area of Harlow have caused leakage of trade from the town, while Harlow's own retail parks have drawn shoppers from the town centre and neighbourhoods.

Retail Capacity Forecasts

- 12.3.5 Retail capacity forecasts (for comparison goods) have been made by CB Richard Ellis under five different population growth scenarios, taking into account the 'Town

Centres and Retail Potential Study' of Essex completed in 2002 by Hiller Parker to inform the Replacement Essex and Southend Structure Plan and the catchment and market share data provided by the CB Richard Ellis 'National Survey of Local Shopping Patterns' (2002).

- 12.3.6 The expected housing growth in Harlow associated with the forecasts has been estimated using the 'Harlow Options Study' prepared by Atkins in June 2003.
- 12.3.7 For each growth scenario, CBRE examined two sub-scenarios: one which assumed the pattern of market shares of comparison goods expenditure attracted by Harlow town centre in 2002 remains unchanged throughout the forecasting period (A, the 'baseline' scenario); and the other making allowance for Harlow town centre increasing its market share of comparison goods expenditure as a result of the Water Gardens and proposed Harvey Centre extension town centre developments (B).
- 12.3.8 Per capita expenditure on comparison goods is estimated to be £1,672 in 2000 rising to £2,026 by 2003, £2,253 by 2006, £2,689 by 2011 and £3,209 by 2016. Total comparison goods expenditure for the catchment area forecast to rise from £719.3 million in 2003 to over £1.1 billion in 2016.
- 12.3.9 The CBRE model finds Harlow town centre to be achieving an average sales density for comparison goods in 2003 of £6,628 per sq m net. Based on other retail studies of a number of town centres carried out by CBRE, this is a relatively high sales density for a town centre of the size of Harlow, and indicates that the prime retail areas of the town centre appear to be currently performing well for a town centre of its size. However, care should be taken when commenting on this sales density, since the figure is based on floorspace data provided by Experian Goad rather than on an up-to-date and comprehensive survey of existing floorspace in the town centre.
- 12.3.10 Under each of the scenarios there appears to be capacity to support the Water Gardens in the period 2006-2011; with capacity arising sooner in the case of the higher population growth scenarios, and if marginal growth of market share occurs.
- 12.3.11 The date when the proposed Harvey Centre extension will be fully supportable by catchment area expenditure will also depend on local population growth, and on the ability of this department store anchored scheme to attract increased market share. On the realistic assumption that the proposed extension to the Harvey Centre is able to increase marginally the market share of catchment area expenditure attracted by the town centre, this scheme will be fully supportable by no later than 2011, if forecast trends occur. This is not long after the most realistic opening date of 2008.
- 12.3.12 Thereafter, depending on the increase in market share the analysis shows that the capacity for further town centre comparison goods floorspace is still expected to grow rapidly due to the increased population in Harlow and increasing per capita expenditure. On this basis, a third phase of town centre development of between about 4,100 and 13,800 sq m net would be fully supportable by 2016 if forecast trends occur. This capacity for new development should, of course, be reviewed and

confirmed well before that date, based on a comprehensive household interview survey of shopping patterns, and a new shop floorspace survey of the town centre.

Leisure

- 12.3.13 Attendances at the town's key sports facilities totalled about 1 million in 2001-2002. These include the Harlow Sportcentre (run by the Harlow and District Sports Trust) and Harlow Pool (run by Harlow District Council).
- 12.3.14 Leisure provision in the town centre has increased recently with Esporta taking 2,787 sq m (30,000 sq ft) in the Water Gardens Centre development.
- 12.3.15 Significant investment is required to update sports facilities and adapt and extend them to modern expectations and demand. Their improvement may be critical to attracting new employers and the technical and professional labour skills required.
- 12.3.16 There are currently two cinemas in Harlow; the Odeon located on West Square in the town centre has three screens and the UGC Cinema located at the Queensgate centre on the Templefields industrial estate is a more modern facility providing six screens. Harlow's leisure offer also includes First Bowling and Mecca Bingo, both located on Terminus Street in the town centre, and The Playhouse, which provides a two auditoria theatre. There are currently only three nightclubs, Jumpin' Jacks, Millennium Night Club / Liquid Nightclub and CM20 Music Bar.
- 12.3.17 The current A3 offer in Harlow is limited. Few of the major pub and restaurant brands, such as All Bar One, Pitcher & Piano, Fine Line, Pizza Express, and Wagamamas are currently represented in the town. However the Water Gardens development at Town Centre South provides units for Pizza Hut, Nando's and Esquires Coffee House, and there are additional published requirements from a number of pub and A3 operators including ASK, Brewers Fayre, Costa Coffee, Ember Inns and KFC.

Hotels

- 12.3.18 Harlow's hotel provision is currently limited. The demand for hotel accommodation in the town is predominantly from business travellers due to its proximity to the M25, London and Stansted airport. As a result the current hotels found in Harlow are predominantly three star/budget operators who are targeting the business market. Mid-week business is reported to be strong, but weekend business is more difficult to generate.
- 12.3.19 Although the hotel development market continues to grow, it is driven by the expansion of budget operators and the development of 4/5 star hotels has been much more limited due in part to the well documented decline in tourist numbers.

Car Parking

- 12.3.20 Harlow town centre has nearly 4,000 parking spaces, which can be found in six central multi-storey car parks.

12.4 Strengths, weaknesses, opportunities and threats

- 12.4.1 This analysis provides a summary assessment of Harlow Town Centre, retail and local service provision.

Strengths

- Town Centre South redevelopment has been achieved
- The town has a compact centre
- A new department store is imminent at the Harvey Centre
- Different retail unit sizes are available to attract modern independent and national comparison retailers
- There is scope to extend the centre northwards towards the railway station
- Harlow is a sub-regional centre in a growth corridor
- Harlow is in close proximity to London
- The town has relatively good rail links, with two stations
- Green Wedges provide for informal and new leisure facilities
- There is active Town centre management
- Pedestrianisation encourages social inclusion. Harlow has the first pedestrianised town centre in the UK
- Harlow has the largest local authority collection of sculptures

Weaknesses

- Long term retail decline has driven problems in Harlow town centre and the local centres
- Relatively low wages and discretionary spend characterise the HDC area
- Under-investment by both the private and public sectors is leading to a poor image and town centre environment
- The old-fashioned appearance of the neighbourhood centres reinforce the poor internal and external perception
- There is a relatively high resident dependency on subsidised services

Opportunities

- Accepting planned growth over the next twenty years will increase the spend potential of the local catchment area
- Growth pressures and rising property values will drive redevelopment schemes
- There is scope to upsize Harlow to achieve economies of scale, critical mass, intensity of mixed uses, and the attraction of customers from other competing centres

- An expanded events calendar for the benefit of local residents and visitors
- A progressive change in Harlow's retail offer and image
- The potential to develop a quality evening economy
- The development and implementation of a public/private investment framework
- Extensions of Harlow's town centre and the town boundaries
- The creation of quality public spaces in Harlow town centre and the highlighting of public realm sculptures

Threats

- The do nothing policy option
- Continued under-investment which will reinforce the absolute and relative decline of the town centre and Harlow as a whole
- Competition from nearby retail and services centres, particularly on the M11 / M25
- The poor quality, mix and limited retail hierarchy accessed by local residents
- Distribution of M11 corridor growth to other centres under RPG14 / RSS

12.5 Strategic Challenges

12.5.1 Harlow is faced by a number of strategic choices and challenges in the context of improving town centre, retail and local services. These pose a number of questions.

- What scale and quality of town centre retail is required to competitively fulfil the sub-regional shopping centre role?
- A vibrant town centre is significant to other regeneration objectives, including inward investment, new office based activity, use of leisure facilities and the overall quality of life for local residents.
- Identification of "soft" neighbourhood centres where mixed use redevelopment could provide increased housing and employment densities, and therefore reinvestment opportunities? What criteria should apply?
- Harlow neighbourhoods should be better linked and accessed to allow larger catchment areas to sustain retail provision and the viability of local services?
- Car access is vital for a competitive sub-regional role?

12.6 New Initiatives

12.6.1 A number of new initiatives might be considered which both build from existing projects and programmes and may contribute towards the overall regeneration of Harlow.

- Extend Harlow town centre northwards towards the station, including new entertainment, leisure and residential uses
- Establish a Town Centre Management Company and BIDS options for public/private partnership in environmental improvements and marketing
- Develop public spaces, street furniture, signage and public art packages

- Reinforce customised training and recruitment initiative to give local access to new jobs in the town centre
- Reduce mixed use constraints in all retail centres through Local Plan Review
- Extend the size and range of employment opportunities in the retail centres
- Attract a hotel and conference centre to Town Centre North
- Develop the New Hall neighbourhood centre

12.7 Needs and issues

- Harlow's sub-regional shopping centre had underperformed, but the completion of the Town Centre South redevelopment with the Water Gardens has helped to turn the position round and will raise its ranking in the national hierarchy.
- Around one fifth of all Harlow jobs are based in the town centre area, with the majority being taken up by local people. However there had been a decline in the overall number of town centre jobs from 1998.
- The town centre is unattractive to residents, particularly in the higher income brackets. It is deficient in comparison shopping and faces a serious challenge from accessible competitors including Lakeside / Bluewater.
- The town centre had a poor physical environment which has deterred shoppers and is not easily accessible. Harlow market in Market Square is suffering from increasing competitive pressures, a lack of investment and the current construction work on adjacent redevelopment sites.
- The hierarchy of retail centres in Harlow has been undermined by growth of retail parks and other sub-regional centres. The neighbourhood centres and hatches have an important role in providing local facilities and minimising car travel. They are also important in serving Harlow's aging population. However while offering important facilities their environment needs upgrading.
- The Local Plan recognises that the sustainable principle of providing schools, community and health centre facilities within each neighbourhood and within walking distance is important.
- Good quality financially sustainable leisure facilities are necessary to meet needs and for the improvement of the town's image but many facilities are dated and in need of reinvestment to increase participation and performance levels.
- The arts have an important role in helping to make Harlow an attractive place to live and work.
- The town suffers from a deficiency of facilities to support a vibrant evening economy, few of the major restaurant and pub brands are represented in Harlow.
- Hotel provision in Harlow is currently limited, particularly in the 4/5 star hotel category. Weekend business is difficult to generate and there has been a well documented decline in tourism and visitor numbers.

13 Conclusions and main points

13.1 Introduction

13.1.1 This concluding chapter brings together the main points that are set out in the preceding chapters. It summarises the economic, social and physical regeneration needs of Harlow which point towards priority areas for the regeneration policies. The findings of the report provide an evidence base to allow the Harlow Regeneration Strategy to be developed reflecting the fundamental regeneration issues and primary needs set out at the end of the chapter.

13.2 Socio-Economic Overview

- Harlow's population, from the completion of the construction of the new town, was broadly static for several decades, but then went into steady decline. The position improved from the mid 1990s, with net immigration primarily to the new development of Church Langley, but the population has started to decline again.
- Long run population trends show that Harlow's population has experienced overall decline since 1981, while the population of the surrounding area has increased by more than 10%. The (relatively small) size of the population of Harlow has also determined the size of its labour market. The small size of the labour market has failed to keep pace with local labour requirements.
- Employment growth in Harlow has lagged behind growth in neighbouring areas for some time. Harlow jobs grew by only 12%, compared to 22% in the Harlow sub region, in the period 1991-2002, indicating a relative economic underperformance.
- The structure of Harlow's economy lacks diversity because it is dominated by a small number of very large employers. Harlow developed in the 1950s and 1960s as a large company town. This concentration and imbalance in the structure means that the town's economy is potentially fragile, vulnerable to large firms downsizing, and reliant on a narrow business base.
- Given the large company context the small firms sector is seriously underdeveloped.
- VAT registration data show that Harlow has a markedly small number of registrations relative to its size. The town had only 38 registered businesses per 1,000 economically active residents in 2004, which is less than half that of the sub-region (79 registered businesses per 1,000 economically active). National research indicates that new firms are an important component of a successful, dynamic local economy.
- The current industrial specialisms and strengths of Harlow are Research & Development, Manufacture of Office Machinery and the Manufacture of Instruments.
- A greater proportion of Harlow's residents are economically active than in the East Region and the country as a whole, which is a positive attribute for the local labour force.
- Substantially fewer Harlow residents are in full time education than in the rest of the country. Only 12% of Harlow residents hold a degree, compared to 20% in England and Wales.
- About 4.7% of the economically active are unemployed in Harlow, compared to 2.9% in the Harlow sub region and 3.8% in the East region. This suggests

the need for higher levels of local employment and job creation and skills development.

- Qualification levels are reflected in the occupational characteristics of Harlow residents. A third (33%) of Harlow residents are in managerial, professional or technical occupations, compared to 46% in the Harlow sub region. Higher income jobs go to those who commute into Harlow and residents tend to be in lower paid occupations.

13.3 Business Development

- The small firm sector in Harlow is particularly underdeveloped. The sector accounts for only 53% of employment, compared with a national average of 62%. This also means that self-employment rates in Harlow are lower than in the other areas; 9% of economically active Harlow residents are self-employed compared to 16% in the Harlow Sub Region.
- The rate of business formation in Harlow is also much slower, at 4.9 per 1,000 economically active population. This is only 60% of the rate in the Harlow sub-region (8.2 per 1,000 economically active). Taken together, the relatively small number of registrations and slow rate of business formation are an indication of the lack of dynamism and business growth in Harlow.
- The cost of premises, availability of skilled labour, availability of premises and inadequate transport infrastructure are the key factors restricting SME growth in Harlow. More particularly, Harlow is not able to provide the range of space required by businesses at different stages of their development.
- As a business location, Harlow has a demonstrable appeal for the Research and Development sector. The sector accounts for about 10% of employment in Harlow, compared with a national rate of only one per cent. However, Harlow is not exploiting the opportunities of this potential area of business and is, therefore, failing to develop a genuine cluster from which to encourage SMEs spin-offs. The development of a genuine Research and Development cluster will assist the development of the knowledge based economy in Harlow.
- A substantial number of graduates work in the town in both R&D and management. They represent a pool of potential 'high tech would be' entrepreneurs who could be encouraged to establish new businesses in Harlow.
- Harlow does not currently offer appropriate entrepreneurial culture or environment to support start-ups.

13.4 The Specific Needs of Businesses

The needs of businesses are based on a survey of firms carried out in October 2004.

- Almost 90% of the firms interviewed in Harlow are micro businesses, employing 10 or fewer people. Most of the remainder are small to medium sized firms and a few large firms.
- The micro and small enterprises are concentrated mainly in construction, transport, finance and business services. Firms in these sectors are also mainly those that have been established in Harlow for 20 years or more. This implies that Harlow is not attracting the new businesses that utilise high level skills; the type of businesses which are essential for regeneration, and which will also enable the town to attract and retain its graduates.
- A significant proportion of the firms expect to grow over the next five years. Most of these are mid-sized businesses; but it is a concern that many were

expressing uncertainty about their continued presence in Harlow because of business constraints they face.

- By far the most severe constraint on firms meeting their business objectives is the (high) cost of suitable premises. This is closely followed by the lack of suitable skills among the resident population.
- Harlow's poor image is considered by the firms as one of the significant factors discouraging new businesses locating and developing in the town. The other discouraging factors are the business rates and poor transport links. The firms believe these are pressing issues which the Council and its partners must tackle to both encourage and retain businesses in Harlow.
- Although it is generally acknowledged that Harlow has a low skills base, there appears to be little effort made by firms to address the problem by training and developing their current workforce. Only a small minority of firms have a training plan, or one that is supported through dedicated training budgets. Moreover, very few firms appear to have systems and processes in place for the development of their workforce.
- The evidence from the survey suggests that firms in Harlow do not place much importance on workforce development and a significant number believe their workforce needs only basic skills to do the job. The lack of investment in their workforce will have serious implications for the future competitiveness of firms in Harlow.

13.5 Employment Sites and Inward Investment

- Since the late 1990s, Harlow has secured the highest number of recorded new investment projects in Essex, but the majority are reinvestments arising from the restructuring of existing facilities.
- Despite its success in attracting high levels of inward investment, Harlow is still plagued by not only its poor image, but also perceptions about its inadequate road network and transport infrastructure. The town suffers from road congestion, poor access to sites and has outworn industrial estates.
- Harlow is constrained by its current boundaries and there are few opportunities for the identification and designation of new employment land.
- There have been significant losses of employment land, particularly off Edinburgh Way on the northern side of the town, to retail warehouse, car showroom and leisure related uses. This detracts from the primary employment use of the area and adversely affects market perceptions, particularly in relation to the reletting of industrial and office premises. This is a consequence of market failure, and further reduces the employment potential of land, thereby undermining Harlow's attractiveness as an investment location.
- The Essex County Structure Plan requires that land lost to non-employment uses should be replaced. This replacement process is increasingly problematic, given the constraints on developing Green Wedges and Green Belt in Harlow.
- The Local Plan has identified a significant stock of vacant or underutilised employment sites and premises in Harlow. However, much of this stock is outworn, and constrained further by its size and desirability. The employment sites themselves suffer from poor accessibility. They are poorly located relative to the strategic transport network, and can be accessed only via the town's congested road network, and as such are unattractive to potential investors.
- The Harlow industrial and commercial premises market is not strong, as older industrial and office stock become redundant. This also means that achieved

rent levels falling. Although this provides for businesses some of the lowest industrial and commercial rents in the South East, these same market conditions also prevent reinvestment and renewal of stock.

- The cost of new build B Class development in Harlow is not covered by current achieved rents, with the result that the development market is stalling.
- Harlow suffers from severe peak period congestion on all principal routes into and out of the town, which has an adverse impact on both new investment and reinvestment in sites and premises.
- The persistent message throughout this analysis of Harlow's needs is the very poor image of the town and negative perceptions of Harlow as a location for business and inward investment. The evidence from the analysis is that potential investors and employers feel the town has only a limited offer. Consequently, Harlow is marketed on the basis of its proximity to London and Cambridge, rather than on its own intrinsic qualities or attractions. The image of Harlow as a failing New Town detracts from its ability to attract investment.

13.6 Labour Market, Skills and Workforce Development

- The most distinctive feature of Harlow's labour market compared with the wider area is the higher proportions of workers employed within manufacturing, wholesale and retail trades, and transport, storage and communications.
- Harlow's labour pool is relatively low skilled. A higher proportion of residents have no qualifications at all; and compared with its surrounding areas, only a very low proportion of the workforce has higher qualifications.
- Harlow is characterised by a poor retention rate for higher skilled residents. Graduates and other qualified residents tend to leave the town, and are more likely to live and work in towns and villages in the neighbouring travel to work areas, which offer a better quality of life.
- Underpinning the skills deficit in Harlow is the fact that fewer residents are likely to participate in learning compared to both the region and the country as a whole. This is most noticeable among 16-17 year olds. Harlow has the highest proportion of pupils not achieving 5+ GCSE/GNVQ qualifications among local authorities in Essex although the position is improving.
- The skills and employment mismatch has an inhibiting effect on local business creation and the potential for spin-off in the knowledge sectors, for example the Research and Development base. Research evidence to suggest that workers with higher level qualifications are generally more predisposed to starting their own small business.
- Some of the large Harlow employers for the most part operate independently and do not regard regeneration and the low indigenous skills base of Harlow as being particularly related to their future business growth.

13.7 Community Development

Key characteristics of the population have implications for community development.

- Harlow is not ethnically diverse; the white British population is above the national and regional average, but there are distinct minority community needs.
- The proportion of Lone Parent households is comparable to other Southern New Towns.

- According to the Index of Multiple Deprivation, the Harlow community does not suffer from widespread deprivation. Nevertheless, Harlow remains within the most deprived 10% of local authorities in the East of England region.
- Deprivation tends to be more dispersed in Harlow and hence less visible. Only a small part of Staple Tye Ward falls within the 20% most deprived areas of the country.
- The Harlow Ward deprivation scores of significance in terms of community need are education, skills and training, barriers to housing and services and crime and disorder.
- The opportunities for residents to continue to participate in community initiatives may be under threat as projects are wound up and need to be restructured.
- Mainstream service providers have a low level of awareness on how to build the community participation process into service planning and delivery.
- The Voluntary and Community Sector is relatively underrepresented on the LSC.
- Community involvement and participation in Harlow is constrained by the lack of basic skills.

13.8 Health

- Harlow has a 4% larger proportion of 0-44 age groups and a lower proportion of 75+ age groups, and an ageing population.
- There are a slightly higher proportion of dependant children under the age of 18 live with a lone parent
- Deaths by cancer are shown to be higher than the national average (significantly), which is also the case for mental health.
- Harlow Town's healthcare needs and issues cannot be viewed in geographical isolation from the adjacent area and should be considered within the context of the requirements of the surrounding Primary Care Trusts.
- Under any planned population expansion in Harlow, secondary healthcare will require a second stage of capital development to provide further additional capacity and remodel its emergency care and clinical diagnostic facilities, and develop short stay and day case facilities.
- The West Essex Clinical Services Review (WECSR) and internal assessment of site capacity at the Princess Alexandra Hospital will indicate the capability and healthcare requirements and combine to inform planning of healthcare provision in the area to 2021 and beyond. Healthcare facility developments should, ideally, be in place before the expansion of population.
- There is a need to increase the pace and extent of modernisation initiatives across West Essex/East Hertfordshire. It is also recognised that it would not be possible to meet increasing demand for healthcare through investment in 'more of the same'.
- There is a need for a medium term strategy to manage requirements for secondary care provision by developing suitable alternative community services. Integrating and developing a range of community services improving the support available to those with long term conditions to avoid unnecessary admission to hospital.
- A comprehensive workforce strategy for healthcare is required to meet any planned growth, which takes into account the European Work Time Directive, changes in medical training, recruitment and retention initiatives, the

requirement for new and flexible professional roles needing new sets of skills and knowledge, and overall expansion in staff numbers. This will impact on affordable housing needs.

13.9 Transport and Accessibility

- Harlow is poorly provided for in terms of strategic road connections: Junction 7 of the M11 and the A414 are both significantly congested during the peak periods.
- Capacity is restricted in the main routes and junctions.
- The main railway station is remote from the town centre, has poor facilities for passengers (including parking and waiting rooms) and offers only limited connections into the Region. The main use is for commuting purposes to and from London.
- The town centre is cut off, surrounded by a dual carriageway – effectively a ‘collar’ - which severs the centre from the neighbouring residential areas and restricts pedestrian movement into the town centre.
- The plan for internal traffic circulation has been compromised by the lack of links from the south and west. The result is that the westerly and northerly employment sites are not directly connected to the motorway network.
- The neighbourhood centres themselves are well-planned in transport terms, separated from through traffic, with extensive local walking and cycling networks.

13.10 Housing

- Two types of housing ownership dominate the Harlow housing market. The Council owns 30%, whilst 60% is owner occupied, with Housing Associations and private landlords owning the balance of 10%.
- Harlow’s housing market is characterised by an ageing stock and poor quality build. The worst housing stock is in Council ownership, but the Council struggles to provide an effective maintenance programme, given the nature of the stock and its poor build quality.
- Less than 1% of Harlow’s private sector housing stock is classified as unfit, compared to the national average of 7.5%. In the private rented sector just 1% of the stock is unfit, compared to the national position of 6%. Poor energy efficiency and the problems associated with condensation were the most prevalent unfitness factors.
- Harlow faces a dual problem, in terms of affordable housing. It faces both a shortfall of affordable homes, with a projected shortfall deficit of 987 homes over the next six years. This is made worse by the fact that an increasing proportion of the residual stock of affordable housing is in Council ownership, and is affected by the problem of poor maintenance. The Council’s holdings of affordable housing is, therefore, the poorest stock with high maintenance costs.
- Although there is some buoyancy in the housing market, the limited diversity and choice of housing makes Harlow a less attractive residential location, particularly for people with higher income occupations. Nevertheless, the overall view of housing in Harlow is of a stock lacking in choice, largely unattractive and, in parts, approaching the end of its liveability.
- The quality of sports facilities needs upgrading. Harlow has benefited from the Sustainable Communities Plan with a £12 million award to unlock the Sports Centre and Harlow Pool sites, forming the Gateway Scheme.

13.11 Town Centre, Retail and Other Services

- Harlow's sub-regional shopping centre had underperformed, but the completion of the Town Centre South redevelopment with the Water Gardens has helped to turn the position round and will raise its ranking in the national hierarchy.
- Around one fifth of all Harlow jobs are based in the town centre area, with the majority being taken up by local people. However there had been a decline in the overall number of town centre jobs from 1998.
- The town centre is unattractive to residents, particularly in the higher income brackets. It is deficient in comparison shopping and faces a serious challenge from accessible competitors including Lakeside / Bluewater.
- The town centre had a poor physical environment which has deterred shoppers and is not easily accessible. Harlow market in Market Square is suffering from increasing competitive pressures, a lack of investment and the current construction work on adjacent redevelopment sites.
- The hierarchy of retail centres in Harlow has been undermined by growth of retail parks and other sub-regional centres. The neighbourhood centres and hatches have an important role in providing local facilities and minimising car travel. They are also important in serving Harlow's aging population. However, while offering important facilities their environment needs upgrading.
- The Local Plan recognises that the sustainable principle of providing schools, community and health centre facilities within each neighbourhood and within walking distance is important.
- Good quality financially sustainable leisure facilities are necessary to meet needs and for the improvement of the town's image but many facilities are dated and in need of reinvestment to increase participation and performance levels.
- The arts have an important role in helping to make Harlow an attractive place to live and work.
- The town suffers from a deficiency of facilities to support a vibrant evening economy, few of the major restaurant and pub brands are represented in Harlow.
- Hotel provision in Harlow is currently limited, particularly in the 4/5 star hotel category. Weekend business is difficult to generate and there has been a well documented decline in tourism and visitor numbers.

13.12 Fundamental Regeneration Issues

13.12.1 This report has outlines the potential of Harlow and the strengths upon which regeneration may be delivered. It has also identified the prevailing conditions which inhibit the realisation of this potential and are combining to create the challenging economic and social conditions that confront the town.

13.12.2 Arising from this analysis it is concluded that Harlow is faced by seven fundamental regeneration issues which are set out as follows:

- 1 Harlow has an underperforming economy. Relatively high economic activity rates, low unemployment, steady employment and investment all point to some economic success. However, closer analysis yields a picture of relative economic stagnation with Harlow's competitive position worsening as it continues to be outperformed by neighbouring areas. Slow employment

- growth, limited business stock and SME development, low levels of entrepreneurship and unexploited strengths in R&D and key sector clusters are all factors contributing to underperformance.
- 2 Harlow has a relatively small labour force and a low skilled labour market offer. Overall population decline has contributed to the local labour market failing to keep pace with local labour requirements. There is a higher proportion of residents with no qualifications and a significantly lower proportion of the workforce with higher qualifications in Harlow than in comparator areas. Young graduates / qualified people tend to leave Harlow. Basic skills are among the lowest in the region. Fewer residents are likely to participate in learning than in other parts of the country.
 - 3 There is an imbalance between the resident population and the occupational composition of workplace jobs in Harlow. The extent to which the town operates as a sustainable labour market has been undermined over time. In commuting has increased from 37% in 1991 to 48%, with neighbouring locations and travel to work areas offering a better quality of life. There are 9,300 positions in Harlow requiring Level 4/5 with only 5,600 residents qualified to this level. This has an inhibiting effect on local business creation and the potential for spin off activity, which tends to take place outside Harlow.
 - 4 Harlow suffers from social exclusion and deprivation with weak educational attainment, albeit improving, and low aspirations. Social indicators show that the residents of Harlow are typically worse off than their neighbours in terms of wealth and health. Harlow remains within the most deprived 10% local authorities in the East of England region and exhibits significant concentrations of deprivation, particularly in the Staple Tye ward.
 - 5 Poor physical infrastructure, constrained employment sites, decaying housing and a town centre requiring much greater improvement characterise Harlow. Economic potential is undermined by the state of the urban fabric which has suffered from underinvestment over recent years. Industrial and commercial rents are among the lowest in the London ring area, with market conditions inhibiting reinvestment. The housing stock in Harlow lacks choice, is largely unattractive and in parts is approaching the end of its liveability. The town centre has lost competitive position. The neighbourhood centres and hatches fulfil an important social need but many are in decline and future viability is questionable.
 - 6 There is poor accessibility both to and within Harlow. Current transport linkages are inadequate and compromise the original vision for the town. Harlow's weakness in transport infrastructure provision results in high levels of dependence on the private car and a poorly developed public transport network. Significant measures are required to address the transport deficit in Harlow.
 - 7 Harlow has a negative image and poor external perception. Although Harlow has been successful in attracting a share of inward investment in the East of England the negative perceptions of the town persist with the inadequate transport infrastructure, outworn industrial estates, poor quality housing and the town's outdated design detracting from Harlow as an investment location. This lack in investment, in turn, further undermines the image of Harlow.

13.13 Primary Regeneration Needs

- 13.13.1 It is manifest from the evidence base and analysis of needs set out in this report that far reaching and decisive intervention is required to both address the deep rooted structural problems facing Harlow and to realise the inherent potential of the town.

An incremental approach focussing on only some of the issues is unlikely to have either a significant or a long lasting impact. A wholesale regeneration initiative is therefore required which tackles the causes of Harlow's progressive underperformance.

13.13.2 A fundamental requirement for regeneration is a successful and sustainable Harlow economy. The achievement of success is dependent on a series of interrelated needs being fully addressed. These primary needs are defined as follows:

- a Building a dynamic economic base with a flourishing SME sector contributing towards better integration between the employment and local skills base of Harlow.
- b The creation of a highly skilled and innovative workforce with improvement in the existing labour market, retention of skills, rising aspirations and an increase in the scale and qualitative composition of new inward migration to Harlow.
- c A step change in the physical environment to demonstrate a continuing process of renewal and regeneration in the town centre, that the investment deficit is being made up and that an improvement in both the quality and choice available in the housing stock is being achieved.
- d A development process that proceeds on a socially inclusive basis allowing all sections of the Harlow community to share in the new economic prosperity and opportunity created.
- e A rebranding of Harlow which contributes to a fundamental change in the image of the town and builds the perception of a growing and dynamic sub regional centre.
- f The creation of a critical mass of new investment which contributes towards increased capacity in terms of spend, population and employment to extend the economic potential of Harlow.

13.13.3 The Harlow Regeneration Strategy builds on this evidence base and sets out the strategic policies and actions which are required to address Harlow's needs.

Appendix A LEPS

A1 Local Economic Performance System (LEPS)

- A1.1 The Local Economic Performance System (LEPS) comprises the collection, processing and presentation of local and national data. Data is collected from a variety of sources, but the majority comes from the Office for National Statistics (ONS) and other government sources (such as the Department for Skills and Education and the Home Office).
- A1.2 Much of the source data is processed by PACEC in order to produce robust and consistent estimates over time. For example, such processing is necessary where data is affected by differences in classification (e.g. definition of unemployment and industrial classification), geography (e.g. changes in local government areas) or methodology (e.g. Annual Business Inquiry and Annual Employment Survey). It is necessary to make estimates when data is not available locally, but is available nationally or regionally (e.g. Labour Force Survey or GVA), or where data collection errors need to be corrected (e.g. ABI). LEPS also includes projections into the future for both employment and population.

Appendix B List of Consultees

Name	Organisation	Name	Organisation
Joanna Beaumont	Harlow DC	Paul Jenner	Essex LSC
Anne Bonsor	Harlow DC	Liam Sammon	Essex LSC
Philipa Bull	Harlow DC	Liz Hand	JobCentre Plus
Ian Christmas	Harlow DC	Michael Hargreaves	GO-EAST
Dianne Cooper	Harlow DC	Dearbhla Lawson	GO-EAST
Vernon Herbert	Harlow DC	Jamie Merrick	EEDA
Julie Houston	Harlow DC	Keith Hughes	Business Link for Essex
Ellena Mould	Harlow DC	Richard Harrington	English Partnerships
Demetrious Panton	Harlow DC	Simon Meddick	Harlow PCT, WECSR
Danny Purton	Harlow DC	John Gilham	NHS Trust, Princess Alexandra Hospital
Laurence Sach	Harlow DC	Robert Powell	NHS Trust, Princess Alexandra Hospital
Mary Orton	East Herts DC Planning	David Thomas	CBRE (Property Agents)
Paul Pullin	East Herts DC Planning	Richard Faine	Faine (Property Agents)
Henry Stamp	Epping Forest DC	Paul Fitch	Glenny (Property Agents)
Ian White	Epping Forest DC	Linda Warr	Harlow Seedbed Business Centre
Ivan Le Gallais	Epping Forest DC consultant	Andy King	Arrow Electronics
Geoff Gardner	Essex CC	Jim Hood	GlaxoSmithKline
Steve Bailes	Herts CC	David Adlington	Nortel Networks
Anne Fisher	Herts CC	Trevor Hayburn	Orridge (Stocktaking Services)
Rachael Donovan	Herts CC	Stacey Lambert	Pearson Education
Richard Bailey	Essex Investment Office	Andy Jones	Pitney Bowes
Sue Young	Harlow College	Julie Cox	Transco
Jon O'Connor	Harlow Education Consortium		

Elected members were consulted through the Stansted M11 Local Authority Partnership at a meeting on 7th September 2004.

Appendix C Sources

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- 2 Out There Harlow 2003 Business Directory
- 3 Property Market Overview – Harlow Town Centre CBRE March 2004
- 4 Employment Densities: A full guide. July 2001. Arup Economics and Planning
- 5 The New towns, their Problems and Future. House of Commons. Transport, Local Government and Regions Committee 2002
- 6 Retail Trends GVA Grimley 2004
- 7 Business Parks Review. GVA Grimley 2004
- 8 Business Link for Essex Delivery Plan 2003/4
- 9 National Survey of Local Shopping Patterns CBRE 2002.
- 10 London Stansted Cambridge Sub Regional Study July 2003)
- 11 London-South Midlands Multi Modal Study LSMMS (February 2003)
- 12 Sustainable Communities Plan (ODPM February 2003)
- 13 Stansted/M11 corridor Development Options Study (September 2003)
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- 16 Regional Economic Strategy EEDA (June 2004)
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- 23 Harlow New Town: A plan prepared for the Harlow Development Corporation by Frederick Gibberd, 1952
- 24 Harlow Factfile.
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- 26 Homes for Harlow, Harlow 's Housing Strategy 2004-2007 .
- 27 Indices of Deprivation, making the case for Harlow.
- 28 Harlow 2020 Vision (full).
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- 30 Response to the Harlow Options Study, March 2004
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- 33 Key Worker Research, Harlow District Council Feb 2003
- 34 Regional Housing Strategy 2003-2006
- 35 Residential Land Availability Study 2003

- 36 London Commuter Belt Sub-Regional Housing Strategy
- 37 Investing in Harlow's Homes - Harlow's Housing Revenue Account Business Plan 2004-20
- 38 'The Value of the Sports Economy in the Regions: The case for the East of England', Final Report, Sport England, June 2003
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- 40 Celebrating Essex': a cultural strategy for the county of Essex,
- 41 Living East: 'Culture: a catalyst for change – a strategy for cultural development for the East of England'

Appendix D Harlow Ward Based Super Output Area (SOA) Data (in rank order)

Table D1.1 Index of Multiple Deprivation (2004)

SOA	WARD	IMD SCORE	RANK OF IMD (where 1 is most deprived)	INCOME SCORE	RANK OF INCOME SCORE (where 1 is most deprived)	EMPLOYMENT SCORE	RANK OF EMPLOYMENT SCORE (where 1 is most deprived)	HEALTH DEPRIVATION AND DISABILITY SCORE	RANK OF HEALTH DEPRIVATION AND DISABILITY SCORE (where 1 is most deprived)	EDUCATION SKILLS AND TRAINING SCORE	RANK OF EDUCATION SKILLS AND TRAINING SCORE (where 1 is most deprived)	BARRIERS TO HOUSING AND SERVICES SCORE	RANK OF BARRIERS TO HOUSING AND SERVICES SCORE (where 1 is most deprived)	CRIME AND DISORDER SCORE	RANK OF CRIME AND DISORDER SCORE (where 1 is most deprived)	LIVING ENVIRONMENT SCORE	RANK OF LIVING ENVIRONMENT SCORE (where 1 is most deprived)
E01021858	Staple Tye	34.92	6265	0.20	7801	0.13	9366	0.51	9261	46.91	3714	39.90	2289	1.29	2007	5.61	27888
E01021864	Sumners and Kingsmoor	31.64	7453	0.22	6924	0.11	11610	0.35	11236	52.15	2802	37.75	2997	0.61	7948	7.15	25996
E01021846	Mark Hall	30.96	7732	0.19	8319	0.11	11168	0.26	12458	36.48	6070	38.46	2736	0.97	4126	17.34	15823
E01021842	Little Parndon and Hare Street	30.81	7794	0.18	8848	0.11	11169	0.52	9161	43.66	4333	32.33	5682	0.91	4712	16.74	16312
E01021860	Staple Tye	30.40	7977	0.19	8451	0.11	11366	0.44	10104	45.44	4007	29.54	7476	0.89	4910	18.27	15136
E01021859	Staple Tye	29.59	8300	0.25	5377	0.09	14375	0.30	11833	45.17	4044	24.59	11694	1.06	3430	7.27	25856
E01021851	Netteswell	29.46	8356	0.19	8505	0.12	10722	0.55	8832	35.67	6323	34.81	4268	0.34	11478	21.37	13090
E01021871	Toddbrook	29.45	8359	0.19	8601	0.13	8528	0.63	7981	29.66	8384	28.28	8435	1.07	3409	5.16	28396
E01021836	Harlow Common	28.78	8679	0.19	8213	0.11	10789	0.49	9523	48.61	3418	27.62	9002	0.45	9932	9.97	22724
E01021861	Staple Tye	27.29	9401	0.17	9388	0.10	12327	0.34	11418	40.72	5001	32.85	5373	0.75	6267	4.48	29150
E01021863	Sumners and Kingsmoor	26.05	10052	0.15	10912	0.10	13327	0.22	12965	42.56	4571	32.14	5789	0.79	5873	5.00	28577
E01021821	Bush Fair	25.68	10245	0.16	10220	0.10	13783	0.29	12052	42.01	4706	24.46	11823	0.81	5736	12.48	20070
E01021829	Great Parndon	25.55	10318	0.13	12807	0.09	15207	0.30	11823	38.58	5484	39.17	2495	0.65	7449	5.81	27668
E01021872	Toddbrook	25.42	10384	0.22	6879	0.08	15942	0.19	13279	32.52	7324	30.41	6884	0.17	13846	20.22	13777
E01021823	Bush Fair	25.01	10591	0.16	10186	0.11	11817	0.15	13879	36.73	6006	24.47	11809	0.55	8706	17.44	15734
E01021862	Staple Tye	24.61	10792	0.15	10692	0.09	14123	0.30	11941	40.84	4977	26.88	9642	0.65	7388	7.53	25530
E01021850	Netteswell	24.36	10918	0.14	11489	0.09	14151	0.35	11183	34.60	6639	26.84	9664	0.64	7537	15.37	17429
E01021845	Mark Hall	24.30	10963	0.20	7787	0.11	12005	0.32	11571	30.64	8033	23.36	12959	0.04	15623	14.98	17747
E01021852	Netteswell	23.99	11107	0.16	10343	0.11	11961	0.06	15226	36.48	6073	27.70	8916	0.37	10987	10.96	21667
E01021829	Great Parndon	23.15	11632	0.15	10786	0.09	14637	0.14	14079	43.78	4312	32.68	5489	-0.93	27896	12.17	20403
E01021834	Harlow Common	22.59	12004	0.13	13102	0.09	15032	0.02	15681	40.62	5018	32.70	5472	0.28	12269	8.05	24918
E01021868	Toddbrook	22.33	12163	0.12	14183	0.10	13841	0.37	11034	33.38	7037	26.77	9726	0.32	11668	14.90	17815
E01021831	Great Parndon	21.85	12498	0.13	12938	0.10	12585	0.33	11528	30.43	8110	21.91	14510	0.38	10886	13.11	19478
E01021847	Mark Hall	21.79	12539	0.14	12299	0.08	17371	0.08	14961	30.62	8041	30.17	7062	0.68	7059	10.27	22405
E01021819	Bush Fair	21.65	12621	0.11	14433	0.10	13850	0.19	13334	34.58	6644	25.08	11232	0.42	10311	13.47	19123
E01021820	Bush Fair	21.47	12759	0.13	12840	0.09	15305	0.07	15012	31.00	7890	29.49	7511	0.41	10446	11.53	21059
E01021839	Little Parndon and Hare Street	21.33	12854	0.15	11327	0.08	17241	-0.27	19756	28.11	9070	31.97	5875	0.58	8309	12.70	19867
E01021865	Sumners and Kingsmoor	21.15	12995	0.10	15737	0.08	15969	0.37	10954	34.13	6798	34.48	4440	0.09	14998	3.46	30338
E01021853	Netteswell	21.00	13083	0.13	13116	0.08	16039	0.11	14414	28.91	8698	29.99	7165	0.39	10789	11.66	20930
E01021849	Netteswell	20.95	13117	0.15	11084	0.09	14056	0.23	12817	25.44	10284	23.92	12360	0.50	9352	5.78	27702
E01021843	Little Parndon and Hare Street	20.94	13123	0.12	13609	0.10	13821	0.17	13593	21.16	12652	35.52	3936	-0.11	17758	13.26	19327
E01021838	Harlow Common	20.74	13290	0.11	15013	0.08	17430	0.00	15962	41.34	4860	29.91	7204	0.34	11459	7.51	25545
E01021866	Sumners and Kingsmoor	20.67	13345	0.12	13917	0.07	19370	0.21	13100	23.43	11363	44.55	1113	-0.18	18740	2.54	31232
E01021869	Toddbrook	20.30	13642	0.11	15283	0.09	14359	-0.02	16273	33.73	6927	25.37	10943	0.55	8658	7.91	25090
E01021835	Harlow Common	20.07	13813	0.12	14067	0.09	15312	-0.07	16998	34.60	6641	27.88	8777	0.13	14311	10.58	22061
E01021844	Mark Hall	19.92	13926	0.14	11795	0.07	18331	-0.09	17212	28.74	8786	22.49	13886	0.84	5454	7.73	25303
E01021841	Little Parndon and Hare Street	19.90	13936	0.12	13434	0.08	17741	-0.21	19018	25.00	10500	35.52	3938	0.58	8349	3.45	30348
E01021822	Bush Fair	19.78	14025	0.13	13093	0.06	20947	-0.16	18262	43.43	4371	22.59	13783	0.61	7947	7.27	25860
E01021848	Mark Hall	19.43	14301	0.11	14429	0.09	15279	-0.07	16953	29.09	8613	32.36	5662	-0.12	17830	8.71	24167
E01021870	Toddbrook	19.17	14505	0.11	14754	0.07	18699	-0.35	20868	29.10	8609	30.80	6612	0.38	10847	16.29	16652
E01021837	Harlow Common	18.97	14641	0.11	15159	0.07	19552	-0.08	17145	37.73	5711	29.82	7271	0.19	13497	6.48	26835
E01021833	Great Parndon	17.86	15537	0.11	14565	0.07	18336	0.07	15091	27.08	9501	28.16	8542	0.08	15162	6.88	26327
E01021855	Old Harlow	15.11	18034	0.14	12274	0.05	23873	-0.23	19307	22.08	12118	20.53	15995	0.00	16225	13.17	19407
E01021854	Old Harlow	15.05	18085	0.09	17886	0.06	22183	-0.36	21035	19.90	13460	32.01	5856	0.21	13216	8.86	23989
E01021832	Great Parndon	14.36	18797	0.05	24040	0.05	25501	-0.43	21958	24.73	10639	43.09	1421	-0.81	26733	6.79	26446
E01021867	Sumners and Kingsmoor	13.08	20219	0.05	26058	0.04	29031	-0.66	24767	21.94	12182	34.56	4404	0.66	7262	6.05	27353
E01021830	Great Parndon	12.98	20351	0.06	23580	0.06	21193	-0.50	22803	17.74	14960	35.97	3713	-0.14	18154	2.35	31395
E01021857	Old Harlow	11.78	21734	0.08	19071	0.05	25191	-0.26	19700	13.72	18197	32.70	5473	-0.74	25970	5.67	27825
E01021856	Old Harlow	11.76	21757	0.07	20132	0.05	26417	-0.45	22214	20.24	13239	20.32	16217	0.29	12219	11.16	21465
E01021826	Church Langley	11.17	22435	0.07	20578	0.04	26824	-0.52	23017	14.49	17547	35.37	4020	-0.66	25029	2.97	30841
E01021828	Church Langley	11.12	22512	0.02	31548	0.02	31744	-0.63	24364	17.21	15334	46.75	768	-0.68	25229	2.12	31587
E01021827	Church Langley	10.94	22750	0.08	19097	0.03	29862	-0.28	19995	19.19	13908	25.88	10492	-0.28	20091	6.24	27132
E01021824	Church Langley	9.99	23948	0.03	30406	0.03	30353	-0.67	24831	18.82	14185	39.92	2282	-0.78	26471	4.05	29665
E01021825	Church Langley	9.99	23950	0.02	31205	0.03	30869	-0.61	24057	15.85	16464	40.64	2060	-0.32	20640	2.10	31611

Note: Rank of IMD range (1-32,483) where 1 is the most deprived on a national basis. The shaded indicator figures are within the top 20% most deprived on a national basis.
 Source: ODPM

Harlow Regeneration Strategy

City/town size, growth and benefits to residents and firms in Harlow

A report prepared by

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for
Harlow Council

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July 2005

Ref: H:\403\17HDC\City size and benefits to residents and firms.doc

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1 City/town size, growth and benefits to residents and firms in Harlow

1.1 The Aims

1.1.1 The objective of this report is to assess the potential economic and social benefits to Harlow residents and firms of an increase in the scale of the city/town as reflected in a greater population and resident workforce. The analysis is not concerned with the wider regional and national benefits.

1.1.2 The aim here is not to review the substantial theoretical literature on the optimal and efficient size of cities and towns that has for many years influenced the planning of future growth and development of Britain's cities and towns. Suffice to say that such reflections which claim that urban size is the fundamental determinant of urban location costs and benefits have met with heavy criticism and many issues remain unresolved and provide limited guidance on whether specific cities and towns should be contained or expanded. Rather our aim here is to seek some **empirical** insights into the relationships between city/town size (and growth) and a range of economic and social indicators reflecting potential benefits to residents and firms located in the city/town.

1.2 The Approach

1.2.1 Our approach to testing whether city/town size and growth are related to improved economic and social circumstances is to explore the relationship between such indicators and the size and growth of a suitable sample of cities (or larger towns) in the UK. In the first place we selected cities/towns which were comparable to Harlow to achieve a reasonable "fit" - we excluded those in the northern part of England, those in conurbations (e.g. Greater London), those in very large urban areas (e.g. the areas around Reading and Gatwick airport), and those on the coast (e.g. Eastbourne and Southampton). We also excluded New Towns, on the basis that their growth would be more prone to policy intervention, especially to encourage growth or achieve a target size, compared to other cities.

Panel 1.1 The cities and towns selected for the analysis	
Bedford	Lincoln
Brentwood	Luton/Dunstable
Cambridge Urban Area	Maidstone
Cannock	Mansfield
Chelmsford	Northamptonshire Urban Area
Cheltenham	Norwich
Chesterfield/Staveley/Wingerworth	Oxford
Colchester	Shrewsbury
Exeter	Slough
Gloucester	Southend
Gosport/Fareham	St Albans
Gravesend/Grays	Swindon
Guildford	The Medway Towns
Harlow	Warwick/Leamington
High Wycombe	Worcester
Ipswich/Martlesham Heath	

1.2.2 The size of the cities/towns by population is shown in Appendix A.

1.2.3 The following economic and social indicators, which are related to regeneration and economic development policy aims, have been used in the analysis. The definitions of the indicators are shown in Appendix B.

Panel 1.2 Social and economic indicators for the analysis	
GVA/head of population	Industrial diversity
GVA/workplace job	Index of multiple deprivation
Long term unemployment	Employment deprivation
Educational qualifications	Income deprivation
Gross weekly wages	
Business birth rate	

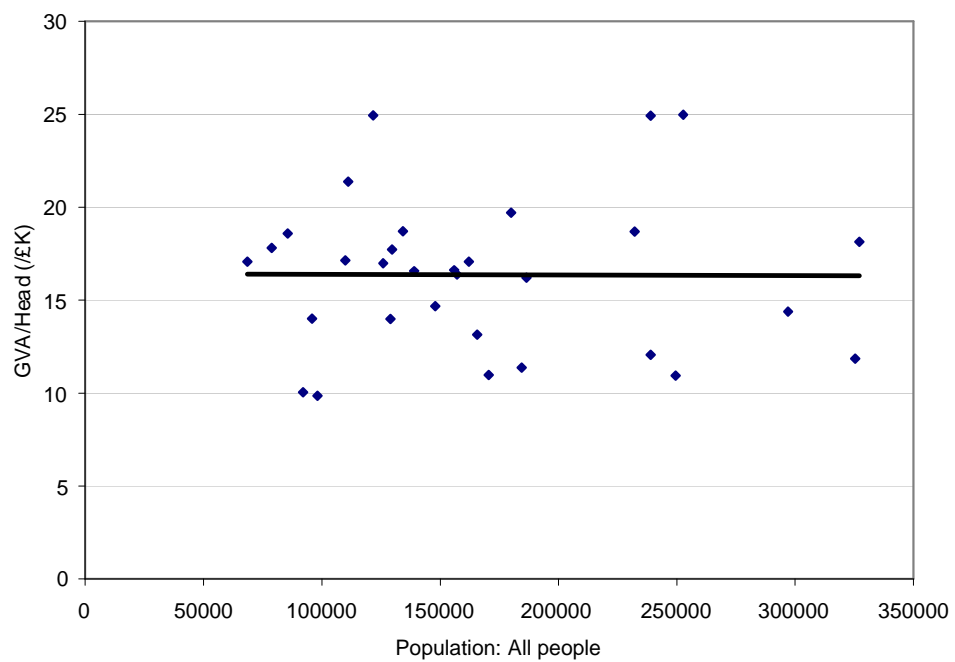
1.2.4 In the analysis population is used as the measure of city/town size and is based on the Census 2001 and growth rates for each city/town are for the period 1991 to 2001. All relationships have been estimated using bi-variate regression analysis of the indicator on size and growth of population respectively. This analysis is based on a presumption that size and/or growth has an influence in changes in the indicators. This is a matter for interpretation. The analysis does not imply a categorical causal relationship between size/growth and the indicators.

1.3 Main results

GVA/head of population

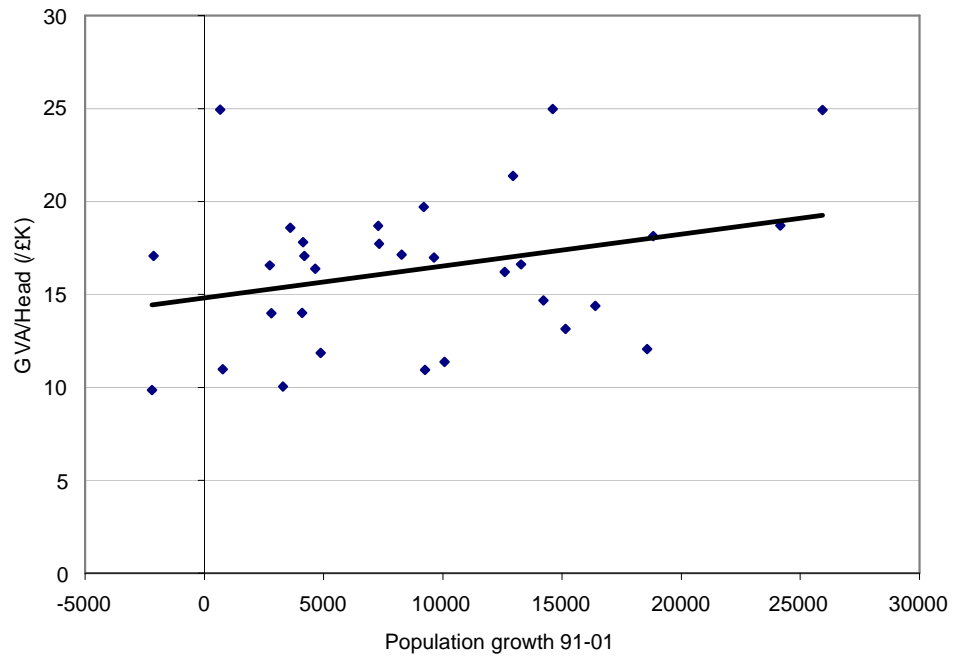
1.3.1 GVA/head of population provides a broad indication of the standard of living. The following diagrams reveal that GVA/head of population does not increase with city/town size. However growing cites are associated with higher levels of GVA/head of population. This means an average difference of just under £5000 per person of GVA between a city/town which isn't growing compared to a city/town gaining 2500 per year. (See Figure 1.1 and Figure 1.2)

Figure 1.1 Gross Value Added per head



Source: Annual Business Inquiry; Census of Population; Labour Force Survey; PACEC

Figure 1.2 Gross Value Added per head

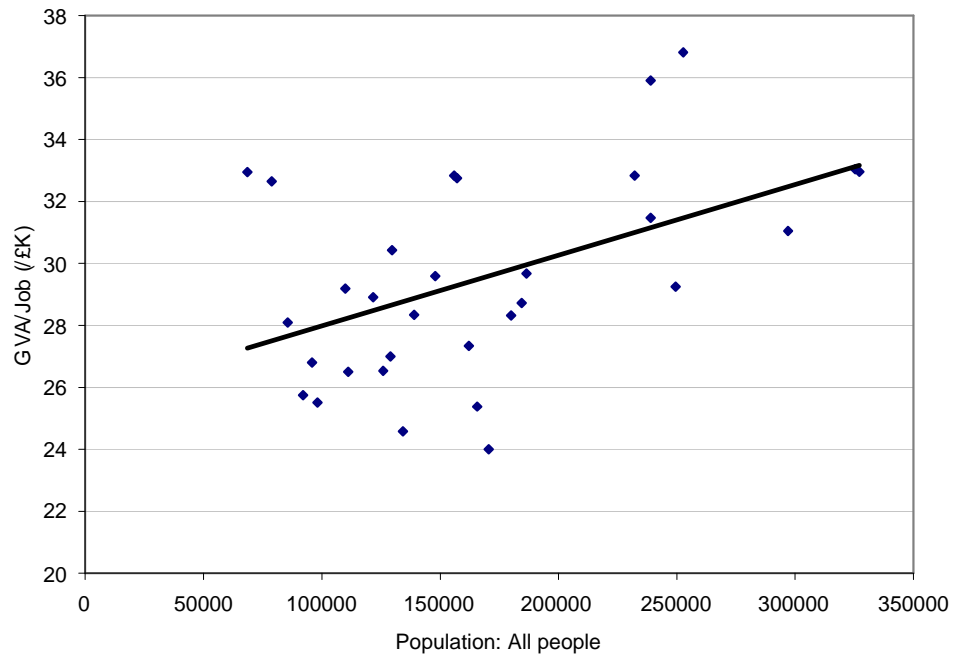


Source: Annual Business Inquiry; Census of Population; Labour Force Survey; PACEC

GVA/workplace job

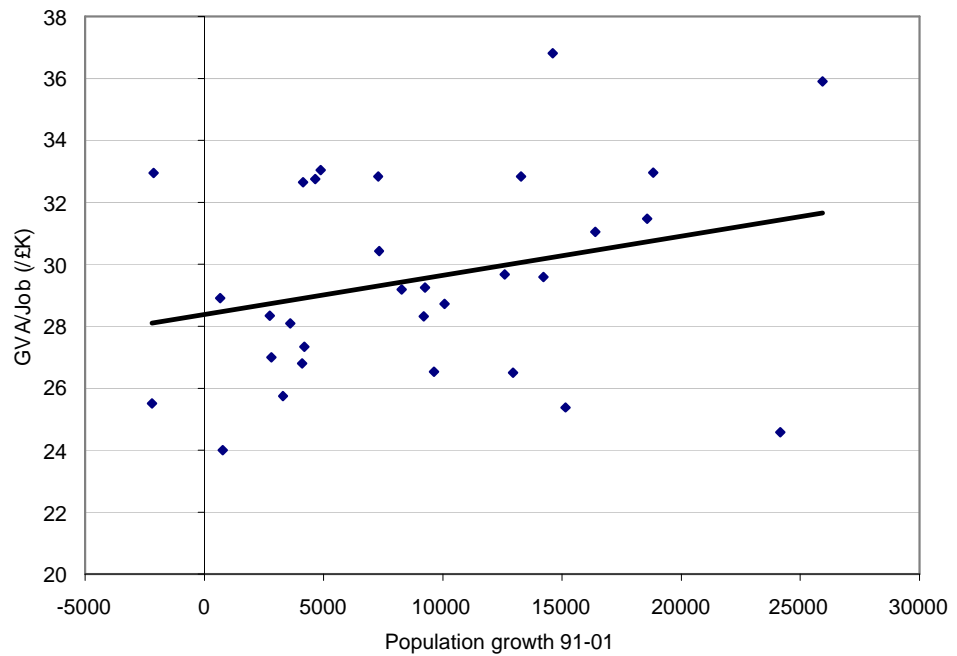
1.3.2 GVA per job provides an indicator of labour productivity. What is clear from the scatter diagrams is that productivity is positively correlated with both size of city/town and growth of employment. Bigger growing cities show a tendency to be more efficient than the others (see Figure 1.3 and Figure 1.4).

Figure 1.3 Gross Value Added per job



Source: Annual Business Inquiry; Census of Population; Labour Force Survey; PACEC

Figure 1.4 Gross Value Added per job



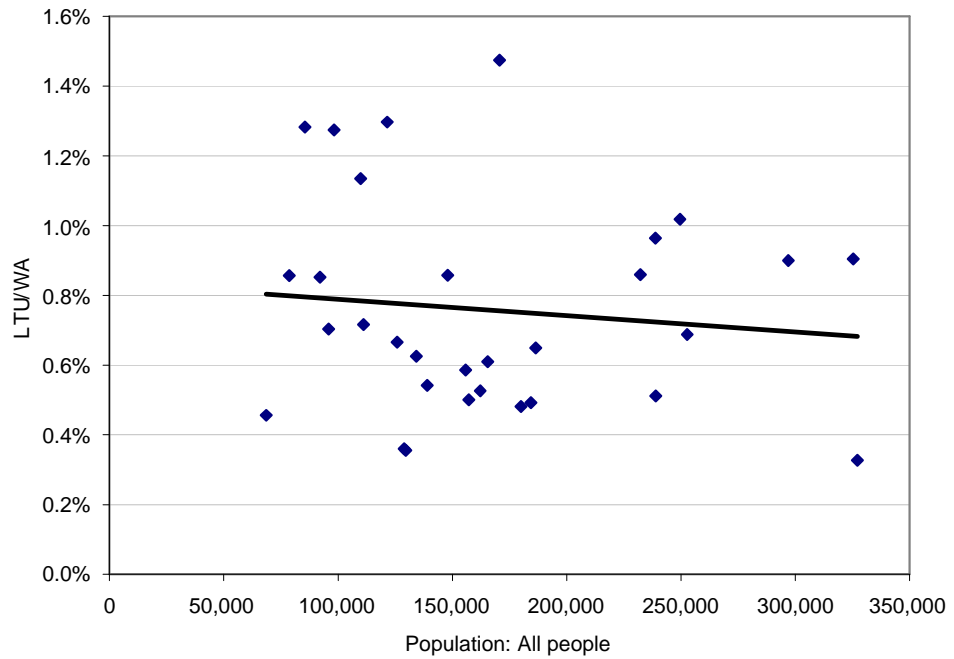
Source: Annual Business Inquiry; Census of Population; Labour Force Survey; PACEC

Long-term unemployment

1.3.3 The following diagrams show that there is slight fall in long term unemployment as city/town size rises; further that population growth is associated with a reduction in

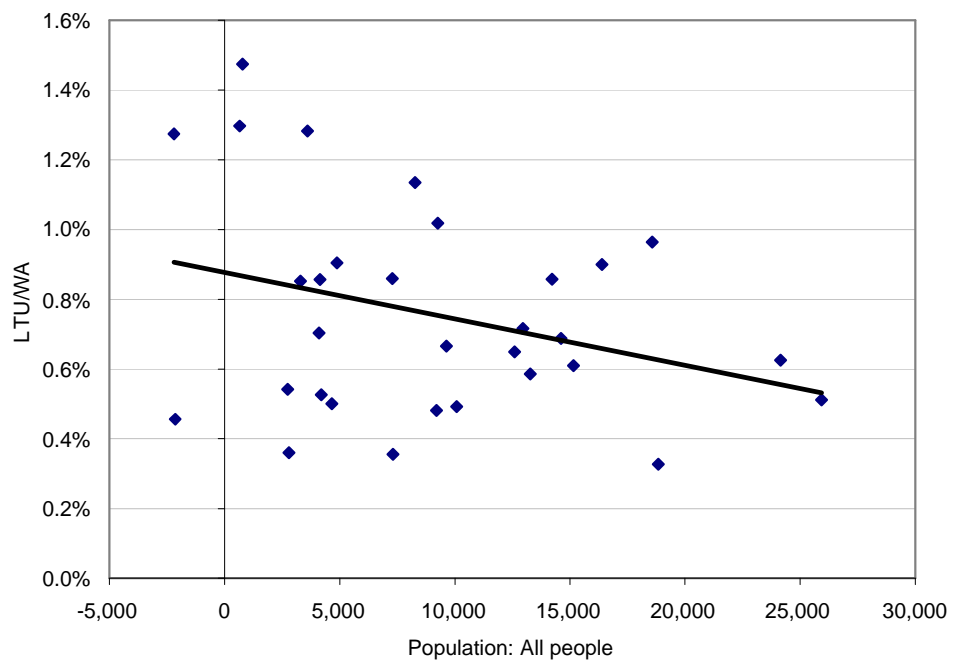
long term unemployment as a share of working age population. (See Figure 1.5 and Figure 1.6)

Figure 1.5 Long-term unemployment as a share of population of working age



Source: Census of Population, 2001; PACEC

Figure 1.6 Long-term unemployment as a share of population of working age



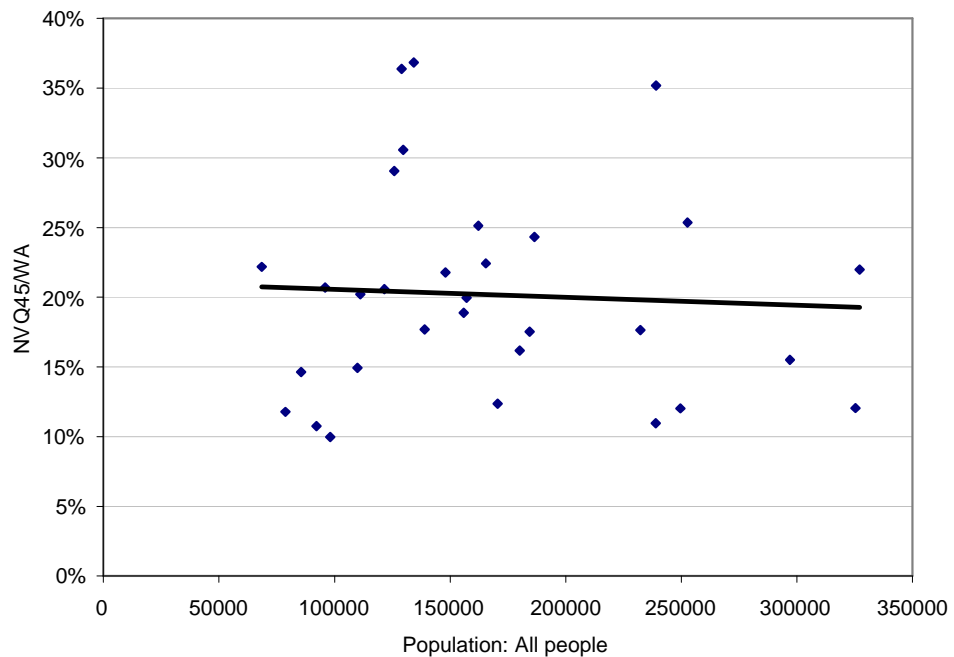
Source: Census of Population, 2001; PACEC

Educational qualifications

- 1.3.4 Although there is a slight decrease in NVQ 4/5 holders (graduates) as city/town size is increased, this decrease is so slight that the relationship is effectively constant. In fact as population rises from 50,000 to over 300,000 the percentage of graduates as a proportion of working age population changes by less than two percentage points. (see Figure 1.7 and Figure 1.8)

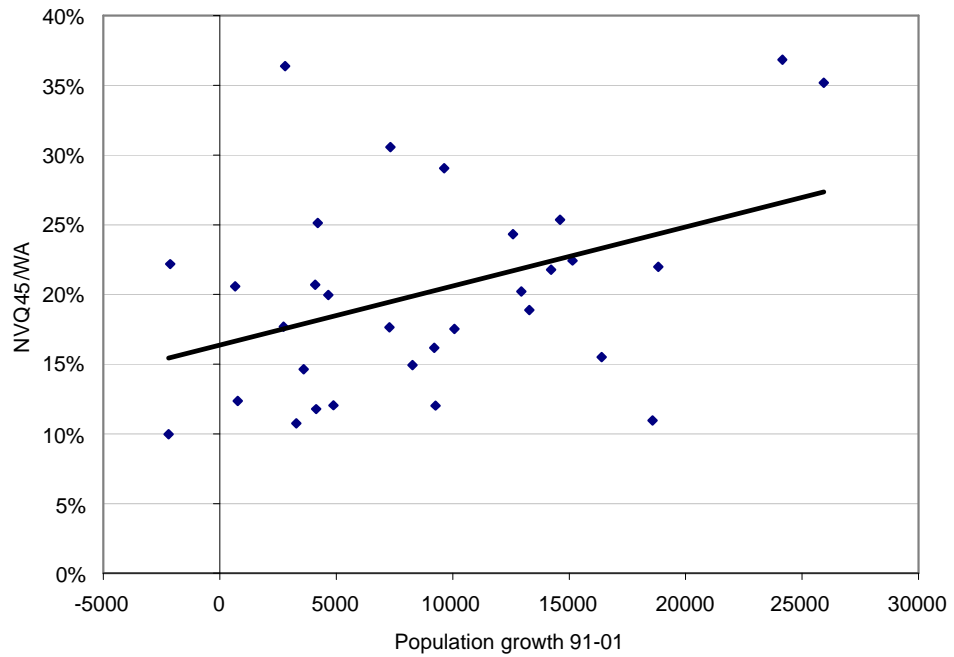
- 1.3.5 That said, the latter scatter diagram reveals that population growth is in itself associated with a significant rise in the percentage of the working age population holding NVQ 4/5 level qualifications. The two scatter diagrams taken together imply that during a time of growth a city/town is likely to have a relatively large proportion of graduates, but if and when growth stops (when the city/town is larger) the proportion of graduates will no longer be relatively large.

Figure 1.7 NVQ4/5 holders as a share of population of working age



Source: Census of Population, 2001; PACEC

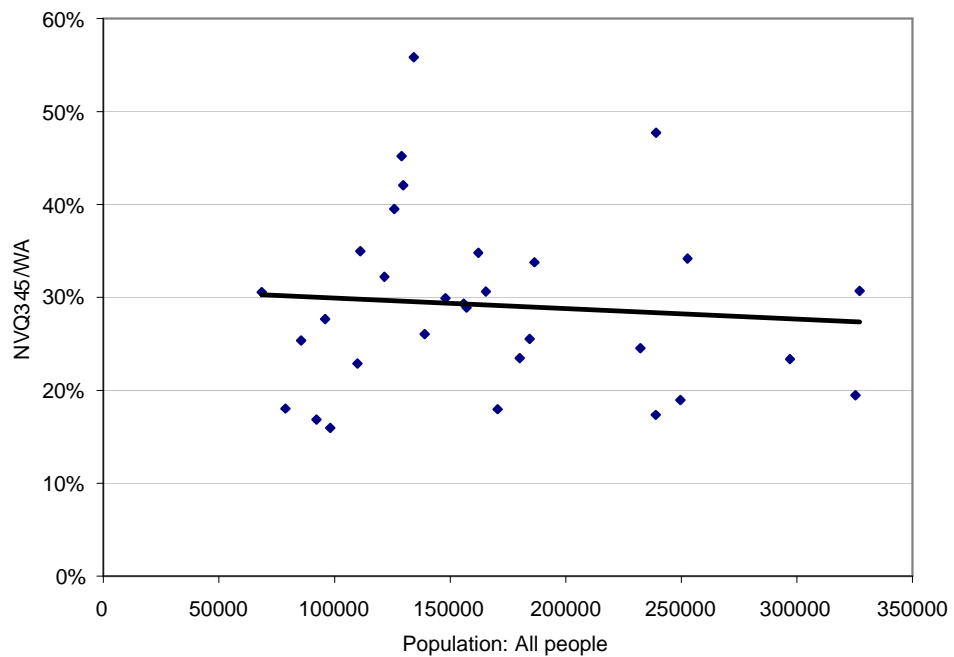
Figure 1.8 NVQ4/5 holders as a share of population of working age



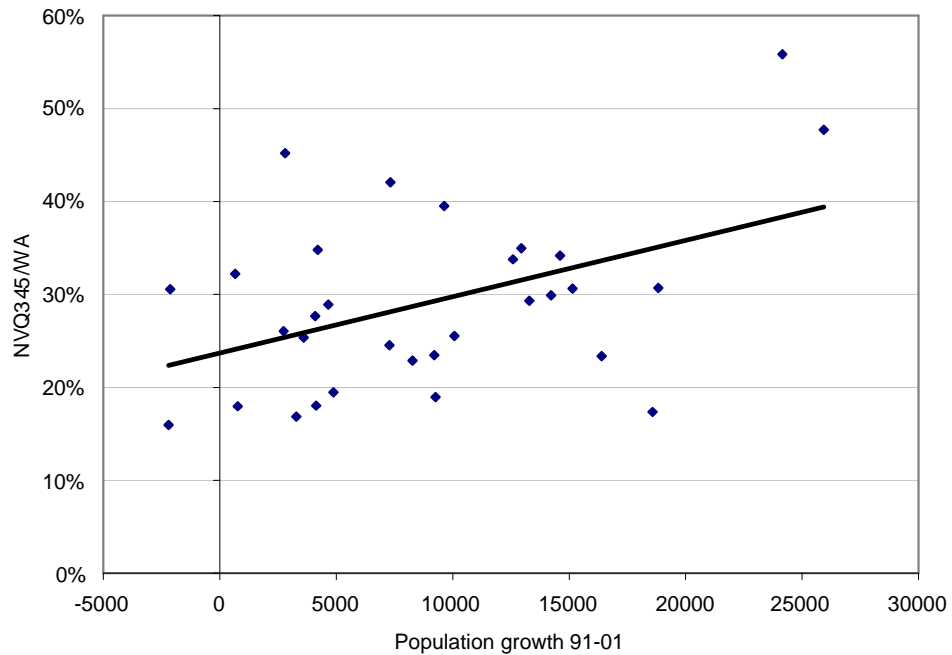
Source: Census of Population, 2001; PACEC

1.3.6 The following diagrams (ie Figure 1.9 and Figure 1.10) show that the same relationships hold when NVQ level 3 is included. Roughly the same proportion of the working age population will hold the qualification regardless of city/town size, yet population growth is associated with an increasing percentage of NVQ holders.

Figure 1.9 NVQ3/4/5 holders as a share of population of working age



Source: Census of Population, 2001; PACEC

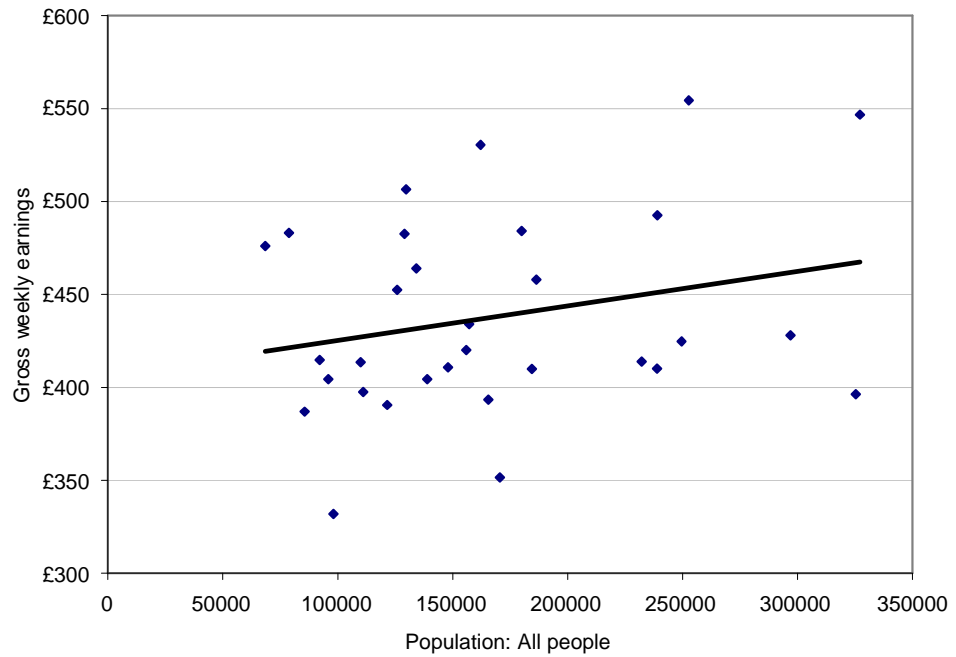
Figure 1.10 NVQ3/4/5 holders as a share of population of working age

Source: Census of Population, 2001; PACEC

Gross weekly wages

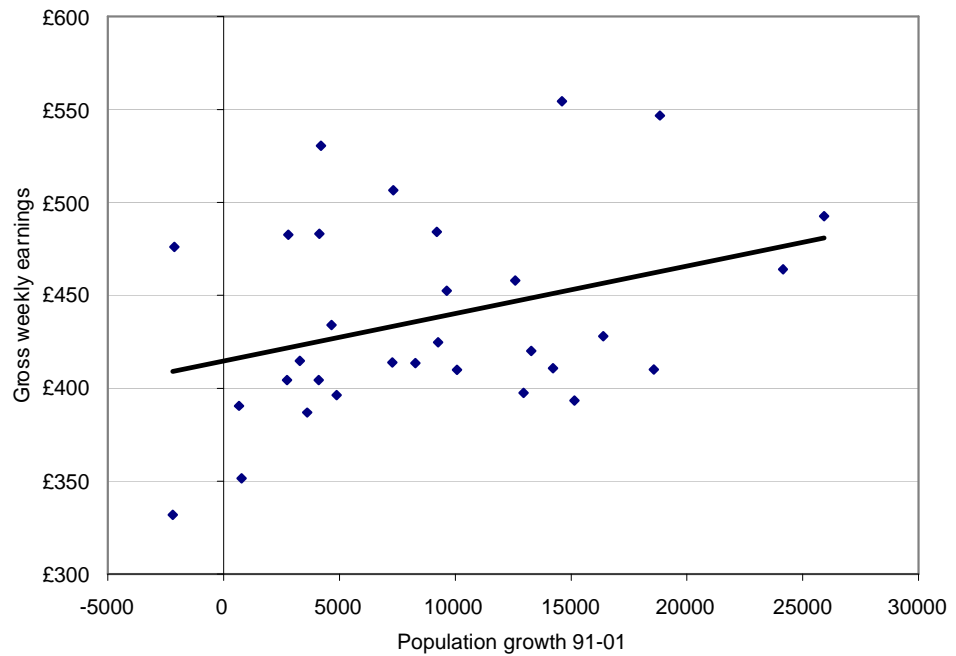
- 1.3.7 The following diagrams reveal that higher weekly earnings are associated with both larger city/town sizes and higher rates of growth of population. (See Figure 1.11 and Figure 1.12)
- 1.3.8 The relationship represents a difference in the region of £50 pounds per week for someone living in a city/town with a population of 100,000 compared to someone living in a city/town of 300,000.

Figure 1.11 Gross weekly earnings (workplace-based)



Source: New Earnings Survey, 2001; PACEC

Figure 1.12 Gross weekly earnings (workplace-based)

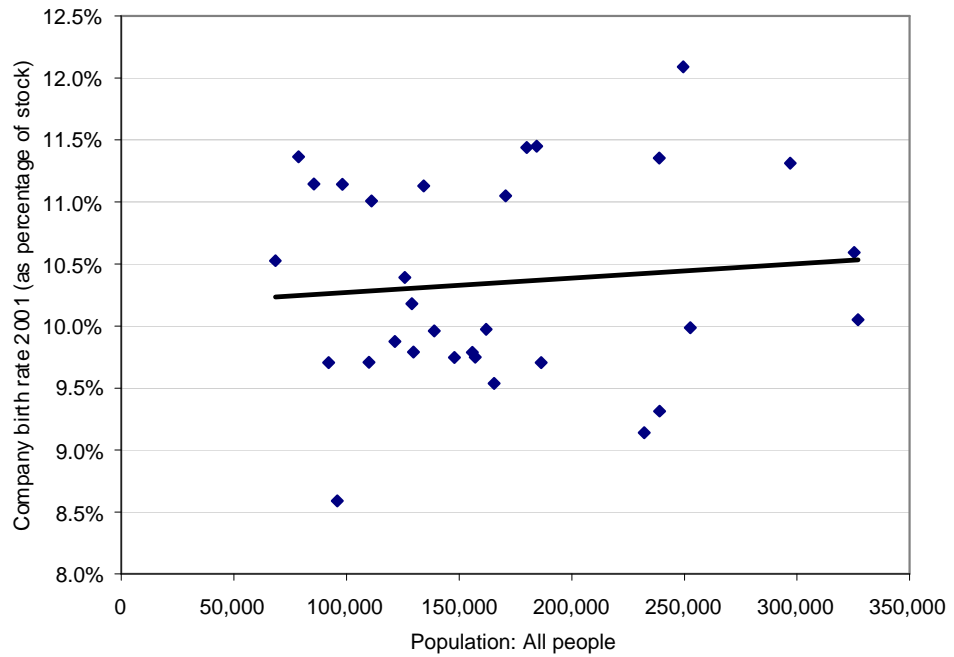


Source: New Earnings Survey, 2001; PACEC

Business birth rate

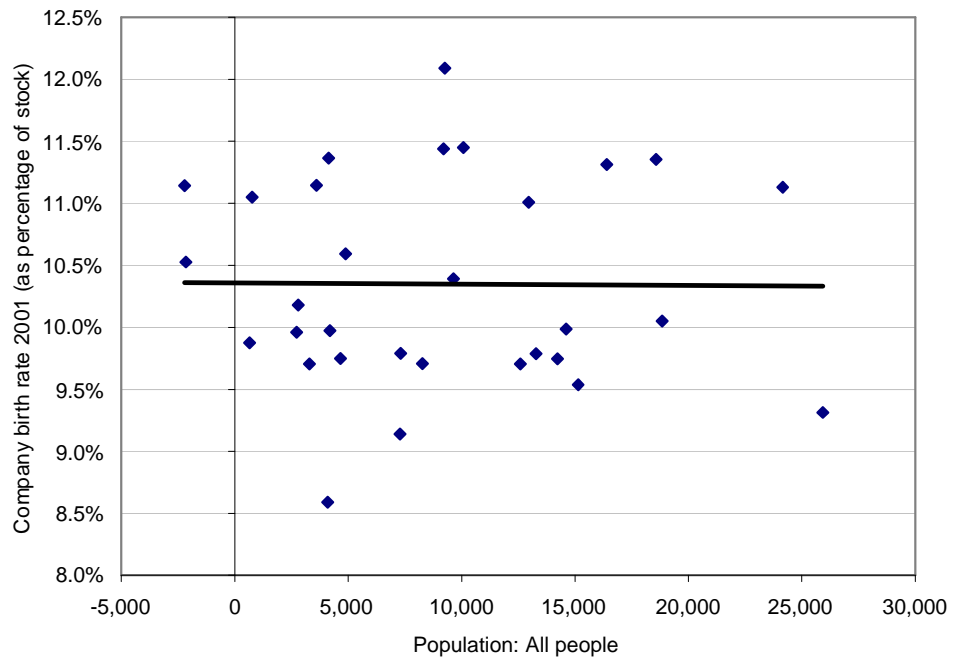
1.3.9 There is a very slight positive relationship between city/town size and new firm formation, but no relationship is apparent (or the trend is stable) in the case of the growth of cities. (See Figure 1.13 and Figure 1.14)

Figure 1.13 Company birth rate (VAT registrations as share of stock of registered businesses), 2001



Source: VAT Register; PACEC

Figure 1.14 Company birth rate (VAT registrations as share of stock of registered businesses), 2001

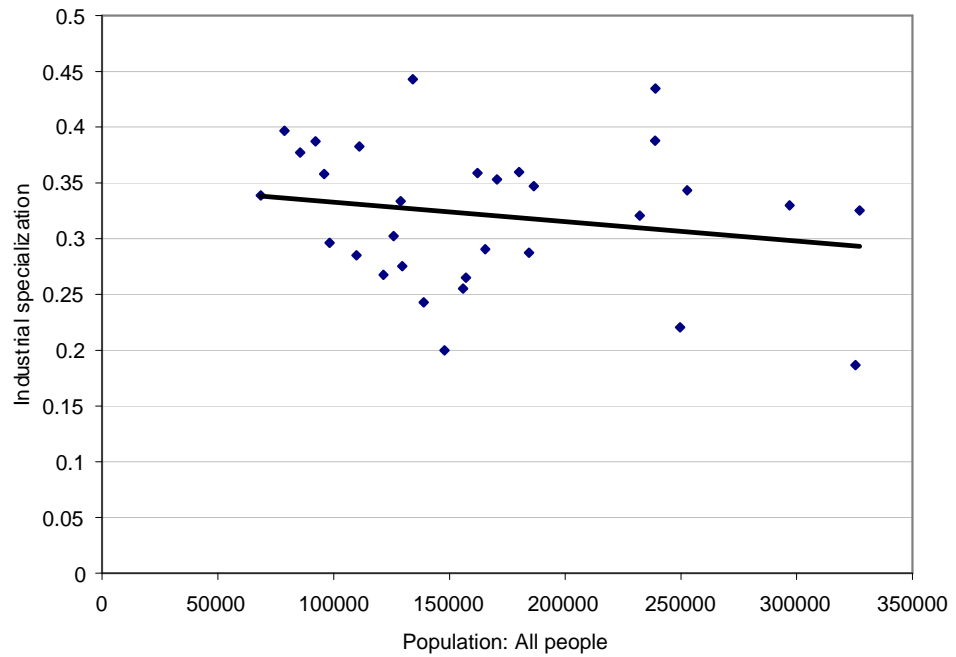


Source: VAT Register; PACEC

Industrial diversity

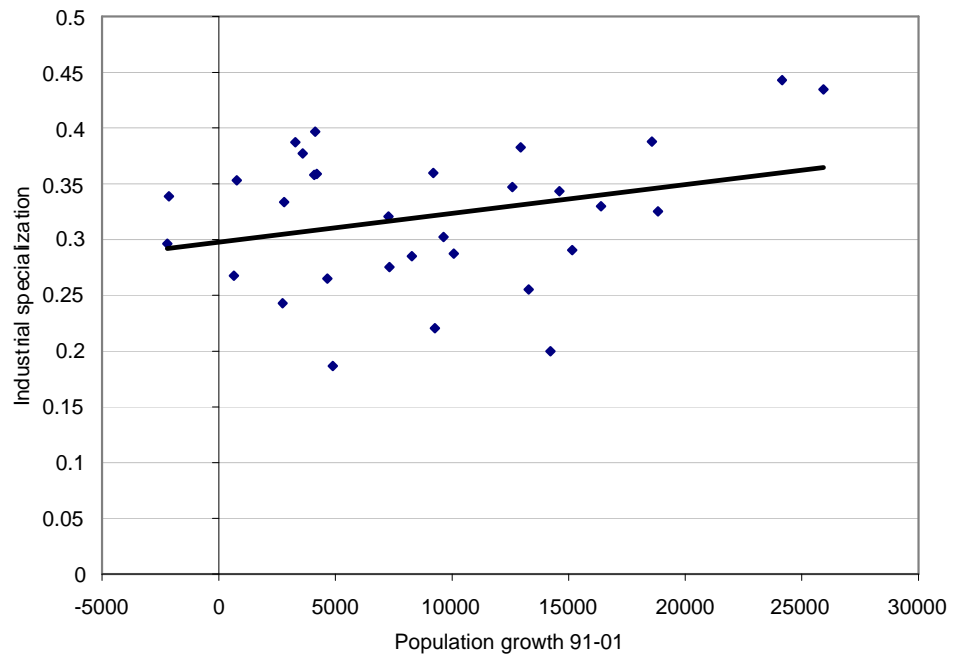
1.3.10 The following diagrams show that larger cities and towns are less diversified than smaller ones. However cities and towns which are growing in size tend to be more specialized. (See Figure 1.15 and Figure 1.16).

Figure 1.15 Index of industrial diversity (higher = more specialised)



Source: Annual Business Inquiry; Census of Population; Labour Force Survey; PACEC

Figure 1.16 Index of industrial diversity (higher = more specialised)



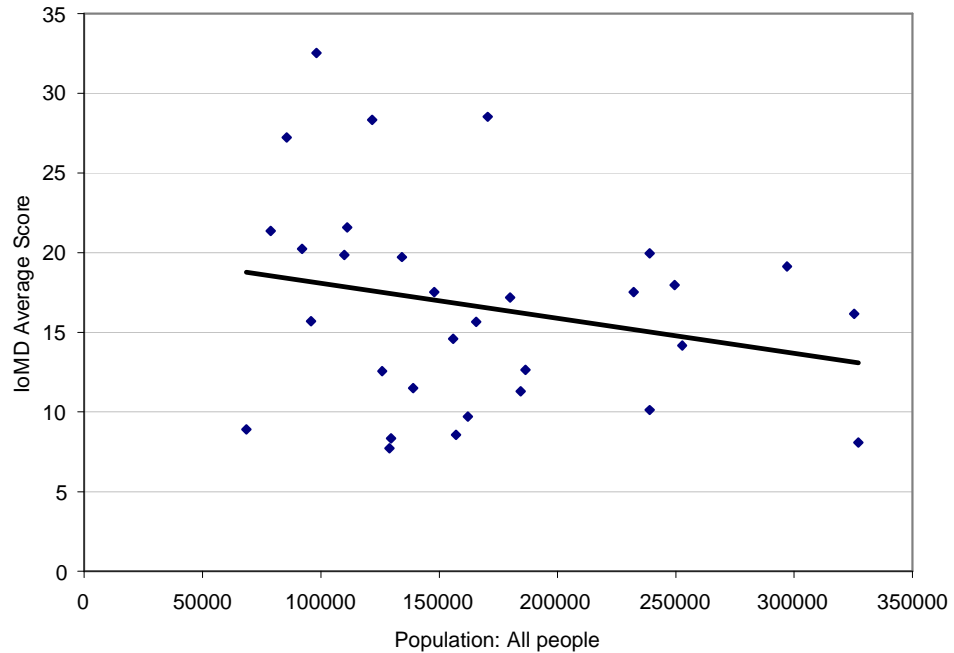
Source: Annual Business Inquiry; Census of Population; Labour Force Survey; PACEC

Deprivation

1.3.11 These scatter diagrams show that overall levels of deprivation and employment and income deprivation fall as city/town size increases up to the threshold in the diagram

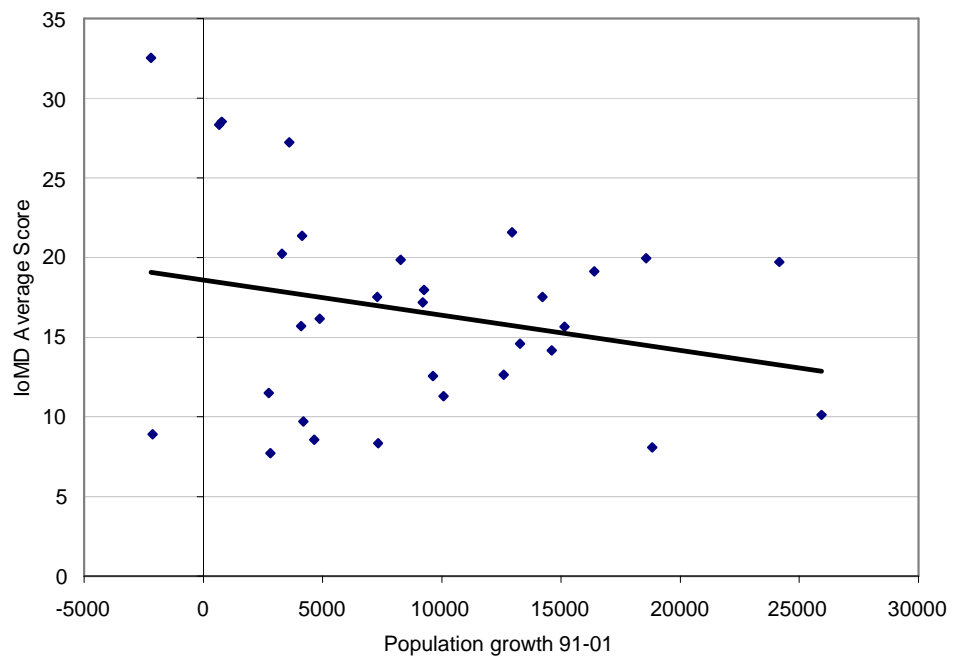
(ie, 350,000) and that the higher the growth rate of the population the lower the levels of overall employment, and income, deprivation can be expected. (See Figure 1.17 to Figure 1.22).

Figure 1.17 Index of Multiple Deprivation (population-weighted average)



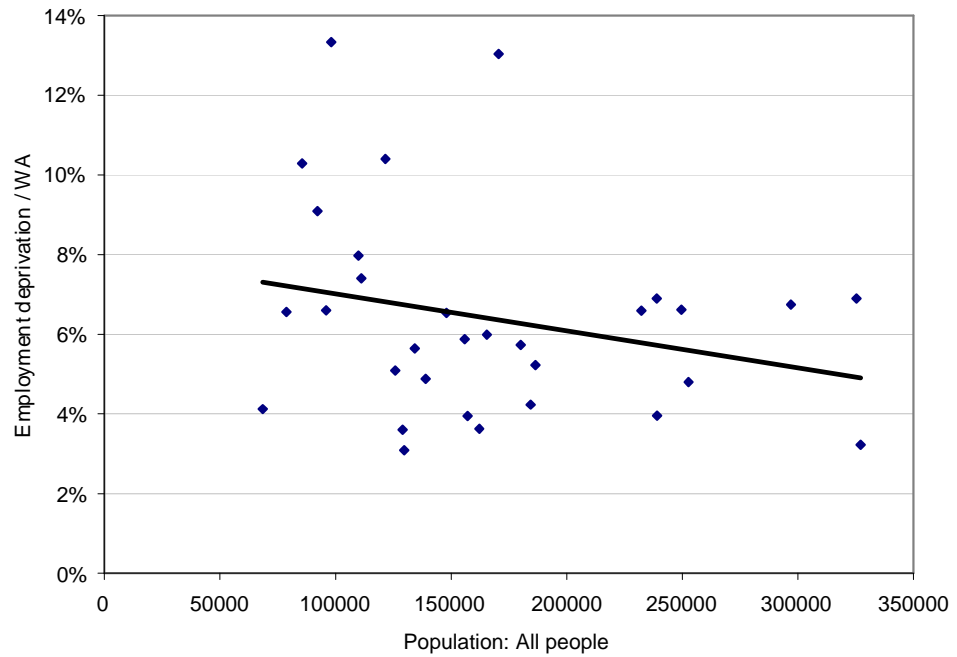
Source: Indices of Deprivation, 2004; PACEC

Figure 1.18 Index of Multiple Deprivation (population-weighted average)



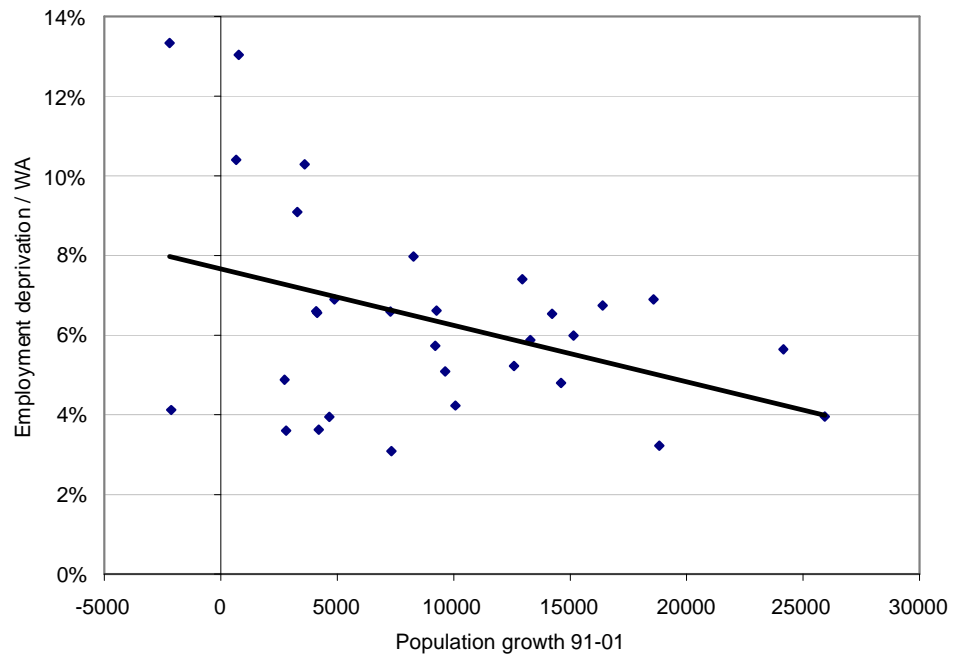
Source: Indices of Deprivation, 2004; PACEC

Figure 1.19 Employment deprivation as share of population of working age



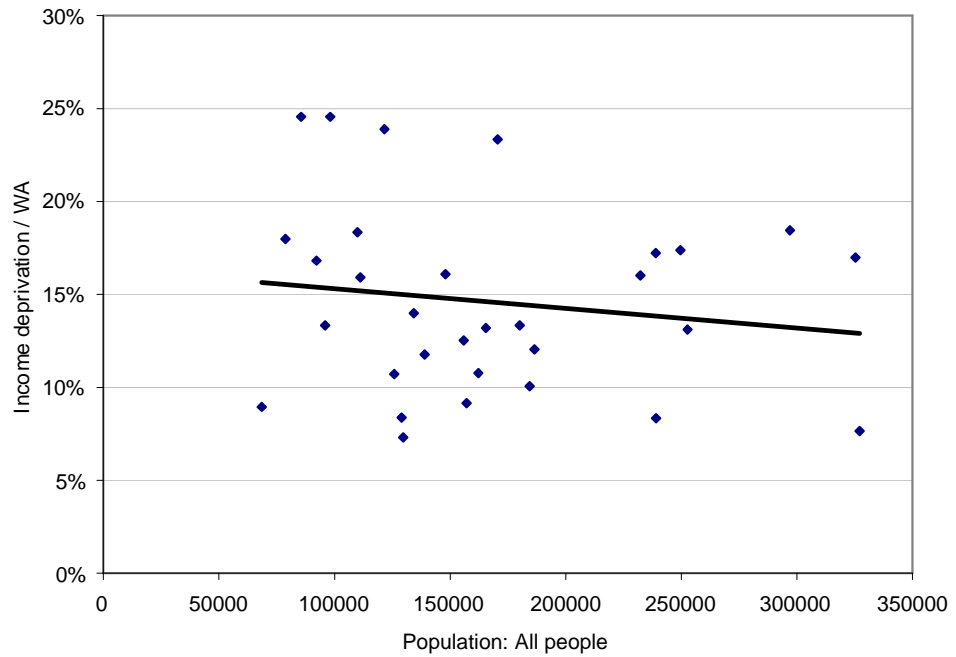
Source: Indices of Deprivation, 2004; PACEC

Figure 1.20 Employment deprivation as share of population of working age



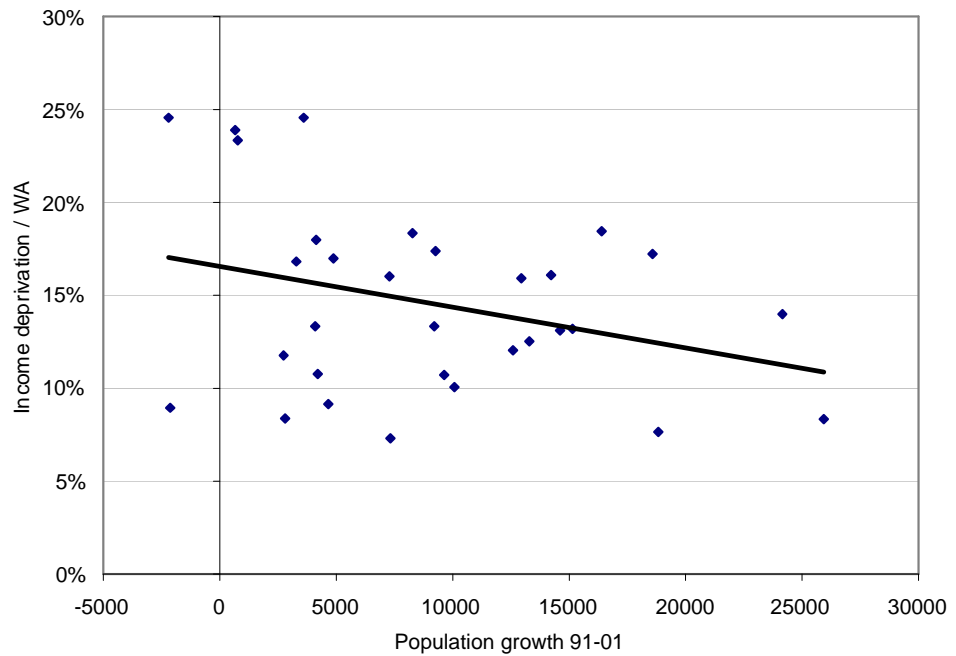
Source: Indices of Deprivation, 2004; PACEC

Figure 1.21 Income deprivation as a share of population of working age



Source: Indices of Deprivation, 2004; PACEC

Figure 1.22 Income deprivation as a share of population of working age



Source: Indices of Deprivation, 2004; PACEC

1.4 Overall Conclusions

1.4.1 The overall message from the above analysis is that there are potentially both economic and social benefits to be exploited from increased city/town size and more rapid growth. Based on the above analysis the summary results are as follows.

Table 1.1 Potential economic and social benefits accruing from increased city/town size and growth

Indicators	Changes by size of city/town	Changes by growth of city/town
GVA/head of population	Static	Increase
GVA/workplace job	Increase	Increase
Long term unemployment	Reduction	Reduction
Educational qualifications	Static	Increase
Gross weekly wages	Increase	Increase
Business birth rate	Small increase	Static
Industrial specialization	Reduction	Increase
Index of multiple deprivation	Reduction	Reduction
Employment deprivation	Reduction	Reduction
Income deprivation	Reduction	Reduction

Source: PACEC

1.4.2 This analysis does not allow the issues of optimal size, or rates of growth, to be identified for cities / towns in order to achieve improved economic and social benefits. Nor does it enable the critical mass of cities/towns to be defined to achieve the benefits. These may well be a function of local circumstances and opportunities and the role of cities/towns within their wider areas, amongst other things.

1.4.3 In the analysis population is used as the measure of city/town size and is based on the Census 2001 and growth rates for each city/town are for the period 1991 to 2001. All relationships have been estimated using bi-variate regression analysis of the indicator on size and growth of population respectively. This analysis provides a presumption that size and or growth has an influence in changes in the indicators. This is a matter for interpretation. The analysis does not imply a categorical causal relationship between size/growth and the indicators.

1.4.4 However it is important to recognise that if economic and social benefits are to be realised without an 'overload' of infrastructure and public services further investment must be undertaken. The scale of such investment will depend on the scale of growth planned and local circumstances and opportunities. If this investment were not to be undertaken there is likely to be a real danger that the costs of city/town expansion could exceed the benefits to the resident population, firms and other organisations operating in the area.

Appendix A Town and city sizes and growth rates

Table A1.1 Town and city sizes

City/town	2001 Population
Brentwood	68456
Harlow	78768
Lincoln	85595
Cannock	92126
Shrewsbury	95850
Mansfield	98181
Gloucester	109885
Exeter	111076
Norwich	121550
Warwick/Leamington	125931
St Albans	129005
Guildford	129701
Oxford	134248
Maidstone	138948
Bedford	147911
Colchester	155796
Chelmsford	157072
High Wycombe	162105
Worcester	165525
Chesterfield/Staveley/Wingerworth	170611
Swindon	180051
Gosport/Fareham	184392
Cheltenham	186418
Ipswich/Martlesham Heath	232210
Gravesend/Grays	238845
Cambridge Urban Area	238971
The Medway Towns	249488
Slough	252693
Luton/Dunstable	297008
Southend	325354
Northamptonshire Urban Area	327065

Source: Census of Population, 2001; PACEC

Table A1.2 Town and city growth rates

City/town	Population growth 1991-2001
Mansfield	-2205
Brentwood	-2141
Norwich	655
Chesterfield/Staveley/Wingerworth	771
Maidstone	2739
St Albans	2803
Cannock	3293
Lincoln	3608
Shrewsbury	4101
Harlow	4139
High Wycombe	4199
Chelmsford	4654
Southend	4882
Ipswich/Martlesham Heath	7284
Guildford	7323
Gloucester	8277
Swindon	9201
The Medway Towns	9260
Warwick/Leamington	9632
Gosport/Fareham	10069
Cheltenham	12594
Exeter	12951
Colchester	13281
Bedford	14219
Slough	14603
Worcester	15141
Luton/Dunstable	16396
Gravesend/Grays	18572
Northamptonshire Urban Area	18828
Oxford	24145
Cambridge Urban Area	25929

Source: Census of Population, 1991 + 2001; PACEC

Appendix B Indicators Used

City/town size

- Population (Census 2001)
- Population growth (Census 1991-2001)

Indicators

- Gross Value Added (National, regional, and sub regional accounts; Input-output tables; Annual Business Inquiry; PACEC)
- Workplace jobs (Census of Population, Labour Force Survey, Annual Business Inquiry, PACEC)
- Long-term unemployment – had not worked in 2000 or the first 4 months of 2001 (Census of Population 2001)
- Qualifications by NVQ level or equivalent (Census of Population 2001)
- Gross weekly earnings (New Earnings Survey 2001)
- Company birth rate (VAT register, 2001). This is equal to the number of company registrations during the year as a share of the stock of businesses at the start of the year.
- Index of industrial diversity (via Workplace jobs). For each of 22 industries (PACEC classification), we calculate the absolute difference between the local percentage share of employment and the national share of employment; the total index of industrial diversity is the sum of these 22 measures. The index therefore has a value of 0 where the local breakdown of industries is identical to that of Great Britain (most diverse), and rises as the local economy becomes more specialised in certain industries at the expense of others.

The 22 industries are as follows:

- Agriculture, extraction, forestry, fishing
- Non-metallic, non-chemical manufacture
- Chemical manufacture
- Traditional metal manufacture/engineering
- Hi-Tech metal manufacture/engineering
- Electricity, gas, water, waste
- Construction
- Motor vehicle sale, repair
- Wholesale
- Food retail
- Other retail
- Hotels and restaurants
- Transport, storage, communications
- Financial intermediation
- Property, renting
- Computing, R&D
- Professional business services
- Other business services
- Public administration and defence
- Education
- Health, care
- Personal services

- Deprivation – population-weighted average of district scores within each city/town (Index of Multiple Deprivation, ODPM 2004; PACEC)
- Income and employment deprivation – number of deprived as percentage of population of working age (Index of Multiple Deprivation, ODPM 2004; PACEC)

**Harlow District Council
Harlow Regeneration
Strategy**

**Evidence Base and Analysis
of Needs**

Final Report

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and the

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for

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July 2005

PREFACE

The Regeneration Study has been undertaken by PACEC and Halcrow Group Limited, as one of a number of studies funded under the ODPM's Growth Areas Programme and commissioned by Harlow District Council.

The main study outputs consist of two reports:-

- Harlow Regeneration Strategy
- Evidence Base and Analysis of Needs

The options and conclusions set out in the study are those of the consultants, and do not necessarily reflect the views of the Steering Group members. The reports are made available solely for information purposes and have the status of background technical documents.

The Steering Group, chaired by Harlow District Council, comprised: -

- Vernon Herbert (Programme Director, Harlow District Council)
- Paul Bird (Head of Regeneration, Harlow District Council)
- Joanna Beaumont (Regeneration Manager, Harlow District Council)
- Ian Christmas (Harlow District Council)
- Michael Hargreaves (Government Office for the East of England)
- Dearbhla Lawson (Government Office for the East of England)
- Jamie Merrick (East of England Development Agency)
- Peter Pearson (Essex County Council)
- Philipa Bull (Essex County Council)
- Jennifer Burns (Essex County Council)
- Henry Stamp (Epping Forest District Council)
- Alison Cowie (Harlow Primary Care Trust)
- Chris Hatton (Learning and Skills Council)
- Debbie Sheridan (Harlow College)
- Val Jepps (Harlow Centre for Voluntary Support)
- Robert Powell (Princess Alexandra Hospital Trust)
- Keith Hughes (Business Link for Essex)
- Rachael Donovan (Herts County Council)
- Steve Bailes (Herts County Council)
- Paul Pullin (East Herts District Council) attended as an observer

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The options and conclusions set out in the study are those of the consultants, and do not necessarily reflect the views of the Steering Group members. The reports are made available solely for information purposes and have the status of background technical documents.

The Steering Group, chaired by Harlow District Council, comprised: -

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1 Introduction and Aims

1.1 The Background

- 1.1.1 In May 2004 Harlow Council, funded by ODPM, appointed PACEC and Halcrow to develop a Regeneration Strategy and Implementation Framework for Harlow. The context of the project was that Harlow had been identified by the Government as a potential growth area in the Sustainable Communities Plan. Related policy development included **Regional Planning Guidance (RPG14) and the East of England Plan**. The brief stated that the Harlow Strategy would clearly articulate Harlow's regeneration needs and priorities for investment, and detail the extent to which these can be achieved through housing growth and other factors. The Framework will be set within the context of a vision for a regenerated Harlow and the role(s) it could play in the sub-region.
- 1.1.2 The Strategy will:
- a Build on and develop in practical ways the substantive work already undertaken in the region on alternative growth scenarios, infrastructure and development needs.
 - b Articulate Harlow's regeneration needs and priorities for investment, and detail the extent to which these can be achieved through housing growth and other factors.
 - c Ascertain how future infrastructure investment opportunities can be realized to bring maximum benefit to the area and people of the town.
 - d Develop a regeneration strategy and implementation framework to feed into the RPP process.
- 1.1.3 The Strategy will consider three alternative development related scenarios, and short, medium and long term infrastructure and investment needs. The project will involve four stages. An inception stage one which primarily focuses on the regeneration needs and issues and provides an evidence base. Stage two is concerned with the vision and role for Harlow, growth scenarios, and required investment needs. Stages three and four involve developing the draft and final strategy and the implementation framework.
- 1.1.4 The regeneration issues faced are complex and interrelated. The town's economic performance is determined by economic and social factors and its facilities, physical infrastructure and environment. The analysis of needs seeks to get behind these factors and provide an evidence base on which to develop appropriate policies.
- 1.1.5 Stage One has involved, in summary, a review of existing studies, policy and other documents and stakeholder views on the regeneration needs and role of Harlow in the sub region. The consultations have involved Harlow Council staff, businesses, residents groups, local authorities and other local and regional agencies, the Harlow Area Working Party (HAWP), the Technical Steering Group, and members of the Harlow 2020 Local Strategic Partnership. The consultations sought to gather

evidence and views on the issues faced and the future development options for Harlow.

1.1.6 A survey of a cross section of some two hundred and fifty firms in Harlow has also been carried out to assess their need and business constraints.

1.1.7 This report forms Stage One of the project. It assesses the economic performance of Harlow and its position in the region, the economic and social and physical regeneration needs and issues, and the strengths and weaknesses of Harlow. These are developed as key themes and topics in the report. The report provides an evidence base. It permits partners and stakeholders to develop an advocacy role to help articulate the needs of Harlow, and to advise on practical options and regeneration policies on the way forward for Harlow. It allows the regeneration issues to be defined and the regeneration strategy to be developed.

1.1.8 Environmental issues are considered in separate consultancy reports on master planning principles and sustainability criteria.

1.2 The Methodology

1.2.1 There were a number of integrated research tasks in Stage 1, comprising the following:

- Initial briefings. A series of briefings with Harlow Council staff to develop the issues which could be considered, the outputs which were practical within the project timescales, the overall methodology, establishing stakeholder contacts for interviews and discussions, identifying existing reports and those currently under way which would inform the research.

At the briefing and subsequently, a work plan and a consultation programme were agreed.

- Desk research which has covered
 - **A review of studies, which included the documents, referred to in the brief and supplied by Harlow Council. The desk study was structured to address the issues, i.e. the role of Harlow, its development, and the regeneration issues including housing employment, transport, amenities and facilities, the needs of residents and businesses to help improve economic prospects and which affect the quality of life.**
 - The deployment of the PACEC Local Economic Performance System (LEPS) which provides in-depth data on the past performance and future trends in the local, regional and national economy and related social trends. The analysis covers base line data and statistics that may be used to measure and quantify socio economic conditions and chart both progress and change in Harlow District and the surrounding area. This provides a comparative analysis with Harlow benchmarked against other locations. A more detailed description of LEPS is provided in Appendix A.
 - An overview of policies and initiatives for economic development and regeneration. It will form a basis for identifying the gaps within and between existing initiatives/projects/programmes, which need to be considered in the regeneration strategy and implementation framework.

- Interviews with key stakeholders. A series of interviews with key stakeholders in the area and officers at Harlow Council. These focused on overall regeneration issues and needs and related to the key themes, current policies and projects and priorities for the future regeneration of Harlow.
- A survey of a cross section of two hundred and fifty Harlow firms contacted by telephone with a sample drawn from Harlow Council's employer database. The survey sought to examine growth aspirations, future location, and businesses needs, such as premises and labour. It was designed to help shape policies to meet needs.

1.2.2 The outputs of the research focus on **factual information** rather than opinion or assertion. They form the basis for the work required in Stages 2, 3 and 4, the latter, including the strategy itself, and the implementation framework. The consultees are shown in Appendix B and the sources used for Stage 1 are set out in Appendix C. After the strategy is implemented a fresh evidence base will need in due course to be prepared in the form of a new document that takes into account both the latest trends and changing needs in Harlow.

1.3 The Structure of the Report

1.3.1 The following chapters then deal with key but interrelated regeneration themes. The economic factors cover the socio-economic trends, business development, specific business needs and employment sites and inward investment. The social factors deal with the labour market, community development and health issues facing residents. The main facilities and infrastructure issues are transport, housing, the town centre, retailing and local services.

1.3.2 **The final chapter summarises the needs and issues from each chapter and points towards priority areas for policy intervention.**

1.3.3 This report forms an evidence base for the regeneration strategy itself. It leads directly to the underlying issues set out therein.

2 Strategic Policy Context

2.1 Introduction

2.1.1 Harlow and its surrounding area has been the subject of much planning analysis and review since Regional Planning Guidance for the South East (RPG9 – published 2001) identified the growth potential of the London-Stansted-Cambridge corridor, focused around the planned growth of Stansted Airport. This has included the preparation of RPG14 and work towards the subsequent approval of the final draft Regional Spatial Strategy (RSS) by the East of England Regional Assembly (EERA) in October 2004.

2.1.2 This review summarises the key planning and transport studies which have been undertaken, describes some of the wider sub-regional issues which provide the context for regeneration in Harlow, and identifies the local implications which must be addressed in considering master planning principles, sustainability criteria and broader development.

2.2 Principal studies, plans, and strategies

London-Stansted-Cambridge Sub Regional Study (July 2002)

2.2.1 The first sub-regional study was undertaken to investigate the RPG9 requirement. The study identified the particular need of the Harlow area for regeneration, alongside its significant potential for further growth, to take advantage of its location in proximity to three growth points – London, Stansted and Cambridge. It identified four possible spatial scenarios, and three possible levels of growth. It indicated the potential for significant growth, but did not give conclusive guidance.

London – South Midlands Multi Modal Study (LSMMMS, Feb 2003)

2.2.2 The LSMMMS identified the unique position of the area as a corridor for national and international traffic, as well as regional, sub regional and local movements. The main movement corridor is from SE to NW, and the impact of the M25 is clearly seen through increasing number of short trips on and off the orbital route. The study identified a capacity constraint at junction 7 on the M11.

Sustainable Communities Plan (Feb 2003)

2.2.3 This Plan announced the Government's policy for four Sustainable Community growth areas – of which the London-Stansted-Cambridge corridor is one. The Plan recognised the negative effects of high and rapidly rising house prices and their impact on the recruitment and retention of staff, particularly close to London and around Cambridge, but spreading deeper into the region.

-
- 2.2.4 Harlow and Cambridge were identified as the main early delivery locations in the growth area.
- 2.2.5 Growth was seen as necessary at Harlow in order to regenerate and modernise the town (particularly the town centre) and to fully exploit its prime location in the prosperous M11 corridor. Growth would also revitalise the economy in order for Harlow to respond to global needs for both businesses and people.
- 2.2.6 The sub-region has experienced substantial economic growth in the last decade, underpinned by clusters of some of the UK's most successful businesses in biotechnology, life sciences and ICT/software, and a rapid increase in the use of Stansted airport.
- 2.2.7 The Government has now committed itself to providing significant support for the Harlow Gateway project, which will create 590 homes, leisure and community facilities on a brownfield site, **whilst making better use of an existing transport hub.**
- 2.2.8 RPG 14 is progressing to the spatial allocation of the additional growth required by Sustainable Communities in the East Region, which will be set out in the RSS.

Stansted/M11 Corridor Development Options Study (Sept. 2003)

- 2.2.9 This study was commissioned to examine the potential urbanisation implications that might arise from proposals to increase airport capacity at Stansted, as set out in the South East Regional Airport Strategy (SERAS) report. The Study examined three spatial themes to accommodate forecast growth in jobs and housing and recommended a preferred development strategy, which sought to balance environmental, regeneration and transport objectives.
- 2.2.10 This provided for between 14,600 – 24,800 dwellings and 14,200 to 23,200 jobs at Harlow to 2036, depending upon the scale of airport growth.
- 2.2.11 Harlow was reported as having a large concentration of the **most deprived wards, containing 7 that rank in the 20% most deprived wards in England** based on the census. Furthermore it was reported that Harlow faces serious social and economic problems that result from poor education, poor training and skills levels, decline in the manufacturing sector, and the need for renewal of its urban fabric.
- 2.2.12 The district has been identified as a Priority Area for Economic Regeneration in RPG9, where new employment opportunities should be focused. It was considered that Stansted-related development would bring indirect employment in the form of offices, industry, leisure, entertainment, conference facilities, and warehousing.
- 2.2.13 Based on the current occupational structures, around 30% of airport employment would be semi and un-skilled, falling to 16% for indirect and non-airport jobs. (i.e. 2,870 plus 900 catalytic jobs in the core area.) In all the scenarios modelled, Catalytic employment was likely to have more significant effect than direct airport

related employment in outer areas such as Harlow. Harlow lies within the core area and provides 5% of employees at Stansted.

- 2.2.14 The report suggested that planning and investment frameworks seem likely to have most influence on the scope, scale, and location of these catalytic jobs. More relaxed planning policies in areas such as Harlow could help to attract investment to regeneration priority areas.
- 2.2.15 As a proportion of total employment, the Stansted growth impact has been small, but not insignificant as far as low skilled unemployment in Harlow is concerned.
- 2.2.16 The Airports White Paper (The Future of Air Transport, December 2003) has subsequently clarified government policy that a third runway should be built at Stansted by 2011/12.

Harlow Options Study (Sept 2003)

- 2.2.17 The Harlow Options Study was a strategic land-use planning study intended to identify the further land-use development potential of the Harlow area up to 2021. The need for this study arose from Regional Planning Guidance for the South East of England (RPG9), which called for a study of the growth potential of the London-Stansted-Cambridge area.
- 2.2.18 The Harlow Options Study was primarily a strategic land-use planning study, although a range of social, economic and other contextual information were addressed during its preparation. It set out the broad implications of further urban growth and provided guidance on how the area could be developed in the most sustainable way. Various growth options were developed and subsequently analysed in the light of extensive public consultation.
- 2.2.19 The Harlow Options Report looked at four scenarios for growth up to 2021, including a natural growth option. It concluded that a preferred strategy should contain a combination of focusing on developing the centre of Harlow as a sub-regional centre, and placing new high density development on hubs of public transport infrastructure. This would provide capacity for between 29 and 38 thousand homes until 2026, 10,000 of which are already committed. This will be complemented by up to 181 hectares of employment land, 95 hectares of which are already committed.
- 2.2.20 The study also recommended that a special mechanism be developed to deliver this spatial development framework.
- 2.2.21 Harlow District Council opposed both the high and the high-intermediate growth options, although accepting that some growth is required. HDC was unconvinced that the consultants had put forward a well-founded case for the additional 29,000 homes indicated in the study.
- 2.2.22 HDC wanted affordable housing for young people, with a significant proportion to rent and a range of size mixes to meet different needs. HDC considered that the

Transport and Regeneration-Led Corridor option which proposed housing development only within the existing boundaries of the town would best serve the needs of Harlow. Public and other transport investment coupled with comprehensive regeneration packages were considered vital.

RPG14 (RSS) – East of England Regional Assembly (draft, Feb 2004)

- 2.2.23 The most recent guidance RPG14 (published in draft November 2003 for public consultation) was designed to replace RPG9 (and RPG6, for East Anglia) and provide, for the first time, unified regional planning guidance for the whole of the East of England up to 2021.
- 2.2.24 It suggested that urban areas should meet their own development needs locally to ensure a balance between housing and employment and thus discourage long distance commuting. Allowing the current pattern of development to continue would adversely affect the environment and the character of many settlements.
- 2.2.25 Harlow had been identified as a Priority Area for Economic Regeneration and one of the key centres on which change and development would be focussed.
- 2.2.26 The draft plan identified capacity for 27,700 homes within the Stansted/M11 sub-region, of which 13,350 were expected to be provided within Harlow and Epping Forest. Harlow and the Lee Valley were seen as the key locations for significant inward investment in the sub-region, having more immediate potential than many areas closer to Stansted airport.
- 2.2.27 It was suggested that Harlow should develop as the key regional centre for university-level and research-based institutions, newer economic sectors and growth of SMEs and should implement a concerted programme to raise educational attainment and provide training and skills.
- 2.2.28 Draft RPG14 provided for 23,900 dwellings per annum, which was itself a step change from the 20,850 targets in RPG 6 & 9. This was 900 per annum less than the Government's Sustainable Communities targets for the region.
- 2.2.29 In the light of continuing capacity studies in the extended London-Stansted-Cambridge corridor, the Assembly agreed to give an undertaking as an explicit RPG14 policy that within a plan, urban extensions/new settlements be subsequently identified in time for the RPG14 EIP to secure the additional 900 houses per year over and above the 23,900 target in the existing RPG14, and for Assembly approval by 30 September 2004, subject to early decisions on infrastructure provision and funding in the Spending Review 2004 announced in July.
- 2.2.30 The overall approach followed in the preparation of RPG14 was to have a jobs led rather than a housing led approach, and this principle was to be followed in respect of the spatial distribution of the additional 900 houses per annum.

2.2.31 In September 2004 RPG became known as the Regional Spatial Strategy (RSS). In November 2004 EERA approved submission of the RSS to the ODPM for subsequent public consultation.

EEDA Regional Economic Strategy (RES)

2.2.32 The Regional Economic Strategy (RES) was reviewed in June 2004 and subject to public consultation. EEDA with the support of EERA adopted a “scenario planning” approach which sought to identify 40-50 drivers thought to have a significant impact (positive and negative) on the future of the region’s economic development.

2.2.33 Delphi techniques were used to prioritise and bundle these drivers. The Prioritised drivers were:

- Entrepreneurship and enterprise
- Gaps in the skills base
- Growing importance of the service and knowledge sector
- Importance of knowledge specialists
- Surface transport infrastructure and connectivity
- Network society and high-speed data connections
- Gateways to the sky and sea
- Globalisation of labour and trade
- Importance of flexible businesses
- R&D base
- Business composition and life cycle
- Relationship with London
- Polarised region and society
- Building homes not houses, including affordability
- Quality of Life
- Environmental technologies
- Regional Leadership

2.2.34 Scenarios were then generated by bundling drivers at the extremes of two developmental axes:

- The pace and quality of infrastructure development
- The balance between indigenous business development and the exporting of business ideas.

2.2.35 The four scenarios were:

- 1 Rapid growth in infrastructure with building business
- 2 Rapid growth in infrastructure with exporting ideas
- 3 Minimal growth in infrastructure with building businesses
- 4 Minimal growth in infrastructure with exporting ideas

- 2.2.36 It was recognised that elements of each of these scenarios could play out at different times and in different parts of the region.
- 2.2.37 For example, Harlow seemed to have been developing under 3 and Cambridge under 4, despite their proximity to each other. To meet its regeneration and reinvestment requirement, Harlow might need to move towards scenario 1, the drivers and features of which should be examined more closely.
- 2.2.38 It was suggested that the RES should focus primarily on those areas that justify action at a regional level. Being strategic means making choices about the most important economic development issues facing the region.
- 2.2.39 Areas for improvement were identified as:
- The region's skills base, where shortages, gaps and educational underperformance are cited
 - The region's record in business development and enterprise, which indicates that a strong innovative base is not being exploited
 - Transport and infrastructure bottlenecks provide significant barriers to growth and development
 - Too many communities continue to suffer from deprivation, even where there are relatively high levels of employment.
- 2.2.40 The East region faced distinctive challenges from:
- Its unusual pattern of urban development, with several medium sized cities, a large number of market towns, and proximity to London
 - Low levels of per capita public expenditure do not match high levels of inward migration
 - Weak regional/place identity.
- 2.2.41 Harlow is characterised by all these seven features, suggesting that the RES should present opportunities to meet regional aspirations and solve local regeneration problems.
- 2.2.42 The RES "A Shared Vision" was due for publication in November 2004.

Framework for Regional Employment and Skills Action (FRESA)

- 2.2.43 Major regional institutions have adopted the FRESA and are establishing a Regional Skills Partnership to progress the agenda which could build priorities around:
- Making the learning infrastructure more responsive to employers needs
 - Increasing participation in higher education
 - Improving skills for employability
 - Encouraging workforce development
 - Focusing on young people and career choices
 - Developing a response to redundancies
 - Making better use of all agencies resources

- Tackling the skills issues for an ageing population
- Building opportunities in particular communities facing barriers in access skills training

Replacement Harlow Local Plan (2nd Deposit draft, Jan 2004)

- 2.2.44 The Plan is designed to replace the adopted Local Plan from 1995 and sets out land use and development proposals to 2011. Allocations are made for approximately 2,000 housing units (including 650 commitments) and 2ha of employment land (there are approximately 26ha of undeveloped employment land but with the exception of Harlow Business Park this is constrained). There is a significant stock of vacant and underused employment land and buildings. Intensification of use on existing employment land is sought.
- 2.2.45 The Plan focuses on delivering a wide variety of dwelling types (cost, location, size, tenure, type) on sites released through a sequential approach. Specific principles relating to dwelling density are included; developments must be 30 to 50 dph net (or more) and a need is identified for a greater proportion of smaller properties to cope with demographic changes in the local population. On sites of 15 or more dwellings (or >0,5 ha) provision must include 30% affordable housing.
- 2.2.46 Policies BE2 and BE3 indicate requirements for scale, layout, access and landscaping for new development, and the master planning principles to be used at a more micro scale level for public spaces, groups and individual buildings.
- 2.2.47 The Plan uses the current Essex Design Guides and the Harlow Common Guidelines to provide small scale design advice.
- 2.2.48 Policies for the development of retail and local services should be focused on the town centre, neighbourhood centres and hatches where geographical extension, increased mixed use and intensification are supported.

Harlow 2020

- 2.2.49 Harlow 2020 recognises the real danger that changes that may occur outside Harlow that could have a negative rather than positive impact on the town. The town has an important role to play as a sub-regional employment and shopping centre, but has not benefited as much as it might have from the trading possibilities in these fields.
- 2.2.50 Maintaining the Gibberd planning principles is taken as given, and is one of the Harlow 2020 values. The MORI Harlow residents' survey identified priorities of unemployment, good quality jobs, a skilled workforce and economic success. However, 20% of respondents were recorded as being dissatisfied with Harlow as a place to live, well above the average for England and East of England.
- 2.2.51 Early emphasis on initiatives for young people and provision of affordable housing for second and third generation residents is set against a priority over the next ten years to provide for the housing, care and leisure needs of older people – the number of

over 75s in Harlow will increase by over 33% - and to invest £80m in local authority housing. The aim of regeneration activity is to break the cycle of deprivation and provide a foundation for sustainable generation and wealth creation.

2.2.52 New towns, given the nature of their built environment, tend to experience degradation at the same time, unlike other towns that have grown more incrementally.

2.2.53 The Regeneration Focus programme is initially targeted on the estates within the three most deprived wards. The estates are Ryecroft, The Briars, Moorfield, Northbrooks, Copshall Close and Aylets Field. It is a holistic programme that has attempted to address regeneration in a comprehensive way. It includes critical elements of community development, capital investment and transport. The development of the IIC programme has a main focus on skills development and meeting skills gaps. It will deliver the "Learning and Working" theme within the 2020 vision.

3 Socio-economic Overview

3.1 Introduction

- 3.1.1 This chapter presents important baseline information and data on the socio-economic structure of Harlow and recent population and employment trends. To put these into context, Harlow is benchmarked against other areas, including Essex and Hertfordshire, the East Region, England and Wales and, for some indicators, Northern England.
- 3.1.2 A key purpose is to provide evidence-based reference to selective comparator areas in order to quantify the scale of 'problem' to be addressed, which will also critically inform policy and the strategy development process.
- 3.1.3 In addition, trends in Harlow are compared with those in the 'Harlow Sub Region', defined as the four district authorities (Broxbourne, East Hertfordshire, Epping Forest and Uttlesford) which surround Harlow. These are essentially the town's natural catchment area. Developments in these areas have implications for Harlow itself and vice versa. Comparisons with a grouping of other New Towns in Southern England (Milton Keynes, Basildon, Peterborough, Stevenage and Welwyn,) are also presented.
- 3.1.4 Consideration was given to the area defined by the Harlow Travel to Work Area (TTWA), which covers Harlow, Uttlesford, most of East Herts and a very small part of Epping Forest. The Harlow TTWA adjoins the dominant London TTWA, which has a strong pull effect.
- 3.1.5 While basic information on the social structure and related problems is presented, the primary emphasis is on the changing nature of Harlow's economy. The social data is extensively presented in the District Council publications and are well known. More fundamentally, we focus on the economy because it is this which, we believe, drives or determines to a large extent, the regeneration of Harlow.

3.2 The Changed World

- 3.2.1 The world has changed since Harlow was designed and built out in the 1950s and 1960s. These changes are well known. Nevertheless, they set the context in which Harlow must achieve regeneration. The changes with significance for Harlow's regeneration are briefly summarised:
- 3.2.2 Employment in the manufacturing sector (although not output) has declined dramatically. The vast majority of people now work in service industries, highlighted by the massive rise in business service employment.

- 3.2.3 Over recent years, the amount of overseas direct manufacturing investment into the UK has fallen. Most inward investment into Southern England is now smaller scale service sector (or within manufacturing industries service type function) projects.
- 3.2.4 The proportion of the population of working age who work (either by choice or necessity) has risen substantially. Consequently, many more jobs are required to 'support' a given population.
- 3.2.5 For many individuals income, choice and mobility have risen dramatically. Increased car ownership enables greater choice over leisure and work locations. Increased mobility has also meant greater choice over residential location, with greater population movement reflected in an urban to rural shift.
- 3.2.6 Reflecting the changing economic structure, there has been a decline in 'traditional working class' households, but a corresponding increase in the number of white collar middle class households. Along with a large increase in the number of graduates, the number of 'knowledge workers' has increased, whilst there has been a decline in manual and routine operative workers.
- 3.2.7 Over the last 20 years or so, too, there has been an increase in individualism and reduction in collective consumption. It has become increasingly difficult for the State to provide services and effectively 'plan' society.
- 3.2.8 The world has become more integrated. This means it is increasingly necessary to respond to global trends. At the same time, the nature and influence of the local environment has become more significant. Essentially, a successful economy has to meet the needs of competitive businesses operating at a global level.
- 3.2.9 In combination, these factors have put a premium on the ability of places and towns to both respond and adapt to the changing conditions.

3.3 Population and Employment in Harlow

The Current Situation

- 3.3.1 With 80,000 residents and 44,000 employees, Harlow is a medium sized town, but it comprises a relatively small local authority administrative area.
- 3.3.2 In this context, it is also necessary to take into account the town's surrounding catchment area. Over 400,000 people live in the Harlow sub region, and with around 195,000 jobs, the sub-region is also a major source of employment (Table 3.1).

Table 3.1 Population and Employment 2002

	Population	Employment
Harlow	79,000	44,400
Harlow Sub Region	408,000	194,700
Total	487,000	239,100

Source: Office for National Statistics Mid-year Population Estimates, Annual Business Inquiry, Labour Force Survey, PACEC

- 3.3.3 The defined Harlow TTWA had a total employment base of 135,000 in 2002, but more detailed data is not available on this basis.

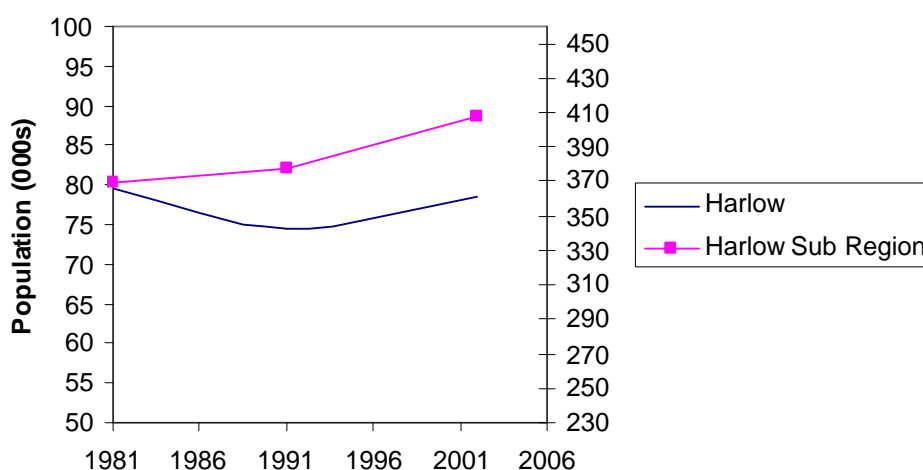
Long Run Trends

- 3.3.4 Changes in population and employment in both Harlow and its surrounding area are summarised in Table 3.2 and Figure 3.1.

Table 3.2 Long Run Population and Employment Trends

	Population (000's)		Employment (000's)	
	Harlow	Harlow Sub Region	Harlow	Harlow Sub Region
1981	79.6	369.0	40.7	141.1
1991	74.6	378.0	39.6	159.4
2002	78.5	408.2	44.4	194.7

Source: Office for National Statistics Mid-year Population Estimates, Annual Business Inquiry, Labour Force Survey, PACEC

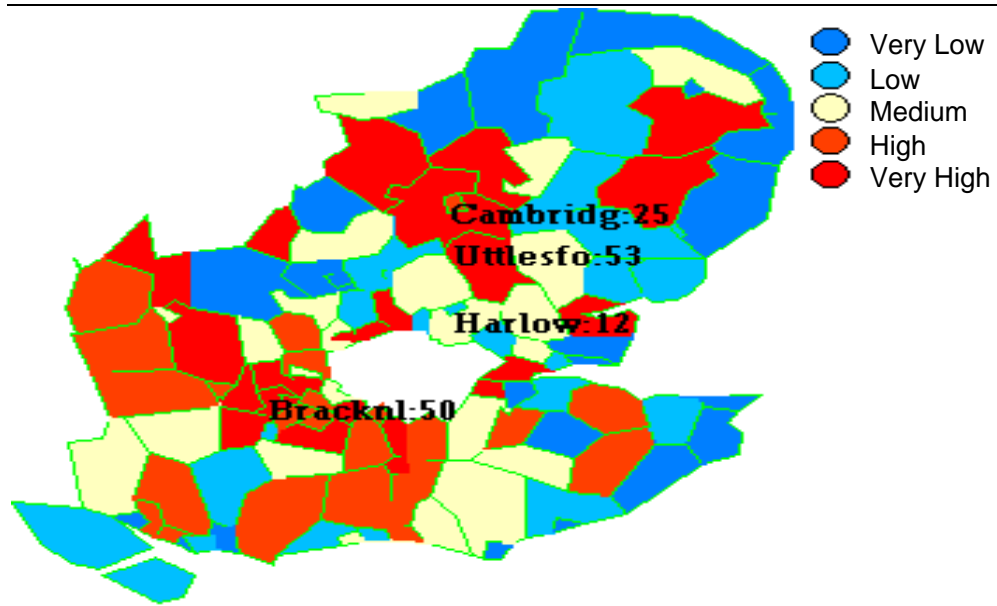
Figure 3.1 Long Run Population Trends

Source: Office for National Statistics Mid-year Population Estimates, Annual Business Inquiry, Labour Force Survey, PACEC

- 3.3.5 Harlow's population since the construction of the new town remained essentially static over a prolonged period, followed by a period of slow but steady decline. The population began to rise from the mid-1990s.

- 3.3.6 In contrast, the population in the surrounding area (the Harlow Sub Region) has risen steadily. It is now 10% higher than in 1981, with the most rapid growth occurring in the last ten years. This reflects the continuing national trend in urban rural shift.
- 3.3.7 The main determinant of population change is net migration. Between 1981 and 1995, Harlow experienced more or less consistent net out-migration. With the construction of Church Langley, there was significant net in-migration between 1996 and 2000. This accounts for the 1991 – 01 population increase. However, since 2000, the town has once again begun to experience net out-migration.
- 3.3.8 Over the period 1981 – 2002, in aggregate the town lost 10,900 residents via net out-migration. Generally, areas in decline lose their younger and more successful residents. In Harlow young people who have left to attend university rarely return to live and work in the town; while at least some successful households have almost certainly sought improved residential accommodation in the surrounding area.
- 3.3.9 While Harlow has lost population via migration, the Harlow Sub Region gained almost 15,000 people between 1981 and 2002. Around 40% of its population growth over this period has come via net in-migration. This may be attributed to the quality of the environment and its economic and social profile.
- 3.3.10 Following reductions mostly in manufacturing, employment fell to 41,000 in 1981. While fluctuating marginally, employment remained largely unchanged until the mid-1990's (Table 3.2), since when there has been more steady growth. Employment in 2002 was 44,400, some 12% higher than in 1991. However, it is far from self-evident that this recent growth has been maintained. For example, over the past 18 months, there have been a number of significant business closures.
- 3.3.11 In contrast, employment has increased steadily in the Harlow Sub Region throughout the period. Compared to Harlow's growth of 12% in 1991 – 2002, employment in the Harlow Sub Region rose by 22%, which may be partly attributed to Stansted growth.
- 3.3.12 While population and employment have changed relatively little in Harlow over the period 1981 – 2002, there has been substantial growth in the surrounding area. Consequently, Harlow's share of the area's population has fallen from 18% in 1981 to 16% today. Its share of employment has declined somewhat more sharply from 22.5% to 18.5%., which points to increased out-commuting.
- 3.3.13 Looking more broadly at Harlow's employment performance relative to districts in the South East and East Regions, Figure 3.2 illustrates the different patterns of employment growth in the period 1991-2002.

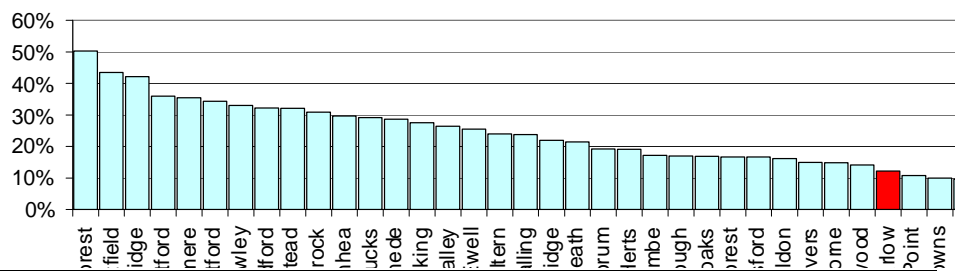
Figure 3.2 % Employment growth in Harlow and SE/ER 1991-2002



Source: PACEC, ABI, Census, LFS

3.3.14 Focusing in on the London ring areas, which may be considered as competitors to Harlow, Figure 3.3 compares their employment growth performance in the period 1991-2002. Bracknell Forest is the strongest performer, with 50% employment growth, compared to Harlow’s 12%.

Figure 3.3 % employment growth in the London ring districts 1991-2002



Source: PACEC, ABI, Censure, LFS

3.4 Industrial Structure

Employment by Sector

3.4.1 The sectoral change in Harlow employment over the period 1981-2001 is set out in Table 3.3 with comparisons to England and Wales for 2001. The greatest proportional falls in employment over the twenty year period were in transport,

storage and telecom services, down from 18% to 5%, high tech metals/engineering, down from 14% to 5%, and other manufacturing, down from 13% to 6%.

3.4.2 In 2001 the predominant employment sectors were:

- Other business services
- Health
- Research and development
- Education

Table 3.3 Harlow Employment by sector 1981-2001 (actual and %)

	Harlow				England and Wales
	1981		2001		2001
	000's	%	000's	%	%
Farming, Forestry, Fishing	0.0	0.1	0.0	0.1	1.6
Chemicals	1.8	4.4	0.8	1.9	2.2
Traditional Metals/Engineering	1.5	3.8	1.6	3.7	4.5
High Tech Metals/Engineering	5.8	14.3	2.0	4.6	1.3
Other Manufacturing	5.2	12.7	2.5	5.7	5.4
Utilities	0.5	1.2	0.3	0.7	0.8
Construction	1.7	4.1	1.9	4.5	6.5
Motor Vehicles: Sales/Repair	0.7	1.7	0.6	1.5	2.4
Wholesale	2.1	5.2	2.5	5.9	4.1
Food Retailing	1.0	2.5	2.9	6.7	4.0
Other Retailing	1.3	3.3	2.9	6.8	6.7
Hotels/Restaurants	1.0	2.4	2.1	4.8	6.3
Transport, Storage, Telecom Services	7.3	17.9	2.3	5.3	6.3
Finance	0.4	1.1	0.7	1.6	3.7
Property/Renting etc.	0.1	0.3	0.4	0.9	2.0
Professional Business Services	2.3	5.7	0.9	2.1	5.9
Other Business Services	1.0	2.4	4.8	11.2	5.9
Computer Services	0.0	0.0	0.7	1.7	2.0
Research & Development	0.1	0.2	3.1	7.2	0.4
Public Admin	1.4	3.5	0.9	2.2	4.6
Education	2.2	5.3	2.9	6.8	7.8
Health	2.0	4.9	4.6	10.8	10.1
Personal Services	1.3	3.1	1.5	3.6	5.7
Total %	40.7	100	43.1	100	100

Source: ONS, Annual Business Inquiry, Labour Force Survey, PACEC

3.4.3 The current industrial specialisms of Harlow are set out in Table 3.4. Research and development, manufacture of office machinery and the manufacture of instruments have the highest location quotients.

Table 3.4 Harlow's Industrial Specialisms 2002

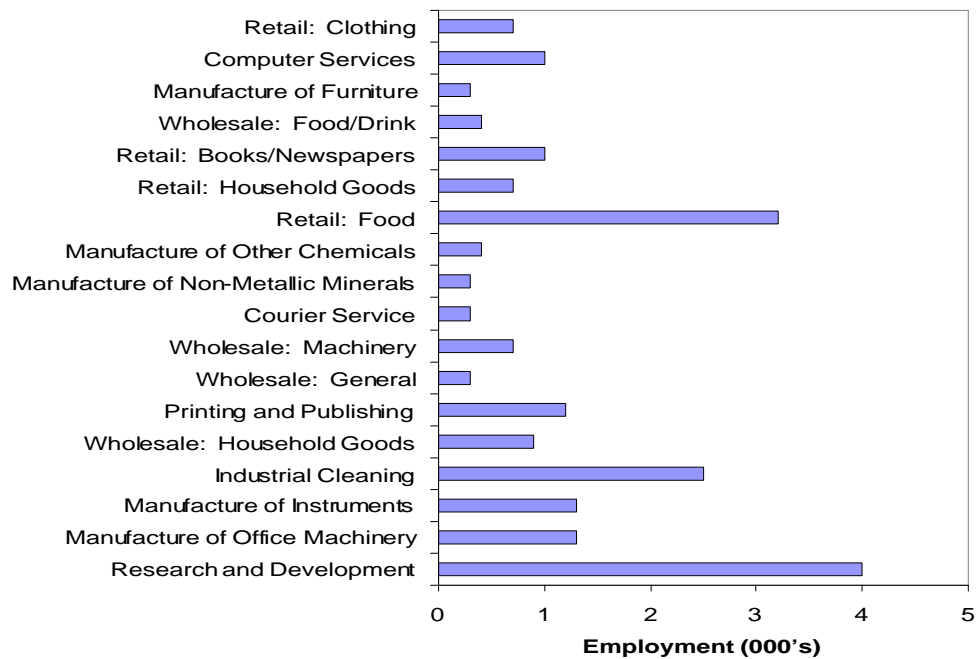
Industry	Employment (000's)	LQs
Research and Development	4.0	24.1
Manufacture of Office Machinery	1.3	22.1
Manufacture of Instruments	1.3	6.4
Industrial Cleaning	2.5	3.6
Wholesale: Household Goods	0.9	2.1
Printing and Publishing	1.2	2.0
Wholesale: General	0.3	2.0
Wholesale: Machinery	0.7	1.9
Courier Service	0.3	1.8
Manufacture of Non-Metallic Minerals	0.3	1.7
Manufacture of Other Chemicals	0.4	1.7
Retail: Food	3.2	1.7
Retail: Household Goods	0.7	1.5
Retail: Books/Newspapers	1.0	1.4
Wholesale: Food/Drink	0.4	1.3
Manufacture of Furniture	0.3	1.2
Computer Services	1.0	1.2
Retail: Clothing	0.7	1.2

Notes: Sectors with over 250 employees and a LQ over 1.2.

Source: ONS, Annual Business Inquiry, Labour Force Survey, PACEC

Comparative employment in different sectors is shown in Figure 3.4.

Figure 3.4 Harlow's Industrial Specialisms 2002



Notes: Sectors with over 250 employees and a LQ over 1.2.
 Source: ONS, Annual Business Inquiry, Labour Force Survey, PACEC

Recent Employment Changes

3.4.4 The main growing and declining sectors are shown in Table 3.5. The most significant percentage declines in the period 1998-2002 have been in utilities, chemical manufacturing and other manufacturing. Apart from R&D/computer services, the other growth sectors have been healthcare, retail, construction, professional business services and hotels / restaurants.

Table 3.5 Harlow's Main Growing and Declining Sectors

	Employment Change 1998 – 02	
	Actual	%
R&D / Computer Services	1,820	58
Health Care	1,160	33
Retail	600	10
Construction	480	28
Professional Business Services	360	54
Hotels/Restaurants	350	21
Other Business Services	-260	-5
Traditional Metal Manufacturing	-250	-17
Transport, Storage, Telecom Services	-350	-17
Utilities	-430	-70
Chemical Manufacturing	-880	-49
Other Manufacturing	-910	-29

Note: Based on a sector industrial disaggregation. Industries which added or lost a minimum of 250 jobs are included.

Source: ONS, Annual Business Inquiry, Labour Force Survey, PACEC

3.5 The Corporate Economy

Business Stock

- 3.5.1 There is no single data source which measures the performance of all businesses. While excluding many self-employment businesses, the VAT data captures businesses with sales of over £56k. There are 1,570 such businesses in Harlow (Table 3.6Table 3.7). This is a remarkably small number of businesses, given the number of economically active residents (i.e. 38.4 companies per thousand). Its corporate stock is smaller than all the benchmark areas, including Northern England.

Table 3.6 Number of VAT Registered Businesses per 1,000 Economically Active

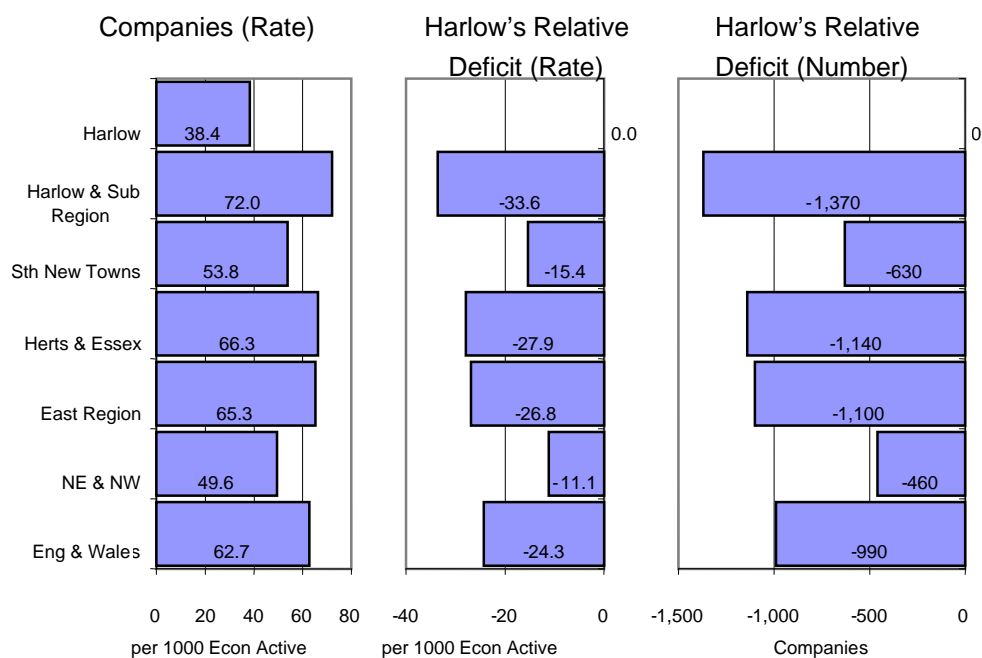
	Number
Harlow	38.4
Harlow Sub Region	78.6
Harlow + Sub Region	72.0
Southern New Towns	53.8
Herts & Essex	74.5
Eastern Region	65.3
North East & North West	49.6
England and Wales	62.7

Source: ONS VAT Register, Annual Business Inquiry, Labour Force Survey, PACEC

With the same number of businesses per economically active resident as, for example, the Southern New Towns, it would have an additional 630 VAT registered businesses; or compared with the national average an additional 990 businesses (i.e. 63% more businesses), as shown in Table 3.7).

Table 3.7 Companies per 1,000 Economically Active %

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Economically Active (000s)	40.9	251.4	503.3	1.3	2.7	4.2	25.0
No of VAT registered companies, 2002	1,570	18,110	27,090	88	176	209	1,568
Companies (per 000 Econ Active)	38.4	72.0	53.8	66.3	65.3	49.6	62.7
Harlow's relative deficit (rate)	0.0	-33.6	-15.4	-27.9	-26.8	-11.1	-24.3
Harlow's relative deficit (number)	0	-1,370	-630	-1,140	-1,100	-460	-990



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

3.5.2 Table 3.8 gives a breakdown of the number of workplaces in Harlow district by sector, as estimated by the Office for National Statistics Annual Business Inquiry. The count of workplaces can include multiple branches of the same company at different locations. The estimate of the total in 2001 is 2,270 workplaces. The largest sector, and also the sector most strongly represented in Harlow relative to the GB population, is construction.

Table 3.8 Harlow Workplaces by sector 1995-2001 (actual and %)

	Harlow				Great Britain
	1995		2001		2001
	000's	%	000's	%	%
Farming, Forestry, Fishing	n/a	n/a	n/a	n/a	0.7%
Chemicals	30	1.4%	30	1.1%	0.9%
Traditional Metals/Engineering	90	4.4%	90	4.0%	2.7%
High Tech Metals/Engineering	30	1.5%	30	1.5%	0.6%
Other Manufacturing	100	4.7%	110	4.9%	4.0%
Utilities	n/a	n/a	n/a	n/a	0.3%
Construction	250	12.0%	300	13.3%	8.9%
Motor Vehicles: Sales/Repair	80	3.8%	80	3.4%	3.7%
Wholesale	140	6.6%	160	6.9%	6.0%
Food Retailing	60	2.8%	60	2.5%	3.3%
Other Retailing	250	12.1%	240	10.7%	10.2%
Hotels/Restaurants	120	5.9%	150	6.8%	7.2%
Transport, Storage, Telecom Services	120	5.6%	120	5.2%	4.7%
Finance	50	2.2%	40	1.8%	2.1%
Property/Renting etc.	60	2.7%	70	3.0%	4.8%
Professional Business Services	110	5.2%	130	5.6%	9.5%
Other Business Services	150	7.1%	170	7.4%	6.5%
Computing and R&D	80	3.8%	140	6.3%	6.1%
Public Admin	50	2.2%	30	1.4%	1.2%
Education	70	3.2%	70	3.1%	2.6%
Health	80	3.8%	90	3.7%	4.8%
Personal Services	180	8.4%	150	6.7%	9.2%
Total %	2,080	100	2,270	100	100

Note: "n/a" denotes statistics that cannot be released under ONS confidentiality requirements.
Source: ONS, Annual Business Inquiry, PACEC

Large Firms and Multinationals

- 3.5.3 Harlow was developed as a large company town. Until recently, there were ten such private sector companies with over 500 employees. Of these, six were subsidiaries of overseas parents. Around 65 foreign owned businesses account for around one-third of all employment.
- 3.5.4 Three of these businesses, GlaxoSmithKline (GSK), Nortel and Raytheon Systems have been responsible for much of the recent growth in R&D employment.

3.5.5 Although they have pared down manufacturing activity, GSK have built up their R&D activity in compensation. However, other manufacturers (e.g. Arrow Electronics warehouse operations, C-MAC) are exiting the town.

3.5.6 A key question for Harlow is whether it will be able to continue attracting foreign investment. With a much more competitive international market, future investment will be very different from that attracted in the past.

3.6 The Labour Market

Participation

3.6.1 A greater proportion of Harlow's residents (in the age group 16–74) are economically active, compared with elsewhere in the East Region and in England and Wales as a whole, as shown in Table 3.9.

Table 3.9 Labour Market Participation, Education and Long Term Sick (16-74 year olds) 2001

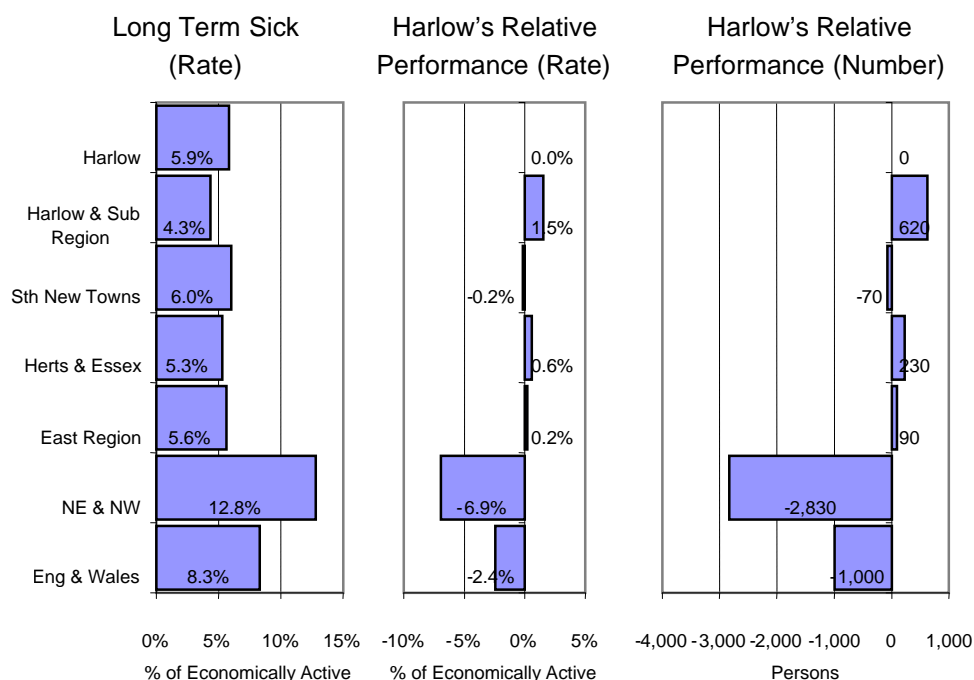
	% Economically Active	% Full Time Student	% Long Term Sick
Harlow	71.7	4.3	5.9
Harlow Sub Region	71.4	5.2	4.0
Harlow + Sub Region	71.5	5.0	4.3
Herts & Essex	70.2	5.5	5.1
Eastern England	69.3	5.8	5.6
Northern England	63.2	6.9	12.8
England and Wales	66.5	7.0	8.3
Southern New Towns	71.2	5.9	6.0

Source: ONS, Census 2001, PACEC

3.6.2 This high level of labour market participation reflects two factors. First, slightly fewer people are outwith the labour market because of long term sickness than the overall average for England and Wales. Around 2,400 people are registered as long term sick, which is marginally above the regional average and the Harlow sub region. However, Harlow's problems in this respect pale in significance compared to Northern England (Table 3.10). It is slightly below the Southern New Towns.

Table 3.10 Long term sick

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Economically Active (000s)	40.9	251.4	503.3	1.3	2.7	4.2	25.0
Long term sick (000s)	2.4	10.9	30.4	0.1	0.2	0.5	2.1
Long Term Sick (% of Economically Active)	5.9%	4.3%	6.0%	5.3%	5.6%	12.8%	8.3%
Harlow's relative performance (rate)	0.0%	1.5%	-0.2%	0.6%	0.2%	-6.9%	-2.4%
Harlow's relative performance (number)	0	620	-70	230	90	-2,830	-1,000



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

3.6.3 **The second reason why more people participate in the labour market is because substantially fewer are in full time education than elsewhere in England and Wales.** Compared to the national average of almost 78%, just 69% of Harlow's 16 – 17 year olds are in education. By contrast, 82% of those in the Harlow Sub Region remain in full time education (Table 3.11).

Table 3.11 Participation in education (16-17 year olds)

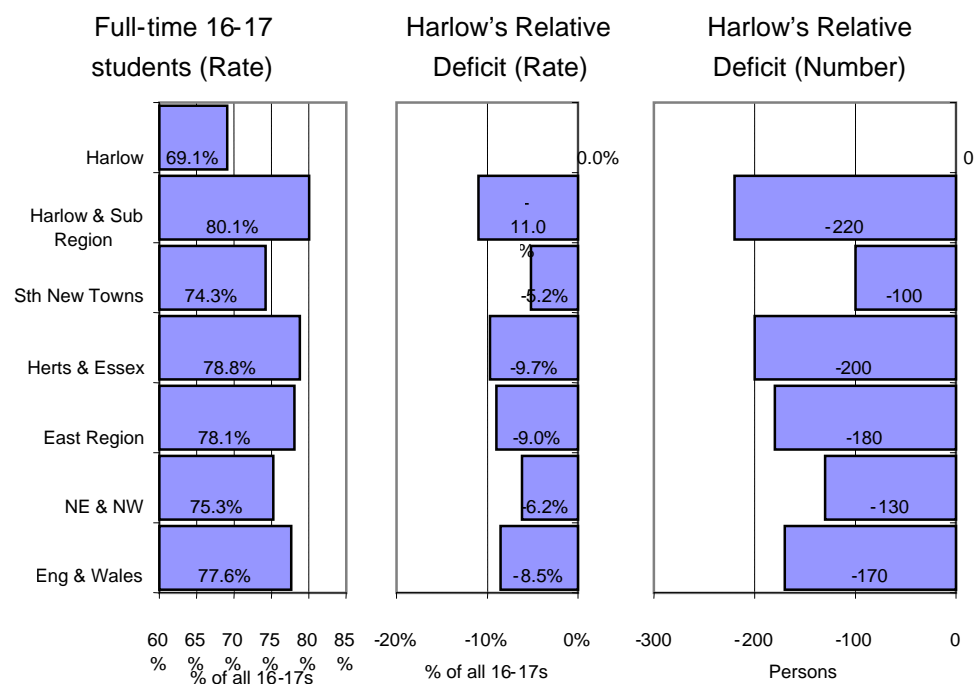
	% of 16-17 year olds in education
Harlow	69.1
Harlow Sub Region	81.6
Harlow + Sub Region	80.1
Herts & Essex	78.8
Eastern England	78.1
Northern England	75.3
England and Wales	77.6
Southern New Towns	74.3

Participation in Source: ONS, Census 2001, PACEC

- 3.6.4 The relative deficit in educational participation between Harlow and the comparator areas is shown in Table 3.12. Harlow's educational participation among 16-17 year olds lags behind that of the rest of the country, particularly when compared to the Harlow sub-region and the rest of Hertfordshire and Essex. Harlow would require a further 9.7% of its 16-17 year olds to remain in education for it to match the performance of Hertfordshire and Essex (amounting to a further 200 students).

Table 3.12 Students aged 16-17

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
16 - 17 Population (000s)	2.0	11.8	25.4	0.1	0.1	0.2	1.3
Full-time 16-17 students (000s)	1.4	9.4	18.9	0.1	0.1	0.2	1.0
Full-time 16-17 students (% of 16-17s)	69.1%	80.1%	74.3%	78.8%	78.1%	75.3%	77.6%
Harlow's relative deficit (rate)	0.0%	-11.0%	-5.2%	-9.7%	-9.0%	-6.2%	-8.5%
Harlow's relative deficit (number)	0	-220	-100	-200	-180	-130	-170



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

Unemployment

3.6.5 Table 3.13 shows that while slightly lower than in the surrounding Harlow sub region area, an above average number of Harlow residents are in employment. Just over 67% of those aged 16 – 74 are in work compared with the national average of 63%.

Table 3.13 Employment and Unemployment, 2001

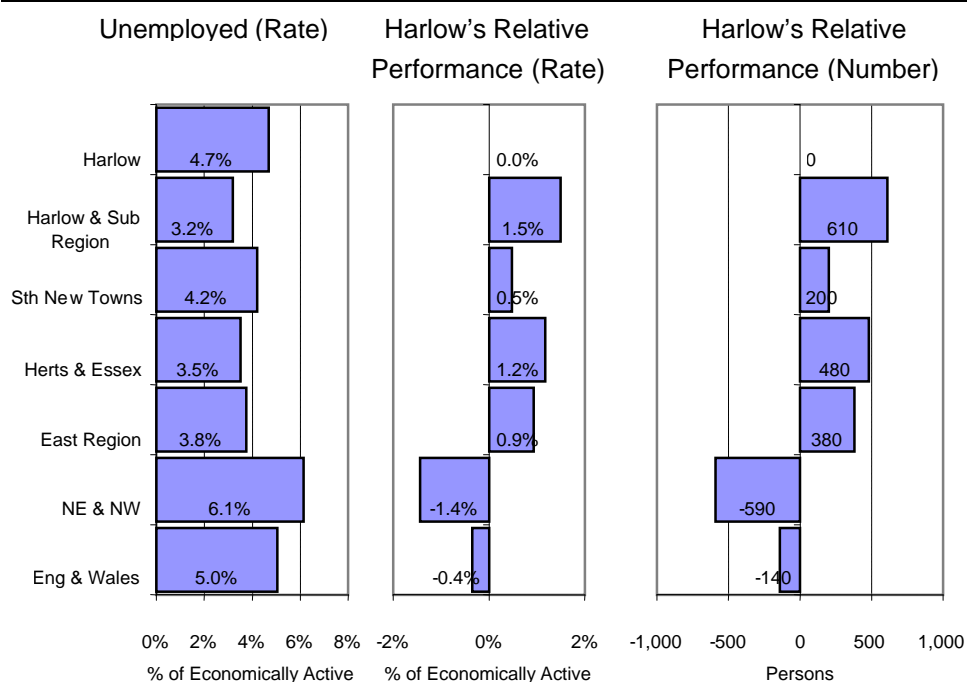
	% of 16 – 74 Year Olds in Employment	% Unemployment Rate (ILO)	
		Total	Long Term
Harlow	67.2	4.7	1.2
Harlow Sub Region	69.2	2.9	0.8
Harlow + Sub Region		3.2	
Herts & Essex		3.3	
Eastern England	66.7	3.8	1.0
Northern England	58.2	6.1	2.0
England and Wales	62.7	5.0	1.5
Southern New Towns	67.9	4.2	1.1

Source: ONS, Census 2001, PACEC

- 3.6.6 While more people are in work than elsewhere in the East Region and England and Wales, the unemployment rate amongst Harlow residents is above the regional average. Using the International Labour Organization (ILO) measure of unemployment (which includes all those looking for work and not just those in receipt of benefits), 4.7% of the economically active are unemployed compared to 3.8% in the region and just 2.9% in the surrounding area (Table 3.14).

Table 3.14 Unemployment (all)

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Economically Active (000s)	40.9	251.4	503.3	1.3	2.7	4.2	25.0
Unemployed (ILO, 000s)	1.9	8.0	21.2	0.0	0.1	0.3	1.3
Unemployed (% of economically active)	4.7%	3.2%	4.2%	3.5%	3.8%	6.1%	5.0%
Harlow's relative performance (rate)	0.0%	1.5%	0.5%	1.2%	0.9%	-1.4%	-0.4%
Harlow's relative performance (number)	0	610	200	480	380	-590	-140



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

3.6.7 However, on the 2001 figures, with around 1,900 unemployed people, the unemployment rate was marginally below the national average and well below the levels of Northern England. Of those unemployed, one quarter (or around 500) are classified long term unemployed. While a slightly more substantial problem than in the surrounding area, long term unemployment is no more of an issue in Harlow than in much of Britain.

3.6.8 The April 2004 Claimant Count figures as a proportion of the economically active provide an up to date picture. In Harlow there are 1,176 claimants representing an unemployment rate of 2.89%. Table 3.15 illustrates claimant unemployment in Harlow as being slightly above the East Region at 2.24%, but below England at 3.24%.

Table 3.15 Harlow Claimant Unemployment Rate (April 2004)

District	Unemployed	Economically Active	% Rate
Harlow	1176	40693	2.89%
Harlow Sub Region	3253	211177	1.54%
Chelmsford	1291	83038	1.55%
Colchester	1327	76833	1.73%
Epping Forest	1306	60228	2.17%
Maldon	488	30965	1.58%
East Region	60778	2711063	2.24%
England	782546	24160390	3.24%

Source: PACEC

Qualification and Achievement

- 3.6.9 As already noted, a below average number of young people stay on in school post-16 in Harlow and, over a prolonged period of time, the town has lost some of its better qualified people via out-migration. This reinforces the picture of Harlow residents having educational qualifications below the national average, as shown in Table 3.16

Table 3.16 Qualifications: % of Population Aged 16 – 74

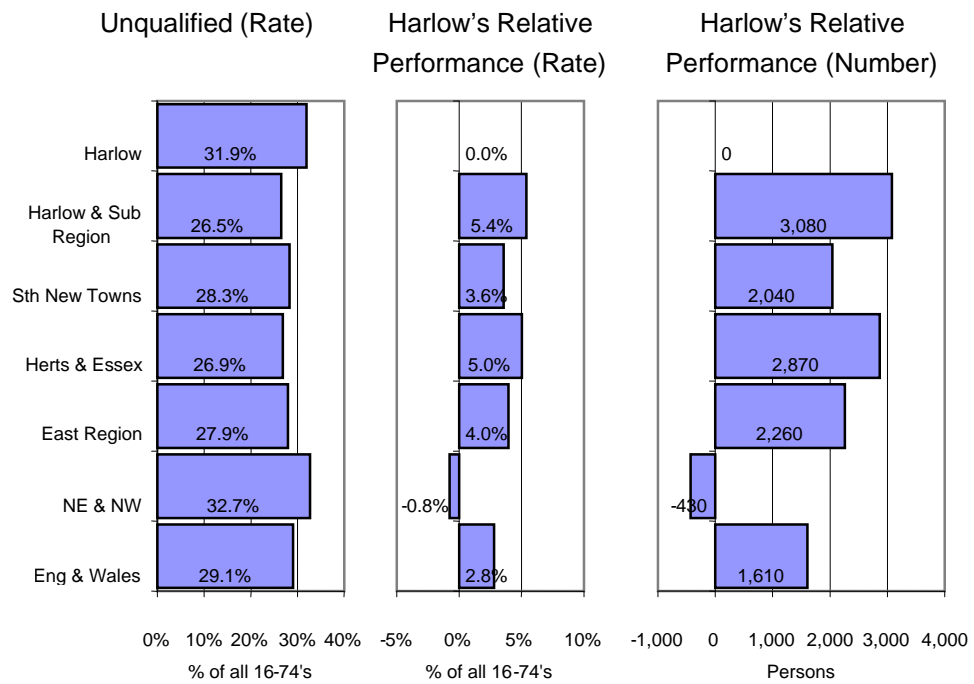
	No Qualifications	Degree
Harlow	31.9	11.8
Harlow Sub Region	25.4	19.5
Harlow + Sub Region	26.5	18.3
Herts & Essex	26.2	19.1
Eastern England	27.9	18.1
Northern England	32.7	16.6
England and Wales	29.1	19.8
Southern New Towns	28.3	16.0

Source: ONS, Census 2001, PACEC

- 3.6.10 Almost 32% of Harlow residents (aged 16 – 74) have no qualifications. This exceeds the national average of 29% and is above the Harlow Sub Region (25%), but below Basildon at 32.2% (see Table 3.17).

Table 3.17 Qualifications (None)

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
16 - 74 Population (000s)	57.0	351.8	706.5	1.9	3.9	6.7	37.6
No qualifications (000s)	18.2	93.2	200.1	0.5	1.1	2.2	10.9
Unqualified (% of 16-74s)	31.9%	26.5%	28.3%	26.9%	27.9%	32.7%	29.1%
Harlow's relative performance (rate)	0.0%	5.4%	3.6%	5.0%	4.0%	-0.8%	2.8%
Harlow relative performance (number)	0	3,080	2,040	2,870	2,260	-430	1,610



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

3.6.11 Only 12% of Harlow residents have a degree. This is also substantially below the average for England and Wales of just under 20% and also under all the benchmark areas including Northern England and other Southern New Towns (Table 3.18).

Table 3.18 Qualifications (Degree)

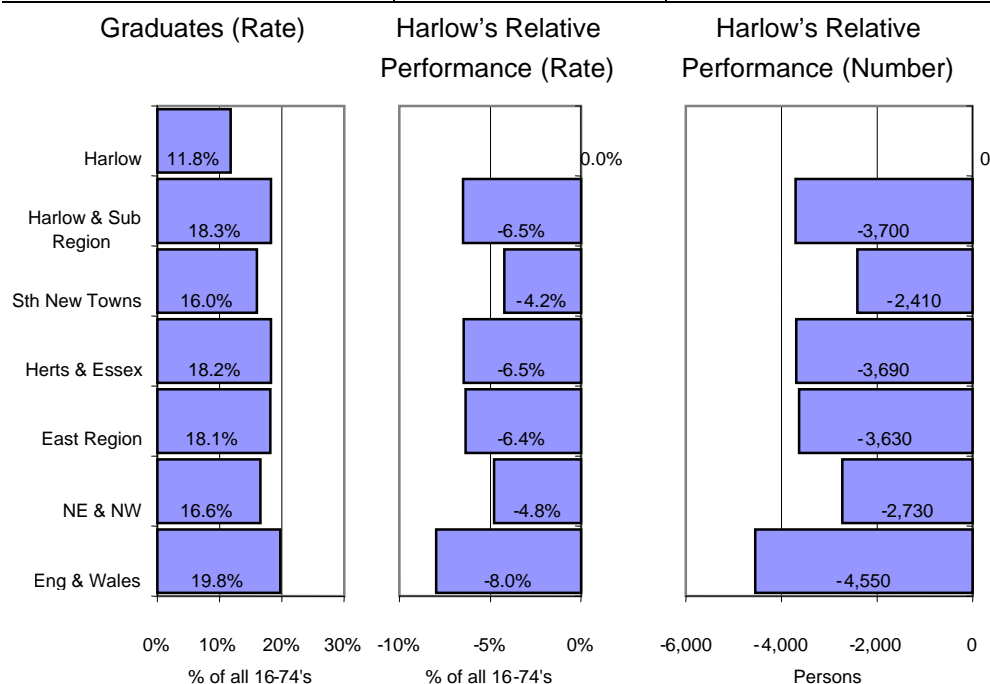
	% of 16-74 year olds with degrees
Harlow	11.8
Harlow Sub Region	19.2
Harlow + Sub Region	18.3
Herts & Essex	18.2
Eastern England	18.1
Northern England	16.6
England and Wales	19.8
Southern New Towns	16.0

Participation in Source: ONS, Census 2001, PACEC

- 3.6.12 The scale of Harlow's deficit of graduates is shown in Table 3.19 below. Harlow would require a further 8% of its working-age population to be graduates to have the same rate as England and Wales as a whole. This difference would amount to four and a half thousand extra graduates.

Table 3.19 Qualifications (Degree)

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
16 - 74 Population (000s)	57.0	351.8	706.5	1.9	3.9	6.7	37.6
Graduates (000s)	6.7	64.3	113.0	0.3	0.7	1.1	7.4
Graduates (% of 16-74s)	11.8%	18.3%	16.0%	18.2%	18.1%	16.6%	19.8%
Harlow's relative performance (rate)	0.0%	-6.5%	-4.2%	-6.5%	-6.4%	-4.8%	-8.0%
Harlow's relative performance (number)	0	-3,700	-2,410	-3,690	-3,630	-2,730	-4,550



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

Occupational Structure

3.6.13 Qualification levels are reflected in the occupational characteristics of Harlow residents. One-third of economically active residents are in management, professional or technical occupations. Despite the strength of R&D employment opportunities in the town, this is well below the national average. Indeed, it is lower than all the benchmark areas including the other New Towns and Northern England. By way of contrast, almost 46% of residents in the Harlow Sub Region are in these occupations (see Table 3.20).

Table 3.20 Harlow Occupational Structure

	% of Economically Active			
	Harlow	Harlow Sub Region	Northern England	England & Wales
Managerial, Prof., Technical	33.4	45.7	36.1	40.1
Admin/Secretarial	14.8	15.0	13.0	13.3
Skilled Trades	12.3	11.5	11.9	11.6
Personnel/Customer Services and Sales	14.6	12.2	16.2	14.6
Operatives/Elementary Occupations	24.6	15.6	22.8	20.4

Source: ONS, Census 2001, PACEC

3.6.14 Almost one quarter of residents are classified as operatives or in 'elementary' (i.e. low skill) occupations. This is above the national average and above both the Southern New Towns and Northern England. Just 16% of residents in the Harlow Sub Region are in these occupations.

3.6.15 The evidence shows that there is a clear pattern within the workforce, with the less skilled living in Harlow and the highly skilled and better educated living in the surrounding Harlow sub region.

3.6.16 Table 3.21 indicates that:

- There are marginally more jobs in Harlow than there are economically active residents (1,600 extra jobs).
- However, for all levels of qualifications up to, and including NVQ3, there are more residents than jobs. There is a job shortage of around 5,300 up to this level.
- In contrast, there are 9,300 jobs in Harlow with NVQs 4/5, with only 5,600 residents with this level of qualification. In other words, large numbers of highly qualified people commute into Harlow.

Table 3.21 Employment and Residents by NVQ Qualification: Level (000's)

	Harlow			Harlow Sub Region		
	Economic ally Active Residents	Employe ment	Gap	Economic ally Active Residents	Employe ment	Gap
NVQ 0	12.0	10.1	-1.9	51.3	44.7	-6.6
NVQ 1	10.6	8.7	-1.9	41.7	35.2	-6.5
NVQ 2	9.8	8.4	-1.4	51.0	37.8	-13.2
NVQ 3	3.0	2.9	-0.1	19.1	13.6	-5.5
NVQ 4/5	5.6	9.3	3.7	47.3	31.1	16.2
Total	39.3	40.9	1.6	210.5	162.6	-47.9

Source: ONS, Census 2001, PACEC

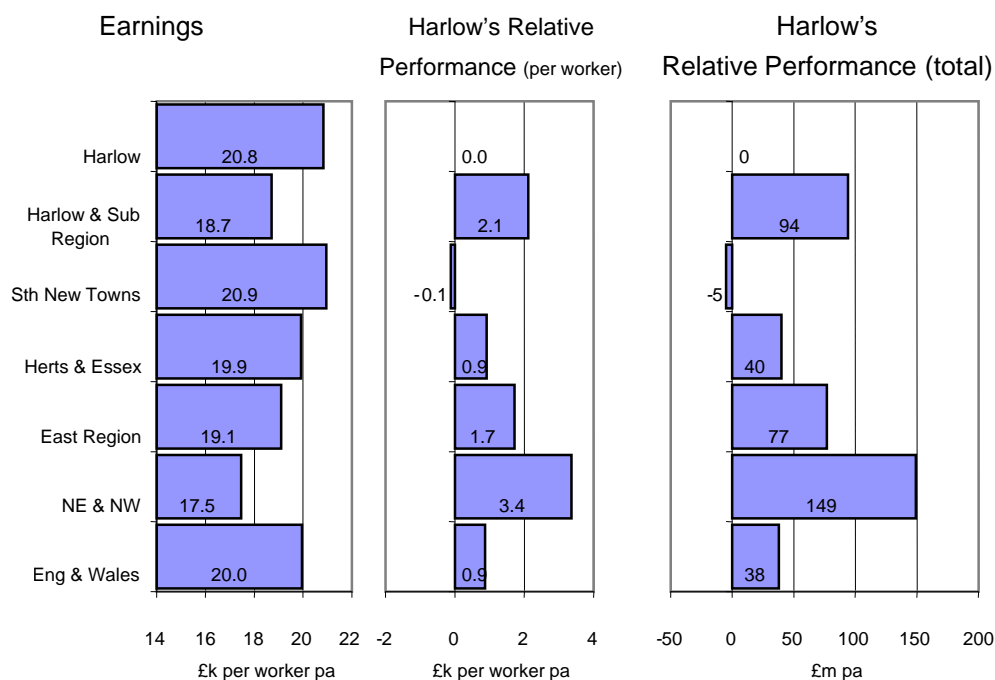
3.6.17 Below average educational qualifications not only impact on the labour market in Harlow, but also have implications for Harlow's residents in terms of salaries and take home pay.

3.7 Average Earnings

3.7.1 The average earnings per workplace job in Harlow gives a positive impression of earning potential in the town, with earnings in Harlow exceeding average earnings in all benchmark areas and matching the Southern New Towns (see Table 3.22).

Table 3.22 Average Earnings (Workplace)

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Workplace jobs, 2002 (000s)	44	239	614	1	3	4	26
Earnings (2002, £m)	925	4,475	12,860	26	51	77	529
Earnings (£k per workplace job pa)	20.8	18.7	20.9	19.9	19.1	17.5	20.0
Harlow's relative performance (£k per worker pa)	0.0	2.1	-0.1	0.9	1.7	3.4	0.9
Harlow's relative performance (£m pa)	0	94	-5	40	77	149	38



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

3.7.2 However, despite the higher average salaries and wages on offer in Harlow, the people actually resident there take home relatively poor earnings when compared to the national average and with those living in the immediate area and wider East region. Of the benchmarks used in our analysis, earnings received by people living in Harlow only exceed those earned by workers resident in the North East and North West regions of England (see Table 3.23).

3.7.3 This implies that the higher income jobs in Harlow are going to people who commute into the town and that those who are resident in Harlow are employed in lower paid

occupations. Indeed, this is reflected in the occupational structure of Harlow residents already detailed (Table 3.23), and ties in with the earlier observation that the less skilled tend to live in the town and the more highly skilled and better educated in the surrounding area.

Table 3.23 Average earnings (Residence)

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Resident workers, 2003 (000s)	38	242	485	1	3	4	24
Total earnings (2003, £bn pa)	1	7	12	0	0	0	1
Average earnings (2002, £k pa)	23	31	25	29	26	22	25
Harlow's relative performance (£k per resident worker pa)	0.0	-7.5	-1.7	-5.5	-3.2	0.9	-1.9
Harlow's relative performance (£m pa)	0	-290	-65	-212	-123	33	-74



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

3.8 Strengths, weaknesses, opportunities and threats

Strengths

- Harlow has key strengths in Research and Development, the manufacture of office machinery and instruments.
- Harlow residents are slightly more economically active than in the surrounding area.

- Harlow's average workplace earnings are higher than in the sub region

Weaknesses

- Harlow's population has remained static for several decades in spite of additional housing development
- The population of the Harlow sub region has grown more rapidly
- As with population employment growth in Harlow has lagged behind the sub region
- The employment structure lacks diversity and is dominated by a few large firms
- Business formation rates are low as is the stock of small firms. Unemployment rates are higher in Harlow, the occupation of residents are in the less skilled areas compared to the sub region.
- Few Harlow residents are in full time education
- Commuters in to Harlow are from the higher occupational groups.

Opportunities

- The high tech and R&D clusters in Harlow provide a platform for growth and enterprise.
- Stansted airport and the M11 corridor provide accessible markets for Harlow firms.
- The Harlow workforce, including commuters into Harlow, provides the higher level skills required by employers.
- Harlow is well placed, and located, to take advantage of growth opportunities resulting from Stansted and the M11 corridor.

Threats

- Continued over concentration larger firms could make Harlow vulnerable if downsizing, or closures, occurs.
- Continued over concentration in a small group of sectors.
- Other competing locations along the M11 corridor and in north London take advantage of the growth opportunities
- Harlow continues to be identified as a low skill location.
- Harlow continues to be perceived as lacking in entrepreneurial activity with few small firms and business start-ups.

3.9 Strategic Challenges

- 3.9.1 The extent to which Harlow is a self-contained labour market has declined over time. It is now a relatively small sub-regional employment centre.
- 3.9.2 Of the 44,000 jobs in Harlow, 52% are filled by Harlow residents and 48% (around 21,300) by non-residents. This latter proportion has risen from 37% in 1991. In other words, Harlow is attracting an increasing number of commuters, and local people are less able to compete for the jobs available.

3.9.3 It can be argued that these trends are inevitable. They reflect the way that the structure of the Harlow and the national economy has changed. As already noted:

- The nature of employment among some of the major employers has changed, with a **decline in traditional manufacturing** and increase in management and R&D jobs. These require different skills and people.
- Relatively few of these employees have chosen and, given the nature of the housing market, would have chosen, to live in Harlow.
- While Harlow's population (and workforce) have been more or less static, population growth has been much higher in the surrounding 'Harlow sub region'.
- The majority of new job opportunities have been created in the Harlow sub region rather than in Harlow itself. The Harlow TTWA is adjacent to the very significant London TTWA. Not surprisingly, local residents have increasingly found it necessary to seek work outside the town.

3.9.4 Given these changes, it is probably unrealistic to believe that Harlow can, in the short to medium term, once again become a highly self-contained labour market. But building a more sustainable economy and labour market could be achieved in the long term.

3.9.5 The town has not developed as a 'strong' sub-regional employment centre. The majority of those who out-commute from the surrounding area, i.e. the Harlow sub region, do not commute into Harlow. They find employment elsewhere. In-commuting to Harlow exceeds out-commuting by just 500. This represents 1.2% of Harlow's employment. In contrast, net in-commuting amounts to just over 12% of employment in the benchmark Southern New Towns.

3.10 Needs and Issues

- Harlow's population, from the completion of the construction of the new town, was broadly static for several decades, but then went into steady decline. The position improved from the mid 1990s, with net immigration primarily to the new development of Church Langley, but the population has started to decline again.
- Long run population trends show that Harlow's population has experienced overall decline since 1981, while the population of the surrounding area has increased by more than 10%. The (relatively small) size of the population of Harlow has also determined the size of its labour market. The small size of the labour market has failed to keep pace with local labour requirements.
- Employment growth in Harlow has lagged behind growth in neighbouring areas for some time. Harlow jobs grew by only 12%, compared to 22% in the Harlow sub region, in the period 1991-2002, indicating a relative economic underperformance.
- The structure of Harlow's economy lacks diversity because it is dominated by a small number of very large employers. Harlow developed in the 1950s and 1960s as a large company town. This concentration and imbalance in the structure means that the town's economy is potentially fragile, vulnerable to large firms downsizing, and reliant on a narrow business base.
- Given the large company context the small firms sector is seriously underdeveloped.

- VAT registration data show that Harlow has a markedly small number of registrations relative to its size. The town had only 38 registered businesses per 1,000 economically active residents in 2004, which is less than half that of the sub-region (79 registered businesses per 1,000 economically active). National research indicates that new firms are an important component of a successful, dynamic local economy.
- The current industrial specialisms and strengths of Harlow are Research & Development, Manufacture of Office Machinery and the Manufacture of Instruments.
- A greater proportion of Harlow's residents are economically active than in the East Region and the country as a whole, which is a positive attribute for the local labour force.
- Substantially fewer Harlow residents are in full time education than in the rest of the country. Only 12% of Harlow residents hold a degree, compared to 20% in England and Wales.
- About 4.7% of the economically active are unemployed in Harlow, compared to 2.9% in the Harlow sub region and 3.8% in the East region. This suggests the need for higher levels of local employment and job creation and skills development.
- Qualification levels are reflected in the occupational characteristics of Harlow residents. A third (33%) of Harlow residents are in managerial, professional or technical occupations, compared to 46% in the Harlow sub region. Higher income jobs go to those who commute into Harlow and residents tend to be in lower paid occupations.

4 Business Development

4.1 Introduction

4.1.1 This chapter reviews issues relating to the indigenous business sector in Harlow. It initially sets out the policy context. The chapter then examines small firms and self employment, new firms and entrepreneurship, factors restricting and contributing to growth and research on skills gaps.

4.1.2 Before examining the role of indigenous business in the regeneration of Harlow, a number of conclusions from the socio-economic overview above need to be summarised.

- The level of employment in Harlow has not increased substantially since the early 1980's.
- Manufacturing employment (especially in large companies) will continue to decline.
- Foreign inward investment is unlikely to create as many jobs as in the past.
- Harlow has an under-developed SME sector.
- Harlow has a low business birth rate. It does not have the dynamism of Southern England's most prosperous, growth orientated local economies.
- New firms are responsible for most job creation and the emergence of new industries in the UK.

4.2 Current Policy Context

4.2.1 The Harlow 2020 Vision, under the Learning and Working heading, lists amongst its aims, the following:

- 'Harlow will be a key town in the region where companies will wish to stay or relocate.'
- 'The town will be particularly well known for its high tech industries, building on those that are already here. '; and
- 'We will have a One Stop Shop Business Centre providing advice and assistance to businesses, all in one place... The presence of the Centre will encourage new businesses to come to Harlow because it will show that we are serious about business.'

4.2.2 However there are no specific proposals or recommended actions on how to make Harlow a more attractive location for inward investors or how to build up its 'high tech' industries. Nor are the implications of such aims for other aspects of the Vision established. For example, how the desire to be a 'high tech' location relates to generating jobs for local people is not examined.

4.2.3 There is little on meeting the needs of Harlow businesses, improving competitiveness, increasing the business birth rate or development of the SME sector.

- 4.2.4 The Vision largely assumes that businesses will create enough jobs by exploiting opportunities such as the development of Stansted. Its main focus is to ensure that more jobs go to Harlow residents.
- 4.2.5 The focus on new and small businesses is considered marginal in the Ten Year Regeneration Programme. Amongst the seven objectives, it lists:
- To promote small business development in Harlow's most deprived areas and to target support services specifically at marginalized groups such as ethnic minority businesses and lone parents.¹
- 4.2.6 The main focus of new and small firm support is social inclusion not economic regeneration and restructuring the Harlow economy.
- 4.2.7 The CLES study saw the development of the SME sector as critically important for the future of employment in Harlow. It saw the potential target markets (and the source of new firms) as women and the long term unemployed. Again, this emphasises social inclusion rather than the need to restructure the Harlow economy.
- 4.2.8 A further illustration of recent policy focus is the emphasis on workers' co-operatives and other not-for-profit social enterprises. There is a well established Co-operative Development Agency. The CLES study notes that in 2001 there were 12 workers' co-operatives with around 200 workers, and that they have the potential for leading the way on demonstrating the value of investing in employees.
- 4.2.9 In contrast, concern and support for mainstream entrepreneurship and SMEs is more recent and less well developed. The Harlow Business Support Network was created in 2000, bringing together Harlow College, Harlow Chamber of Commerce, Harlow CDA, East Herts and Harlow Enterprise Agency and the District Council Regeneration Unit. More recently, these have been co-located with the creation of the Harlow Centre for Business Support (HCBS).
- 4.2.10 The CLES study found a seriously under-developed SME support structure, but substantial local demand for support services. It argued that a new organisation was required with '*a stronger and more influential position in the procurement of resources*'² The Harlow Centre for Business Support is the organisation set up in response to the 2020 Vision's aim of creating a one stop shop.
- 4.2.11 However, the Centre is far from financially secure and, compared to services provided in much of the UK, support for 'mainstream' new and small firms remains limited. In setting up the Harlow Centre for Business Support, the main concern has been delivery co-ordination rather than improving the range of services delivered. For example, the Centre is not the location for one of Essex's Enterprise Centres.
- 4.2.12 Business Link for Essex (BLE) services are principally focused on brokering, and they operate a 'no wrong door' policy, where agencies working in partnership with each

¹ Ten Year Regeneration Programme 2003 – 13, p.15.

² CLES (2001). Small Business Needs in Harlow and the Development of a Networked Mode of Delivery, Executive Summary, August 2001, para 5.3.

other have enough knowledge about each others' services to signpost clients onwards. The emphasis for BLE work includes:

- adviser and brokering between external suppliers
- project management
- client penetration,
- markets satisfaction
- measuring economic impacts of activities
- monitoring business needs

4.2.13 The HCBS collectively act as Consortia to help start-up businesses during their first year of operation. The consortia can exploit the synergies between member organisations and "gather critical mass to help support start-ups in a measured way". Most of the work of HCBS for start-ups is funded by BLE. HCBS and BLE hold regular meetings to discuss issues. The relationship is quite formal, and they have to bid competitively for any other business development work. Between April 2003 and 2004, there were 686 recorded start-ups in Harlow, which was 6% of the Essex total.

4.2.14 BLE were fairly non-committal when they were asked about the possibility of an Enterprise Hub being based in Harlow. BLE is set to resource a Hub when it is set up and it will be covered in the next Business Plan.

4.2.15 Harlow Council is at present organising an Investors in Communities Initiative, which is a programme to fund established skills and business development based initiatives in the Town.

4.3 Small firms, self employment and business births

Small Firms and Self-Employment

4.3.1 In contrast to larger companies, the small firm sector is under-developed in Harlow. Consequently, a disproportionately small share of employment is in SMEs. For example, compared to 52% in Harlow, SMEs account for 62% of employment nationally. The other side of the coin is that average employment per VAT registered business is much higher in Harlow than elsewhere.

4.3.2 Many of the self-employed are not captured by the VAT data. However, self-employment in Harlow is also low. This is illustrated in Table 4.1. Of the 44,400 people working in Harlow, 9.5% (4,200) are self-employed. This is substantially below the national average and, indeed, below the figure for Northern England. In contrast, almost 17% of people working in the Harlow Sub Region are self-employed.

Table 4.1 Self-Employment 2001/2 by Place of Work and Residence

	% of Workplace jobs	% of Economically Active Residents Self-Employed
Harlow	9.5	9.0
Harlow Sub Region	16.9	16.1
Harlow + Sub Region	15.5	14.9
Herts & Essex	14.3	13.7
Eastern Region	14.1	13.4
Northern England	9.7	10.4
England and Wales	12.2	12.4
Southern New Towns	10.9	10.1

Source: ONS, Annual Business Inquiry, Labour Force Survey, PACEC

4.3.3 Turning to Harlow's residents, 9% (3,700) of the economically active are self-employed. Again, this is well below the national average, and below that of Northern England and other Southern New Towns. In contrast, 16% of economically active residents in the Harlow Sub Region are self-employed. With the same percentage as the Harlow Sub Region, Harlow would have an additional 2,900 self-employed residents (i.e. some 75% more).

4.3.4 The low level of self-employment is reflected in the relatively low proportion of residents who work from home. Many self-employed, especially those involved in business and professional services and women, work from home. At least historically in many places, both council housing and flats have been a constraint on the ability of residents to work from home.

Business Births

4.3.5 To develop the small firms sector in Harlow (and indeed, tomorrow's larger businesses), new firms have to be created. It is also now well established that new firms are responsible for large numbers of new jobs and that, generally, areas with a high business birth rate experience more rapid employment growth. New firms are an important component of a successful, dynamic local economy.

4.3.6 As a percentage of the corporate stock, Harlow appears to have a good business birth rate as Table 4.2 shows. However, this is because its corporate stock is small. From the perspective of job creation and economic regeneration, it is the number of new businesses which is critical. Compared to over 1,900 per year in the Harlow Sub Region, there are just 200 new VAT registered firms per year in Harlow.

Table 4.2 Business Birth Rates

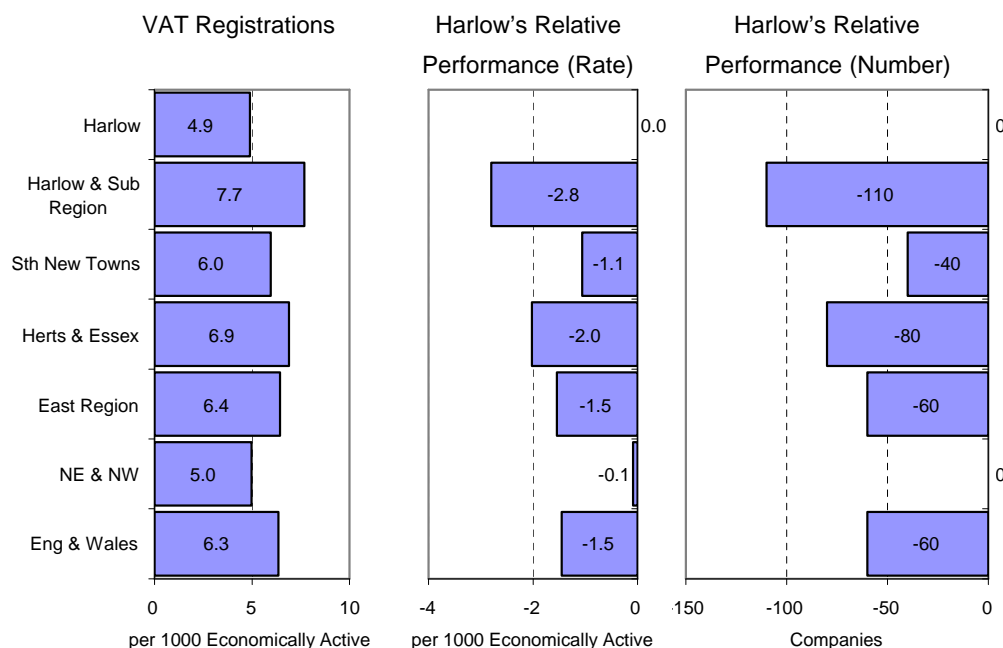
	% of Stock	Per 1,000 Economically Active
Harlow	12.7	4.9
Harlow Sub Region	10.5	8.2
Harlow + Sub Region	10.7	7.7
Herts & Essex	10.4	7.8
Eastern Region	9.7	6.4
Northern England	10.0	5.0
England and Wales	10.1	6.3
Southern New Towns	11.1	6.0

Source: ONS VAT Register, Annual Business Inquiry, Labour Force Survey, PACEC

- 4.3.7 Compared to the benchmark areas, Harlow has a very low business birth rate. Measured as new firms per 1,000 economically active, Harlow has a business birth rate of just 4.9, compared to 6.3 in England and Wales and 8.2 in the Harlow Sub Region. Indeed, its business birth rate is marginally below that of Northern England.
- 4.3.8 Table 4.3 shows that if it matched the business birth rate of the East of England, Harlow would have an additional 60 new starts (i.e. 30% more) per year. In this context, it should be noted that the East Region's business birth rate is only just above the national average and well below that in much of South East England. With the business birth rate of Essex/Hertfordshire, Harlow would have an additional 119 new firms (almost 60%) per year. Furthermore, to close the 'SME gap' with the surrounding areas, Harlow needs not only to match their business birth rates but exceed them.

Table 4.3 Company start-ups per head

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Economically Active (000s)	40.9	251.4	503.3	1.3	2.7	4.2	25.0
2002 VAT registrations (Number)	200	1,935	2,995	9	17	21	159
VAT registrations (rate per 000 of Economically Active)	4.9	7.7	6.0	6.9	6.4	5.0	6.3
Harlow's relative performance (rate)	0.0	-2.8	-1.1	-2.0	-1.5	-0.1	-1.5
Harlow's relative performance (number)	0	-110	-40	-80	-60	0	-60



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

4.3.9 Despite the substantial level of R&D employment in the town, there is little evidence of new 'high tech' businesses being set up by scientists and technologists coming out of the major employers. However, one or two technology-based firms have been set up by staff released following the recent closures of large firms.

4.4 Factors Influencing the Birth Rate of Firms

4.4.1 The emergence of small business units may be seen in Harlow on the main industrial estates (e.g. the Seedbed Centre), the development of business centres outwith the estates (e.g. Latton Bush) and the conversion of premises in, and around, the neighbourhood centres for business use along with the Greenway Business Centre at Harlow's Business Park. Nevertheless, the business birth rate remains remarkably low.

4.4.2 National research suggests a range of factors which are likely to account for Harlow's low business birth rate:

- **The Role of Large Externally Owned Firms.** Employees from larger businesses are less likely than those with SME experience to set up their own business. However, the R&D and HQ nature of several Harlow businesses should offer an opportunity for the future. Managerial, professional and R&D staff are much more likely to set up their own business than production line staff.
- **Harlow's Housing Market.** Areas with substantial home ownership have higher business birth rates. This mainly reflects the fact that non-home ownership restricts access to start-up finance.
- **Educational Attainment.** Graduates are much more likely to set up their own business than those with limited educational attainment. Graduates are under-represented in Harlow's resident population. On the other hand, large numbers of graduates work in the town.

4.4.3 Harlow was planned as a large business town at a time when large firms were dominant in the national economy. It was not planned as a town catering for the premises needs of small firms.

4.4.4 A consequence of this is a shortage of appropriate premises for all types of start-up, including professional, business and local services. Most towns which have grown organically offer a wide range of property options, and premises are rarely a major constraint on start-ups. However, there is much less choice in Harlow. Small units and business centres are well occupied, while vacant town centre office space is designed for large companies and long term tenants. Ensuring the availability of appropriate start-up and SME premises is therefore an important regeneration requirement.

Business Closures and Churn

4.4.5 The UK's most rapidly growing areas generally have high business birth rates with above average closure rates but more rapid growth. Because many new starts do not survive, high business birth rates are also closely associated with higher closure rates. Areas which grow rapidly do so because they have the capacity to generate large numbers of new jobs and not because they lose fewer jobs. Growth therefore depends upon the ability to change and create new economic activity rather than on protecting existing economic activity.

4.4.6 In Harlow, around 155 businesses deregister (a proxy for closure) per year. Relative to its size, this is only a small number of closures (Table 4.4).

Table 4.4 Business Closures Rates

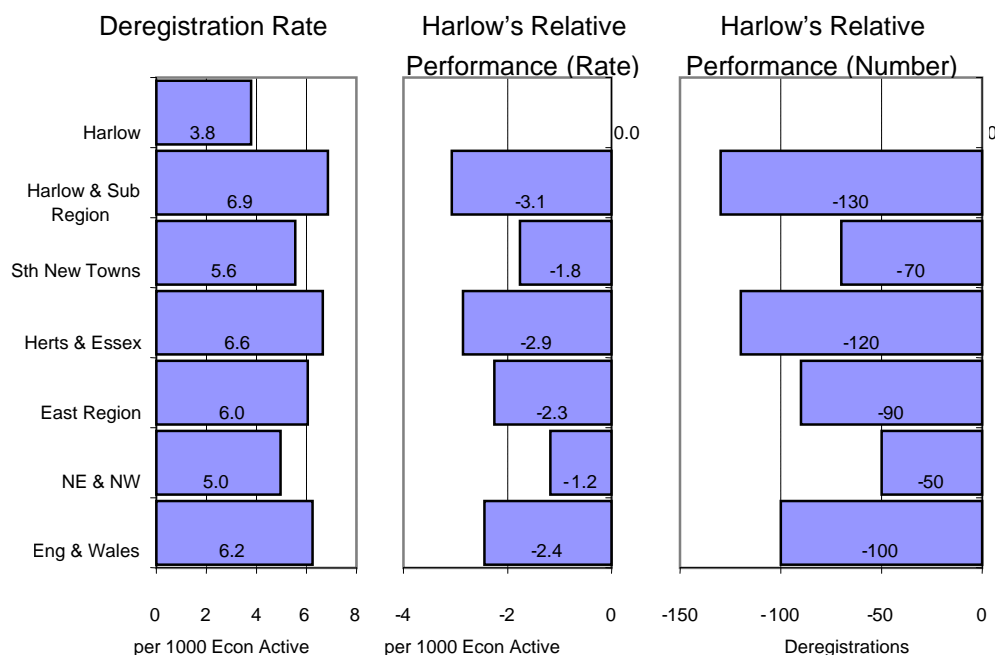
	% of Stock	Per 1,000 Economically Active
Harlow	9.9	3.8
Harlow Sub Region		
Harlow + Sub Region	9.5	6.9
Herts & Essex	10.0	7.5
Eastern Region	9.3	6.0
Northern England		5.0
England and Wales	9.9	6.2
Southern New Towns	10.3	5.6

Source: ONS VAT Register, Annual Business Inquiry, Labour Force Survey, PACEC

- 4.4.7 For example, Harlow lost 3.8 businesses per 1,000 economically active, compared to the national average of 6.2 (Table 4.5).

Table 4.5 Company Closures per head

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Economically Active (000s)	40.9	251.4	503.3	1.3	2.7	4.2	25.0
No of deregistrations (2002)	155	1,725	2,795	9	16	21	156
Vat deregistrations (rate per 000 Econ Active)	3.8	6.9	5.6	6.6	6.0	5.0	6.2
Harlow's relative performance (rate)	0.0	-3.1	-1.8	-2.9	-2.3	-1.2	-2.4
Harlow's relative performance (number)	0	-130	-70	-120	-90	-50	-100



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

4.4.8 As a percentage of existing business, Harlow loses about 10% per year. This is around the national and regional average.

4.4.9 Compared to much of Southern England, Harlow has been a relatively stable economy with limited churn or turbulence in both the labour market and its corporate stock. This is reflected in its low business birth and closure rates along with the longevity of its business. In this respect, it lacks the characteristics of some of the more dynamic, entrepreneurial local economies of Southern England.

4.5 Factors Restricting and Contributing to Growth

4.5.1 There is no available information on whether individually Harlow's SMEs perform better or worse than those located elsewhere. The historical research on growth

constraints and stimuli is the CLES study³ carried out in 2001 which provided a broad overview of the issues.

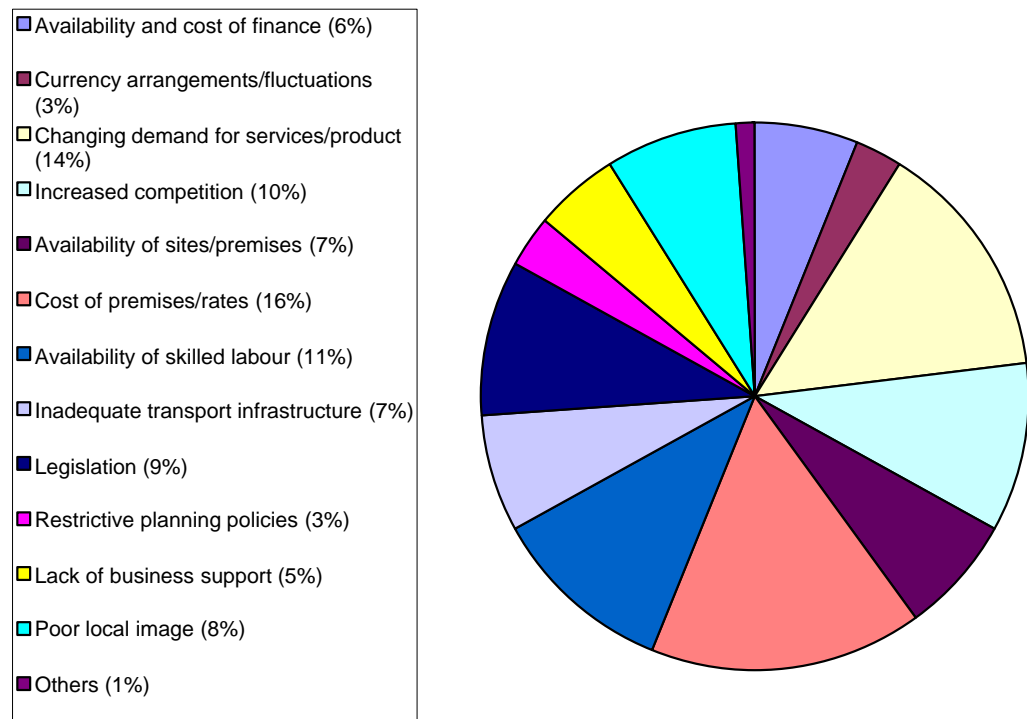
4.5.2 The main external factors restricting growth in Harlow are shown in Table 4.6 and Figure 4.1. As in similar studies elsewhere, changing markets and competition are important. However, two other factors stand out. First, a high number of firms consider the availability and cost of premises as a restriction on growth. The second issue is the availability of skilled labour.

Table 4.6 External Factors Restricting SME Growth

Barrier	Frequency*	%
Availability and cost of finance	23	6
Currency arrangements/fluctuations	13	3
Changing demand for services/product	52	14
Increased competition	38	10
Availability of sites/premises	27	7
Cost of premises/rates	58	16
Availability of skilled labour	40	11
Inadequate transport infrastructure	25	7
Legislation	35	9
Restrictive planning policies	12	3
Lack of business support	20	5
Poor local image	30	8
Others	1	1
Total	373	100

Note: * Frequency refers to the number of individual respondents who identified this barrier
Source: CLES

³ CLES Consulting, (2001). Small Business Needs in Harlow and the Development of a Networked Mode of Delivery, June 2001.

Figure 4.1 External Factors Restricting SME Growth

Source: CLES

4.5.3 The survey found that very few SMEs in Harlow had used 'public sector' support services. However, the majority of firms said they required some sort of support (advice etc.). The low level of service use was due to the absence of services (i.e. no supply) rather than lack of demand.

4.5.4 The main factors which Harlow businesses believe would stimulate growth are shown in Table 4.7 and Figure 4.2. Four growth stimuli are emphasised in ranked order:

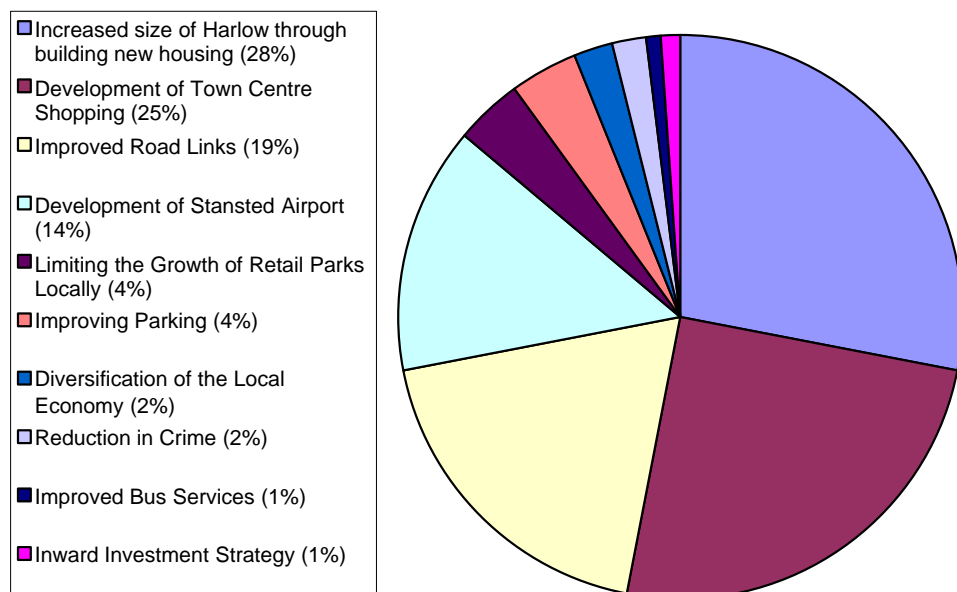
- Development of town centre shopping.
- Increased Harlow population through new house building.
- Improved road links; and
- Development of Stansted Airport.

Table 4.7 External Factors Contributing to Business Growth

Improving Factor	Frequency*	%
Increased size of Harlow through building new housing	34	28
Development of Town Centre Shopping	30	25
Improved Road Links	25	19
Development of Stansted Airport	17	14
Limiting the Growth of Retail Parks Locally	5	4
Improving Parking	5	4
Diversification of the Local Economy	2	2
Reduction in Crime	2	2
Improved Bus Services	1	1
Inward Investment Strategy	1	1
Total	122	100

Note: * Frequency refers to the number of individual respondents who identified this barrier.
Source: CLES

Figure 4.2 External Factors Contributing to Business Growth



Source: CLES

4.5.5 Other factors such as improved bus services, reduction in crime or improved parking are much less frequently mentioned. The Harlow SME business community clearly saw potential benefits coming from the growth and regeneration of Harlow and Stansted Airport with improved road links.

4.6 Harlow Vacancies and Skills Gaps

- 4.6.1 In the past Harlow firms faced recruitment problems and skill shortages especially for managerial and professional posts which hinders business development. For lower level skills, Job Centre Plus indicated that ASDA recruited 90% of people locally, which is a plus for the Water Gardens Group initiatives. It was also suggested that recruitment of 'key workers' into teaching and the health services is problematic, but shortages are at technician level NVQ3 and above. The local hospital has reported shortages at all levels. Pay rates and affordability of housing are significant issues here.
- 4.6.2 Information on skills gaps and vacancies forms part of the guide to Harlow's economy and work undertaken between 1999 and 2001. The information allows some comparison with Essex. The data is summarised in Table 4.8. It shows the occupational distribution of vacancies. A very similar picture emerges for hard-to-fill vacancies. This supports the view that the main shortages are in professional and technical positions and in the personnel and protective services. These were particularly problematic compared to the rest of Essex. At that time, there were few vacancies in sales occupations.

Table 4.8 Harlow Vacancies and Skills Gaps 1999 - 2000

	% of Vacancies		Occupations with Skills Gap	
	Harlow	Essex	Harlow	Essex
Managers/Administrators	3.9	4.4	55.8	68.4
Professionals	11.5	5.1	6.3	11.6
Associate Professional/Technical	23.5	11.9	-	7.9
Clerical/Secretarial	3.7	9.8	-	13.4
Craft Related	4.8	19.9	51.2	13.8
Personnel/Protective Services	35.5	14.6	-	3.6
Sales	6.3	16.4	9.6	19.0
Plant/Machinery Operators	9.6	9.3	-	1.5
Other	1.2	8.6	-	2.4

Note: i) At any one time, there were around 400 unfilled vacancies and 1,050 registered unemployed.
 ii) A skills gap is defined as a shortfall between the skills employers need to meet their business objectives and those possessed by their current staff
 Source: *Guide to the Harlow Economy 2000/1*

4.6.3 Table 4.8 also shows occupations in which Harlow firms said they had a skills gap. Of the firms saying they had a skills gap, the majority identified managers/administrators and craft skills. The latter were particularly problematic compared to Essex.

4.6.4 This data focused attention on the need to train the Harlow workforce both to promote economic/social inclusion and to assist local businesses. Here we simply make the following related observations:

- Harlow's relatively low levels of educational attainment and the high level of young people not In Education, Employment and Training (NEET) could aggravate recruitment difficulties.
- A similar conclusion could follow from the relatively low level of basic skills amongst Harlow's residents.

4.6.5 These are critical regeneration issues which are analysed further in the next section which sets out the results of an up to date survey carried out on Harlow firms.

4.7 Strengths, weaknesses, opportunities and threats

Strengths

- A relatively stable economy, compared with much of southern England
- Limited churn in both the labour market and corporate stock
- Low rate of business closures in H
- A substantial level of Research and Development employment

Weaknesses

- A lack of dynamism and entrepreneurship in economy
- The small firm sector is under-developed, and SMEs account for a disproportionately small share of employment
- A low rate of self-employment, compared with the sub-region and other southern New Towns
- A relatively low business birth rate
- A shortage of appropriate premises for business start-ups
- High cost and low availability of premises, which severely constrain business development and growth
- A shortage of managerial, professional and technical skills

Opportunities

- Development at Stansted airport will give businesses opportunities to provide services, and employment growth
- The emergence of small business units (at the Seedbed Centre) and development of business centres (at Latton Bush), as well as the conversion of premises in neighbourhood areas will address the problems of shortage and availability of premises
- High level of R&D employment means scientists and technologists can set up new high-tech businesses more easily
- The establishment of the Investors in Communities Initiative will fund skills and business development based initiatives

Threats

- The focus of new and small firm support on social inclusion issues rather than larger scale economic restructuring and regeneration
- Low home ownership and lower property values are likely to restrict access to start-up finance
- Recruitment problems and skill shortages, especially for managerial and professional posts will hinder business development.

4.8 Strategic Challenges

- 4.8.1 For a future successful economy, Harlow needs a stronger SME sector. In turn, this means a substantial increase in its business birth rate.
- 4.8.2 Assuming employment opportunities are a necessary (even if not sufficient) condition for social and economic regeneration, a social, economic and physical environment which encourages, enables and accommodates new firm formation and subsequent growth, is a prime regeneration requirement.
- 4.8.3 This raises the question of how new firm formation (and the SME sector) can most effectively contribute to regeneration.
- It is possible, as under current policy, to target minorities and the socially/economically excluded. This appears to tackle social problems directly. However, the socially/economically excluded may be the least able

to take the risks involved in setting up a business. Ensuring access to jobs may be more appropriate for these groups.

- It is possible to encourage and support new firms across the economy and society as a whole. 'Mainstream' would-be entrepreneurs are more likely to set up and grow successful businesses and generate more employment. This must be a goal for those who work in Harlow as well as Harlow residents. In addition to standard 'start-up' support, consideration could be given to a 'high tech' incubator as part of any wider strategy to develop the R&D/high tech sector.
- A stronger focus on 'enterprise education' in the schools and Harlow College could go a long way to creating the skills necessary to bring about a more dynamic, entrepreneurial town. Delivered well, enterprise education can make a significant contribution to employability skills, and also improve school performance and educational attainment. While relevant to all pupils, it can be an effective means of engaging and stimulating the 'educationally marginalised'⁴.

4.8.4 Harlow is not a sufficiently large market to support specialist business support services. Indeed, there are many more SMEs in the surrounding areas than in Harlow. A sub-regional perspective is therefore required.

4.8.5 The supply of potential or would-be entrepreneurs appears constrained. In-migrants to the town are more likely to have the necessary entrepreneurial characteristics and assets. All available national research shows that in-migrants have a substantially higher probability of setting up in business (and creating jobs for others) than non-movers.

4.8.6 Many in the business community see potential benefits from an increase in Harlow's population. Increased overall demand and access to a larger workforce (i.e. easier recruitment) are seen as the main benefits.

4.8.7 Increasing population would also generate 'more or less' automatically some increase in local employment (via a local multiplier effect, normally at 0.3). Many of these jobs would be in local services. In addition, as implied in the preceding section, it would also enable an increase in the business birth rate. However, there is nothing automatic about these processes. A social, economic and physical environment has to be created in Harlow that is more sympathetic to the needs of new and small businesses.

4.8.8 The creation of incubator units and an Innovation Centre located adjacent to the Nortel Networks facility would be significant business development initiatives for Harlow. A feasibility study would be appropriate

4.9 Needs and Issues

- The small firm sector in Harlow is particularly underdeveloped. The sector accounts for only 53% of employment, compared with a national average of 62%. This also means that self-employment rates in Harlow are lower than in

⁴ See for example, the Davies Report on Enterprise Education. In response the Government has launched a substantial series of pilot programmes with a national programme from 2006 onwards. As far as we are aware, enterprise education has made little progress in Harlow.

the other areas; 9% of economically active Harlow residents are self-employed compared to 16% in the Harlow Sub Region.

- The rate of business formation in Harlow is also much slower, at 4.9 per 1,000 economically active population. This is only 60% of the rate in the Harlow sub-region (8.2 per 1,000 economically active). Taken together, the relatively small number of registrations and slow rate of business formation are an indication of the lack of dynamism and business growth in Harlow.
- The cost of premises, availability of skilled labour, availability of premises and inadequate transport infrastructure are the key factors restricting SME growth in Harlow. More particularly, Harlow is not able to provide the range of space required by businesses at different stages of their development.
- As a business location, Harlow has a demonstrable appeal for the Research and Development sector. The sector accounts for about 10% of employment in Harlow, compared with a national rate of only one per cent. However, Harlow is not exploiting the opportunities of this potential area of business and is, therefore, failing to develop a genuine cluster from which to encourage SMEs spin-offs. The development of a genuine Research and Development cluster will assist the development of the knowledge based economy in Harlow.
- A substantial number of graduates work in the town in both R&D and management. They represent a pool of potential 'high tech would be' entrepreneurs who could be encouraged to establish new businesses in Harlow.
- Harlow does not currently offer appropriate entrepreneurial culture or environment to support start ups.

5 The Specific Needs of Businesses

5.1 Introduction

5.1.1 This chapter is concerned with the specific needs of businesses in Harlow. It supplements and provides insights into the analysis carried out on business constraints in the previous chapter on Business Development and updates it. The evidence in the chapter is taken from the survey of Harlow businesses carried out in October 2004. In total, a representative sample of almost two hundred and fifty firms was interviewed by telephone. The respondents were drawn from Harlow Council's employer database which is updated regularly and has information on some fifteen hundred firms. The analysis is structured around the following topics.

- The characteristics of firms
- Growth and business constraints
- Workforce development
- Recruitment difficulties and skills gaps
- The strengths and weaknesses of Harlow

5.1.2 The results are shown primarily in the tables that follow, covering the responses by all firms and by sector. Significant differences by size of firm are stated in the text and in tables if appropriate and identified in the survey. To ensure the information reflects Harlow firms, the responses have been weighted to match the populations.

5.2 The Characteristics of Firms

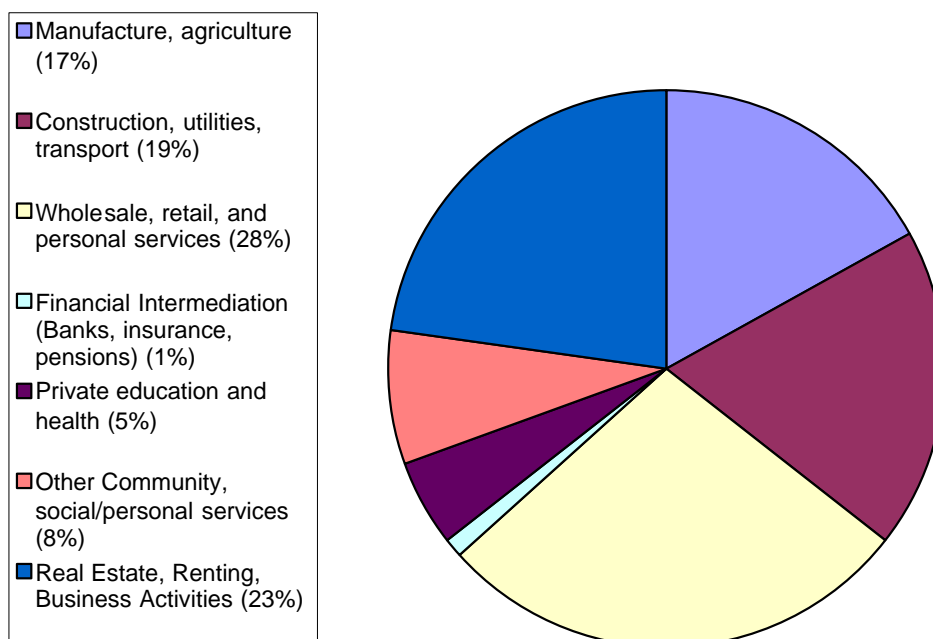
5.2.1 Table 5.1 and Figure 5.1 show the sector breakdown of the firms included in the survey. The firms were to be found mainly in the retail and wholesale sector (28%); in business services (23%), and construction and transport (19%). About one in six (17%) were in manufacture and production, and the rest in health, community and social services and education. Only one per cent of firms were in financial services, although for the rest of this report, they are included in the wider finance and business services sector.

Table 5.1 Sector and Activities

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ- e, busines s service s	Private educati on, health
Manufacture, agriculture	17	100	0	0	0	0
Construction, utilities, transport	19	0	100	0	0	0
Wholesale, retail, and personal services	28	0	0	78	0	0
Financial Intermediation (Banks, insurance, pensions)	1	0	0	0	5	0
Private education and health	5	0	0	0	0	100
Other Community, social/personal services	8	0	0	22	0	0
Real Estate, Renting, Business Activities	23	0	0	0	95	0

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q1bgrp)

Figure 5.1 Sector and Activities



Source: PACEC Survey (Q1bgrp)

5.2.2 The size distribution of the firms is shown in Table 5.2. The vast majority of the firms are micro businesses, employing 10 or fewer people. Indeed three-quarters of the firms employed between one and five people. The construction and transport sector in particular had a high concentration of the smallest firms; which could largely be explained by the high incidence of self-employment in the construction industry. The

finance and business services sector also had a high proportion of such firms, which again could be explained by the preponderance of independent financial and business advisers, IT specialists, accountants and solicitors.

Table 5.2 Total number of all employees

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
1 to 5	76	80	90	70	82	36
6 to 10	11	9	4	16	9	19
11 to 19	9	7	5	10	6	34
20 to 49	2	4	2	0	2	10
50 to 99	1	0	0	3	0	0
100 +	1	0	0	1	1	2

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q16C)

5.2.3 More than two-thirds of the firms (69%) were private companies. But as many as a quarter were self-employed businesses. Fewer than one in ten firms were from the public companies, or were from the charitable sector. The sector distribution of the firms largely reflected their ownership status. As might be expected, firms in the manufacturing sector, and in finance and business services were considerably more likely than the others to be private companies. Firms in the combined health and education sector (39%) were the least likely to be private companies. Not surprisingly too, self-employment was significantly more prevalent in the construction and transport sector than anywhere else (see Table 5.3).

Table 5.3 Status of Firms. By Sector

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Private	69	89	54	66	77	39
Self-employed	24	11	43	27	17	14
Public	4	0	1	4	6	16
Charity / Trust	2	0	0	2	0	32
Co-operative	0	0	2	0	0	0
Voluntary	0	0	0	1	0	0

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q2A)

5.2.4 The size distribution of firms similarly reflected their ownership status, as Table 5.4 shows. Company ownership was associated with size, *ie* larger firms were more likely than those smaller to be incorporated. The smallest firms on the other hand, were the most likely to be owned by individual self-employed people.

Table 5.4 Status of Firms. By Size

	Percentage of all respondents (by number of employees)			
	Total	0-10	11-20	Over 20
Private	69	65	83	83
Self-employed	24	30	0	0
Public	4	3	8	12
Charity / Trust	2	2	7	4
Co-operative	0	0	3	0
Voluntary	0	0	0	0

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q2A)

5.2.5 Table 5.5 shows that four out of five firms in the survey (83%) were independent companies, and one in seven (14%), part of a national chain. Only few were a franchise. The sectoral breakdown of the data shows that construction firms, to a large extent, as well as those in production and the business services, were more likely than the others to be independent. At least nine out of ten of construction firms (95%) were in this category, compared with three out five firms in the health and education sector (60%). Indeed firms in the health and education sector were almost twice as likely as any of the others to be part of national organisations.

Table 5.5 Status of Firms. Chain / Independent

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Part of a National Chain	14	11	5	20	13	33
A franchise	3	1	0	4	3	8
Independent	83	88	95	76	84	60

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q3)

5.2.6 Further disaggregation of the data showed that the smaller the firm, the more likely it is to be independently owned. More than four-fifths of firms with 10 or fewer employees (87%) were independent, compared with about three-quarters of those with 20 or more employees (73%). The association was reversed in other respects, with small and medium sized firms more likely than micro firms to be part of national chains.

5.2.7 Virtually all the firms were in UK ownership. One in ten firms (nine per cent) were owned by ethnic minorities. Most of these were retail companies; and almost all were small, with ten or fewer employees.

5.2.8 The age profile of the firms is shown in Table 5.6. A fifth of them (20%) are relative newcomers to Harlow, having been there for five years or less. However, more than a third of the firms (35%) have operated in Harlow for 20 years or more. Finance and business services firms were the more likely newcomers. Perhaps not surprisingly, construction and transport firms were among the oldest currently operating in Harlow.

Table 5.6 How many years has your firm been in Harlow?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Under 1	1	0	0	2	0	0
1-5	20	9	13	23	31	17
6-10	25	32	19	26	25	10
11-15	12	11	14	13	11	9
16-20	7	5	0	9	10	17
20+	35	43	54	27	22	47

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q6)

5.2.9 There was no consistent pattern when the data was analysed according to size, although on the whole, larger firms appeared to have operated in Harlow longer than those smaller.

5.3 Growth and Constraints

5.3.1 The survey sought information from firms about their expectations for the future; in particular their plans for growth, and what they considered to be the possible constraints on those plans.

5.3.2 First, they were asked about their plans for growth over the next five years. Their responses are set out in Table 5.7. Just under two-thirds of those interviewed indicated that they expected to remain the same in the short term. Around a third anticipated some growth; but another four per cent expected to contract during this period. Manufacturing firms were the most optimistic about their future, with two-fifths expecting to grow during the next five years. But some firms in this sector were also among those more likely than in other sectors to take a pessimistic view of the future and shrink. Both conditions may be explained by the overall uncertainties in the manufacturing industry over the last few years, not least because of intense

competition from countries in Eastern Europe, South Asia and the Far East, all of whom have significantly low production costs.

Table 5.7 Future Plans. By Sector

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Remain the same	65	55	61	72	62	73
Expand	31	39	35	26	32	26
Shrink	4	6	4	2	7	2

Source: PACEC Survey (Q7A)

5.3.3 Planned expansion was particularly concentrated in the mid-sized firms (Over 20 employees), with three out of five (59%) planning to expand over the next five years. It is notable, though, that more than a quarter of firms in the other size groups were anticipating some growth during this period (see Table 5.8).

Table 5.8 Future Plans. By Size

	Percentage of all respondents (by number of employees)			
	Total	0-10	11-20	Over 20
Remain the same	65	67	73	37
Expand	31	28	27	59
Shrink	4	5	0	3

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q7A)

5.3.4 Almost all the firms expect to continue operating from their current location in Harlow, at least over the next three years. Fewer than one in ten firms thought there was a serious likelihood that they would move some or all of their operations from their current premises in the next three years. Retailers, education and health providers, and production firms were more likely to suggest they could move their operations; education and health providers with some certainty, but retail firms, less so (see Table 5.9). Here too, it was the mid-sized firms that were more uncertain about their continued presence in Harlow.

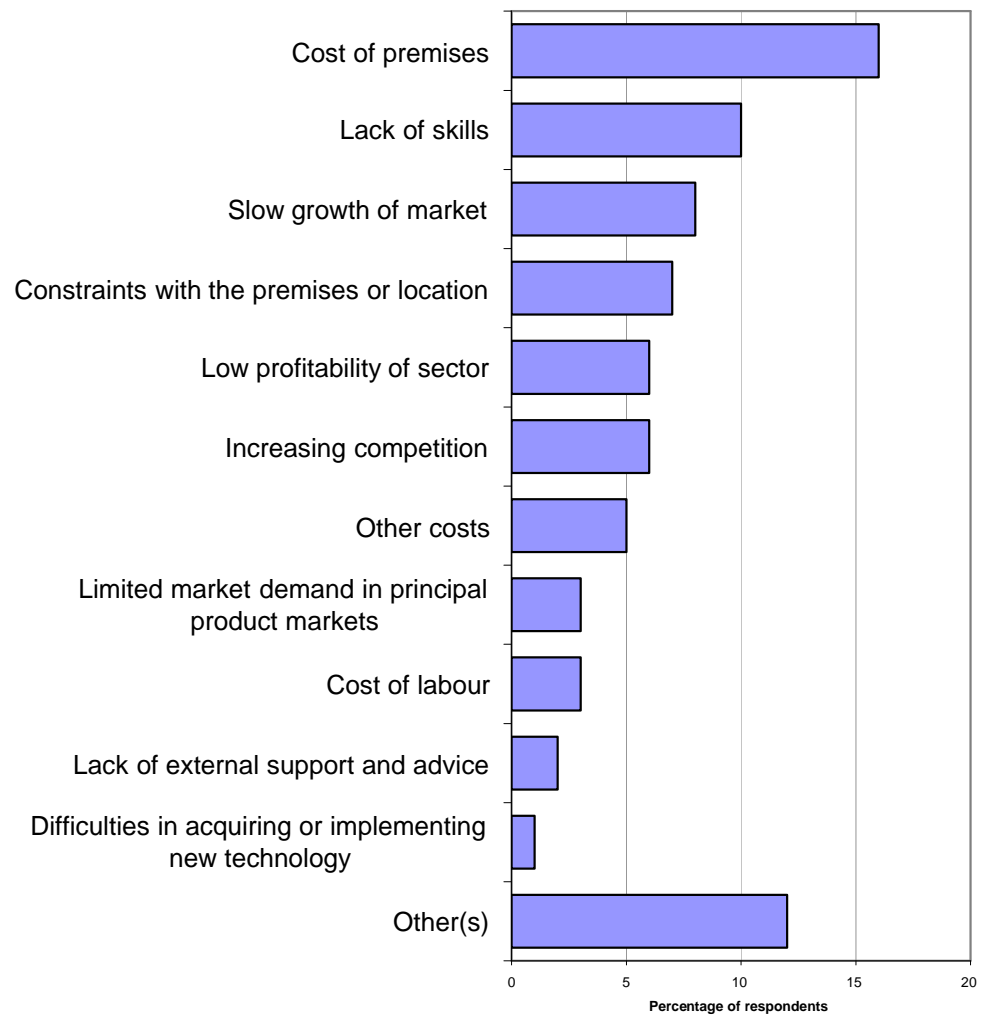
Table 5.9 Relocation from current premises in the next three years

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Yes, will move all its operations	2	0	0	4	1	7
Yes, may move all its operations	3	6	0	3	4	0
Yes, will move some of its operations	0	0	2	0	0	0
No, will not move	94	93	98	93	92	93
Don't know/refused	1	0	0	1	3	0

Source: PACEC Survey (Q8)

5.3.5 Still on their prospects for the future, the firms were asked about a range of possible circumstances which could act as constraints to their meeting business objectives. Figure 5.2 shows that around half of the businesses did not consider any of the circumstances listed as likely to affect their business. The major constraints are displayed in Table 5.10. Where these circumstances were considered to be limitations, about one in seven firms (16%) thought the cost of premises was the most significant constraint to meeting their business objectives. This was particularly true of firms in the retail and finance and business services sectors; and might, perhaps, also explain the likelihood of firms in those sectors moving away from Harlow. The lack of skills locally was mentioned as a constraint by one in ten firms. The other significant constraints related to market conditions, mainly slow growth, low profitability and increasing competition. Retail firms and those in business services were, again, the most likely to cite the lack of skills as a limitation on their ability to meet their business objectives; whilst manufacturers regarded slow growth of their market as the most significant limitation.

Figure 5.2 Are any of the following limitations on the ability of the business to meet your business objectives?



Source: PACEC Survey (Q10A)

Table 5.10 Are any of the following limitations on the ability of the business to meet your business objectives?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Cost of premises	16	17	9	20	14	16
Lack of skills	10	7	6	13	14	8
Slow growth of market	8	16	0	5	15	0
Constraints with the premises or location	7	6	8	8	5	14
Low profitability of sector	6	17	0	5	7	0
Increasing competition	6	6	1	7	11	0
Other costs	5	2	1	12	0	13
Limited market demand in principal product markets	3	6	1	2	3	0
Cost of labour	3	2	0	3	7	5
Lack of external support and advice	2	0	6	1	3	0
Difficulties in acquiring or implementing new technology	1	5	0	0	0	0
Availability of debt finance	0	0	0	0	0	0
Cost of debt finance	0	0	0	0	0	0
Availability and cost of equity finance	0	0	0	0	0	0
The firms' products and services need development	0	0	0	0	0	3
Other(s)	12	12	9	7	21	14
None	49	39	61	53	40	57

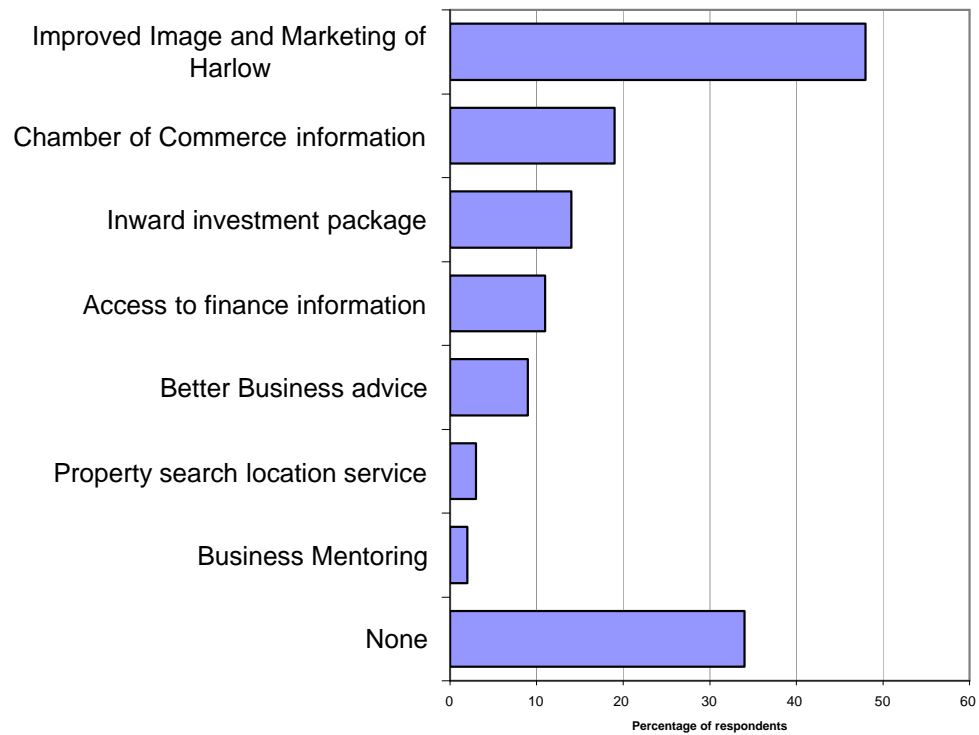
A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q10A)

5.3.6 There was some variation in the type of limitations faced by firms of different sizes. Small and mid-sized firms were more likely to consider the cost of their premises as a constraint on meeting their business objectives. Thus a quarter of firms with over 20 employees and slightly fewer than this proportion of those in the 11-20 size groups cited this factor. Firms in the 11-20 size group were considerably more likely than any of the others to express concern about the slow growth of their market. This may also help explain the earlier observation (see Table 5.8) that most of these firms were not expecting to expand over the next five years.

5.3.7 The firms in the survey were next asked what they would like to see, in the form of provision to attract and retain businesses in Harlow. By far the most frequently mentioned change they wanted made was more concerted effort, aimed at improving the image, and the marketing of Harlow (Figure 5.2). About half of the respondents cited this. The other significant measures sought were more information from the

local chamber of commerce (19%), an inward investment service for the town (14%), and information about possible sources of finance (11%). The sector analysis given in Table 5.11 shows that manufacturing firms were, overall, more likely to mention the measures listed in the table. More specifically, construction, transport firms and retailers suggested they would like better information about access to finance and better business advice. This is not surprising, as these are often the most pressing needs of self-employed businesses, which dominate this sector in Harlow. Education and health firms, to a large extent, and finance and business services firms to a lesser extent, would like to see improvement in the image and marketing of Harlow.

Figure 5.3 Which of the following would you like to see provided to attract and retain businesses?



Source: PACEC Survey (Q13A)

Table 5.11 Which of the following would you like to see provided to attract and retain businesses?

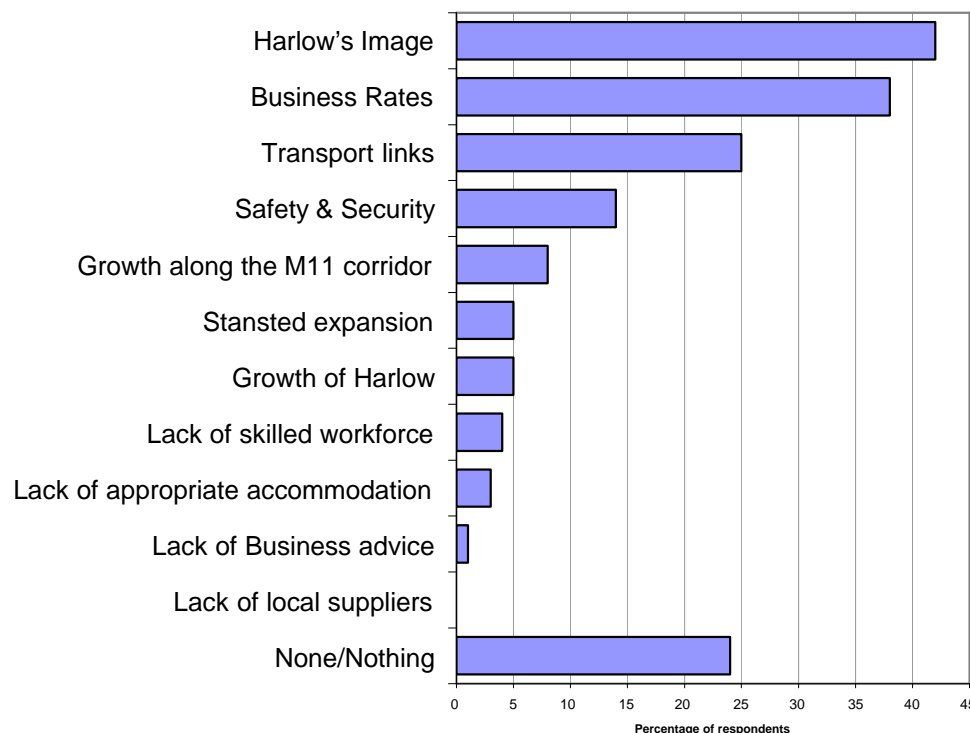
	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Improved Image and Marketing of Harlow	48	49	43	43	57	63
Chamber of Commerce information	19	26	15	15	21	27
Inward investment package	14	25	1	18	11	11
Access to finance information	11	17	26	4	3	17
Better Business advice	9	16	19	6	0	5
Property search location service	3	2	0	3	5	9
Business Mentoring	2	7	0	2	0	5
None	34	21	48	37	30	30

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q13A)

5.3.8 The firms were asked further about which of a number of factors they considered to be the main constraints to businesses locating and developing in Harlow. The results are shown in Figure 5.4 Here too, Harlow's image came to the fore, and was mentioned by two-fifths of the respondent firms (42%) as one of the main constraints to attracting businesses to the town. A slightly lower proportion than this (38%) believed that (high) business rates in Harlow were another significant constraint; and for one in four (25%), (poor) transport links to and from Harlow.

5.3.9 There was some variation between the sectors (see Table 5.12). Firms in the health and education sector to a large extent, and business services firms to a lesser extent were more likely than the others to consider Harlow's image as the most severe constraint to businesses locating in the area. Retail firms and those engaged in construction and transportation were the least concerned about image. Of those that were, manufacturing firms were more likely to cite the issue of high business rates in Harlow. By contrast, construction firms were more likely than the others to view transport links as one of the main constraints to the development of businesses in Harlow. Perhaps surprisingly, construction and transport firms were also most likely to view growth along the M11 corridor as a threat to the location and development of businesses in Harlow.

Figure 5.4 Which 3 of the following are the main constraints to businesses developing / locating in Harlow?



Source: PACEC Survey (Q14A)

Table 5.12 The main constraints to businesses developing / locating in Harlow

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Harlow's Image	42	46	35	36	47	70
Business Rates	38	53	30	45	26	26
Transport links	25	19	41	17	26	29
Safety & Security	14	13	17	14	9	23
Growth along the M11 corridor	8	1	21	2	10	15
Stansted expansion	5	5	9	2	3	8
Growth of Harlow	5	5	2	2	10	14
Lack of skilled workforce	4	2	5	5	6	0
Lack of appropriate accommodation	3	0	6	4	1	5
Lack of Business advice	1	0	6	0	0	0
Lack of local suppliers	0	1	0	1	0	0
None/Nothing	24	20	14	28	36	8

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q14A)

5.3.10 There was considerable variation between the size groups. Medium sized firms were considerably more likely than the others to consider the image of Harlow as the most significant constraint to attracting businesses to locate in the town. Around two-thirds of them (66%) cited this constraint, compared with only two-fifths of those in the other size groups. They were also, together with small firms, more likely to be concerned about high business rates, as Table 5.13 shows.

Table 5.13 The main constraints to businesses developing / locating in Harlow

	Percentage of all respondents (by number of employees)			
	Total	0-10	11-20	Over 20
Harlow's Image	42	40	40	66
Business Rates	38	36	47	44
Transport links	25	25	24	24
Safety & Security	14	12	20	13
Growth along the M11 corridor	8	8	13	2
Stansted expansion	5	4	6	2
Growth of Harlow	5	4	13	2
Lack of skilled workforce	4	4	4	9
Lack of appropriate accommodation	3	3	5	0
Lack of Business advice	1	2	0	0
Lack of local suppliers	0	0	0	2
None/Nothing	24	27	16	15

Source: PACEC Survey (Q14A)

5.4 Workforce Development

5.4.1 The survey also aimed to also find out from the respondent firms, their expectations and plans for the development of their workforce. To start with, the firms were asked about possible changes in their level of employment. More than three-quarters of the firms (78%) expected the level of employment to stay the same over the next year. However, a fifth anticipated a rise in the number of people they employed (see Table 5.14). **Manufacturing firms**, in particular, were more optimistic about employment, in spite of past decline in the sector, with a third of them expecting a rise in the level of people employed. Only one per cent of firms expect employment to contract. This is encouraging, given the persistent decline in UK manufacturing jobs over the last few years.

Table 5.14 Changes in employment levels in the next year. By Sector

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Rise	21	32	18	17	21	14
Fall	2	5	4	0	0	2
Stay the same	78	62	78	83	79	85

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q24)

5.4.2 Further analysis of the data suggests there is a size effect at work here, with smaller firms less likely than those larger, to expect a rise in employment levels. Thus, for example, only one in seven (16%) of micro firms expected employment levels in their organisation to rise, compared with two-fifths of those with 11 or more employees (see Table 5.15).

Table 5.15 Changes in employment levels in the next year. By Size

	Percentage of all respondents (by number of employees)			
	Total	0-10	11-20	Over 20
Rise	21	16	38	41
Fall	2	1	8	4
Stay the same	78	83	54	56

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q24)

5.4.3 Workforce development invariably involves the provision of training for employees. Effective training (necessarily) requires the existence of a (training) plan that is also supported by a training budget. The firms were, therefore, asked whether or not they had a training plan and a training budget. Table 5.16 shows that more than two-thirds of the firms did not have a training plan in place, and **approximately a third of firms (31%) had a training plan**. Construction firms were the least likely to have a training plan, with only one in ten (10%) doing so. By contrast more almost three-fifths of those in education and health (55%) said they had a plan in place.

Table 5.16 Does your firm have a training plan?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Yes	31	41	10	30	36	55
No	69	59	90	70	64	45

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q26)

5.4.4 Even fewer firms indicated they had a training budget (see Table 5.17). Indeed only about one in four (23%) of them had a training budget, which suggests that a significant proportion of training is provided on *ad hoc* basis, unsupported by a budget. Not surprisingly, construction firms were least likely to have a training budget, with fewer than one in ten doing so. The education and health sector was again distinct, with more than half (55%) funding training from an approved budget.

Table 5.17 Does your firm have a training budget?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Yes	23	33	6	21	23	52
No	77	67	94	79	77	48

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q25)

5.4.5 The disaggregated data further showed a size effect, with size determining the existence of both a training plan and budget. Only one in five (20%) of the smallest firms (with 1-10 employees) had a training plan, and one in seven (13%), a training budget. By comparison, more than 80% of those with 11-20 employees had a training plan, and two-thirds of these (66%), a training budget.

5.4.6 The training associated with workforce development is not an end in itself, but is intended to improve the performance of individual employees and, ultimately, that of the organisation. There is a lot of research evidence which suggest that good performing organisations are more likely to have systems and processes in place for assessing the performance of individuals, identifying their development needs; and addressing those needs through training and other development initiatives and activities.

5.4.7 The survey sought to gauge the extent to which firms in Harlow develop their workforce on a systematic basis, through individual appraisal and performance assessment. They were probed, in particular, about the existence of training and

development plans for their employees. Given the earlier evidence on firms' training plans and budgets, it is perhaps not surprising to find that fewer than a third of the firms had appraisal schemes in place (29%), or had individual training and development plans (27%). Table 5.18 shows a similar trend to earlier findings; that the construction sector is least developed in this respect, with fewer than one in ten carrying out appraisals, or drawing up plans for training and developing their staff. This, perhaps, reflects two important factors at work in the sector; the small size of firms, which is also the result of the high incidence of self-employment in the sector. There was a consistent pattern among firms in the other sectors. Except for those in the manufacturing sector, there was a close link between firms which had appraisal schemes and training and development plans for their employees.

Table 5.18 Do your employees have individual appraisals/performance meetings and training & development plans?

Individual appraisals/performance meetings	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Utilities, cons- truction, comms	Retail, wholesale, leisure	Finance, business services	Education, health, public admin
Yes	29	33	8	28	36	54
No	71	67	92	72	64	46
Individual training & development plans						
Yes	27	28	7	27	33	60
No	73	72	93	73	67	40

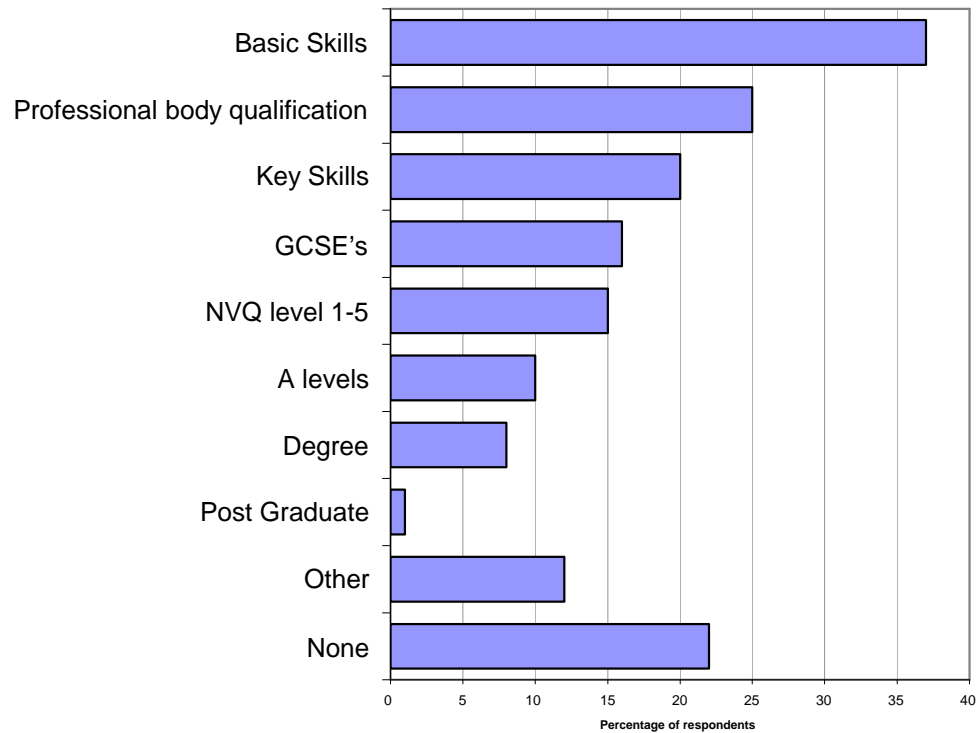
A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q30A)

5.4.8 The survey sought to explore whether there were gaps between the skills employers require for their operations and those that their current employees possess. The firms were, therefore, asked if their employees needed a number of specific qualifications to do their job. Their responses are set out in Figure 5.5. It is notable that around a fifth of the employers believed their employees did not need any qualifications to do their job. More generally, it is also notable that employers relied mainly on basic to intermediate skills among their workforce. Only one in ten employers had jobs that required high level qualifications, such as a university degree. Indeed, it is significant that as many as two-fifths (37%) indicated that their employees only needed basic skills, and a fifth (20%) key skills, to do their job. And although one in seven (15%) mentioned NVQ level 1-5, it was not clear at which end of this qualification scale their employees were concentrated.

5.4.9 The sector analysis presented in Figure 5.5 and Table 5.19 also shows considerable variation in skill requirements between firms in the different sectors. Perhaps not surprisingly, firms in the education and health sector were the most likely to require their employees to have a professional qualification. Almost half of them (47%)

indicated this was the case. A majority of retail firms (57%), by contrast, expected their employees to have only basic skills. Finance and business services firms were more likely than the others to require intermediate and high level skills; with at least a quarter relying on employees with GCSEs, A levels and university qualification. On the whole, the construction sector was least likely to require educational qualifications.

Figure 5.5 Do your employees need any of the following qualifications to do their job?



Source: PACEC Survey (Q30A)

Table 5.19 Do your employees need any of the following qualifications to do their job?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Basic Skills	37	28	35	57	20	20
Professional body qualification	25	43	23	13	29	47
Key Skills	20	27	10	23	22	8
GCSE's	16	6	4	18	30	22
NVQ level 1-5	15	27	5	12	19	22
A levels	10	0	3	7	27	3
Degree	8	1	3	4	23	8
Post Graduate	1	0	0	1	1	3
Other	12	14	21	7	12	3
None	22	21	29	21	20	12

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q30A)

- 5.4.10 There was a strong association between firm size and the demand for qualifications. Smaller firms were, on the whole, less likely than those larger to say their employees needed the range of qualifications described, to do their job.

5.5 Recruitment and Hard-to-fill Vacancies

- 5.5.1 Given their skill requirements, the survey probed employers to see if they had difficulty filling their vacancies. Considering the tightness of the current labour market in the south east region as a whole, it was perhaps surprising that as many as three out of four firms said they had no recruitment difficulties at present. Of those who said that they did, one in ten (11%) had difficulty recruiting skilled trades, and five per cent, sales and customer service personnel (see Table 5.20).

Table 5.20 In which occupational areas have you had recruitment difficulties over 3 months?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Skilled trades occupations	11	28	5	11	2	0
Sales and customer service occupations	5	1	0	10	6	0
Associate professional and technical occupations	4	6	0	1	10	0
Professional occupations	3	1	0	2	8	12
Administrative and secretarial occupations	2	1	2	0	6	0
Personal service occupations	2	0	0	6	0	0
Process, plant and machine operatives	2	3	1	0	5	0
Elementary occupations	2	1	1	4	0	4
Managers and senior officials	0	0	0	1	0	0
None	76	67	90	73	77	84

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q32A)

5.5.2 Employers were probed further about which skills they felt that applicants lacked during the recruitment process. Again, Table 5.21 shows that a large proportion of them (86%) stated that they did not identify any skills deficiencies among applicants. Those that did however, noted that technical and practical skills – particularly marked in the manufacturing sector - and customer services skills were the most common areas where applicants lacked the necessary skills.

Table 5.21 In which occupational areas have you had Hard to Fill Vacancies (over 3 months +) ?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Skilled trades occupations	7	22	0	6	0	0
Sales and customer service occupations	4	0	0	8	5	0
Elementary occupations	2	1	1	5	0	0
Associate professional and technical occupations	1	0	0	1	4	0
Personal service occupations	1	0	0	3	0	0
Managers and senior officials	0	0	0	1	0	0
Professional occupations	0	0	0	0	0	0
Administrative and secretarial occupations	0	0	0	0	0	0
Process, plant and machine operatives	0	2	0	0	0	0
None	86	76	99	81	91	100

Source: PACEC Survey (Q32B)

5.5.3 The very few employers who said that they had recruitment difficulties indicated they were taking a number of steps to resolve their recruitment problems. The actions being taken included: expanding their recruitment channels; increasing their training programmes; and increasing the resources given to their job advertisement. It is disappointing, though, that a quarter of the firms indicated they were not taking any action at all to resolve their recruitment problems (see Table 5.22).

Table 5.22 What is your business doing to resolve recruitment problems?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Expand recruitment channels	25	26	11	34	11	50
Increase/expand trainee programmes	24	57	0	16	21	0
Increase the training given to your existing workforce	10	0	0	2	35	0
Increase advertising / recruitment spend	9	9	0	0	27	50
Increase salaries to make the job more attractive	3	0	0	6	0	0
Use technology as a substitute for labour	2	0	0	0	8	0
Redefine existing jobs	1	0	0	2	0	0
Other, please specify	14	4	79	14	0	0
Nothing	24	5	11	27	38	50

Source: PACEC Survey (Q35A)

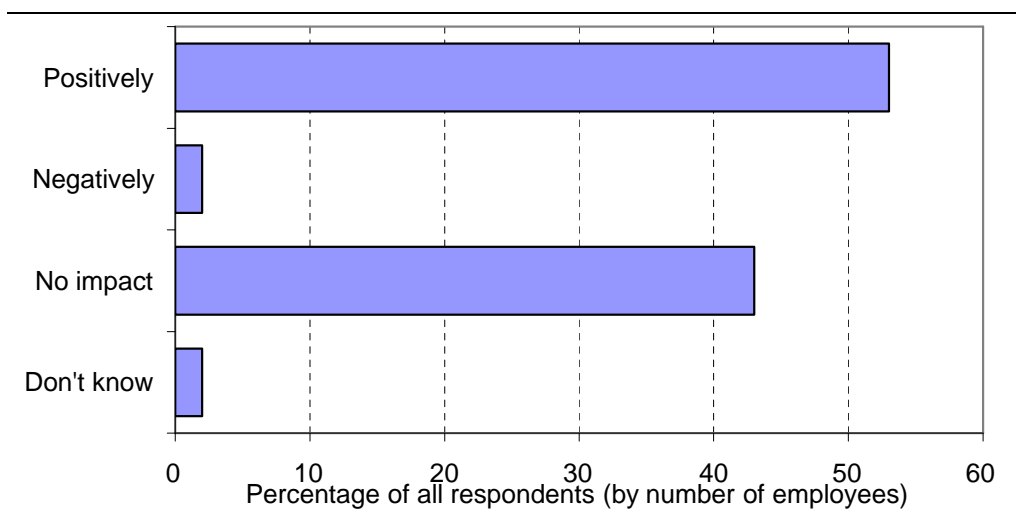
5.5.4 In the survey employers were asked how they thought that the plans to regenerate Harlow Town Centre would impact upon them. Over half (53%) stated that they felt it would have a positive effect. Retail and business services firms, in particular were most optimistic about the positive impact the development would have on their businesses. However, two-fifths of all firms (43%) did not think they would be affected in any way; with this sentiment particularly strong among manufacturing and construction firms (see Table 5.23 and Figure 5.6).

Table 5.23 How do you think the regeneration of Harlow Town Centre will impact on your organisation?

	Percentage of all respondents (by classification of company)					
	Total	Manu- facture, agri- culture	Cons- truction , utilities	Retail, service s	Financ e, busines s service s	Private educati on, health
Positively	53	35	40	62	62	52
Negatively	2	0	8	2	0	0
No impact	43	64	52	34	35	45
Don't know	2	1	0	1	4	3

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q40A)Section F Strengths and Weaknesses

Figure 5.6 There are continuing plans to regenerate Harlow Town Centre. How do you think this will impact on your organisation?



Source: PACEC Survey (Q40A)

5.5.5 The final part of the survey was concerned with employers’ perceptions about the strengths and weaknesses of Harlow. 5.5.7 summarises employers’ views on the strengths and weaknesses of Harlow. The main weaknesses cited by employers were associated with the cost of running a business there; the transport infrastructure; the cost of premises; and the poor image of parts of the town. Specifically, Harlow was considered an expensive place from which to run a business in the first place, and this was exacerbated by the lack of business advice and support. Transport and access were described as poor, mainly because of traffic congestion. The sites and premises needed to attract new firms were often expensive, and not helped either by high business rates. Lastly, the town centre presented a poor and shabby image.

5.5.6 It is clear from the table that Harlow’s strengths were few indeed. The main ones identified by respondents were the quality of the physical environment and the town shopping services (mainly Town Centre South).

5.5.7 The strengths and weaknesses of Harlow

Weaknesses	% of all respondents	Strengths	% of all respondents
<ul style="list-style-type: none"> • Generally Running a business <ul style="list-style-type: none"> – Expensive Location 29 – Lack of business advice / support 19 – Poor image of Harlow 11 • Transport and Access <ul style="list-style-type: none"> – Very slow traffic/congestion 16 • Sites and premises for attracting new firms <ul style="list-style-type: none"> – Business rates are too high 22 – Rents are too high 13 • Housing facilities <ul style="list-style-type: none"> – Difficult to get on the council list 6 – Not enough housing for young people 5 – Not enough low cost housing 4 • The town centre <ul style="list-style-type: none"> – Generally Shabby 17 – Market area is in poor condition 17 – The creative/leisure activities – Not enough free / cheap facilities 5 – Not much for older children / young people 5 – Poor facilities 4 		<ul style="list-style-type: none"> • The Physical Environment <ul style="list-style-type: none"> – Clean 9 – Pleasant 8 • The town centre (mainly Harlow South) <ul style="list-style-type: none"> – New areas are good 5 – New shops 4 – Highly developed shops 8 • Schools/education <ul style="list-style-type: none"> – Good schools / nurseries 9 • The creative/leisure activities <ul style="list-style-type: none"> – Quite good 6 – Plenty to do 5 	

Source: PACEC Survey

5.6 Strengths, weaknesses opportunities and threats

Strengths

- A high rate of business retention with few firms expecting to leave Harlow
- High expectation for growth in employment, especially in manufacturing
- A clean and pleasant environment for business

Weaknesses

- A large proportion of micro businesses recruit few staff and therefore few employment opportunities for residents
- A relatively narrow business base; for example, poor representation in financial services, education and health, and personal services
- Premises are a significant constraint on the ability of firms to meet their objectives
- Workforce development is not a high priority for a large majority of firms; two-thirds of firms do not have training plans, and only a quarter have training budget. This means that training is *ad hoc*
- Harlow external image is poor
- Firms do not develop their workforce in systematic way, e.g. through appraisal and performance assessment
- Firms regard Harlow as an expensive location, for example, high business rates

Opportunities

- Expectations of growth among firms provide opportunities for business led regeneration
- The potential to strengthen measures for attracting firms to Harlow, including the provision of information and an inward investment service
- Firms taking steps to resolve recruitment difficulties, by expanding recruitment channels and increasing training programmes
- Plans to regenerate Harlow Town Centre and Stansted will have positive impact on businesses

Threats

- High cost of premises and lack of skills locally will be constraints to firms meeting their business objectives. The high cost of premises is a particularly big problem for mid-sized firms with growth ambitions
- The poor image of the town deters firms from locating in Harlow
- High business rates a significant constraint
- Growth along M11 corridor will attract firms away from Harlow
- Poor transport links a threat to location and development of businesses
- Complacency among firms who say their employees do not need qualifications to do their job

- Over-reliance of businesses on employees with only basic and intermediate skills

5.7 Strategic Challenges

- 5.7.1 Harlow has a relatively large number of micro businesses. However, many of these businesses are sole traders concentrated in the construction sector, where they have fewer current opportunities for growth. They, therefore, offer few prospects for future employment growth, which is a requisite for regeneration.
- 5.7.2 To the extent that the majority of firms in Harlow have been established there for ten years or more, the town could be said to provide a stable environment for businesses. Of course it could be argued that by the same token, this may also be interpreted to mean that Harlow is a less attractive destination for new inward investment. Either way, both views have important implications for policy.
- 5.7.3 Growth expectations among firms varies considerably, with manufacturing firms in particular more optimistic about their future along with others (compared to other sectors) who said they could shrink in size. This may be attributed to the wider uncertainties created by the growing threat to UK manufacturers from firms in Eastern Europe, Asia and the Far East. It may be more difficult for firms in Harlow to withstand external competition their own. They will stand an improved chance if they are part of a broader sub-regional strategy for sector clusters.
- 5.7.4 On a positive note, almost all the firms surveyed expect to continue to operate from their current location in Harlow. Only few believe they are likely to move out of Harlow, at least over the next three years. This reinforces the fact of Harlow's attractiveness as a location for existing businesses. At the same time, only few firms reported any constraints on achieving their business objectives, as a direct result of internal and external factors. Where they did, for a significant minority, the main concern was related to the cost of premises. The lack of skills locally was a small, but nevertheless significant, concern for retail and manufacturing firms in particular. These factors point to the need for appropriate support services to be put in place to ensure firms continue to remain in the town.
- 5.7.5 The fact of firms' location and intention to remain in Harlow should not be taken for granted. A significantly large proportion are concerned by the poor external image of Harlow, and would like concerted effort made to change this, perhaps through a better marketing strategy. The poor image of Harlow is considered by a substantial number of firms as one of the main constraints to attracting new businesses to the town.
- 5.7.6 The performance of the workforce has a direct effect on the competitiveness of firms. Increasingly, workforce development holds the key to the success or otherwise. Workforce development requires the provision of training for employees and effective training needs to be set within the framework of a training plan, supported by a training budget. It is here that the firms in Harlow perform less well. Fewer than one in

three have a training plan, and fewer still, a training budget. This means that even where they provide training, a significant proportion of firms may be doing so on an *ad hoc* basis.

- 5.7.7 Training associated with workforce development is intended to improve the performance of individual employees and, in the end, that of the firm itself. Only a small proportion of firms in Harlow have systems and processes in place to ensure the effective development of their workforce. Relatively few have appraisal schemes or training and development plans for their workforce.
- 5.7.8 It must be an issue of concern that a large number of employers in Harlow do not require their employees to have any qualifications, or if they do, mainly low level ones, to do their jobs. The implication of this is that these low skilled jobs are precisely the ones that are most vulnerable to competition from the new market economies of eastern Europe, and the fast-growing economies of India and the Far East, where there are significantly lower labour and other production costs.
- 5.7.9 Workforce development, along with other factors, is a key differentiating factor between high performing economies and those that are stagnating. A concerted effort is required by the different stakeholders to ensure that employers recognise this fact; but also that they are provided with support to enable them develop and invest in their workforce.
- 5.7.10 Overall, Harlow is perceived by employers to have more weaknesses than strengths, as a business location. Much of the weaknesses cited by them may be based on perception rather than fact. But they cannot be ignored. The main weaknesses relate to the high cost of running a business in Harlow. This is exacerbated by traffic and congestion problems, the cost of premises, and the overall physical appearance of the town's centre. These are areas that policy can be directly targeted at local level.

5.8 Needs and Issues

The needs of businesses are based on a survey of firms carried out in October 2004.

- Almost 90% of the firms interviewed in Harlow are micro businesses, employing 10 or fewer people. Most of the remainder are small to medium sized firms and a few large firms.
- The micro and small enterprises are concentrated mainly in construction, transport, finance and business services. Firms in these sectors are also mainly those that have been established in Harlow for 20 years or more. This implies that Harlow is not attracting the new businesses that utilise high level skills; the type of businesses which are essential for regeneration, and which will also enable the town to attract and retain its graduates.
- A significant proportion of the firms expect to grow over the next five years. Most of these are mid-sized businesses; but it is a concern that many were expressing uncertainty about their continued presence in Harlow because of business constraints they face.
- By far the most severe constraint on firms meeting their business objectives is the (high) cost of suitable premises. This is closely followed by the lack of suitable skills among the resident population.

- Harlow's poor image is considered by the firms as one of the significant factors discouraging new businesses locating and developing in the town. The other discouraging factors are the business rates and poor transport links. The firms believe these are pressing issues which the Council and its partners must tackle to both encourage and retain businesses in Harlow.
- Although it is generally acknowledged that Harlow has a low skills base, there appears to be little effort made by firms to address the problem by training and developing their current workforce. Only a small minority of firms have a training plan, or one that is supported through dedicated training budgets. Moreover, very few firms appear to have systems and processes in place for the development of their workforce.
- The evidence from the survey suggests that firms in Harlow do not place much importance on workforce development and a significant number believe their workforce needs only basic skills to do the job. The lack of investment in their workforce will have serious implications for the future competitiveness of firms in Harlow.

6 Employment Sites and Inward Investment

6.1 Introduction

6.1.1 This part of the report considers the evidence related to employment sites provision and inward investment needs in Harlow. It is structured around sections covering the following topics.

- The policy context
- Inward Investment Trends
- Current employment site provision
- The views of the development industry on the Strengths and Weaknesses of Harlow
- Strategic and Challenges
- Key Issues affecting reinvestment

6.2 Policy Context

6.2.1 The economic policy context for Harlow is primarily set by the 1998 “Competitiveness White Paper” which created a ten year policy framework for building a knowledge driven economy. This underpins the Regional Economic Strategy for EEDA, which has a vision to make the East of England a renowned world class economy.

6.2.2 The Regional Economic Strategy acknowledges that Harlow faces considerable urban renaissance and regeneration challenges as a former new town, with a need to improve and strengthen the town centre as well as renew its existing housing stock and community infrastructure. However, the town has the potential to become an important regional centre for business growth through the economic development opportunities afforded by its proximity to London, Stansted airport and Cambridge, the presence of leading biotechnology companies and its Growth Area designation. Realising these opportunities requires major new transport investment to improve access to employment site, the M11 and Stansted airport and improve regional east-west links.

6.2.3 The Environment White Paper “This Common Inheritance” emphasises the need to link the pursuit of economic growth with the need for a high quality and sustainable environment. PPG4 government planning policy guidance on employment has suggested that a choice of suitable sites will facilitate competition between developers to the benefit of end users. PPG12 points to the need for local plans to assist in revitalising and broadening the local economy, and to the importance of encouraging industrial and commercial development.

6.2.4 Harlow is defined under Regional Planning Guidance as a Priority Area for Economic Regeneration (PAER). The priority is to restructure, diversify and increase Harlow’s local employment base.

6.3 Inward Investment Trends

6.3.1 Comparative Foreign Direct Investment FDI inward investment trends for Essex are set out in Table 6.1 with comparison to the adjacent County/Greater London/EEDA areas for the period 1997-2003. Essex contributed 19% of all FDI inward investment projects in the East of England during the period 1997-2003, performing slightly above Hertfordshire at 18%, but below Cambridgeshire which made a significant 36% contribution to the regional total. It should be noted that Essex adjoins Greater London which achieved a figure over four times the East of England total in the same period. Harlow is well positioned on the M25 in relation to Greater London and could potentially tap into this opportunity.

Table 6.1 Relative inward investment performance of Essex 1992-2003 (number of projects)

	Period 1997-2003							Total
	1997	1998	1999	2000	2001	2002	2003	
Essex	9	6	9	6	6	3	1	40
Hertfordshire	12	1	7	5	8	1	4	38
Cambridgeshire	11	10	14	10	13	15	3	76
East of England Development Agency	48	29	40	28	35	23	10	213
Greater London	157	145	140	182	92	125	112	953

Source: European Investment Monitor FDI Projects by Year (number)

6.3.2 The FDI inward investment projects performance of the different parts of Essex is now examined in more detail. Table 6.2 shows the main location of projects across the county for the period 1997-2003.

Table 6.2 Essex Inward Investment Performance 1997-2003 by location (number of projects)

	Period 1997-2003							Total
	1997	1998	1999	2000	2001	2002	2003	
Basildon	1		1	2	1	1		6
Brentwood			1	1				2
Chelmsford		2	3					5
Coggeshall	1							1
Colchester	2	1			1			4
Frating Green				1				1
Harlow	1	2	2	1	1	2		9
Harwich	3							3
Ongar					2			2
Rayleigh				1				1
Southend-on-Sea		1						1
Stansted Mountfitchet	1						1	2
Tilbury			1					1
Witham			1		1			2
Total	9	6	9	6	6	3	1	40

Source: European Investment Monitor FDI Projects by Year (number)

- 6.3.3 The best performing location by number of projects was Harlow with 23% of all projects in the period 1997-2003. Basildon followed with 15% and Chelmsford with 13% of all projects in the county of Essex
- 6.3.4 The nine companies which brought FDI projects to Harlow in the period 1997-2003 are described in detail in Table 6.3. It should be noted that the majority of these projects are reinvestments in existing sites arising from the restructuring of facilities.

Table 6.3 Companies bringing FDI projects to Harlow, 1997-2003

	M/A-COM Connectivity Zone	Northern Telecom Ltd	Raytheon Corp	Johnson Editorial	Pitney Bowes	Nortel Networks	Connect Electronics	Fructamine	Arrow Electronics
Parent/Origin	AMP Inc USA	BCE Inc Canada	Raytheon Corp, USA	Bertelsmann AG Germany	Pitney Bowes USA	BCE Inc, Canada	Connect Electronics, Ireland	Bracco, Italy	Arrow Electronics Inc, USA
SIC/NACE	Machinery & Equipment	Electronics	Other Transport Equipment	Publishing	Scientific Instruments	Telecommuni- cations & Post	Retail	Chemicals	Electronics
Activity	Manufacturing	R&D	Testing & Servicing	Manufacturing	Manufacturing	R&D	Sales & Mark	Sales & Mark	Sales & Mark
Description	Cable assembly	Research centre for broadband tech	Expansion of jet aircraft servicing centre	New printing facility for diaries and other paper stationery	Expansion of digital meter production line	R&D centre for telecom co.	Office for component distributor	Office for flavour co	Office for electronics components company
Employment Band	20-49	350-499	50-99	20-49	Not available	500-999	20-49	1-19	20-49

Source: European Investment Monitor

- 6.3.5 The most significant company by the number of employees was Nortel Networks, followed by Northern Telecom Ltd, but much R&D has now been restructured away from Harlow. Any success in securing reinvestment in Harlow should therefore be tempered in the light of more recent developments which point to the fragility of projects and the continuing adverse perceptions of Harlow, which impacts on the take up of new sites and premises.
- 6.3.6 Harlow gains sectoral strength from its corporate profile of global companies but cannot afford to be complacent. For example in the global pharmaceutical sector, bearing in mind the GSK operations, development of a new drug costs some \$800m in the US or Europe, but only \$50m in the emerging industry in India. Similarly Nortel carries considerably higher R&D costs in the US and Europe than its competitors operating in other emerging economies which may reinforce the trend of R&D loss.

6.4 Current Employment Site Provision

- 6.4.1 The Essex County Structure Plan proposes that an additional 50 hectares of employment land is made available in Harlow.
- 6.4.2 The Replacement Harlow Local Plan (Second Deposit Draft) states that there is a significant stock of vacant and underused employment land and buildings already existing within the built up area of Harlow.
- 6.4.3 The employment land supply in Harlow with planning permission for development (1.4.01) is stated at 39 hectares, of which 8.2 hectares has been completed and 4.7 hectares has been lost to other uses. The Plan states that 26.1 hectares of employment land have not therefore been developed and until these opportunities have been taken up it is not considered appropriate to allocate additional employment land. The only exception to this is an additional allocation of 2.0 hectares at New Hall Farm required in connection with the proposed mixed use development.
- 6.4.4 It should however be noted that with the exception of the Harlow Business Park (12 hectares) this allocated land is constrained, being either in small parcels or held by existing companies for future expansion.
- 6.4.5 The Plan states that in order to help ensure that a range of premises is available both to support existing local businesses and to attract new businesses, it is essential that the best use is made of existing employment land. It is suggested that this involves the reuse and intensification of previously developed land.
- 6.4.6 The Plan identifies the existing employment areas where permission will normally be granted for B1, B2 and B8 development. These are identified in Table 6.4.

Table 6.1 Harlow Existing Employment Areas

Employment Area	Local Plan Ref No.
Templefields & Riverway	ER 5/1
Pinnacles	ER 5/2
Burnt Mill	ER 5/3
Staple Tye	ER 5.4
Bush Fair	ER 5/5
Nortel Networks	ER 5/6
Church Langley	ER 5/7

Source: PACEC

6.4.7 With the exception of Harlow Business Park, located within the Pinnacles area, few of these sites are appropriate for larger scale inward investment projects. There are inherent dangers for the future economic vitality of Harlow in allowing the prevalent adverse perceptions of the location (recorded in discussion with the property sector) and related lack of market demand to determine the future use of the town's key employment sites. Specific pressures for change of use to retail warehousing and for housing redevelopment were identified in the context of the discussions with the development industry. It is considered that the existing sites do have a role, particularly in providing appropriate new premises for SMEs.

6.4.8 The property sector believes that there is the risk of a downward spiral arising, both from current market perceptions and the failure within Harlow to properly address the constraints, mainly transport and accessibility, affecting the existing employment areas. The lack of appropriate new employment land provision is considered to be a medium to long term constraint in Harlow.

6.5 Strengths, weaknesses, opportunities and threats

6.5.1 The SWOT analysis is mainly based on discussions with developers and agents in the property sector, and reflects their views on the weaknesses that need to be addressed and the strengths that could be built upon. These views are particularly important given the necessary role of private sector investment in the regeneration of Harlow.

Strengths

- The proximity to M11/Stansted and M25/Heathrow
- A recognised location for major companies engaged in R&D activity
- Green environment and pleasant rural setting
- The relationship to Cambridge/M11 corridor and growth points
- Relatively short journey time to Stansted airport sites

Weaknesses

- Incomplete A414 east/west link between A1(M) and M11.

- Single carriageway link to the M11 Junction 7.
- Single Route north from Elizabeth/Edinburgh Way to A414 Dual Carriageway
- Ageing stock of industrial and commercial premises
- Failing and outdated new town image
- Lack of quality housing for young professional labour force
-
- Inadequate provision of future employment land

Opportunities

- Potential improved rail link to the City and London
- Creation of a Park & Ride network and related Commuter Parking Facilities.
- Proximity to Stansted airport
- Town centre improvement and redevelopment opportunities
- Potential to create a new science/R&D Business Park
- Lowest industrial and commercial rent levels in the South East
- PAER Growth Area Designation

Threats

- Further loss and downsizing of major employers
- Collapse of industrial and commercial property demand
- Further fall in achieved rents
- Increasing competition from new Thames Gateway and other M25 locations
- Increasing economic and social deprivation reinforcing adverse perceptions of Harlow.

6.6 Strategic Challenges

- 6.6.1 The image and external perception of Harlow in the business and development community is poor. The factors behind this perception range from the inadequacies of the road transport infrastructure to meet current needs and requirements, outworn industrial estates, poor quality housing, and the pockets of welfare dependency with associated social problems in the resident population.
- 6.6.2 The opening up of Harlow for business would deliver a range of benefits, including a greater choice of employment for residents, higher levels of disposable income which would contribute both to town centre regeneration and help to change the adverse external perceptions of Harlow. Road infrastructure capacity improvement may require some rebalancing of Harlow's sustainable transport policies.
- 6.6.3 The rural setting and high quality environment around Harlow is seen as a major strength. Significant growth beyond the District boundaries would degrade this attribute.

6.6.4 An increased allocation of land for employment purposes in Harlow may require a different balance of uses in the proposed areas for mixed use development.

6.6.5 The achievement of significant new inward investment will be a challenge in the current global economic environment. Consideration will also have to be given to the further encouragement of indigenous business development and new firm formation to achieve an improvement in the take up of industrial and commercial floorspace in Harlow and increase economic vitality and viability.

6.7 Needs and Issues

- Since the late 1990s, Harlow has secured the highest number of recorded new investment projects in Essex, but the majority are reinvestments arising from the restructuring of existing facilities.
- Despite its success in attracting high levels of inward investment, Harlow is still plagued by not only its poor image, but also perceptions about its inadequate road network and transport infrastructure. The town suffers from road congestion, poor access to sites and has outworn industrial estates.
- Harlow is constrained by its current boundaries and there are few opportunities for the identification and designation of new employment land.
- There have been significant losses of employment land, particularly off Edinburgh Way on the northern side of the town, to retail warehouse, car showroom and leisure related uses. This detracts from the primary employment use of the area and adversely affects market perceptions, particularly in relation to the reletting of industrial and office premises. This is a consequence of market failure, and further reduces the employment potential of land, thereby undermining Harlow's attractiveness as an investment location.
- The Essex County Structure Plan requires that land lost to non employment uses should be replaced. This replacement process is increasingly problematic, given the constraints on developing Green Wedges and Green Belt in Harlow.
- The Local Plan has identified a significant stock of vacant or underutilised employment sites and premises in Harlow. However, much of this stock is outworn, and constrained further by its size and desirability. The employment sites themselves suffer from poor accessibility. They are poorly located relative to the strategic transport network, and can be accessed only via the town's congested road network, and as such are unattractive to potential investors.
- The Harlow industrial and commercial premises market is not strong, as older industrial and office stock become redundant. This also means that achieved rent levels falling. Although this provides for businesses some of the lowest industrial and commercial rents in the South East, these same market conditions also prevent reinvestment and renewal of stock.
- The cost of new build B Class development in Harlow is not covered by current achieved rents, with the result that the development market is stalling.
- Harlow suffers from severe peak period congestion on all principal routes into and out of the town, which has an adverse impact on both new investment and reinvestment in sites and premises.
- The persistent message throughout this analysis of Harlow's needs is the very poor image of the town and negative perceptions of Harlow as a location for business and inward investment. The evidence from the analysis is that

potential investors and employers feel the town has only a limited offer. Consequently, Harlow is marketed on the basis of its proximity to London and Cambridge, rather than on its own intrinsic qualities or attractions. The image of Harlow as a failing New Town detracts from its ability to attract investment.

7 Labour market, skills and workforce development

7.1 Introduction

7.1.1 This chapter looks at, education, skills, workforce development and labour market issues affecting Harlow. The fieldwork involved initial discussions with large local employers and relevant education and training institutions.

7.1.2 The chapter first explores the local education and skills policy context in which Harlow District Council (HDC) operates. Secondly, it considers the level and extent of education and training provision in place for Harlow residents. Thirdly, it engages in a preliminary labour market analysis which seeks to provide a broad brush picture of labour market dynamics in Harlow. Fourthly, it draws together the findings from interviews with both local large employers and institutions and comments on the current strengths/weaknesses and future needs of Harlow. The final section identifies key workforce development challenges which are likely to impact on the regeneration of Harlow.

7.2 Policy context

7.2.1 The Harlow 2020 Vision includes a section on learning and working which seeks to highlight the need to create a 'learning town'. It addresses the main issues of educational performance and participation, the need to recruit and retain good teachers, and to attract funding for learning orientated programmes. The Vision includes many short, medium and long term targets which are now the responsibility of the Education Sub Group (ESG).

7.2.2 The Harlow 2020 ESG draft action plan has three objectives:

- To raise aspirations and achieve recognition within the Harlow community of measurable progress across all phases of learning
- To secure the best possible education staff, facilities and resources for the Harlow community
- To develop an inclusive strategy for lifelong learning

Central to the plan is the concept of lifelong learning via the implementation of a community learning strategy which will raise aspirations, attainment and achievement in Harlow.

7.2.3 Harlow's Skills for All Programme seeks, under the Investing in Communities (IIC) programme, to build upon the success of the SRB4 programme, Regeneration through Youth. The key priorities of Harlow's Skills for All Programme are concomitant with those reflected in DfES lifelong learning national policies.

7.2.4 Harlow's Education Consortium (HEC) and Harlow FE College play a key role in the development of education services in Harlow and both are stakeholders in the Local Strategic Partnership (LSP). Anticipated growth in retail and leisure jobs arising from

town centre development, Harlow College and the expansion of Stansted airport means that local residents will have access to more jobs. Implementation is currently under review.

- 7.2.5 Skills development issues are considered in local strategy documents, including Harlow 2020 Vision, the Local Plan, the Stansted/M11 Corridor Development Options Study, Sustainable Communities Plan, and regionally in the EEDA Sharing the Challenge.
- 7.2.6 A recurring theme from the interviews with stakeholders was how best to contact hard-to-reach groups in order to engage them in training and education and get them 'work ready'. It is widely acknowledged in these strategy documents that the maximisation of the skills and potential of the local residents is crucial for them to take up emerging local jobs, both in the short and long term.
- 7.2.7 The Learning and Skills Council Essex (LSC) has a pivotal role in addressing skills development needs. Sector workforce development initiatives are in place at regional level. The LSC has identified four regional priority sectors and target groups (see Table 7.1).

Table 7.1 Essex LSC priority groups and sectors

Key Sectors	Young people	Adults
Construction	disengaged 14-16 year olds	low skilled and unskilled workers
Health and Social Care	young people in employment without structured learning	people with basic skill needs
Transport and Logistics	young people without a Level 2 qualification	those disadvantaged or in a group under represented in learning and or the labour market
Retail, Wholesale Trade and Hospitality	those disadvantaged or in a group under represented in learning and or the labour market <i>NEET groups</i>	

Source: Essex LSC

The LSC local plan states its commitment to employers by giving them greater choice and control over the training that the LSC funds and, more importantly, how it is delivered.

- 7.2.8 The Framework for Regional Employment and Skills Action (FRESA) in which the LSC is a key partner provides a plan to tackle the skills issues specific to the East Region. The FRESA is set in the context of a number of strategies which will guide the sustainable development of the region. It is also a process which is central to the development and delivery of the new sector skills agenda. Key to the FRESA is effective working between the network of partners, such as LSCs, Connexions, Job Centre Plus, EBLOs, LEAs, and schools. The main priorities of the FRESA are:
- Increasing participation in HE

- Responding to redundancies
- Skills for employability
- Workforce development (WFD) and 'in work' progression
- Young people and career choices

7.2.9 A view was espoused by stakeholders that the FRESA tends to reflect the needs of the high skills economy in areas such as Cambridge and Hertfordshire, rather than the lower skill, more traditional profile of the local economies in the south of the region.

7.3 Current Provision

7.3.1 Education and training provision in Harlow includes diverse programmes to address the key issues of low basic skills, Level 2 achievement and employability. Presented below is a list of collaborative projects where many agencies play a key role.

- Harlow Basic Skills project, addressing skills deficits
- Modern apprenticeship development
- Young apprenticeship pilot, under consideration
- Children's Centre network, signposting adult and family learning opportunities, involving NW Essex Adult Education College
- Science Alive; visitor/education centre project promoting careers in the high technology field
- Aim Higher, funding to support
 - Mentoring activity
 - Summer schools
 - Career events
- Partnership work with Princess Alexandra Hospital Trust
- Partnership work with BAA Stansted, promoting career pathways
- Miscellaneous education-business partnership activity, including Pearson Education, Blue Arrow etc., all of which have potential for links to HE / seminars / HDC Business debate
- Excellence in Cities; Harlow, along with twelve other districts, has been designated an 'excellence cluster' under the Excellence in Cities programme. The clusters are designed to penetrate smaller pockets of deprivation, extending opportunities for gifted pupils, using learning support units to tackle disruption, and providing support for weaker pupils through learning mentors.
- Young Enterprise

Employer-led training

7.3.2 The main employer-led training programme in Harlow is Profit from Learning, which is a government funded training initiative designed to increase the skills of existing staff. The pilot scheme is managed by the LSC and Business Link.

7.3.3 The programme has targets for employer engagement, new learners, basic skills qualifications and Level 2 qualification. The cumulative number of beneficiaries in Harlow is almost 500.

7.3.4 Job Centre Plus are also engaged in a work based learning scheme (WBLA) This national programme aims to generate sustainable employability training.

European Social Fund

7.3.5 There are three projects specific to Harlow funded through ESF Objective 3 via the LSC, totalling almost £140,000. The Harlow Continuity and Progression Committee is engaged in a project which aims to provide increased tutorial support to learners to reduce the number that withdraw from learning and improve retention rates. The programme also aims to enhance the monitoring and review of student progress in order to support the continuation of learning at 16, and to develop an additional 14-16 vocational programme, thus enabling a more coherent progression route for 14 – 16 year olds. There are almost 250 beneficiaries of this programme.

7.3.6 Cornerstone Training provide basic skills and IAG for adults. It is a 6-8 month one-to-one, mentoring programme for those aged 25+ and unemployed for more than a year. There are 40 beneficiaries of this programme.

7.3.7 The Adult Community Learning college is engaged in a project of vocational training to gain generic/basic skills and sector specific qualifications at NVQ Entry and Level 1, with a route to Level 2 for those without the skills and confidence to start at that level. This programme has 200 beneficiaries and is aimed at all ages.

7.3.8 HDC have also secured a range of funding for a number of co-financing initiatives. The LSC co-financed projects include Jobstart for Women, YPIC On-Line, the provision of ICT equipment for young disadvantaged people. ESF alternative bidding projects –Women into Work and Get Real and the JobCentre Plus Co-financing project – Harlow in Work. These are substantial local projects amounting to almost £1,700,000

7.3.9 ESF funded programmes not specific to Harlow, but which benefit Harlow residents, are based at Harlow College. One project comprises a 30 hour programme to assist unemployed people to move into employment at Stansted Airport. The programme will form Unit 1 of the new Airport Skills Training Programme, equivalent to NVQ Level 1. Those who successfully complete will be guaranteed an interview, arranged through the Airport Jobcentre Plus facility. There are 100 beneficiaries of this project. To follow on from this are seven 30 hour programmes comprising units 2-8 of the new Airport Skills Award. About 80 learners will achieve units at levels equivalent to NVQ Level 2, and 20 will achieve units at equivalent to NVQ Level 3.

Basic skills

- 7.3.10 Tackling the basic skills problem in Harlow is a significant component in a strategy to ensure that all of its residents engage in further learning and/or enter into employment. The most significant project is The Harlow Basic Skills Project, which is one strand of the 'Regeneration through Youth' initiative drawn up by the Harlow 2020 partnership. The main source of funding is SRB 4.
- 7.3.11 There is a Basic Skills strategy for adults and young people in Harlow. The project is delivered over three phases; pre-school, schools and adults. The aims include:
- to raise awareness that the responsibility for reducing the level of literacy and numeracy skills need in Harlow lies with every employer, community and voluntary organisation, statutory service provider, school and pre-school group;
 - to work in partnership with employers, community and voluntary organisations, statutory service providers, schools and pre-school groups to develop and implement new local learning opportunities for adults and children;
 - provide training for key staff in businesses, community and voluntary organisations, statutory service providers, schools and pre-school groups to enable them to identify people with a basic skills need and to enable them to implement new local learning opportunities to address the poor levels of basic skills;
 - to ensure the long-term sustainability of work within Harlow to raise levels of basic skills.
- 7.3.12 The project began in September 1999 and finishes in March 2005, and aims to reduce the level of those with basic skills needs by 20%; which is the target set out in the 20/20 plan. This equates to 2,500 beneficiaries. Thus far there have been 1,600 beneficiaries and it is on target to achieve the target set out in the plan.
- 7.3.13 A further initiative in Harlow linked to regeneration and learning and skills is The Neighbourhood Fund which is the LSC Essex branding of the National Learning and Skills Council "Neighbourhood Learning in Deprived Communities (NLDC) Fund. The purpose of NLDC is to support local voluntary and community sector organisations to develop their capacity to deliver learning opportunities for residents of disadvantaged neighbourhoods. Through the Cornerstone Trust 33, single parents (all women) received Basic Skills Tutoring and Essential Cookery Skills with one-to-one support. There were no formal qualifications linked to this programme since it was aimed at encouraging the participants with very low self esteem and confidence to engage in a learning opportunity.
- 7.3.14 The Job Centre plus is a major organisation in Harlow addressing basic skills needs. They have a fast track process whereby they identify client needs and then refer them on to relevant providers. They are also involved in New Deal.
- 7.3.15 This wide array of programmes and projects in place in Harlow is significant and will help to address the skills needs of Harlow's residents. It will ensure that Harlow residents are equipped to enter employment and develop skills, which will enhance

their employment prospects, but sustainability has to be considered beyond March 2005 when the Basic Skills Project ceases.

7.4 Harlow labour market

7.4.1 This section describes the labour market characteristics and other related issues in Harlow

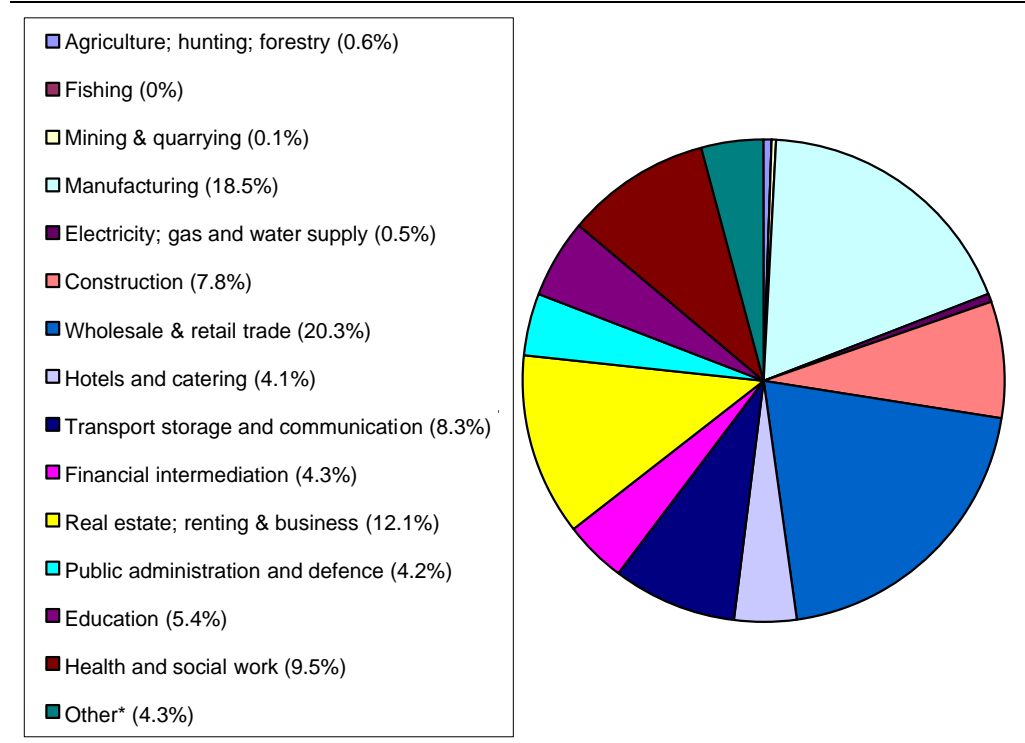
7.4.2 The most distinctive feature of Harlow's employment structure is the higher proportions of workers employed within the manufacturing, wholesale & retail trade and the transport, storage and communication industries. The town also has the lowest proportion workers employed in the real estate, renting and business activities sector in relation to the comparator areas (see Table 7.2 Figure 7.1).

Table 7.2 Employment by sector (% of 16-74 Residents in employment)

	Harlow	Harlow Sub Region	Harlow + Sub Region	Herts & Essex	East Region	Eng & Wales
Agriculture; hunting; forestry	0.6%	1.7%	1.5%	1.2%	1.9%	1.5%
Fishing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining & quarrying	0.1%	0.2%	0.1%	0.1%	0.2%	0.3%
Manufacturing	18.5%	13.5%	14.3%	13.2%	14.5%	15.0%
Electricity; gas and water supply	0.5%	0.4%	0.4%	0.5%	0.6%	0.7%
Construction	7.8%	8.3%	8.2%	7.9%	7.6%	6.8%
Wholesale & retail trade	20.3%	17.3%	17.8%	17.4%	17.3%	16.8%
Hotels and catering	4.1%	3.6%	3.7%	3.7%	4.2%	4.8%
Transport storage and communication	8.3%	7.7%	7.8%	7.6%	7.4%	7.0%
Financial intermediation	4.3%	7.2%	6.7%	7.5%	5.8%	4.7%
Real estate; renting & business	12.1%	15.4%	14.9%	14.8%	13.3%	13.0%
Public administration and defence	4.2%	4.6%	4.6%	4.8%	5.2%	5.7%
Education	5.4%	7.4%	7.1%	7.2%	7.3%	7.8%
Health and social work	9.5%	7.8%	8.1%	9.2%	9.7%	10.8%
Other*	4.3%	5.0%	4.9%	4.9%	5.0%	5.2%
Total employment	100%	100%	100%	100%	100%	100%

Source: Census of Population 2001, ONS, PACEC

Figure 7.1 Employment by Sector in Harlow (% of 16-74 residents in employment)



Source: Census of Population 2001, ONS, PACEC

7.4.3 Table 7.3 shows female employment in Harlow, the surrounding area, the region, and England and Wales. There are high proportions (70%) in Education and Health and Social Work, similar to the comparator areas. The proportion of females in manufacturing and financial intermediation is relatively high compared to the East Region.

Table 7.3 Employment by gender

	Female as % of total by gender (residents in employment by sector by area)					
	Harlow	Harlow Sub Region	Harlow + Sub Region	Herts& Essex	East Region	Eng& Wales
Agriculture; hunting; forestry	23	25	25	25	26	25
Quarrying	44	28	29	26	17	13
Manufacturing	35	30	31	27	27	27
Electricity; gas and water supply	23	19	20	26	27	28
Construction	10	12	12	11	10	10
Wholesale & retail trade	48	47	47	48	48	48
Hotels and catering	59	59	59	58	60	58
Transport storage and communication	26	30	29	27	27	28
Financial intermediation	63	42	44	46	49	55
Real estate; renting & business	45	44	44	43	43	43
Public administration and defence	47	42	43	44	42	45
Education	76	75	75	75	73	71
Health and social work	83	82	82	82	82	80
Other*	56	53	54	53	52	53
Total employment	46	44	45	45	45	46

Source: Census of Population 2001, ONS, PACEC

7.4.4 The main sectors with higher proportions of people of ethnic minority origin in Harlow are hotels, quarrying (albeit a small number), and health and social work. Overall, this is similar to the position in England and Wales. There is a low proportion of this group in utilities and construction (see Table 7.4).

Table 7.4 Employment by ethnic origin

	Non White as % of total by ethnic origin (residents in employment by sector by area)					
	Harlow	Harlow Sub Region	Harlow + Sub Region	Herts & Essex	East Region	Eng & Wales
Agriculture; hunting; forestry	0.0	0.5	0.5	0.7	0.7	1.0
Quarrying	11.1	3.8	4.4	3.9	2.7	2.7
Manufacturing	3.7	2.6	2.8	3.3	3.7	5.4
Electricity; gas and water supply	0.0	3.9	3.2	2.4	2.8	4.8
Construction	1.8	1.3	1.3	1.5	1.5	2.9
Wholesale & retail trade	3.4	3.5	3.5	4.2	4.2	7.7
Hotels and catering	13.8	6.4	7.7	9.4	8.5	12.0
Transport storage and communication	4.0	2.9	3.1	3.8	4.4	8.6
Financial intermediation	4.9	3.0	3.2	3.2	3.4	7.7
Real estate; renting & business	4.9	3.4	3.6	4.3	4.4	7.8
Public administration and defence	3.4	2.7	2.8	3.4	3.6	6.2
Education	3.3	2.5	2.6	2.7	3.0	5.3
Health and social work	10.1	6.1	6.8	7.6	6.5	8.9
Other*	3.3	2.4	2.6	3.0	3.5	5.9
Total employment	4.6	3.2	3.4	4.0	4.1	6.9

Source: Census of Population 2001, ONS, PACEC

7.4.5 The economic activity rate of residents in Harlow is higher than the East Region and England and Wales, with 71.5% of residents in this category, compared to 66.2% on the England and Wales average (Table 7.5).

Table 7.5 Economic Activity

	Harlow	Harlow Sub Region	Harlow + Sub Region	Herts & Essex	East Region	Eng & Wales
All people aged 16 - 74	57.0	294.8	351.8	1.7	3.9	37.6
Economically Active	40.7	210.0	250.8	1.2	2.7	24.9
% of 16-74 year olds are Economically Active	71.5%	71.2%	71.3%	69.9%	69.0%	66.2%

Note: Number of persons is given in 1000s for Harlow and its ring and in Millions for Herts and Essex, Eastern Region and England & Wales

Source: ONS, PACEC

7.4.6 Unemployment in Harlow is slightly higher than in other South New towns and for the Harlow Sub Region, Herts, & Essex and the East region, but is lower however than the England & Wales average (Table 7.6).

Table 7.6 Unemployment (all)

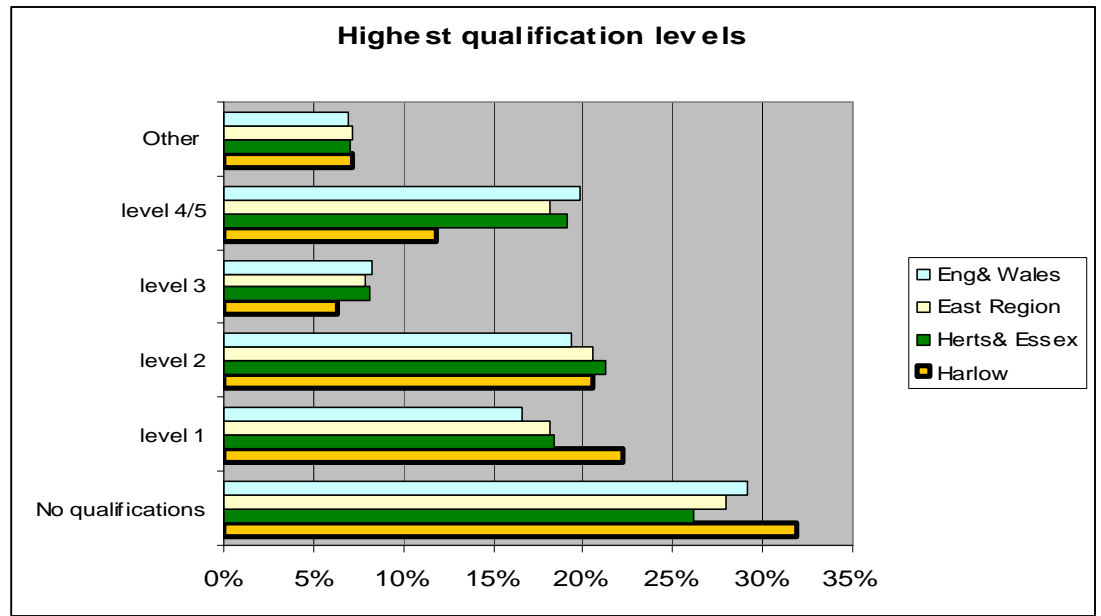
	Harlow	Harlow +Sub Region	Sth New Towns	Herts& Essex	East Region	NE & NW	Eng& Wales
Economically Active (000s)	40.9	251.4	503.3	1.2	2.7	4.2	25.0
Unemployed (ILO, 000s)	1.9	8.0	21.2	0.0	0.1	0.3	1.3
Unemployed (% of economically active)	4.7	3.2	4.2	3.3	3.8	6.1	5.0
Harlow's relative performance (rate)	0.0	1.5	0.5	1.4	0.9	-1.4	-0.4
Harlow's relative performance (number)	0	610	200	560	380	-590	-140

Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001
 Source: ONS, PACEC

Qualification levels

7.4.7 The qualification level profile of Harlow residents presented in Figure 7.2 shows that they are far less likely to hold Level 3+ qualifications and far more likely hold qualifications below Level 2; and moreover, hold no qualifications at all than is the case in the region and England and Wales. The chart below shows that there are significant numbers of Harlow residents who hold no qualifications at all, or only up to Level 1 qualifications. Even though the figures have improved on past performance, they are still very high when compared with the regional average. Most significant is the comparatively low numbers at Levels 4 and 5, where only 11.9% hold qualifications at Levels 4+, compared with the national average of 19.9%.

Figure 7.2 Highest qualification levels



Source: ONS (Census of Population 2001), PACEC

7.4.8 Harlow residents are more likely not to participate in learning, compared with residents in Essex/Herts, the region and in England, as shown in Table 7.7. Most worrying are the participation rates for 16-17 year olds, at 10% lower than for Herts and Essex, and 8% below the national average.

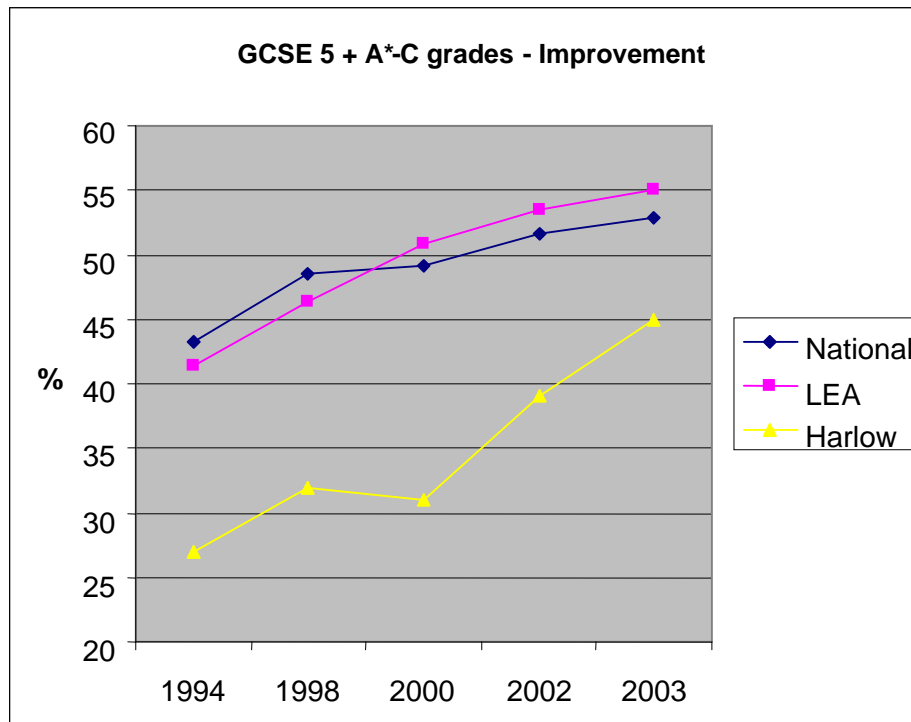
Table 7.7 Participation in education students aged 16-74

	Harlow	Herts & Essex	East Region	Eng & Wales
Full-time students % of 16-74s	4.30%	5.50%	5.80%	7.00%
Full-time students % of 16-17s	69.10%	79.20%	78.10%	77.60%

Source: ONS, PACEC

7.4.9 Figure 7.3 below shows the percentage of students achieving 5 or more GCSE A*-C Grades in Harlow relative to performance across Essex and the UK. Although GCSE attainment figures in Harlow are still considerably lower than the Essex and UK averages, the gap between Harlow and the Essex LEA average has narrowed from 15% in 1994 to 10% in 2003; and against the UK average, from 16% in 1994 to half that, 8% in 2003. This narrowing of the gap has been more marked over the period 2000-2003, when significant improvements have been made in Harlow. Provisional 2004 data suggests, however, that this more recent improvement has not been sustained.

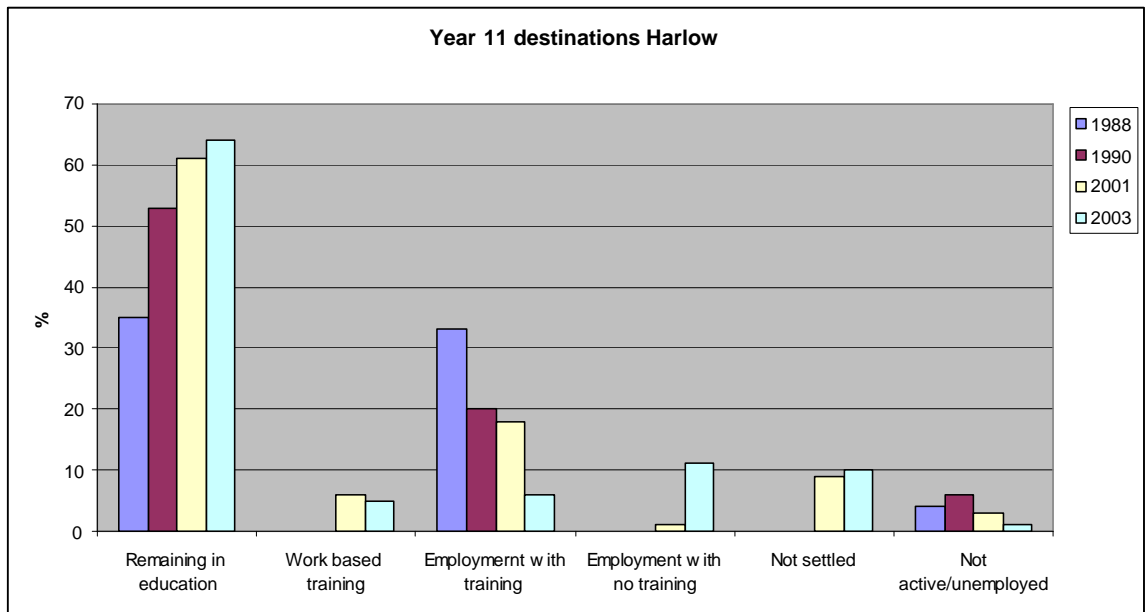
Figure 7.3 School performance tables



Source: DfES GCSE attainment figures.

7.4.10 Destinations of Year 11 Leavers data set out in Figure 7.4 is derived from the Connexions service and shows the first destinations of all Year 11 Leavers for 1988, 1990, 2001 and 2003. The trend shows that young people are more likely to remain in education which is encouraging. Interestingly, there is a significant decrease in young people entering employment with structured training.

Figure 7.4 Year 11 destinations 1998 - 2003



Source: Careers Essex Activity Survey, 2001 Base: Harlow, 950; Essex, 18,7

7.4.11 Looking at the 2003 Performance Tables, the average point score per student for GCE and VCE results in Essex is 257.9; the Harlow College score is 172.1. However, on other qualifications the 'Other Advanced' average for Essex is 74.1%. Harlow College performs strongly on this score, with 91% achieving qualification. On 'Intermediate Vocational Qualification' the Essex average is 72.3%; 76% achieve that qualification at Harlow College.

7.5 Discussions with local stakeholders and large employers

7.5.1 Interviews were held with local stakeholders, including Harlow FE College, the Learning and Skills Council, Harlow Education Consortium and Harlow Job Centre Plus. The views of a small number of large employers in Harlow were also sought. The discussions explored the strategic role of local institutions and business in meeting the future skills needs in the local labour market, responses to employer needs, and the main workforce development challenges for Harlow. Respondents were also asked for their views on the key strengths and weaknesses of the local labour force, and about their perceptions of Harlow as a place to invest.

Stakeholder Perceptions

7.5.2 The main issues which emerged from the interviews with stakeholders centred around the poorly qualified local workforce and the low skills base of Harlow. These weaknesses were exacerbated by many Harlow residents having low employment and educational aspirations. This was particularly true of young people, or at least a pool of young people caught in a cycle of relative deprivation.

7.5.3 It was also observed that the local labour market is quite buoyant, but there were concerns about some residents' job goals being unrealistic. A recent boom in retail activity has meant many new vacancies in this sector. However, many residents were unwilling to take this type of work.

7.5.4 The number of graduates leaving the town also emerged as a key concern. Respondents claimed that reversing this trend would go a long way to redress the lack of residents in high level occupations in Harlow. Concern was also expressed around high labour turnover in low paid jobs. Another overriding concern was re-skilling people for new and emerging sectors/industries. It was felt that there was too much emphasis on basic skills and related programmes.

7.5.5 A key topic raised by stakeholders was a lack of engagement between the public sector support bodies and employers. It was suggested that employers were circumspect about using FE institutions even though they have links with these. It was mentioned that the post 16 offer is not sufficiently widespread or tailored to employers' needs. There were also issues around employer awareness of what is on offer locally.

7.5.6 It emerged clearly from the stakeholder discussions that despite a multiplicity of measures attempting to address Harlow's skills deficiencies and social exclusion,

there were divisions between services and institutions in terms of a joined-up and coherent strategy for skills and workforce development linked to the regeneration process.

Employer Perceptions

Labour Force

7.5.7 The employers that provide both high skilled and semi-skilled jobs tend to recruit from outside Harlow and these jobs are usually advertised regionally or nationally. Many commute in from North London, but it is not uncommon for staff to live beyond a twenty-five mile radius, and from as far away as the Essex coast, Kent and Surrey. Employers also reported that some highly-trained staff had moved to nearby towns such as Bishop's Stortford, Hertford, Ware and even Ely.

7.5.8 Where skills needs are not met via advertising, employers tend to use regional agencies for specialist staff or contract work to identify individuals in the region to fill highly-skilled roles. One employer said that many recruits from outside the area had not heard of Harlow – or they have a negative image of the Town. Jobs are advertised on the strength of Harlow being close to London and Cambridge.

7.5.9 The employers indicated that the Harlow labour force tends to fill lower order back office jobs, such as routine IT, first level technical, manual, customer contact and administration. Local workers are more prevalent in SMEs, rather than larger employers in Harlow. Recruitment is often via newspaper advertising for these jobs, although one employer admitted that they were looking for more creative ways of recruiting, following unsuccessful Harlow-focused campaigns. Recruitment of manual and manufacturing staff has slowed recently, due to companies restructuring, downsizing or increasing efficiency. Consequently, recruitment difficulties were not a current issue.

Skills and training

7.5.10 Employers suggested that the skills issue was not high on the list of problems in their companies. There was positive feedback about the local training providers in Harlow, such as Harlow College and Harlow iTEC. Accessing training for specialist staff is more difficult, and this is usually overcome by buying in specialist expertise.

Harlow as a business location

7.5.11 Some companies spoke of their long-standing roots in Harlow. Employers regarded Harlow as an advantageous business location due to its proximity to the M11, Stansted Airport, the M25 and Heathrow Airport. Employers suggested that as the Town has no university there is no ready supply of graduates, and bright local youngsters tend to see a degree as a ticket out of Harlow.

Participation in local initiatives

7.5.12 One or two firms had been involved in local regeneration initiatives. One cited the 2020 Vision for Harlow Strategy, with which they had become engaged by invitation of Harlow Council. They also sat on the 'Image of Harlow' sub-group, and there was wider involvement in the Education-Sub Group. The Specialist School Initiative was also cited, with particular involvement in the Science School, which had recently opened. Another employer was involved in school-based projects. Overall involvement was described as disjointed and not concerted. There was a consensus opinion among employers that both Harlow Council and the 2020 Partnership had to build stronger ongoing relationships with the wider business community.

Harlow as a place to work

7.5.13 The perception amongst employers was that the town has a negative reputation, due in part to dark underpasses, and boarded up shops. Managers who commuted in complained that the peak period traffic was heavy and made commuting very slow, although the grid-road system within the town itself was easy to negotiate.

7.5.14 Most considered that Harlow was satisfactory as a place of work, with adequate supermarkets which staff could visit at lunchtime, but that it lacked the full range and quality of service provision that would be expected in a town of its size.

Overall Assessment of Harlow

7.5.15 A common theme was raised by employers about the need to raise the low aspirations and attainment levels of the resident community in Harlow. There were also comments about local complacency regarding the relative position of Harlow.

7.5.16 One employer suggested a difference between younger residents who were more responsive to change and the older generation which wanted to maintain the status quo. It was also suggested that the younger people, hungry for greater opportunities, may leave Harlow if the town fails to develop.

7.5.17 More inward investment was suggested as necessary to reinforce a positive business environment in Harlow. A key strength reported for Harlow was that it had the highest concentration of university level research employees in the East of England.

7.5.18 It is of concern that there was a view amongst the large employers that the negative image of Harlow and a relatively low indigenous skills base were of limited relevance to their own plans for growth. They were intending to continue to rely on their higher skilled staff commuting into the town, and could tolerate the fact that they could not fulfil growth objectives using the current local labour force. The benefits of Harlow's M25/M11 location outweighed its negative aspects.

7.6 Strengths, weaknesses, opportunities and threats

Strengths

- High levels of economic activity
- Faster improvement in GCSE attainment levels than the UK and Essex
- High level of ongoing provision for socially excluded groups
- Buoyant local labour market in Harlow and the sub-region
- Proximity to Stansted, M11 corridor and M25
- High levels of vocational learning participation

Weaknesses

- Low qualified and low skilled indigenous workforce
- Low aspirations amongst younger people
- Poor retention of higher skilled people
- Low educational attainment and participation (post 16)
- High labour turnover and poor quality jobs for local people
- Poor levels of engagement between indigenous SMEs and the public sector

Opportunities

- Growth in demand and retail activity and thus job creation
- Local competition for jobs resulting in higher wage levels in traditionally low paid jobs
- Potential to link a renewed skills strategy with current wider regeneration objectives
- Larger businesses are mainly positive about their future in Harlow, due to its M25/M11 location, future growth in the area, and their ability to attract highly skilled and specialist workers from outside Harlow, but there are growing concerns about accessibility

Threats

- Continued indifference towards skills development from both firms and individuals
- Ongoing low skills equilibrium: low labour skills/low skilled jobs
- Continued lack of local supply of graduates in labour market
- Lack of diversity in workforce

7.7 Strategic Challenges

7.7.1 The strategic challenges facing Harlow arising from this assessment of skills and workforce development are set out as follows:

- In order to move away from a local low skills equilibrium in Harlow, the post-16 offer must be more balanced in favour of Level 3+, but all levels must be addressed though not to the detriment of higher level progression

- Retention of educated local young people is crucial. Making Harlow more attractive to this group is a fundamental requirement.
- The development of a new local entrepreneurialism is necessary in Harlow, through embedding notions of an enterprise culture and achieving success amongst Harlow's residents
- There is a need for clearer strategic thinking and links between regional bodies, neighbouring councils' education providers, employers and public sector institutions by developing and overarching local skills strategy linked directly to higher aspirations for economic regeneration in Harlow.
- Educational qualification attainment by young people in Harlow, though improving, needs to be further strengthened.
- Generational issues which maintain a non-learning culture in Harlow must also be addresses perhaps through measure such as family learning
- Harlow employers tend to operate independently and do not regard regeneration of the town as being related to future business growth. Appropriate mechanisms are necessary to build a greater commonality of interest.
- Reversing through internal and external place marketing the widely held and negative perceptions of Harlow as a poor place to work and live

7.8 Needs and Issues

- The most distinctive feature of Harlow's labour market compared with the wider area is the higher proportions of workers employed within manufacturing, wholesale and retail trades, and transport, storage and communications.
- Harlow's labour pool is relatively low skilled. A higher proportion of residents have no qualifications at all; and compared with its surrounding areas, only a very low proportion of the workforce has higher qualifications.
- Harlow is characterised by a poor retention rate for higher skilled residents. Graduates and other qualified residents tend to leave the town, and are more likely to live and work in towns and villages in the neighbouring travel to work areas, which offer a better quality of life.
- Underpinning the skills deficit in Harlow is the fact that fewer residents are likely to participate in learning compared to both the region and the country as a whole. This is most noticeable among 16-17 year olds. Harlow has the highest proportion of pupils not achieving 5+ GCSE/GNVQ qualifications among local authorities in Essex although the position is improving.
- The skills and employment mismatch has an inhibiting effect on local business creation and the potential for spin-off in the knowledge sectors, for example the Research and Development base. Research evidence to suggest that workers with higher level qualifications are generally more predisposed to starting their own small business.
- Some of the large Harlow employers for the most part operate independently and do not regard regeneration and the low indigenous skills base of Harlow as being particularly related to their future business growth.

8 Community Development

8.1 Introduction

8.1.1 This chapter examines the policy context of Community Development in Harlow, the nature of the population and concentration of deprivation and the composition of the community in Harlow as a context for community development. It seeks to establish the extent to which community development and involvement occurs in Harlow's regeneration process, and will explore capacity building for the community and voluntary sector. Furthermore, it seeks to map out community involvement and provide an evidence base to inform future intervention at local level where appropriate.

8.2 Policy context

8.2.1 The Local Government Act 2000 brought in a duty for local councils to promote the economic, social and environmental well being of their area. The launch of the process for preparing community strategies in 2000 required local authorities to engage and involve local communities on both an area-based and issues/interest basis. The guidance encourages local authorities and others to recognise that: 'Individuals belong simultaneously to a number of communities of interest, of both place and interest and will identify with different communities according to their circumstances and the issues under discussion. Community strategies should reflect this complexity and accommodate it by putting in place a variety of routes into participation' (DETR, 2000)

8.2.2 Under the New Commitment to Neighbourhood Renewal the government has prioritised 88 Local Authorities and is focussing on wards that are within the 10% most deprived in the country. The guiding principle is that no-one should be disadvantaged by where they live.

8.2.3 Local Strategic Partnerships (LSPs) have provided an effective mechanism for preparing community strategies. They have integrated anti-deprivation strategies within wider community strategies and local authority plans in order to improve general well being. The aim is to ensure that the activities of the various bodies that provide services to the public are better co-ordinated and are more responsive to the concerns of local communities. Community strategies aim to enhance the quality of life of the local community through action to improve the economic, social and environmental well being of an area and its residents. The LSPs and the community planning process have provided an overarching framework involving service agencies, business and local community interests.

8.2.4 Harlow 2020 Vision is the community strategy for Harlow and was formulated through extensive consultation with residents, led by the Harlow 2020 LSP. The aim of the Vision was to consider the future direction of Harlow. This is a significant document in terms of both its breadth of content and the extent of community consultation, it sets

out residents' views on the future social and economic growth of Harlow. The voluntary and community sector is however relatively unrepresented on the LSC.

8.2.5 Essex County Council has assembled The Essex Partnership, which is the wider LSP serving the county. The first task was to set an agreed vision for a community strategy - Shaping the Future of Essex. After due consultation including the district level LSPs, this strategy was launched in January 2003.

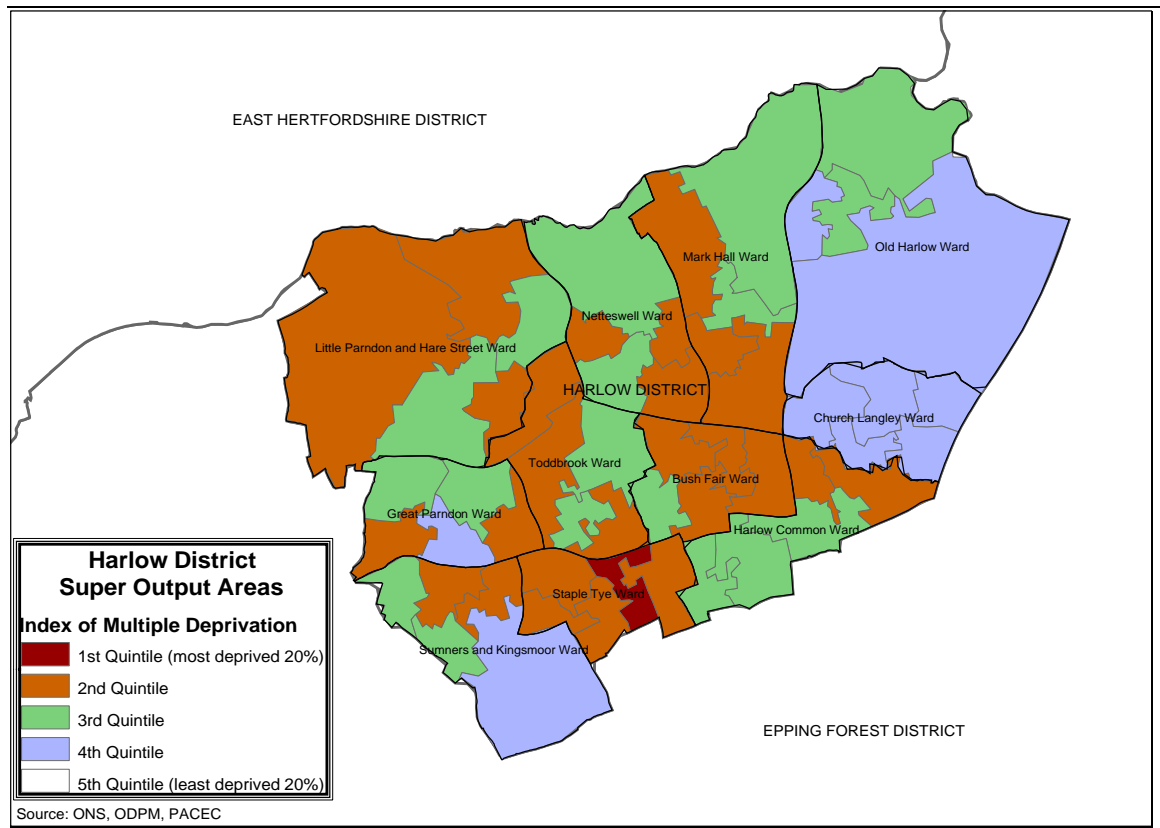
8.2.6 The winding down of the Single Regeneration Budget will result in increased pressure on community and voluntary groups more generally, at a time when the focus and efficacy of Local Strategic Partnerships are in the spotlight, though several projects have been mainstreamed in Harlow.

8.2.7 A key strength for Harlow is that there is a rich history of community participation, on which policy can build, and residents like living in Harlow and may have their families living there.

8.3 Deprivation and Community Composition

8.3.1 The Index of Multiple Deprivation (2004) shows that Harlow is the 3rd most deprived Local Authority area in Essex and 9th in the East of England region out of 48 LA's and 120th in England. The map in Figure 8.1 shows at the Super Output Area (SOA) level that part of Staple Tye Ward is within the 20% most deprived areas in the country.

Figure 8.1 Harlow District Super Output Areas



8.3.2 The national ranking of the top ten most deprived areas by SOA in Harlow is set out in Table 8.1 with the most significant deprivation indices. It is of note that barriers to housing and services / crime and disorder put part of Staple Tye within the most deprived 10%, part of Sumners and Kingsmoor score similarly on education, skills and training / barriers to housing and services and part of Mark Hall also scores similarly on barriers to housing and services.

Table 8.1 The Top Ten Most Deprived Areas in Harlow by SOA

WARD	SOA	Rank of IMD	Rank of Income Score	Rank of Employment Score	Rank of Health Deprivation and Disability	Rank of Education Skills and Training Score	Rank of Barriers to Housing and Services Score	Rank of Crime and Disorder Score	Rank of Living Environment Score
Staple Tye	E01021858	6265	7801	9366	9261	3714	2289	2007	27888
Sumners and Kingsmoor	E01021864	7453	6924	11610	11236	2802	2997	7948	25996
Mark Hall	E01021846	7732	8319	11168	12458	6070	2736	4126	15823
Little Parndon and Hare Street	E01021842	7794	8848	11169	9161	4333	5682	4712	16312
Staple Tye	E01021860	7977	8451	11366	10104	4007	7476	4910	15136
Staple Tye	E01021859	8300	5377	14375	11833	4044	11694	3430	25856
Netteswell	E01021851	8356	8505	10722	8832	6323	4268	11478	13090
Toddbrook	E01021871	8359	8601	8528	7981	8384	8435	3409	28396
Harlow Common	E01021836	8679	8213	10789	9523	3418	9002	9932	22724
Staple Tye	E01021861	9401	9388	12327	11418	5001	5373	6267	29150

Note: 1 is most deprived.

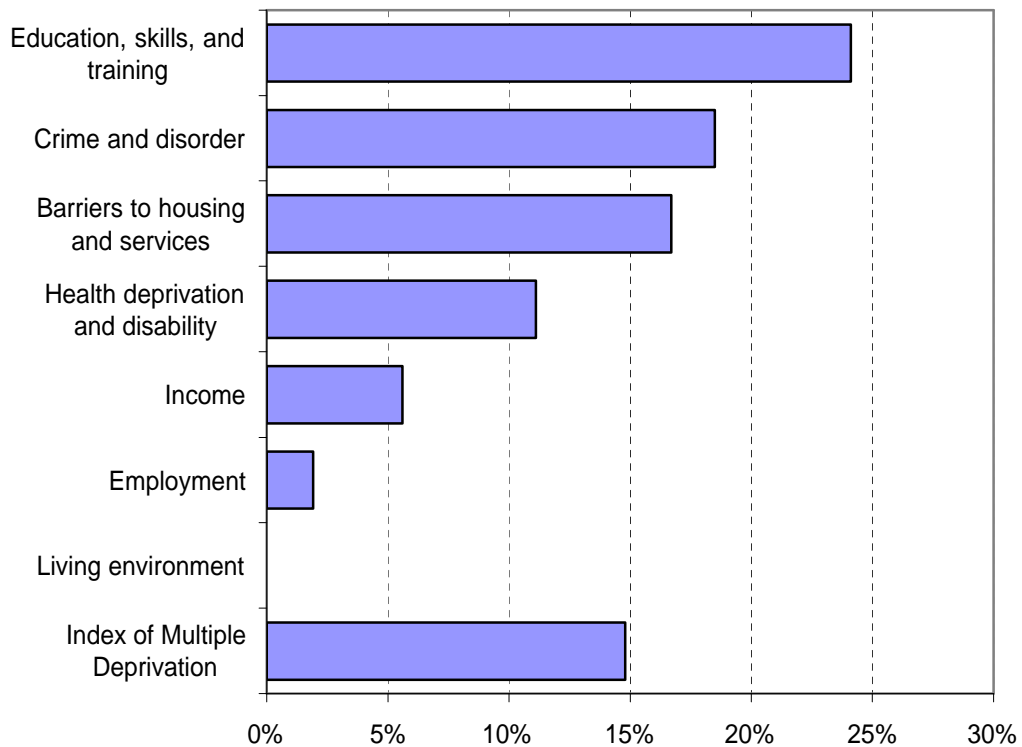
Bold applied to most deprived 10% of SOAs

There are 32,482 Super Output Areas in England

Source: PACEC, ONS, ODPM

- 8.3.3 Looking at some local comparisons on the actual number of SOAs in the most deprived 20% across England, Harlow has one, Basildon twenty two and Epping Forest none. The full Super Output Area data set out in Appendix D illustrates how deprivation is concentrated geographically within Harlow.
- 8.3.4 In comparison with the Eastern Region, Figure 8.2 confirms that the significant deprivation scores are in education, skills and training, barriers to housing and services and crime and disorder.

Figure 8.2 Components of the Index of Multiple Deprivation, 2004 – percentage of Harlow SOAs within the most deprived 10% in the Eastern Region

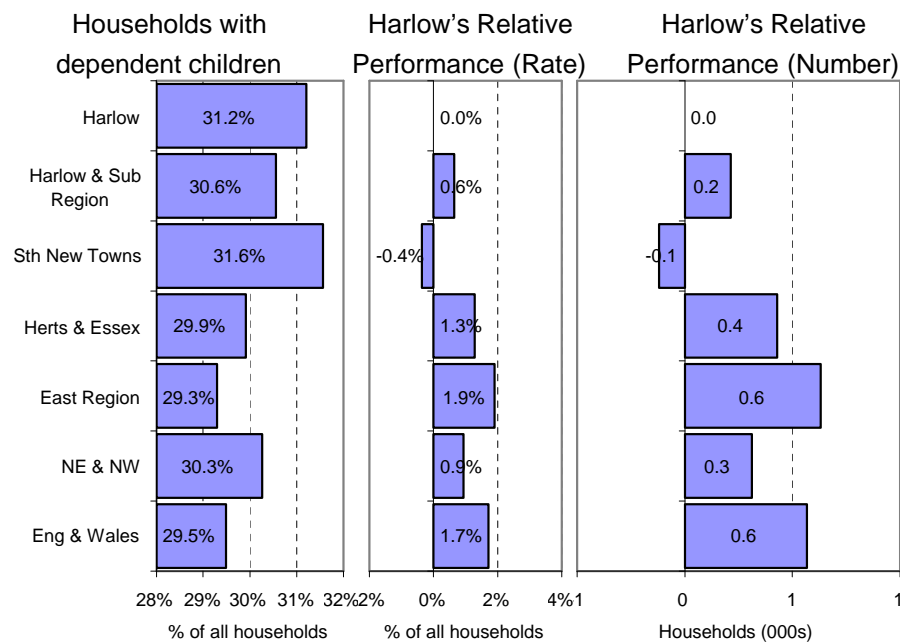


Source: IMD 2004, PACEC

- 8.3.5 Reports on the future of Harlow tend to highlight the high ethnic diversity found in Harlow and the need to cater for individual needs. However, it is worth noting that the percentage of white British people in the population of Harlow (91.7%) is above both the national average (87.5%) and the East region as a whole (91.4%).
- 8.3.6 The following tables and figures illustrate the composition of households in Harlow with reference to the comparator areas.
- 8.3.7 Harlow, in common with other New Towns, has a slightly higher proportion of households with dependent children compared with the East region and national average, as shown in Table 8.2. This characterises factors related to social cohesion and the shaping of policy for community development.

Table 8.2 Household composition (dependent children)

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
All households (000s)	33.2	198.3	404.6	1.1	2.2	3.9	21.7
H/Hold with dep children (000s)	10.4	60.6	127.7	0.3	0.7	1.2	6.4
H/Hold with dep children (% of all households)	31.2	30.6	31.6	29.9	29.3	30.3	29.5
Harlow's relative performance (rate)	0.0	0.6	-0.4	1.3	1.9	0.9	1.7
Harlow's relative performance (number)	0.0	0.2	-0.1	0.4	0.6	0.3	0.6

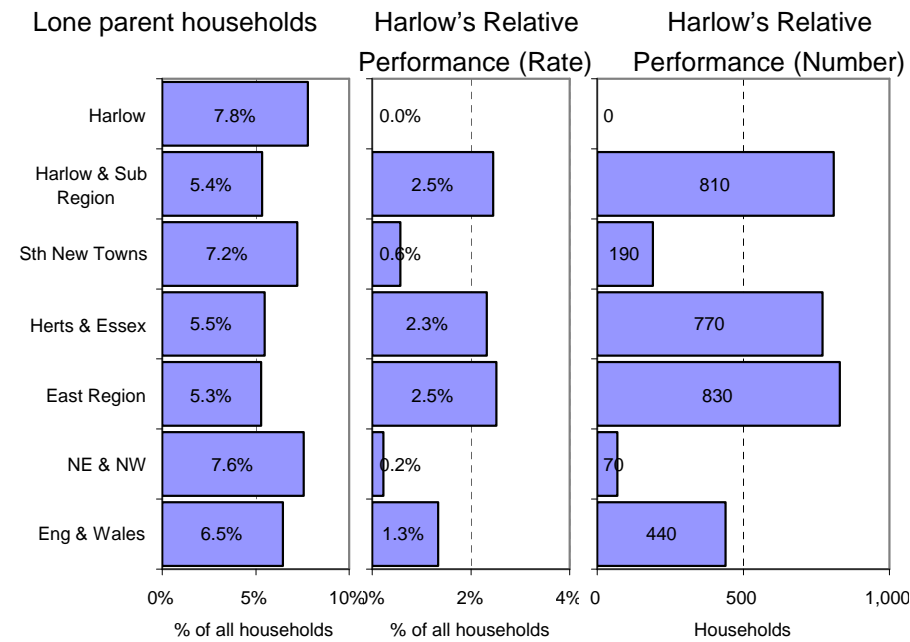


Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

8.3.8 Table 8.3 also shows that the town has a high proportion of lone parent households compared to the comparator benchmark regions. However, it is interesting to note that the household composition in Harlow is typical of all Southern New Towns, and that the immediately surrounding area, comprising the Harlow sub region, has different household characteristics.

Table 8.3 Household composition (Lone parents)

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
All households (000s)	33.2	198.3	404.6	1.1	2.2	3.9	21.7
Lone Parent Households (000s)	2.6	10.6	29.2	0.1	0.1	0.3	1.4
Lone Parent Households (% of all households)	7.8%	5.4%	7.2%	5.5%	5.3%	7.6%	6.5%
Harlow's relative performance (rate)	0.0%	2.5%	0.6%	2.3%	2.5%	0.2%	1.3%
Harlow's relative performance (rate)	0	810	190	770	830	70	440

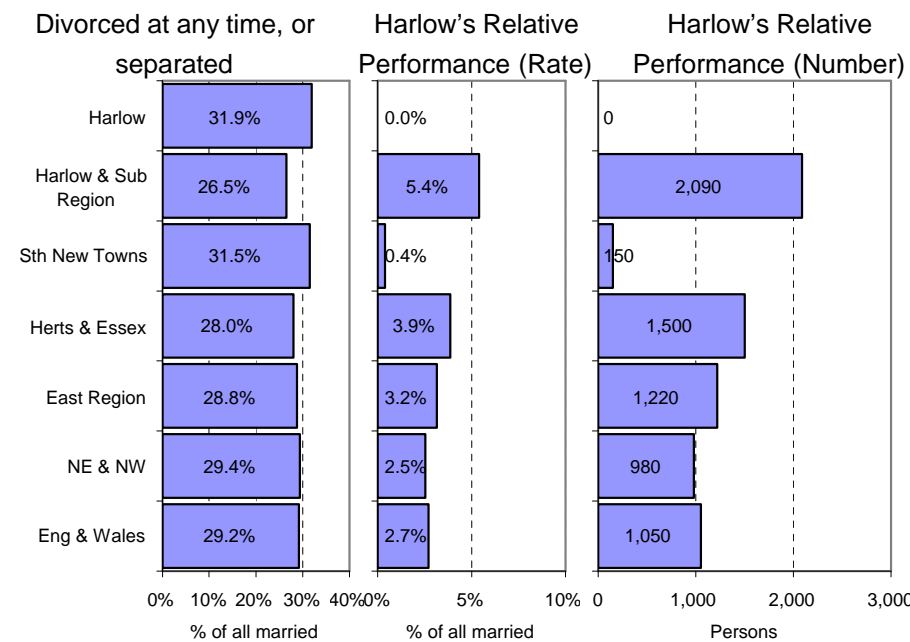


Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

8.3.9 The figures for divorce and separation in Harlow set out in Table 8.4 are comparable with the other South New Towns, but are 5% greater than for the Harlow sub region.

Table 8.4 Marital status: Divorce/Separation

	Harlow	Harlow & Sub Region	Sth New Towns	Herts & Essex	East Region	NE & NW	Eng & Wales
Married at any time (000s)	38.7	250.5	482.8	1.4	2.8	4.5	25.6
Divorced at any time, or separated (000s)	12.3	66.4	152.1	0.4	0.8	1.3	7.5
Divorced at any time, or separated (% of married)	31.9	26.5	31.5	28.0	28.8	29.4	29.2
Harlow's relative performance (rate)	0.0	5.4	0.4	3.9	3.2	2.5	2.7
Harlow's relative performance (number)	0	2,090	150	1,500	1,220	980	1,050



Note: Absolute numbers in Herts and Essex, Eastern Region and England & Wales are divided by 1000
 *SthNewTown=Milton Keynes, Basildon, Harlow, Stevenage, Welwyn Hatfield, Peterborough, Northampton
 Source: Census of Population, 2001 (ONS, PACEC)

8.4 Single Regeneration Budget Programmes

SRB 4 - Regeneration through Youth

8.4.1 The regeneration through youth SRB round 4 scheme sought to realise the vision of the Harlow 2020 partnership through pursuing the following five objectives:

- Objective 1: To improve the provision of housing in the Town Centre.
- Objective 2: To tackle crime and improve community safety in the Town Centre.
- Objective 3: To enhance the education and skills of young people in Harlow.
- Objective 4: To enhance the employment prospects of young people in Harlow.
- Objective 5: To enhance the quality of life, health and the capacity to contribute to regeneration of local young people and tackle social exclusion.

- 8.4.2 The Harlow 2020 partnership moreover, sought to develop the capacity of the voluntary, community and co-operative sector to enable them to develop services which improve the quality of life in Harlow.

Community Connections Development Programme

- 8.4.3 The development programme is linked to the services provided by a Community Learning Resource Centre and includes training and development packages, together with the development of a Tool Kit. Its primary objectives were:

- To provide outreach contact to existing groups and supporting the development of new groups.
- To provide in-depth training needs analysis for organisations, together with an action plan.
- To work with people with disabilities to enable them to access the labour market.
- To provide Disability Awareness Training to staff and members of third sector organisations.

Co-operative Development Package

- 8.4.4 The aim was to increase the capacity of existing co-operative organisations and to build the capacity of the local community to participate in those organisations. Harlow already had an active co-operative sector. However, the members of existing co-operatives were focused on activities required to sustain their own organisations on a day-to-day basis. By tapping into what already existed and offering the support necessary for organisations, the overall capacity of the sector has been raised. The overall package consisted of:

- Work with existing community co-operatives such as the credit unions, LETS scheme, food co-operative and housing co-operatives in Harlow, providing support in skills analysis, training needs identification and one-to-one development support based on identified needs.
- Supporting the development of links between the different community co-operatives, to enable the sharing of information and skills, to build their capacity to engage in the local government decision-making processes, and to enable shared promotional activity.
- Networking with other community and voluntary support organisations to raise awareness of the co-operative option for community development and avoid unnecessary duplication of activities.
- To promote co-operative options within local communities and offer support and advice to groups wanting to start a community based co-operative.

SRB 6.3 – Community connections

- 8.4.5 Harlow District Council's Regeneration Unit conducted a final evaluation of Harlow's SRB6 programme – Community Connections in 2003. Community Connections has been embedded within years three, four and five, (i.e., 2000-2001, 2001-2002 and 2002-2003) of Harlow's SRB4 programme - Regeneration Through Youth. The final evaluation of Community Connections would examine the extent to which the overall

programme had contributed towards addressing two key objectives of the Harlow 2020 Partnership:

- Lowering social exclusion and improving the opportunities for local people by enhancing their employability.
- developing the capacity of the voluntary, community and co-operative sector to enable providers to take independent action and develop services which improve the quality of life in the local community.

8.4.6 Community Connections was developed by Harlow Council for Voluntary Service, (Harlow CVS). The main aim of SRB 6 Community Connections was to build the capacity of the voluntary and community groups to become more effective and self-sustaining. This was achieved by the creation of a Resource Centre that would become a hub for voluntary sector activity, skill sharing and development. The HOLLI Centre was established to develop Information Technology and communication skills among voluntary and community groups.

8.4.7 The Quality Assurance system PQASSO was introduced to voluntary and community groups.

8.4.8 The second strand of SRB 6 was to provide in-depth training needs analysis for local community and voluntary organisations. It targeted Social enterprises as SMEs, and sought to raise sustainability through the development of skills and competence of their workforces.

8.5 Community networks and participation structures

Tenant participation

8.5.1 The following section explores the nature and extent of community participation in Harlow. There are essentially two main conduits for community participation; through the Community Partnership and Housing teams. A full review took place in early 2002 and the Town-wide Tenants Advisory Group (TWTAG) appointed an independent advisor to assist them in formulating and negotiating a new participation structure, overarching Compact and a new internal governance system.

8.5.2 TWTAG and HDC drafted a Tenant Empowerment Strategy in April 2004 which standardises the future strategy through key action points. The issues identified were:

- Maintaining meaningful and productive tenant participation – more focused on what can realistically be achieved.
- Reaching out. – engaging with a wider range of residents.
- Improving communication – style and delivery of materials.
- Reducing barriers to participation – identification of information overload and training for tenants.

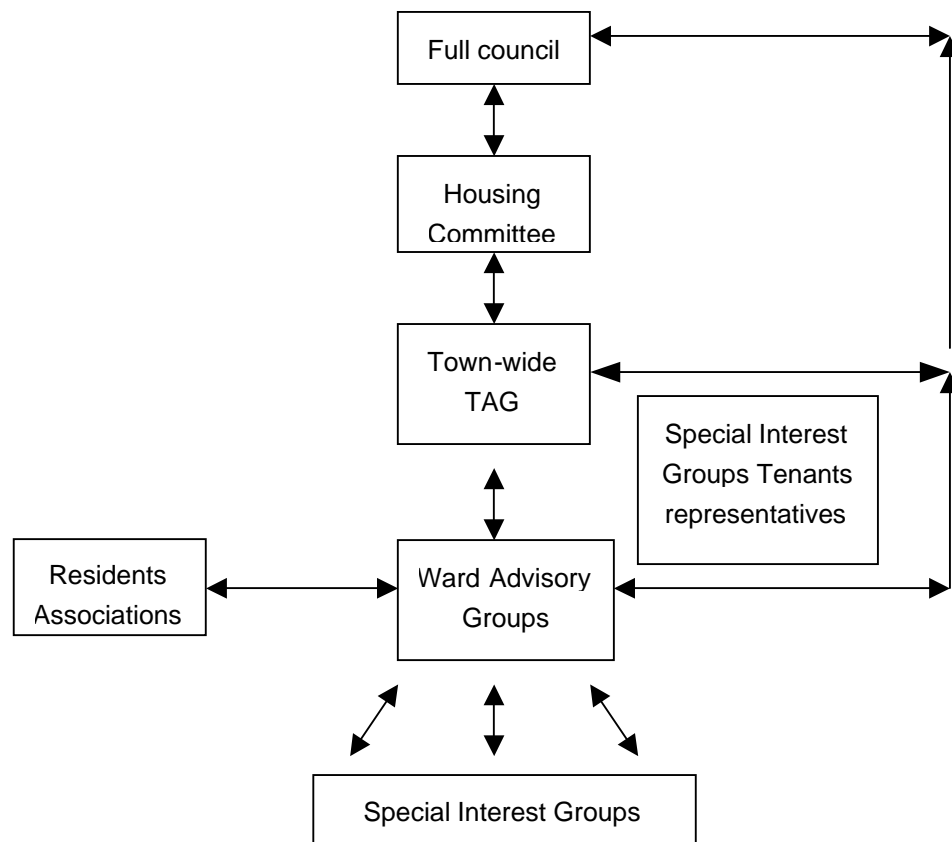
8.5.3 Along with the Tenant Empowerment Strategy, HDC drafted a Communication and Consultation Strategy in 2004. The key themes are:

- Communicating with residents

- Internal communications
- Media relations
- Consultation
- Branding
- E – communications
- Communicating with hard to reach groups.

8.5.4 HDC’s policy towards tenant participation is influenced by the specific duties imposed on them by the ODPM and the Audit Commission. This represents an important area of community participation, and the structure in Harlow is illustrated in Figure 8.3 below.

Figure 8.3 Tenant Participation Structure



Source: HDC

8.5.5 The existing ward-based structure of tenant participation has evolved and taken over from the previous Neighbourhood structure. Groups now represent Wards rather than Neighbourhoods. This has meant that some groups have changed names according to boundary criteria. There is one overall group, the TWTAG and 10 Ward Advisory Groups (WAGs). TWTAG is made up of tenants who are elected from the WAGs on a proportional basis - 1 rep per 500 tenants. The WAGs are open to all residents but are primarily to discuss housing issues.

8.5.6 The objectives of the TWTAG are to maximize tenant and leaseholder involvement in the development, implementation, monitoring and evaluation of Housing Services.

Moreover, the purpose is to develop an effective partnership with HDC to ensure that the commitments in the Harlow Tenant Compact are implemented effectively. The Compact, based upon the Government's framework for tenant participation, was drawn up in June 2004 and prepared by TWTAG, and is the model template for local ward-based Compacts. After extensive consultation and a survey of around 2400 residents, the Compact was drawn up. It comprised the aims and objectives, methods and resources for participation and the governance structures necessary for effective tenant participation.

Community Engagement

- 8.5.7 Over the last fourteen years, the following types of meetings have been held between residents, councillors and stakeholders: Area Committees, Area Forums, and Community Partnerships
- 8.5.8 From approximately 1990 until March 2000 Harlow Council held seven Area Committees. The Area Committee was the council's response to decentralisation and democratisation, which enabled decisions (planning/environmental and resource) about the neighbourhoods to be made at a local neighbourhood level. These decisions were fed into the council's financial/policy strategy via references and resolutions from the Area Committees.
- 8.5.9 From June 2000 until March 2002 Harlow Council held seven Area Forums. The Area Forums consisted of three elements: an Open Forum where residents would be able to raise any issues of concern with their councillors; the Community Forum was for community reports, consultation on important issues, presentations by other agencies and community safety reports, including the Beat Officers and Fire Officer reports; the final session was Matters for Decisions, which included planning applications, licensing applications and spends on the Neighbourhood Incentive Budget (approximately £176K divided pro rata on the population of the neighbourhoods). The aim of these changes was to develop a meeting, which had a stronger community focus and met the needs of the local community. Decisions were fed into the council's financial/policy strategy via references and resolutions from the Area Committees.
- 8.5.10 From October 2002 to March 2004 eleven Community Partnerships were established, one for each local ward. The purpose of the Community Partnerships was: to enable and empower residents to identify and prioritise the needs of their local area (ward); to develop and monitor the residents' Community Action Plan; to act as a consultation and scrutiny mechanism for the council in relation to local service quality and performance; to provide the council's partners and other public service providers with a mechanism to engage with local people on service performance; and to enhance the council's scrutiny function.
- 8.5.11 Each of the 11 Community Partnership wards had a Community Incentive Budget (CIB) (2002/03 £10K per ward, 2003/04 £11,800 per ward) that was used to fund ward-based projects and initiatives that would benefit the local community. Any 'not

for profit' community group, organisation or a group of three or more neighbours could apply for funding for their own project (e.g. to start up a residents association, to purchase new equipment or to improve local facilities).

- 8.5.12 The Community Partnership recommendations on spending were referred to the Policy and Resources Committee for resolution. A summary of some of the work originating from the Community Partnerships is shown in the table below, which also incorporates projects of the Community Partnership Team. The work of the Community Partnership Team is currently under review.

Work originating from Community Partnerships

- 8.5.13 The following projects have flowed from work originating with the Community Partnerships.

- Community Partnerships
- The Stow CCTV Project
- Harlow Youth Bank
- Youth Shelters
- Moorfield Regeneration Working Party
- Maunds Hatch Community Project
- Copshall Close, Aylets Field and The Briars Residents' Associations (CABRA)
- Asian Women Project
- BME Community Development Work
- Chinese Garden Project
- Partnership Working
- Race and Diversity Training
- Youth Diversity Festival
- Summer Youth Project
- Piecing Together
- Le Crunch
- Harlow Mentoring Network

- 8.5.14 The Community Partnerships provided the framework for consultations with residents and community groups to ascertain their views and wishes for the future of their ward and the town in relation to the Harlow 2020 vision.

8.6 Strengths, weakness opportunities and threats

Strengths

- Rich history of community participation in Harlow
- Residents like living in Harlow and have families there

- Inception of a youth council (2003) engendering participatory activities for young people
- Harlow residents are consulted widely on a broad range of issues
- Participation structures which HDC put in place exhibit coherence
- A wide array of local community projects being delivered effectively
- Capacity building has enabled more effective community participation initiatives
- The Index of Multiple Deprivation (2004) shows that Harlow does not suffer from widespread deprivation although there are significant pockets experiencing disadvantage

Weaknesses

- Social exclusion continues and can constrain community empowerment
- Pockets of discrete deprivation exist
- Lack of skills related to community participation and empowerment
- The opportunities for residents to continue to participate in community initiatives may be under threat as projects are wound up and need to be restructured.
- Lack of long term funding both for community groups and further capacity building.

Opportunities

- To develop regeneration projects to address the underlying social exclusion issues and improve deprivation levels across Harlow.
- New town wide regeneration will enhance community participation in regeneration initiatives
- Building consensus of what can be realistically achieved in community participation
- Community partnership working can draw in diverse community groups

Threats

- External factors including macro socio-economic policy changes
- Changing local, political landscape hinders sustainable local community participation
- Local political change and interventionist policy may threaten effective community governance structures
- Participation should be seen as genuine and not mere tokenism
- Sustainability of funding needs to be addressed
- The winding down of the Single Regeneration Budget will result in increased pressure on community and voluntary groups

8.7 Strategic Challenges

- 8.7.1 The foregoing analysis highlights a number of strategic challenges faced if the Harlow community is to strengthen its role in regeneration.

- Developing sustained urban regeneration and new forms of community governance in Harlow depends not simply on the creation of networks but on how those networks are supported and maintained over future years. Action on two key issues is required namely widening involvement and strengthening resourcing. Providers of support and training for urban regeneration community participants should ensure that there is a focus on review and development.
- HDC and its partners need to maintain its consistent approach to evaluating community participation in area regeneration programmes and ensure that sources of technical advice, independent consultancy, community support and learning support are available to local communities.
- Dissemination of examples of good practice is important in Harlow as is supporting initiatives to enable communities to develop their own projects and their own community-based partnership bids. Providing support for the community sector to facilitate participatory monitoring and evaluation and to facilitate networking at local and regional levels to share experiences and findings is important.
- Community participation structures should be genuinely inclusive, representative and democratically accountable, taking account of minority as well as majority interests. Community groups should share responsibility for participatory monitoring and evaluation, taking account of the wider impact on the community sector.

8.8 Needs and Issues

Key characteristics of the population have implications for community development.

- Harlow is not ethnically diverse; the white British population is above the national and regional average, but there are distinct minority community needs.
- The proportion of Lone Parent households is comparable to other Southern New Towns.
- According to the Index of Multiple Deprivation, the Harlow community does not suffer from widespread deprivation. Nevertheless, Harlow remains within the most deprived 10% of local authorities in the East of England region.
- Deprivation tends to be more dispersed in Harlow and hence less visible. Nevertheless part of Staple Tye Ward falls within the 20% most deprived areas of the country.
- The Harlow Ward deprivation scores of significance in terms of community need are education, skills and training, barriers to housing and services and crime and disorder.
- The opportunities for residents to continue to participate in community initiatives may be under threat as projects are wound up and need to be restructured.
- Mainstream service providers have a low level of awareness on how to build the community participation process into service planning and delivery.
- The Voluntary and Community Sector is relatively underrepresented on the LSC.
- Community involvement and participation in Harlow is constrained by the lack of basic skills.

9 Health

9.1 Introduction

- 9.1.1 This chapter considers the current provision of public health services in Harlow, developing services and the needs and issues the service faces in the context of possible 'growth area' population change. This review is considered in the context of national and local policy.
- 9.1.2 Healthcare catchment areas and the flow of patients to facilities overlap district and town boundaries. The consideration of healthcare provision in Harlow therefore, incorporates the four surrounding districts of Harlow, 'the Harlow Sub-Region': Broxbourne, East Hertfordshire, Epping Forest and Uttlesford. The Primary Care Trusts in each of these districts access secondary care services at Princess Alexandra Hospital NHS Trust, as well as surrounding acute hospitals.
- 9.1.3 Future growth scenarios for Harlow have shown a departure from the relatively stable demographics of the past two decades. The scenarios show population expansion. Infrastructure and investment for healthcare are normally related to population.
- 9.1.4 If no related expansion in healthcare takes place, it is reported that the present NHS healthcare will face over-demand in its facilities and service and on its workforce. NHS representatives advise that hospital provision for Harlow is currently running at 90-95% capacity. There is also a skills shortage - securing senior nursing staff has been identified as a problem and some hospital consultants and GPs are due to retire in the forthcoming period, adding to the problems in Harlow.
- 9.1.5 Assessments of future healthcare demand and planning for demographic change are underway. An internal assessment of site capacity at the Princess Alexandra Hospital and the West Essex Clinical Services Review (WESCR) undertaken by the local Primary Care Trust will indicate the capability and healthcare requirements at primary and secondary level healthcare.

9.2 Policy context

- 9.2.1 Reports which are pertinent to defining the direction of the NHS in Harlow include:
- The Modernisation Agenda
 - NHS Plan, 2000
 - NHS Plan: National Policy and Priorities 2003/06
 - NHS Essex Strategic Health Authority Local Delivery Plan 2004
 - NHS Improvement Plan 2004/08, June 2004
 - NHS White Paper 2004, Choosing Health
 - NHS Planning Round 2005/08

9.2.2 The changing agenda and strategy for the NHS and the implications of these changes in Harlow will now be considered.

NHS Plan 2000

9.2.3 The NHS Plan of 2000 presents a blueprint for radical reform of the NHS, supported by a financial commitment of increasing investment to fund modernisation and expansion of NHS facilities. National targets aim to: expand bed numbers in hospitals and intermediate care; build new hospitals and new one-stop primary care centres; modernise GP premises; and invest in staff (more consultants, GPs, nurses and therapists).

9.2.4 This improved health service is to be designed around the patient. A system of 'earned autonomy' is used which devolves power from the central government to local NHS, so that those local NHS organisations that perform well should get more freedom to run their own affairs.

9.2.5 At the centre of the NHS Plan, 2000, is the 'Modernisation Agenda'. The Agenda has been to place patient health at the heart of the health service - making health services more accessible, safer and more personalised. The work of the Modernisation Agency is to support NHS clinicians and managers to improve services of the NHS and act as the 'centre for excellence' in identifying and celebrating good practice in the NHS. The role of the Modernisation Agency is itself changing, with an increasing emphasis on leadership development and learning. The refocusing of NHS workings to bring empowerment to frontline staff and patients in the NHS is a programme called the 'Shifting the Balance of Power'.

9.2.6 A main feature of this power shift towards the patient has been to give locally-based Primary Care Trusts (PCTs), and increasingly individual or groups of practices, a stronger commissioning role in the running of the NHS. Strategic Health Authorities have a wider strategic role across a much larger geographical area (see Figure 9.5) for how local structures interrelate). There are effectively five PCTs, across two Strategic Health Authorities, affected by growth in the area – Harlow, Epping Forest and Uttlesford PCTs in Essex SHA; and South East Herts and Royston, Buntingford and Bishops Stortford PCTs within Bedfordshire and Hertfordshire SHA.

NHS White Paper 2004: Choosing Health

9.2.7 The White Paper published in November 2004 builds on the Modernisation Agenda and develops the concept of individual choice in "a diverse, open and more questioning society".

9.2.8 Three principles underpin the Paper:

- 5 Informed choice: People will be able to make decisions about choices that impact on their health with trustworthy information to help them do so
- 6 Personalisation: Tackling health inequalities will be tailored to individuals, with services and support personalised sensitively and provided flexibly and conveniently

7 Working together: Progress depends on effective partnerships across communities

- 9.2.9 The Choice Programme is central to the Government's vision for the NHS and will be rolled out across the UK in 2005. Patients needing surgical treatment will be offered a choice of up to four or five hospitals once their GP has decided that a referral is required. Hospitals could be within NHS organisations, new treatment centres, or doctors with a special interest operating from a GP surgery.
- 9.2.10 This programme is aimed at expanding capacity and the options for patients to support the next stage of improved access times for elective treatment which require further capacity in the healthcare system. The assumption is that local people will choose their local hospital where the hospital is able to provide services in line with national access and quality standards.
- 9.2.11 It is reported that for the Princess Alexandra Hospital to be able to compete equitably within this new healthcare environment, it will need to have the appropriate capacity available. Over the last two years the hospital has been remodelling its services and has introduced a new model of care supported by a first phase of hospital capital development. With the planned population expansion in Harlow, the hospital will need a second stage of capital development to provide further additional capacity and also to remodel its emergency care and clinical diagnostic facilities in line with the most modern emergency secondary healthcare facilities in the world. The level of capacity expansion will be controlled through changes in models of care by working jointly with primary care colleagues enabling, where clinically appropriate, more services to be provided outside the hospital.
- 9.2.12 This recently issued review of progress against the NHS Plan 2000 and next steps identifies the further changes and priorities for the NHS which will need to be taken into account in local planning for Harlow. The major issues cover:
- 8 Public health and the need to provide greater focus on this to improve healthcare (details to be added from the PCT, Public Health Director).
 - 9 The move to more proactive management of individuals with longer term conditions (chronic diseases) to improve their quality of life and reduce the deterioration of these individuals' clinical conditions which if occurs requires a hospital admission. Evidence based medicine in this area shows successful management of a number of patients. Joint work between secondary and primary care in this area will help control the level of additional hospital capacity required to meet planned population change as detailed in the section above.
 - 10 A reduction in the waiting times for non urgent elective (planned) admissions to a maximum wait of 18 weeks from outpatient referral to treatment, which will require an expansion in elective capacity. Planned population expansion will cause an additional capacity requirement, which will result in additional facilities being required at both The Princess Alexandra Hospital NHS Trust and within primary care. Part of the impact of this change will also likely be met through other providers including the independent sector.

NHS Improvement Plan 2004/08 June 2004

- 9.2.13 The NHS Improvement Plan, published in June 2004, set out the next stage of the Government's plans for the modernisation of the health service, including further devolution of decision-making to local organisations and greater joint working.
- 9.2.14 This Plan is a move away from the previous system driven mainly by national targets to one in which standards are the main driver for continuous improvements, with greater scope for addressing local priorities.
- 9.2.15 The Improvement Plan will be implemented by: shifting as much power to patients as possible through greater choice; giving local leaders much more control; fewer national targets but a requirement for local targets; and an emphasis on equity.
- 9.2.16 These themes are drawn out in the most recent NHS Planning round (2005/08): service planning will orientate around a smaller set of national targets with greater scope for locally-determined targets and priorities. Devolution will therefore play a greater role in service decision making. Patient Choice and funding by results will ensure that there is competition between healthcare services.

Essex Strategic Health Authority 2004/2005 Local Delivery Plan, June 2004

- 9.2.17 The Strategic Health Authority (SHA) is, among other things, responsible for developing strategies for the local health service and ensuring high quality performance of the local health service and its organisations. The SHA's Local Delivery Plan, built up from individual plans put together by groups of local commissioning PCTs, confirms national and local strategic priorities; and defines the investment, activity and capacity needed to deliver key targets. The SHA report also shows systematically how improvements will be made and provides the basis for monitoring progress and performance management and accountability to local people.

Existing education arrangements

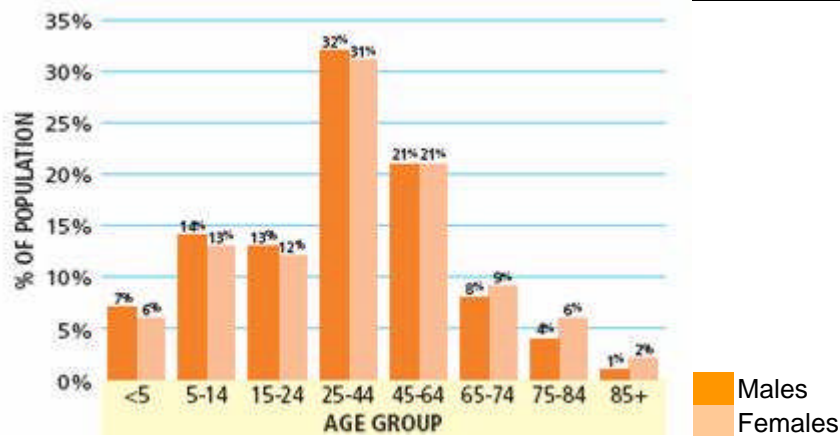
- 9.2.18 Education, learning and development are key to delivering the Government's vision of patient centred care in the NHS. All the health organisations across primary and secondary care are committed to providing staff with appropriate personal development and training whilst in post: the aim being to ensure that each, working with its partners and related sectors, develops and equips its staff with the skills they need to: support changes and improvements in patient care; take advantage of wider career opportunities; and realise their potential.

9.3 Main health issues in Harlow

- 9.3.1 The following information in this section was taken from the Annual Public Health Report 2002-03, Feb 2004 (APHR), with up dated figures supplied by Harlow PCT where possible. This section will draw out the main health issues affecting Harlow.

9.3.2 **Age profile:** The Harlow age distribution is slightly different to the national picture. There is a larger percentage aged 0 to 44 years in Harlow (64% compared with the England and Wales average of 60%), whilst Harlow has a lower percentage of older people (75+ years age groups). The population in Harlow will be ageing, in keeping with, but to a higher degree than, national trends. This brings the risk of increased levels of certain conditions e.g. diabetes, cancer, coronary heart disease, osteoporosis.

Figure 9.1 Harlow Gender Distribution

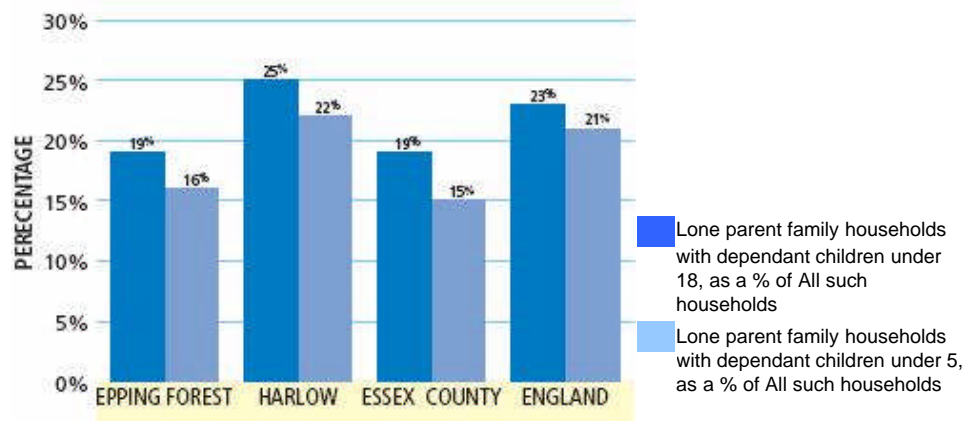


Source: APHR (2004) sourcing Office of National Statistics, Census 2001

9.3.3 **Life expectancy** for men is 75.6 years, similar to life expectancy for England, but slightly lower to that for Eastern Region. For women in Harlow, 82.3 years life expectancy is much higher than national and regional figures.

9.3.4 **Marital status and lone parents:** Reflecting the new town effect, and overall younger population in Harlow, there is a smaller percentage (7.7% compared with 8.4%) of widowed people and people who have never married; 29.8% compared with 30.1% for England and Wales. However, compared to the national picture, Harlow has a greater percentage of separated and divorced people. In Harlow there are slightly higher percentages, when compared to Essex County and the national figure, of lone parent families with children aged under 5 and under 18 years. A quarter of dependent children under the age of 18 in Harlow live with a lone parent. Of children aged under 5 years old, 22% live with a lone parent. The Primary Care Trust considers that there is a correlation between household composition, marital status and dependent children and factors related to community health.

Figure 9.2 Lone Parent Families

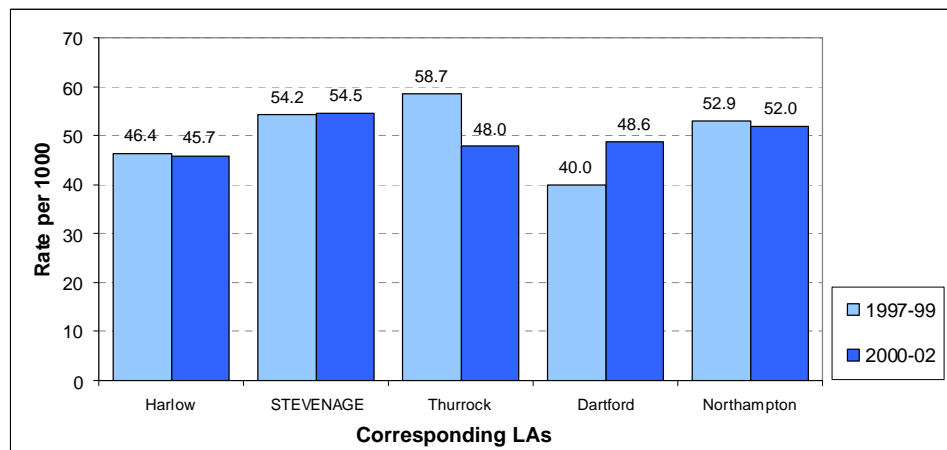


Source: APHR (2004) sourcing Office of National Statistics, Census 2001

9.3.5 **Teenage Conceptions (see Figure 9.3):** APHR 2004 notes that although parenthood is, for the majority, a positive experience, for young parents and their children it can bring negative consequences. In particular, there can be negative impacts on the:

- health of both child and mother (short and longer term),
- education and employment opportunities for teenage parents; which can affect health
- likelihood of secure and stable housing for the family, which can affect health.

Figure 9.3 Under 18 conception rates 1997-99 and 2000-02 by selected Local Authorities



Source: Harlow PCT, Teenage Pregnancy Unit

9.3.6 It is not appropriate to show the above rates on a yearly basis because the numbers are small (less than 100), so rates of teenage conceptions are grouped into 3 yearly averages. Teenage pregnancy in Harlow is shown to be at 45.7 per 1,000 in 2000-02 relatively similar to the 1997-99 figure. The recent figure of 2000-02 is the lowest compared to the surrounding local authorities, and the APHR describe the reduction as ‘encouraging’.

9.3.7 **Smoking:** A key risk factor associated with many of diseases and causes of death is the rate of smoking. It is estimated that there are 17,000 people over the age of 16 years in Harlow who smoke which is similar to the South East.

9.4 Hospital Admissions

9.4.1 A key proxy of ill-health is the elective (planned) and emergency (unplanned) admissions to hospital.

9.4.2 **Elective inpatients:** Table 9.1 below shows the main reasons for elective admission in more detail, which are diseases of the digestive system, the musculo-skeletal system, and the genito-urinary system.

Table 9.1 Elective Admission, Harlow district

ICD-10 Chapter	Description	Total Elective Admissions	% of Total
11	Diseases of the digestive system	415	18%
13	Musculo-skeletal system	397	17%
14	Genito-urinary system	336	14%
2	Neoplasms	331	14%
7	Diseases of the eye and adnexa	171	7%
10	Diseases of the respiratory system	159	7%
9	Diseases of the circulatory system	125	5%
21	Factors influencing health and health status and contact with the services	106	5%
18	Systems, signs and abnormal clinical and laboratory findings not elsewhere classified	103	4%

Source: APHR (2004)

ICD-10 - the tenth version of the International Statistical Classification of Diseases and Related Health Problems. This is a classification that is used throughout the world to code different disease diagnoses in order that different areas and countries can be compared.

9.4.3 **Daycases:** Table 9.2 shows the main reasons for day cases, which are neoplasms, diseases of the digestive system, and the genitor-urinary system.

Table 9.2 Day case Activity, Harlow district

ICD-10 Chapter	Description	Total Daycases	% of Total
2	Neoplasms	1,616	27%
11	Diseases of the digestive system	1,039	17%
14	Genito-urinary system	895	15%
7	Diseases of the eye and adnexa	675	11%
13	Musculo-skeletal system	271	4%
3	Disease of the blood	247	4%
18	Systems, signs and abnormal clinical and laboratory findings not elsewhere classified	223	4%
21	Factors influencing health and health status and contact with the services	198	3%
15	Pregnancy and child birth	194	3%
4	Endocrine/metabolic disease	152	3%

Source: APHR (2004)

ICD-10 - the tenth version of the International Statistical Classification of Diseases and Related Health Problems. This is a classification that is used throughout the world to code different disease diagnoses in order that different areas and countries can be compared

9.4.4 **Emergency Admissions:** Table 9.3 shows the main reasons for emergency admissions, which are systems, signs and abnormal clinical and laboratory findings not elsewhere classified, and diseases of the circulatory and digestive systems.

Table 9.3 Emergency Admissions, Harlow district

ICD-10 Chapter	Description	Total Emergency Admissions	% of Total
18	Systems, signs and abnormal clinical and laboratory findings not elsewhere classified	1,090	17%
9	Diseases of the circulatory system	945	15%
11	Diseases of the digestive system	864	14%
19	Injury, poisoning	786	12%
10	Diseases of the respiratory system	686	11%
15	Pregnancy and child birth	385	6%
14	Genito-urinary system	315	5%
2	Neoplasms	312	5%
12	Diseases of the skin	181	3%
13	Musculo-skeletal system	159	3%

Source: APHR (2004)

ICD-10 - the tenth version of the International Statistical Classification of Diseases and Related Health Problems. This is a classification that is used throughout the world to code different disease diagnoses in order that different areas and countries can be compared

9.4.5 **Deaths, Cancer:** The target, for cancer is to reduce deaths from cancer in the population aged under-75 by at least a fifth by 2010 from the 1995-97 average baseline. Progress is being made and the rate of cancer deaths per 100,000 population has fallen from 153 (1995-97) to 140 (1999-00), but this is still higher than the national average of 142 and 120, by respective year group.

- 9.4.6 **Deaths, Circulatory Diseases:** There has also been significant progress in the fight against circulatory diseases and the number of deaths have fallen from 143 (1995-97) to 108 (1999-00) – a fall better than the national average over the same periods (142 and 116, respectively).
- 9.4.7 **Deaths, Mental Health:** The main national target for mental health is to reduce the death rate from suicides by at least 10% by the year 2010. At PCT level, the number of suicides is small: 1999-2000 baseline showed 10.4 per 100,000 population, the national figure being 9.4.
- 9.4.8 **Health inequalities** are very evident in Harlow. On some main health issues, the district does not compare favourably to other areas in Essex or the national average.

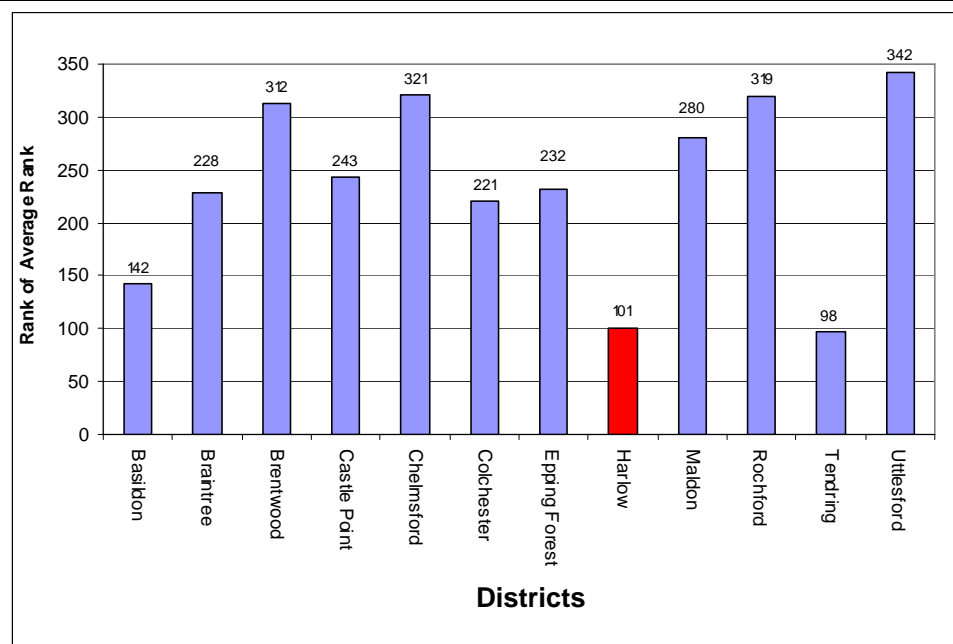
9.5 Summary

- Reflecting the new town effect, Harlow has a 4% larger proportion of 0-44 age groups and a lower proportion of 75+ age groups, and an ageing population.
- There are a slightly higher proportion of dependant children under the age of 18 live with a lone parent.
- Teenage pregnancies are shown to be falling and most recent rates are lowest compared to surrounding local authorities.
- Elective inpatients: The most common reasons for elective admission were for diseases of the digestive system, musculo-skeletal system, and the genito-urinary system.
- Day cases: The most common reasons for day cases were neoplasms, diseases of the digestive system, and the genitor-urinary system
- Emergency admissions: The most common reasons for emergency admission were systems, signs, and abnormal clinical and laboratory findings not elsewhere classified, and diseases of the circulatory and digestive systems.
- Deaths by cancer are shown to be higher than the national average (significantly), which is also the case for mental health. Death by circulatory diseases have fallen at a rate faster than the national average and most recent figures show they are below the national average.
- Health inequalities are very evident in Harlow. On some main health issues, the district does not compare favourably to other areas in Essex or the national average.

9.6 Harlow Deprivation

- 9.6.1 Health and deprivation are closely linked and Harlow is shown to be slightly below regional average in deprivation. Figure 9.4 below shows in 2004 Tendring was the most deprived district overall in Essex followed by Harlow. Harlow has fallen down the national ranking from 82 to 101 which means that it is now judged to be relatively less deprived.

Figure 9.4 Deprivation Average Rank achieved by districts in Essex



Source: Indices of Deprivation 2004, Office of the Deputy Prime Minister

9.6.2 The data in this report shows that Harlow residents are in slightly worse health than those living in the surrounding areas, though compared to the National average Harlow has a smaller proportion of the less healthy. The proportion of the working population with a limiting long term illness is also higher when compared to the East region, but again lower when compared to the national average. Incapacity benefits do not vary from the national average to any degree. This is an oversimplification to some extent, as some individual wards outside Harlow town itself also have significant deprivation.

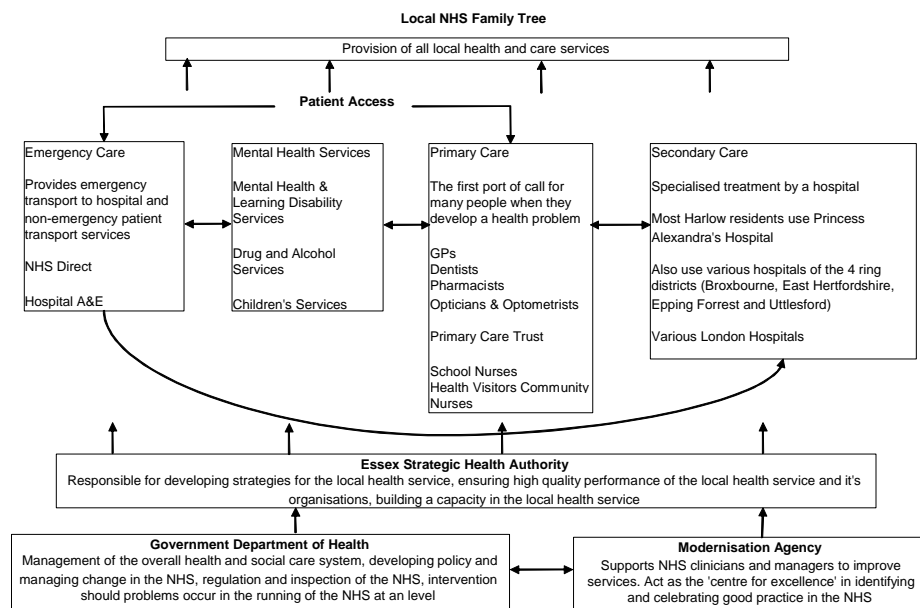
9.6.3 Local demographics are likewise important to plan for health facilities. Age structure affects the type of health services in demand. A younger population for instance will have higher fertility rates and a greater need for maternity and children’s services. The West Essex Clinical Services Review will consider changing demand in healthcare given the changing demography of the Harlow area.

9.7 Structure of the NHS

The local NHS family tree

9.7.1 The pictorial representation below (Figure 9.5) shows the relationships of management and provision between central government, regional and local structures of healthcare control.

Figure 9.5 Local NHS Family Tree



9.7.2 The NHS tree shows that there are four front-end services which interact with patients Primary, Secondary, Mental Health Services (often provided through the PCT) and Emergency Care. Underpinning these services is the SHA which is informed by the Department of Health and the Modernisation Agency whose roles are to manage and regulate the social care system.

9.8 Current Healthcare provision in the West Essex / East Hertfordshire area

NHS services in Harlow

9.8.1 Essex SHA was established in October 2002 following the merger of the former North and South Essex Authorities, its prime functions to: help trusts to put national policy into practice; set the strategic direction for Essex; monitoring performance and standard setting; and support modernisation. Of the 12 PCT's within Essex SHA, the West Essex sub-economy comprises Uttlesford, Harlow and Epping Forest PCT's, with the acute Trust, Princess Alexandra Hospital. The Clinical Services Review includes the two East Hertfordshire PCT's, South East Herts and Royston, Buntingford and Bishop's Stortford PCT's, both with significant flows of patients to Princess Alexandra Hospital.

Primary Care Trusts and Secondary Care

9.8.2 Primary Care Trusts (PCT's) are responsible for managing health services at a local level to ensure community's needs are being met. Primary care as it implies, refers to the 'first point' of contact and is provided by GPs, dentists, opticians, etc. Primary care workers provide over 90% of healthcare needs and services and are provided

locally, usually at GP surgery. Primary Care Trusts also incorporate mental health provision.

9.8.3 Harlow Town has one PCT, and there are 5 other PCTs in the surrounding 4 districts of the Harlow Ring. Harlow Primary Care Trust was established in 2001.

9.8.4 Health problems which cannot be sorted out through primary care or emergencies are dealt with by secondary care. PCTs are responsible for commissioning secondary care. The West Essex and East Herts PCTs work closely with Princess Alexandra Hospital Trust to agree about how to deliver services.

9.8.5 PCTs are at the centre of modern NHS and receive 75% of the budget. Based locally they are best positioned to understand the needs of their community and ensure services are working effectively. PCTs will identify shortfalls in services and negotiate with practices to provide extra services. PCTs can also contract non-NHS bodies such as voluntary or commercial sector providers to supply primary medical services.

9.8.6 By 2005/06, procedure level commissioning will apply to all activity commissioned within the NHS.

Harlow Primary Care Trust

9.8.7 The Harlow PCT was established in April 2001 and manages around 260 staff and serves the population of Harlow (some 80,000 people), and holds the National Health Service budget for Harlow. The area the PCT covers is based on GP surgery registration so that patients may access Harlow PCT and Princess Alexandra Hospital Trust though not live within the boundaries of Harlow Council.

9.8.8 As commissioners of healthcare, the majority of revenue funding is directed to PCTs, with a formula based on population numbers. A new funding formula was introduced in 2002/03 which was based on 2001 Census population figure. This means allocations fall short of the population increase since 2001 and therefore will add extra pressure to finding funds for development and modernisation. PCTs within designated growth areas are anticipating future allocations to be uplifted in recognition of substantial population expansion. The precise level of uplift is yet to be agreed.

9.8.9 In 2001 there was a change in the configuration of the Trust's healthcare provision such that services for paediatrics and care for the elderly were transferred from the former Essex and Hertfordshire Community NHS Trust to The Princess Alexandra Hospital NHS Trust. Non acute care of the elderly services was transferred to Primary Care Trusts in 2001.

9.8.10 There are 9 related PCT clinics, and the PCT also manages directly manages:

- District Nursing, School Nursing and Health visiting services
- Health promotion nurse for over 75's
- Collaborative care

- Intermediate Care Centre at Sydenham House and Williams Day Hospital
- (47 bed centre opened in 2003)
- Walk-In Treatment Centre and Young People's Information Centre
- Diabetes Specialist nurses
- Child Protection Team

9.8.11 The PCT has Service Level Agreements with:

- Epping Forest PCT for the provision of therapy services and specialist nurses
- Essex Ambulance Trust

The vast majority of Harlow PCT commissioning of secondary health services go to the Princess Alexandra's Hospital.

9.8.12 There are 11 GP practices within the PCT (46 GP's)

- Community Pharmacies (13)
- Dentistry Practices (10)
- Optometry Practices (08)

9.8.13 Harlow PCT also commissions services from the following organisations:

- St Clare Hospice
- North Essex Mental Health Partnership NHS Trust
- East and North Herts NHS Trust
- Essex County Council
- Voluntary Sector
- Mid Essex Hospitals NHS Trust
- Harlow Council

9.8.14 Developments in Clinical Services:

- Redevelopment of specific clinics
- Diabetes service re-launch
- Improving dermatology services locally
- Full operation of Sydenham House Intermediate Care Centre
- ECP pilot for admissions avoidance
- Heart failure pilot – West Essex project
- Referrals management and Tier 2 services in Orthopaedics – West Essex Project

This information was drawn from the Harlow PCT service profile, which sourced: Harlow PCT Annual Report 2002/3; Harlow PCT Improvement Plan 2003; CHI Action Plan; and, PCT Clinical effectiveness and clinical audit strategy.

Recent provision being developed in the PCT

- 9.8.15 The PCT is working with local partners to develop medium term service and financial strategies to ensure continued sustainable improvement in the local health services, together with the delivery of the key NHS plan targets.
- 9.8.16 Provision specifically includes, for older people:
- Expanding the collaborative care team, to include a speech therapist and more help to assess people's needs while still in hospital
 - Moving the Williams Day Hospital from Princess Alexandra to the Leah Manning Elderly People's Centre so we can work closely with other services to meet older people's needs
 - Expanding the collaborative care team to provide more rehabilitation care for people at home
 - Developing a wider range of services at Sydenham House Intermediate Care Centre
- 9.8.17 For young people:
- Seven teams of health visitors based at clinics in Harlow to carry out development checks and offer advice, etc.
 - Young Peoples Information Centre in Harlow Town Centre
- 9.8.18 Mental Health Teams at Latton Bush. The teams work with patients in their own homes, clinics and the Community Mental Health Resource Centres. Community Mental Health Teams include community psychiatric nurses, occupational therapists and assistants, psychologists, approved social workers, support workers, psychiatrists and staff grade doctors.
- 9.8.19 Other improvements planned
- Opening a new, modern GP surgery at Sydenham House, to replace the old one
 - Extending the Walk In Centre
 - Launching a dermatology clinic at Keats House, meaning people with these problems will not have to face waiting times for hospital treatment
 - Refurbishment work at Osler House GP practice
 - Strong local demand for the Walk In Centre. Plans are in place for further expansion to provide a wider and more proactive range of services
- 9.8.20 Harlow PCT have implemented the national patient choice programme, initially, for patients waiting six months or longer for an operation, but by December 2005 this will be rolled out to everyone in need of secondary treatment, who will be then offered four or five choices. Initially, Choice will be offered to patients who face waits of six months or longer for orthopaedic or general surgery, as locally these are the surgical areas with the longest waiting lists.

Secondary Healthcare (Acute)

- 9.8.21 The Princess Alexandra Hospital Trust was established in 1995. The Trust provides health care services at Princess Alexandra Hospital, Harlow together with outpatient services at the Herts & Essex Hospital, Bishop's Stortford, St. Margaret's Hospital, Epping and the Tower Centre Clinic in Hoddesdon. In addition to the communities of Harlow Epping, the trust serves the population of Bishop's Stortford and Saffron Walden in the North, Loughton and Waltham Abbey in the South, Great Dunmow in the East, Hoddesdon and Broxbourne in the west.
- 9.8.22 The Princess Alexandra Hospital NHS Trust was established on 1 April 1995. The catchment for this main hospital reaches out to serve populations in Harlow and Epping; to the North - Bishop's Stortford and Saffron Walden; to the south – Loughton and Waltham Abbey; to the east – Gt Dunmow; to the west – Hoddesdon and Broxbourne, adding up to a population of 210,000 to 250,000.
- 9.8.23 Strategic priorities of the Trust include:
- Provide clinically appropriate and cost effective health services
 - Modernising health services
 - Duty to work in partnership with patients, the public, staff and other health and social care agencies and education and training bodies
- 9.8.24 Under NHS arrangement, PCTs commission work from NHS Trusts to secure health service for their local population. This new contracting was introduced in 2004.
- 9.8.25 PCTs drive the patient load of Princess Alexandra Hospital (PAH) in that PCTs commission care from the Acute providers. The PAH catchment area incorporates the four districts surrounding Harlow, providing secondary healthcare for the surrounding PCTs. The vast majority of Harlow's secondary care activity is commissioned from Princess Alexandra Hospital (95%) (only those specialist care issues being referred elsewhere), with a small proportion via proportions via Uttlesford PCT commissions up to 9 or 10%, the 2 PCTs in Hertfordshire requiring 25% of their Acute sourcing, and Epping PCT commissioning about 26-28% of their secondary care from PAH.
- 9.8.26 Service provision by the hospital includes:
- Acute services based at PAH (460 beds with A&E and core acute services)
 - Out-patient services at PAH plus Herts & Essex Hospital, St Margaret's Hospital, and Tower Centre Clinic, Hoddesdon
- 9.8.27 Harlow PCT has experienced 'heavy' demand for local acute services during 2003-2004, both in elective and emergency care. This highlighted a need for a medium term strategy which is being developed to manage demand and reduce requirements for secondary care provision by developing suitable alternative community services.
- 9.8.28 There has been significant recent redevelopment of site facilities at the PAH, including a £16million wing extension to the main site complex providing:
- 3 wards

- 2 additional inpatient theatres
- Same-day admission unit
- Pre-assessment unit incorporating four consulting rooms
- New staff accommodation (208 units)
- Improved care by a 'working differently' programme
- Refurbishment of the maternity department
- Provision of new treatment facilities for heart patients
- Construction of new staff accommodation with 208 units

9.8.29 The facilities of this extension will relieve pressure from the accident and emergency department. The development will also allow greater flexibility in delivering the additional patient activity to further reduce waiting times for treatment, and meet targets set out in the NHS Plan.

9.8.30 Modern facilities are crucial for expanding capacity and enabling flexibility. Moreover developments are likely to draw workforce to the hospital which may contribute toward raising hospital 'star ratings' which fell in 2002/2003 due to pressures on services partly due to a combination of shortages in bed theatre capacity.

9.8.31 There are still plans for additional capacity expansion to enable the PAH Trust to deliver on the local delivery plans of PCT and Health Authorities, which have been investigated by the on-site capacity assessment.

9.9 Future provision of health services in Harlow

Forecasting demand

9.9.1 Forecasting demand and the required healthcare provision is a complex matter. Presently a study is being undertaken, commissioned by the five local PCTs and PAH Trust with the SHA, and sponsored by Office Deputy Prime Minister (ODPM), to develop forecasts for healthcare demand infrastructure and to develop a medium to long term health strategy for Harlow and the surrounding area. This study is called the West Essex Clinical Services Review (WECSR).

9.9.2 The Review is intended to deliver a strategic vision for the transformation of healthcare locally. The important drivers for this work include;

- The need to increase the pace and extent of modernisation initiatives across West Essex/East Herts
- A recognition that from the point of view of clinical quality, access to services and cost, it would not be possible to meet increasing demand for healthcare through investment in 'more of the same',
- The need to plan for significant population growth in the area, to 2021 and beyond.

9.9.3 The values and principles underpinning this work include;

- Provision of care in the most appropriate setting and location

- To develop and provide the most appropriate and cost effective service determined in partnership with our patients, public and staff
- Collaborative working between organisations
- Involvement of the widest range of local statutory and voluntary organisations as the planning work progresses.

9.9.4 A number of important themes run through the development of new models of care, as part of this work;

- An emphasis on integrating care across professional and organisational boundaries
- Emergency, unplanned care should only be an option when absolutely necessary
- Improving the populations' health by encouraging self-managed care
- Improving the management of long-term conditions as a priority
- A commitment to managed care through the development of care pathways and protocols
- Training and education as a key element in supporting the implementation of service change
- A commitment to IT to improve integration/communication, as a support to clinical decision making and patient choice more generally.

9.9.5 The Review will place far greater emphasis on services which can more effectively be provided in a primary care rather than a hospital setting, by appropriately skilled staff. By January, 2005, the Consultants engaged to undertake a major part of the service modelling work, will have produced their draft report. This will describe the new service model, and what this will mean in terms of;

- The boundary between primary and secondary care services
- The potential for building capacity in primary care and its impact on reduced lengths of stay, admissions avoidance and the demand on workforce generally
- The costs of commissioned activity and directly provided services within primary care
- How population growth impacts on the whole.

9.9.6 Broadly, the Review will look at two options, a minimal service change option, and a radically new service model, mapped upon population growth projections over the period to 2021. Health organisations locally will need to process the outputs of the Consultants report, before arriving at an agreed service development strategy, with a clear assessment of impact, quantifying the future requirements for health services. This work will take place over the Spring, 2005.

9.9.7 Early work from the Review has driven a number of local initiatives now underway, which will be subject to further development in the future;

- The introduction of emergency care practitioners across West Essex
- The piloting of case finding/case management in Epping Forest
- The introduction of a referral management centre and the development of specialist primary care services in Orthopaedics

- The development of a new model of care for chronic heart failure.

9.9.8 In general, the emerging themes from the Review include;

- A strong shift from an acute to a community focus in the delivery of healthcare, incorporating the further development of intermediate care services.
- Integrating and developing a range of community services providing rapid response or care at home; a range of walk-in treatment and minor injuries centres; improving the support available to those with long term conditions to avoid unnecessary admission to hospital.
- Enhanced primary care, using a different and more flexible set of skills in primary care
- Develop short stay and day case facilities
- The need to improve access to diagnostic services across primary and secondary care.
- The need for a comprehensive workforce strategy which fully takes into account the EWTD (European Work Time Directive), changes in medical training, recruitment and retention initiatives, the requirement for new and flexible professional roles needing new sets of skills and knowledge, as well as meeting the demand for an overall expansion in staff numbers over the coming period.
- Local implementation of the National Programme for IT, to support Choice, the introduction of electronic care records, and a reliable IT infrastructure.

The Princess Alexandra Hospital

9.9.9 There are plans to improve facilities for patients and staff. PAH has undertaken its own investigations to consider potential for site expansion (bed space, nursing accommodation, etc.). The findings from the site investigation will be carefully considered in relation to the findings of the WECSR.

9.9.10 This PAH capacity site study and the WECSR will combine to inform planning of healthcare provision. Detail from the PAH site survey will only be released when the WECSR has been published and detailed consideration given to design options for expansion and redevelopment.

9.9.11 If population expansion is realised in line with house building proposals for Harlow and potential expansion of Stansted Airport by 2011, senior representatives at PAH said that decisions would have to be made quickly and concertedly (with PCTs and Essex SHA, etc.) and facilities and infrastructure in place by 2010 ready to cope with increasing demand.

9.9.12 One finding from the PAH site-capacity study was that the present site can offer room for capacity expansion up to 650 beds (20% on present bed number) without building upwards. Improvements in clinical healthcare science mean that turnaround of operations, period of patient recovery means 650 beds calibrates to the equivalent of 800-900 beds just 10 years ago. Such an expansion to 650 beds, PAH believe, would offer services for current catchment and any population expansion of up to 80,000. Calculations from statistics from bed occupancy figures and length of stay statistics,

together with a current bed use audit and projected workload figures for 2004/05 will be used to plan bed numbers.

- 9.9.13 Site expansion would include a planned updating of modern health facilities with a new life space of 40-50 years. It is thought that redevelopment would also be necessary as 60% of building stock dates back to 1965. Such a massive capital build project would require funding by a Private Finance Initiative scheme (PFI).
- 9.9.14 To meet house build and associated population growth, PAH capital investment project would require a PFI process starting late 2005 or early 2006 and commitment would have to be sought at ministerial-level before PFI tendering could begin. There would be added complication in relation to Government timescales of the PFI bidding timing (twice a year) and when PFI tenders can advertise in the European Journal of Operation (EJO). It is thought a 12- 15 month period from ministerial commitment to contract a signing would be needed. Following this building would begin most likely based on a 3-month rolling programme of clearance and redevelopment to minimise disturbance.
- 9.9.15 Discussions with senior NHS representatives at PAH also raised concern that changes to the Essex district boundary would change population flows to secondary care. Considered broadly, if the boundary is drawn south of the A120, the population of Essex will contract and lessen demand to the PAH as population capture are likely to demand acute care north-wise. Drawing the boundary north of the A120 will result in greater demand for PAH. It is not yet known where the new boundary will be drawn, but it was thought that this decision would be critical to planning secondary care.

9.10 Strengths, weaknesses, opportunities and threats

- 9.10.1 The summary of the main health issues in Harlow is as follows:
- Reflecting the new town effect, Harlow has a 4% larger proportion of 0-44 age groups and a lower proportion of 75+ age groups, and an ageing population.
 - There are a slightly higher proportion of dependant children under the age of 18 live with a lone parent.
 - Teenage pregnancies are shown to be falling and most recent rates are lowest compared to surrounding local authorities.
 - Elective inpatients: The most common reasons for elective admission were for diseases of the digestive system, musculo-skeletal system, and the genito-urinary system.
 - Day cases: The most common reasons for day cases were neoplasms, diseases of the digestive system, and the genitor-urinary system
 - Emergency admissions: The most common reasons for emergency admission were systems, signs, and abnormal clinical and laboratory findings not elsewhere classified, and diseases of the circulatory and digestive systems.
 - Deaths by cancer are shown to be higher than the national average (significantly), which is also the case for mental health. Death by circulatory

diseases have fallen at a rate faster than the national average and most recent figures show they are below the national average.

- Health inequalities are very evident in Harlow. On some main health issues, the district does not compare favourably to other areas in Essex or the national average.

9.10.2 This strengths, weaknesses, opportunities and threats analysis related to provision reflects the views of the healthcare sector in Harlow.

Strengths

- PAH site location has good opportunities for on-site expansion with potential space for up to 650 beds.
- PAH has recently expanded capacity and capabilities. The extensive capital schemes of 2003/04 with £16m new elective treatment centre and new wing providing 82 bed spaces will provide up-to-date healthcare and attract skilled workers.
- Modernisation and expansion of a number of key facilities including a new emergency surgical assessment unit will provide additional capacity to support patient choice and manage emergency referrals more effectively. The new day surgery theatres have also enabled expansion of day services from two to four theatres.
- Record of successful service change and modernisation in primary care

Weaknesses

- A large change in health catchment would require new greenfield locations for facility development.
- Staffing issues in relation to location. Any increase in population will create a subsequent increase in demand for skilled healthcare practitioners, the supply of which is not available locally.
- Access to the PAH site is poor. There are only two buses which run into the site offering patient access. There is over-emphasis on car use and parking facilities would have to expand significantly were the site facilities to be expanded.
- The lack of an established Local Delivery Vehicle engaging all local partners, including health, in driving forward change.
- Demand for healthcare is high in the town. This is reflected in the relatively poor health status of the Harlow population, which is linked to deprivation.

Opportunities

- PAH has clear capability to expand facilities.
- New developments at PAH such as new A and E building will hope to attract new and better staff.
- Population expansion provides an important opportunity for service change.
- Regeneration and population related developments should be implemented in a way that allows for the health status of the current population to improve. Community facilities, transport links, good quality and appropriate housing are examples of underlying determinants of health that need to be exploited within existing and new developments to ensure health improvement.

Threats

- Uncertainty of border change for West Essex and potential changes in demand for primary and acute sector services. Plans for healthcare expansion are dependent on knowing where this border will be drawn and are somewhat in a state of limbo until this decision has been made.
- Population expansion could impact on 'earned autonomy' and central government funding. The government's target is to reduce the maximum wait for an out patient appointment from 17 weeks to 13 weeks by December 2005 would be threatened, for example as would 98% of A&E patients being managed within 4 hours.
- Through the 'Patient Choice' programme, London healthcare could become a strong draw for patients in Essex, especially if waiting times increase following population expansion. This would further add to a cut in funding for Harlow health services in line with demand.
- Health inequalities across the town could further increase if population expansion occurs without regeneration benefiting the existing residents of Harlow.

9.11 Needs and Issues

9.11.1 The main health issues that Harlow faces are as follows, although they are similar to the regional and national issues.

- Harlow has a 4% larger proportion of 0-44 age groups and a lower proportion of 75+ age groups, and an ageing population.
- There are a slightly higher proportion of dependant children under the age of 18 live with a lone parent
- Deaths by cancer are shown to be higher than the national average (significantly), which is also the case for mental health.
- Harlow Town's healthcare needs and issues cannot be viewed in geographical isolation from the adjacent area and should be considered within the context of the requirements of the surrounding Primary Care Trusts.
- Under any planned population expansion in Harlow, secondary healthcare will require a second stage of capital development to provide further additional capacity and remodel its emergency care and clinical diagnostic facilities, and develop short stay and day case facilities.
- The West Essex Clinical Services Review (WECSR) and internal assessment of site capacity at the Princess Alexandra Hospital will indicate the capability and healthcare requirements and combine to inform planning of healthcare provision in the area to 2021 and beyond. Healthcare facility developments should, ideally, be in place before the expansion of population.
- There is a need to increase the pace and extent of modernisation initiatives across West Essex/East Hertfordshire. It is also recognised that it would not be possible to meet increasing demand for healthcare through investment in 'more of the same'.
- There is a need for a medium term strategy to manage requirements for secondary care provision by developing suitable alternative community services. Integrating and developing a range of community services improving the support available to those with long term conditions to avoid unnecessary admission to hospital.

- A comprehensive workforce strategy for healthcare is required to meet any planned growth, which takes into account the European Work Time Directive, changes in medical training, recruitment and retention initiatives, the requirement for new and flexible professional roles needing new sets of skills and knowledge, and overall expansion in staff numbers. This will impact on affordable housing needs.

10 Transport and Accessibility

10.1 Introduction

- 10.1.1 This chapter provides a review of transport and accessibility issues in Harlow, particularly focused on the interface of transport planning issues with the emerging master planning and sustainability work.
- 10.1.2 Harlow is a town which experiences traffic congestion in the peak hours, particularly at pinch points on the road network; for example Junction 7 on the M11, and along key routes into town such as the A414. Car dependency in Harlow is high (at 59% for the journey to work, Census 2001); public transport mode share is low (at 11%), reflecting a poorly developed network. Mode shares for walking and cycling are also low, despite good route network provision.
- 10.1.3 Given the existing traffic congestion and the future pressures that Harlow is likely to experience – both through general traffic growth and the traffic that may be generated by new residential and employment development in and around the town – the future master planning of the town must seek to facilitate the greatest possible public transport, cycling and pedestrian mode share to and from new development sites and a regenerated town centre.
- 10.1.4 New development should seek to facilitate improved levels of public transport, pedestrian and cycle use than already experienced across the town. The 1957 Gibberd Masterplan provided an excellent basis for self-contained neighbourhood centres and extensive walking and cycling networks; new master planning should build on this legacy.

10.2 Policy Context

- 10.2.1 Harlow has been the focus of much planning analysis and review in recent years; particularly since Regional Planning Guidance for the South East (RPG9, 2001) identified the potential for the London-Stansted-Cambridge corridor, focused on Stansted Airport. The policy climate at the moment is very much one of accommodating high levels of growth, and using this growth for regeneration. Key policy documents are noted below.
- 10.2.2 The *Transport White Paper* (DETR, 1998) establishes the national policy framework for integrating land use and transport planning. In addition, guidance issued in the form of *PPG13* (DETR 2001) offers a number of broad principles to influence the planning of new development. These include:
- Locating the majority of new developments adjacent to or within larger urban areas;
 - Locating major generators of travel demand in existing centres;
 - Siting development where it is accessible to means of travel other than the private car.

- 10.2.3 *Places, Streets and Movement* (DETR, 1998) provides good practice guidance on the application of these principles in development proposals. It emphasises the need to provide networks of routes and spaces to shape development, rather than sites and layouts designed solely for car access. *Going to Town: Improving Town Centre Access* (ODPM, 2002, Companion Guide to PPG6) is useful in developing best practice guidance for improving accessibility in town centres and includes advice on overcoming traffic severance and improving permeability to and through centres. All of these documents are good reference points for the future transport planning and master planning of Harlow.
- 10.2.4 The East of England *Regional Transport Strategy* (East of England Local Government Conference, 2003) provides the regional strategy for transport, including the route hierarchy, public transport accessibility criteria and approach to parking standards. At the local level, the *Essex Local Transport Plan* (Essex County Council, 2000) provides the transport policy strategy and investment programme for the next five years. Key objectives are to:
- Protect and enhance the built and natural environment.
 - Improve safety for all travellers.
 - Contribute to an efficient economy and support sustainable economic growth in appropriate locations.
 - Promote accessibility to everyday facilities for all, especially those without a car.
 - Promote the integration of all forms of transport and land use planning, leading to a better, more efficient transport system.
 - See and encourage investment in transport and make efficient use of the resources available.
- 10.2.5 *Sustainable Communities: Building for the Future* (ODPM, 2003) is a national programme of action setting out how the Government intends to achieve sustainable communities for all. It sets out a step-change in the level of development, aimed at tackling the housing shortage. A number of documents are available. Of particular relevance to Harlow is *Sustainable Communities in the East of England* (ODPM, 2003), the regional action plan highlighting actions to address housing, planning and neighbourhood renewal issues. There are some challenges, though:
- Provide for the East of England's growing population, which increased by 6% in the last decade and is projected to increase by over half a million over the period 1996 to 2021.
 - London and the Growth Areas have the potential to accommodate an additional 200,000 homes above levels currently planned in regional planning guidance.
 - The London-Stansted-Cambridge study generated growth options for Upper Lea Valley, Harlow, Cambridge, and, in the longer term, new settlements in north Essex or south of Cambridge. The study suggests that the potential for growth in housing provision to 2031 could range from around a quarter to half a million, dependent on the provision of significant transport infrastructure.

10.3 The Current Situation

10.3.1 The following summarises the current transport and accessibility context within the Harlow area. It is based on a broad assessment of existing data and reports, and should be considered alongside the work currently being undertaken by MVA (Table 10.1 Figure 10.1).

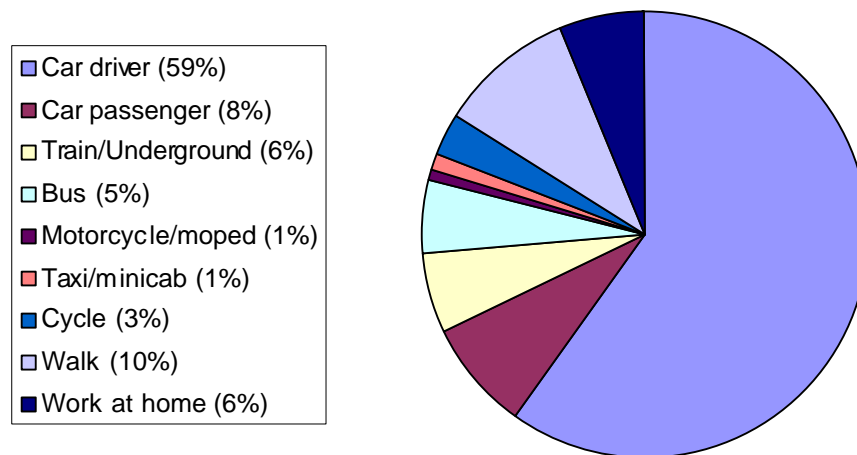
- The current mode split for Harlow shows that car dependency in the town is high at 59%. This compares to 57% in Essex and 55% for the UK as a whole. Lower mode shares for other sources of travel include rail (at 6%), bus (5%) and walking (10%) and cycling (3%).

Table 10.1 Comparative Mode Share in Harlow

Mode	Harlow	Essex	UK
Car driver	59%	57%	55%
Car passenger	8%	6%	5%
Train/Underground	6%	12%	7%
Bus	5%	3%	7%
Motorcycle/moped	1%	1%	1%
Taxi/minicab	1%	1%	1%
Cycle	3%	3%	3%
Walk	10%	10%	10%
Work at home	6%	9%	9%

Source: Travel to Work, Census 2001

Figure 10.1 Comparative Mode Share in Harlow



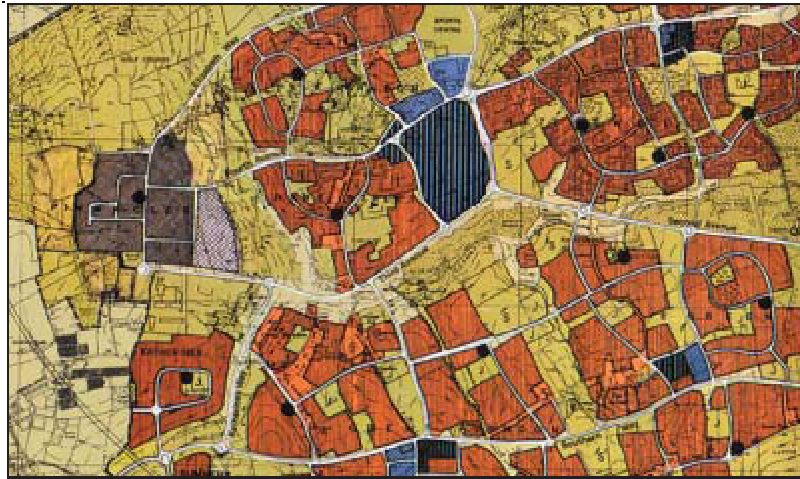
Source: Travel to Work, Census 2001

- Traffic growth predictions, based on DETR forecasts, suggest that increases in traffic of between 6% and 38% can be expected in Essex; and between 20% and 35% in Harlow, to the end of the Structure Plan period in 2011.
- Like most New Towns, Harlow retains a reasonable degree of self containment; 14% of the workforce commute to London and 25% work outside the district, with the balance of 61% working in Harlow.

- There was an overall increase of 6% in outcommuting by Harlow residents between 1991 and 2001.

10.3.2 Existing movement patterns and congestion 'hotspots' are shown in Figure 10.2. There is particular conflict on Edinburgh Way between A414 through traffic and local traffic accessing the industrial areas. The M11 and A414 carry the greatest volumes of traffic; London Road, Fifth Avenue, Velizy Avenue and Second Avenue are also well-used and are often close to capacity in the morning peak.

Figure 10.2 Traffic Flows and Congestion Hotspots in Harlow



Source: Harlow Town Masterplan, 1947

Strategic Route Network

- In terms of the strategic route network, Harlow is located on the West Anglia mainline, with services to London (Liverpool Street), Bishop's Stortford, Stansted, Cambridge and beyond. The main Harlow railway station is located to the north of the town centre. Additional, nearby stops are at Roydon and Sawbridgeworth. The M11 skirts the eastern fringe of the Harlow; Junction 7 being the closest access point (Junction 8 is 16km to the north serving Stansted Airport and Bishop's Stortford). The A414 provides an important route from the north and west, linking directly to the A10/A1(M).
- The Gibberd vision for strategic road connections to Harlow has not been realised. The Norwich Radial road was proposed to skirt Harlow on the west and run along the northern boundary of the town, and to be used as the main approach from London, Bishop's Stortford, Cambridge, Birmingham and the North. It was assumed that this motorway-standard route would be completed by the time Harlow was built, or at least not long afterwards. Gibberd explicitly stated that "without it the town plan cannot properly function".
- The M11 now passes the eastern rather than western fringes of Harlow, providing a much less effective network to access the town. In addition, Junction 7 of the M11 is heavily congested. There is over capacity in both north and south directions at peak periods; vehicle/capacity ratios are in excess of 1.20 (120% planned road capacity); car queuing reaches up to 15 cars per lane (2001 figures).
- The Northern Orbital was also not built to its planned northerly alignment. Gibberd (following the alignment proposed in the Abercrombie London Regional Plan, 1944) proposed that the Northern Orbital – built as the M25 – would travel east-west to the north of Epping. This northerly alignment would

thus have served Harlow much more effectively than the southerly alignment that was eventually built.

Internal route network

10.3.3 The internal road pattern is based on a grid pattern, with major town roads as follows:

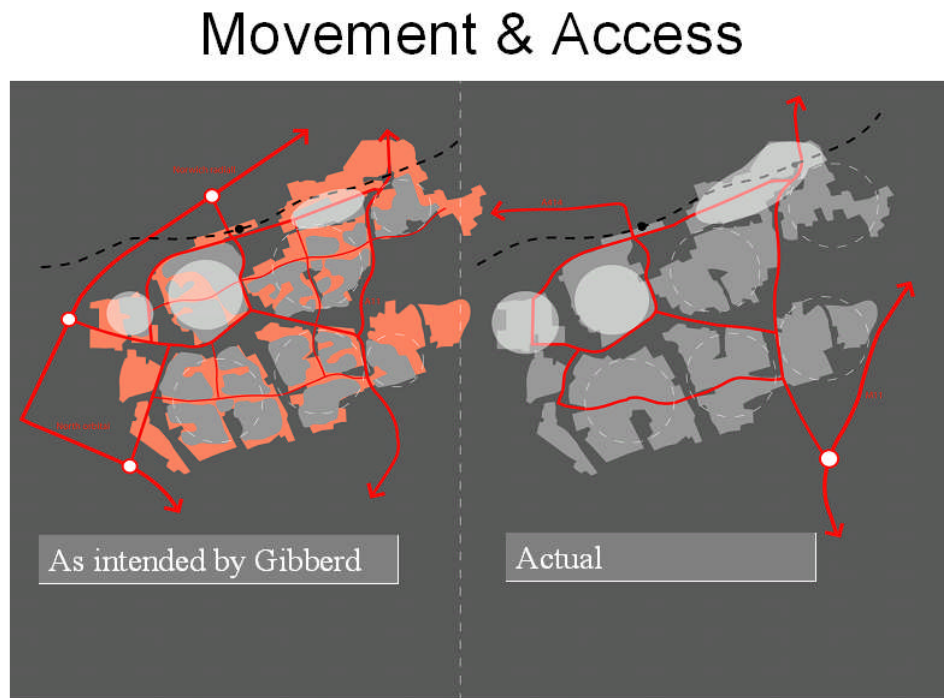
- Fifth Avenue links the A414, to the north of Harlow, north-south towards the railway station and the town centre.
- Elizabeth Way and Edinburgh Way run along the 'baseline' of the town, providing a direct connection between the Pinnacles industrial estate in the west, the railway station, and Temple Fields industrial estate to the northeast, and the northerly residential neighbourhoods (Little Parndon, Hare Street, Netteswell, Mark Hall South and Mark Hall North).
- Velizy Avenue/Third Avenue/Haydens Road/Fourth Avenue provide an effective dual-carriageway 'collar' around the town centre.
- Second Avenue and Third Avenue run to the south of the town centre, providing a central west-east axis.
- Southern Way provides a southerly west-east axis, and gives access to the residential neighbourhoods to the south (Stewards, Passmores, Great Parndon, Kingsmoor, Sumners, Brays Grove, Tye Green and Latton Bush).
- Howard Way provides a north-south link between the residential and industrial areas.
- To the east, the A414 provides a north-south link, access to the residential neighbourhoods of Old Harlow and Potter Street, and a link via London Road to the M11.
- The residential neighbourhoods are well served by minor access routes, with spine roads leading traffic directly to the major neighbourhood centres and neighbourhood sub-centres.

10.3.4 The Gibberd vision for internal town traffic circulation has been seriously compromised in a number of ways. Links from the south (the North Orbital) and west (Norwich Radial) were never established. Traffic coming from the west was envisaged by Gibberd to use the Norwich Radial and a new link road travelling adjacent to, and just to the south of, the West Industrial Estate (the Pinnacles). The industrial areas would thus have direct connections to the motorway network and industrial-related traffic would not have to pass through the town centre. Without this envisaged route network the industrial areas are poorly located relative to the motorway network, have required upgrades to Southern Way and the Easterly A414 and have put greater traffic pressure on the A414 to the north and Junction 7 of the M11. (see Figure 10.3).



Figure 10.3 Current Harlow transport infrastructure and route network

- 10.3.5 In addition, Gibberd's distinction between radial town roads and major town roads has been broken, providing an unclear route hierarchy. Southern Way and the A414 have been upgraded to provide easier access by car around town (leading to greater car movements and dependency).
- 10.3.6 Traffic circulation in the town centre was never envisaged by Gibberd as an orbital 'racetrack'. Third Avenue and Velizy Avenue were major town radial routes, Fourth Avenue a lower grade town road, and Haydens Road a residential access route. Highway 'upgrading' has unfortunately led to the town centre being severed from its hinterland – providing a restrictive 'collar' around the town centre - pedestrian crossing across the dual carriageway is difficult and very unattractive, at times using pedestrian underpasses.

Figure 10.4 Gibberd's Proposed TC Circulation and Existing Circulation

- 10.3.7 An additional and critical factor exacerbating traffic difficulties in Harlow has been the huge growth in car traffic in the last few decades; not foreseen by transport planners (or indeed Gibberd) in the 1950s. The result is that Harlow's current transport network does not adequately serve current needs, nor will it the additional growth plans. Future investment is critical. However, future transport investment needs to be closely integrated to the master planning vision for Harlow, and must seek to reduce car dependency in the town.

Rail

- 10.3.8 Harlow is connected to the national rail network, located on the West Anglia Great Northern Line, but services are slow. The line runs from London Liverpool Street, diverging northwards from the Great Eastern Main Line at Bethnal Green. The route passes through Harlow and Bishop's Stortford to Cambridge. A branch goes to Stansted Airport. The Central Line of London's Underground network only runs to Epping, which is not well connected to Harlow. There are significant rail and tube line capacity constraints.

Bus

- 10.3.9 The Gibberd vision for bus routing was for routes to pass through each of the residential areas and to link to the neighbourhood centres and town centre. Further internal routes were connected to the industrial areas and the railway station, via a central pick up and set down point in town, to the residential areas. Bus and rail

integration is critical, particularly in a town where the rail station is remote from the centre.

Walking and cycling

- 10.3.10 Harlow has a high quality walking and cycling network. Much of the footpath and cycle network system is segregated away from the main roads; designed as part of the landscape pattern, giving walks between the built up areas, into the surrounding countryside. Routes are well designed, taking the shortest distances between different centres.
- 10.3.11 The concept of pedestrian catchments is important to a town such as Harlow, which is designed as a series of self-contained, walkable neighbourhoods. Harlow is built around four centres and the original village of Harlow (Old Harlow) which together form the five neighbourhoods of the town. Within these neighbourhoods are sub-centres, which usually focus around a school building and small-scale retail/community facilities. Industrial facilities are kept separate to the west and north east.
- 10.3.12 The Gibberd plan envisaged each of these neighbourhood centres, and the railway station and industrial zones to be accessible by pedestrians. Most of the original sub-centre pedestrian catchments (using a 5 minute or 400m walk) are within the boundaries of the neighbourhood centre, as envisaged in the original Harlow Masterplan. The exceptions are the Potter Street sub-centre which is somewhat isolated from Bush Fair, and Old Harlow, which is a neighbourhood in its own right, but which does not have any specific sub centres.
- 10.3.13 There have also been a number of ad-hoc extensions/suburbs added to Harlow in recent years - such as Potter Street West and Old Harlow West - which don't conform to the original philosophy of the Gibberd master plan, and are located beyond the pedestrian catchments of the neighbourhoods. There is only one major area of overlap between neighbourhood centre catchments. This is between the Town Centre and East Nettleswell. This area is also adjacent to the station, though not within easy walking distance (an approximate 15 minutes walk).
- 10.3.14 The industrial area catchments do not overlap with any residential district catchments except at the most northerly edge of Mark Hall North. The industrial areas are typically isolated by large areas of open spaces; hence are difficult to reach quickly by modes other than car.

10.4 Strengths, weakness opportunities and threats

Strengths

- a Access to London via direct rail link
- b Easy access to the M11
- c Comprehensive internal road system

- d Good bus links both internally and externally (Bishops Stortford, Stansted, Epping, London, Chelmsford)
- e Successful overall cycle and pedestrian network, which allows users to move away from traffic

Weaknesses

- f Putting the motorway to the east of Harlow (rather than west as envisaged by Gibberd) reduces access to the motorway for the whole town
- g Highway upgrading around the centre has created an orbital 'collar' which reduces permeability
- h Access for sub regional shopping centre
- i No direct access from industrial estates to the motorway
- j Pedestrian often a 'second class' citizen, e.g. the use of underpasses
- k Additional housing extensions are isolated

Opportunities

- l Downgrading of dual carriageway collar and removal of underpasses will allow reconnection of the centre with the rest of Harlow
- m Development to the north would centralise the railway station
- n Development of the station area to improve access and permeability
- o Creating a cycle friendly town (Beacon Town) building on topography and original concepts
- p Going back to the original Gibberd concepts for the expansion of the town
- q Harlow Mill park and ride/commuter parking

Threats

- r Growth in car ownership, reduced town self-containment and increased long distance commuting
- s New development has the potential to be car-dependent
- t Continued isolation of the centre for pedestrians and cyclists. Continued poor usage of networks.
- u Decrease in bus/train provision
- v Further ad-hoc expansion of the town, with continued isolation from the town and neighbourhood centres, moving away from the original Gibberd vision
- w Continued poor quality urban environment within the centre, leading to further out commuting for shopping etc.
- x Failure to provide new A414 links to M11 and upgrade from J.7 will further undermine the economic and business base of Harlow

10.5 Strategic Challenges

10.5.1 The foregoing analysis has identified some challenges with respect to transport, as shown below.

- All main road routes and junctions in Harlow suffer from over capacity and will undergo increasing strain as car ownership forecast growth by up to 35%

in Harlow. A key challenge will be to develop a clearer route hierarchy to relieve bottlenecks, make routes more free flowing and improve internal town traffic circulation.

- Westerly and northerly employment sites need to be better connected to the motorway network and the sub regional shopping centre needs better access also.
- The dual carriageway surrounding the centre acts as a 'collar', severing the centre from the neighbouring residential areas, and restricting pedestrian movement into the town centre. Efforts must be made to make links, routes and environment within the town friendlier to travel by foot and bike.
- Consideration must be given to the capacity constraints with respect to rail and tube lines. Access to the main railway station from the town centre should be improved. Train connections into the Region also need developing.
- To deal with growing car use and present over capacity. Future transport investment must be designed to reduce car dependency and raise the level of public transport use. Public transport networks need to improve in terms of density, frequency and access to services with special consideration of points of interchange i.e. moving between buses and trains. Additional housing extensions, shopping and leisure developments should not be car-dependent, but served by good public transport links and other alternative methods of transport.
- All effort possible should also be made to promote alternative modes of transport – especially walking and cycling, especially in light of the well designed existing route provision.

10.5.2 The current issues coupled with growth area development targets for the town require a clear aspiration to shift from a car dominated environment towards a public transport driven solution. The following transport and accessibility measures present challenges to support the proposed new scale and format of Harlow.

- A northern road link: a new urban avenue/boulevard linking the A414 to the M11, potentially with a new junction onto the M11 to the north of Harlow.
- A new Pinnacles link road: a new boulevard providing direct access from the A414 north to the Pinnacles industrial estate. Particularly relieves congestion on Fifth Avenue.
- Parking management: the supply and design of parking has a major influence on the character of an area and may also affect how people choose to travel. Parking in non-residential developments should not exceed the maxima set out in PPG13 and attempts should be made to reduce this provision through the implementation of travel plans (in particular, the town centre and the Pinnacles and Temple Fields industrial areas should be encouraged to develop area-wide travel plans).
- A high quality north-south public transport spine: a high level of public transport service – perhaps guided bus or light rapid transit; at least a fully prioritised, high frequency bus route. The service would provide at least a 10-minute frequency service. Potential route alignment would be from north to south through Harlow, linking new development to the north, to the rail station (with direct interchange with national rail services to London and Stansted), the Northern Gateway site, the town centre, providing a retrofitted public transport service to Church Langley, and potentially extensions to North Weald and Epping.
- A network of feeder bus services: providing direct links from each of the neighbourhood areas to the main public transport spine, the town centre and two main industrial areas (Pinnacles and Temple Fields). Potential future upgrading to demand responsive services; with early pilot scheme.

- A downgraded town centre ring road: particularly the Fourth Avenue and Haydens Road sections, providing improved pedestrian movement potential from the town centre to the neighbouring residential areas (Little Parndon and Hare Street).
- Improved walk and cycle networks and parking facilities: discontinuous routes completed and major parking facilities provided in the town centre, at the station and at the Pinnacles and Temple Fields industrial areas. Freiburg bicycle parking facilities provide the good practice example here.

10.5.3 Additional traffic demand management measures to be considered include: travel awareness campaigns, individual travel marketing, public transport marketing, venue marketing; car sharing; teleworking, home delivery and internet shopping; workplace, school and hospital travel planning; freight delivery strategies; parking restraints; roadspace reallocation; pricing measures; and other parking strategies such as controlled parking zones.

10.6 Needs and Issues

10.6.1 There are a number of significant transport problems and opportunities for Harlow, and these are highlighted in brief as follows:

- Harlow is poorly provided for in terms of strategic road connections: Junction 7 of the M11 and the A414 are both significantly congested during the peak periods.
- Capacity is restricted in the main routes and junctions.
- The main railway station is remote from the town centre, has poor facilities for passengers (including parking and waiting rooms) and offers only limited connections into the Region. The main use is for commuting purposes to and from London.
- The town centre is cut off, surrounded by a dual carriageway – effectively a ‘collar’ - which severs the centre from the neighbouring residential areas and restricts pedestrian movement into the town centre.
- The plan for internal traffic circulation has been compromised by the lack of links from the south and west. The result is that the westerly and northerly employment sites are not directly connected to the motorway network.
- The neighbourhood centres themselves are well-planned in transport terms, separated from through traffic, with extensive local walking and cycling networks.

11 Housing

11.1 Introduction

11.1.1 The 1952 Harlow Masterplan planned for housing to be arranged around 14 distinct neighbourhoods consisting of 4,000 to 7,500 people, each with its own primary school and sub shopping centre. The neighbourhoods were clustered around 4 major centres, one of which was the town centre; these being situated so that the maximum distance from its catchment area was 1 mile (1.6km). The aim was to create 3 possible social groupings – the housing group with its own play space, the neighbourhood group with its own primary school and the neighbourhood cluster supporting a major centre.

11.1.2 Units were planned at an average net residential density of 50 persons to the acre (20dph), depending upon topographical constraints. Each neighbourhood was broken down into a series of Housing Groups (between 150 – 500 dwellings) to incite visual variety, social grouping, individual character and innovative design. One of the arguments for this approach was that a degree of neighbourliness can arise between families living in smaller sized neighbourhoods.

11.1.3 The result is the current context where two types of ownership dominate the market. The Council owns just over 30% of all the housing in the town whilst over 60% is owner occupied. Housing Associations and private landlords own a relatively small proportion, at 5% and 4% respectively. (*Source: Homes for Harlow: Harlow's Housing Strategy 2004-2007*). At the end of March 2003, the Council owned 10,516 rented properties plus 2,000 leasehold flats, numbers of which are reducing each year due to the Right to Buy scheme (292 properties were sold in this way in 2002/3). (*Source: Investing in Harlow's Homes: Harlow's Housing Revenue Account Business Plan 2004 – 2007*)

11.2 Policy Context

East of England Housing Strategy 2003 – 2006

11.2.1 Under “Sustainable Communities: Building for the Future”, the East of England will share the £4.7 billion provided for housing investment, including key workers, in the three growth areas and the £2.8 billion for Council housing improvements, over the next three years. Focus through the Housing Investment Programme (HIP) encourages a 40% growth agenda and a 30% regeneration agenda, which will assist house building levels in the region, which are falling behind the 7,000 new homes needed per year.

11.2.2 In addition, the Regional Housing Board (RHB) and the Single Housing Investment Pot (SHIP) will assist with non-market investment in the region.

11.2.3 In order to reflect more accurately the issues across such a diverse area, the East of England is broken down into 10 sub-regions, with Harlow at the heart of the London Commuter Belt Sub-Region.

London Commuter Belt Sub-Regional Housing Strategy

11.2.4 The strategic vision for the sub-region is the provision of affordable housing. This has been fuelled by a steep increase in house prices throughout the commuter belt, a high Right to Buy take-up in recent years and borrowing restrictions on Council and Housing Association landlords. Little housing choice for low and intermediate income households, degradation of the existing affordable stock, and private rented markets unable to meet affordable needs have led to the sub-region having more in common with the urban problems of the South East rather than the traditional rural problems of the East of England. The vision therefore is;

- To make the best use of all resources including finance, land and the existing housing stock
- To deliver affordability and choice in housing for all households
- To meet the support needs of vulnerable households
- To seek innovative solutions through joint working as sub regional relationships develop.

11.2.5 There are also more New Towns in this sub-region than any other (25%), and all need infrastructure reinvestment on a cycle that is currently at a peak. It is recognised that strategic intervention is now needed to ensure that resources are delivered as a joint approach across district and county boundaries.

Harlow's Housing Strategy 2004 – 2007 "Homes for Harlow"

11.2.6 As well as linking in with the broader national and regional housing strategies, Harlow must recognise the wider issues of the local community and the contribution that housing can make in achieving these goals. The Housing Strategy is built upon a clear vision for the future of housing in Harlow, expressed in a robust Community Plan, Harlow 2020 Vision and the Council's priorities, the Statement of Intent for Harlow. The four priorities are;

- Affordable Homes – Meeting local housing needs
- Decent Homes – Improving the condition of Harlow's homes
- Homes for All – Promoting social inclusion and regenerating communities
- Community Matters – Empowering stakeholders

11.2.7 In order to deliver each of these, the Council has developed an action plan outlining the activities needed to be undertaken, which are linked to key officers and other Council Strategy targets. In addition, the Council has recently commissioned research into housing need.

11.2.8 The Council also published its Homelessness Strategy in July 2003 and has accepted to assist 350 households of which 155 were families with children. A Key Worker

survey also found that lower paid workers tended to live within the town's boundaries, but the more skilled higher paid workers prefer to commute to Harlow, rather than live nearer work.

Harlow Private Sector House Condition and Energy Survey - 2000

- 11.2.9 A study undertaken by The Housing Consultancy Ltd under Harlow District Council's statutory obligation to review housing conditions in its private sector stock to assist in establishing the base line position, the setting of targets and measurement of performance.
- 11.2.10 There are an estimated 21,238 dwellings in the private sector stock in the District. Almost 90% of the stock is owner occupied, 15% privately rented (all types) and 2% under the management of Registered Social landlords. About 3% of dwellings in the private sector stock have been constructed pre 1919 and 50% built after 1964. The majority of houses are occupied as single households. 16% of the private sector stocks are flats (purpose built, non-residential + flat).
- 11.2.11 The predominant building type in the District is the terraced house type. There are an estimated 429 empty houses (1.5%) in the District of which 34 (0.1% of the District stock total) are estimated to be 'long term' void vacant and may be problematic.
- 11.2.12 Only 0.5% of Harlow's private sector housing stock is classified as unfit (1 in 200 dwellings) compared to the national average of 7.5%. Further, 6.6% of properties in the private sector (1 in 14) are identified as dwellings which although not unfit are seriously defective and on the borderline of descent into unfitness. Just 1% of Harlow's owner/occupied stock is unfit compared to the national position at 6%, whilst in the private rented sector alone the unfitness level is notably lower at 6% compared to the national position at 19%. Unfit dwellings were found to have poor energy efficiency and in particular condensation and associated problems were most prevalent in the private rented sector.

Harlow's Housing Revenue Account Business Plan 2004 – 2007 "Investing in Harlow's Homes"

- 11.2.13 The Housing Business Plan (HBP) works alongside the Housing Strategy, setting out the aims for the Council's housing stock and how they contribute to broader housing and community strategies for the town. It also provides details of the condition of housing stock, improvement strategies and options for future provision.

Growth Area and the Harlow Gateway Housing Scheme

- 11.2.14 In 2003, the Sustainable Communities Plan identified Harlow as being part of a proposed area of housing growth known as the London-Stansted-Cambridge corridor, and £12 million has been awarded to undertake activities aligned to the growth area. In particular, the funding is being used to unlock two major housing sites in Harlow – the current Sports Centre and Harlow Pool sites, which will assist the relocation of

leisure facilities and release the land for development of 530 new homes, 30% (160) of which will be affordable.

Structure Plan

- 11.2.15 Essex County Council has allocated 5,450 new dwellings up to 2011 to Harlow. Between 1996 and 2003, nearly 2,800 dwellings were completed, with a further 651 granted planning permission (committed) as calculated at April 2003. Based on these figures, land will have to be allocated for an additional 2,041 dwellings between 2003 and 2011.

Harlow Local Plan

- 11.2.16 Housing sites have been identified as part of the Urban Capacity Study, prepared in 2001. The study shows that there are opportunities to develop previously developed land and other capacity sources in the town. It also identified a range of 768 to 1,115 dwellings at 35 and 45 dwellings per hectare respectively. Identified larger sites (10 dwellings or more) have been included as allocations. The remainder of the capacity is assumed to have the potential to contribute towards development between 2001 and 2011. The progress of which will be a factor in determining the phasing of development.
- 11.2.17 Policy H4 of the Adopted Local Plan identifies several sites for 10 or more dwellings to meet the housing requirement between April 2003 and March 2011, as follows;

Allocation Reference	Site Name	Indicative Capacity (dwellings)	
		Gross	Net
H4/1	Harlow Sport Centre	456	456
H4/2	Harlow Swimming Pool	60	60
H4/3	Old Harlow Area of Opportunity	25	25
H4/4	Faircroft Little Bays	27	20
H4/5	Northbrooks Regeneration Area	420	53
H4/6	Sherards House	18	10
H4/7	Rye Croft Garage Site	16	16
<i>Total on Previously Developed Land within Neighbourhoods</i>		<i>1022</i>	<i>640</i>
Urban Capacity Study Windfall		520	520
Total		1542	1160
H4/8	Marshgate Farm Depot	10	10
<i>Total on Previously Developed Land on edge of urban area</i>		<i>10</i>	<i>10</i>
H4/9	New Hall		871
<i>Total on Greenfield Land</i>			<i>871</i>
Final Total			2041

11.2.18 Harlow seeks to use its planning powers to ensure that affordable housing is provided within new housing developments and regeneration projects. The Deposit Draft Local Plan identifies sites for new housing development and sets out a policy which requires at least 30% affordable housing on housing sites of 15 or more units.

11.3 Existing Initiatives

11.3.1 Key general housing programmes and initiatives under way for Harlow are summarised below.

Harlow's Council Housing Strategy and Business Plan

11.3.2 The analysis, priorities and expenditure of the council with regards to housing are outlined in the council's literature. The housing priorities set by the council are:

- Affordable Homes – making sure the council stock plays an active part in providing good quality affordable housing. This involves maintenance and renewal of what is considered a poor stock of properties.
- Decent Homes – ensuring the Council's stock meets Decent Homes Standard. In 2003, the number of non-decent homes was 2,024.
- Homes for All – ensuring accessibility to all and provide services that actively enable people to live independent lives. This includes developing area based regeneration projects aligned with estate sustainability ratings.
- Community Matters – be an open and accountable landlord.

11.3.3 The Council's planned expenditure on maintenance and improvement of its stock is estimated at £370 million for the period 2003-2033, an average of around £12.3 million per annum over this period. The majority of this is on planned maintenance (£334 million).

11.3.4 The Council is undertaking a Housing Options Appraisal which is expected to be completed by April 2005. However, the Council already considers that wholesale stock transfer is almost impossible as the remaining stock is that which no-one really wants, and also because tenants are opposed to complete transfer. In addition, the Strategic Options: Regeneration Focus Programme has proved ineffective in housing terms because in the past it has been undertaken at a small scale, community level to address localised issues. The council is undertaking extensive work to assess the housing stock in the town. This includes Housing Stock surveys, the Estate Sustainability Index, Key Worker Housing Surveys and the Strategic Options process.

Regeneration Focus Areas

11.3.5 These areas were set up to try and attract Neighbourhood Renewal Funding to the town, and were chosen based on a range of criteria that included deprivation (identified through IMD2000), identified local neighbourhood issues, and the level of public sector ownership (and hence opportunity). The areas were initially established as a two-year pilot initiative. The areas chosen were :

- Northbrooks –a large area for redevelopment. The main achievements have focused on capacity building among residents in an area where previously there was a fragmented community.
- Copshall Close, Aylets Field & the Briars – targeted for estate renewal, given the failing nature of the area. Capacity is well established among residents and some physical renewal has taken place, including the redevelopment of a derelict maisonette block to build social housing.
- Moorfield – small scale redevelopment of under-utilised garages that attract crime and anti-social behaviour, and addressing parking and traffic flow problems.
- Ryecroft – similar localised problems to Moorfield associated with under-used garages and anti-social behaviour. The disused garage site will be redeveloped as a self build scheme providing social housing

11.3.6 The emphasis of the regeneration focus areas is clearly at a community level, and the actions are important in their own right. However, in terms of strategic and large-scale regeneration they are unlikely to radically change the image or conditions in the wider area, which is essentially what is required to achieve wholesale regeneration. In some respects, a stronger link needs to be made between the housing renewal and the focus of regeneration efforts.

Best Practice

11.3.7 Harlow, together with English Partnerships is hailing its Gateway Scheme on the former leisure centre site as a best practice example of comprehensive renewal. The scheme is mixed use, residential-led and involves the relocation of existing leisure facilities and the development of the site for high density, high quality homes.

- 11.3.8 Construction of the Cala Domus “Abode” scheme on the eastern outskirts of the town at New Hall is also embracing high quality urban design principles at high densities to produce residential houses and apartments and small scale employment. It still has to pass the test of time, but appears to be encouraging a more balanced social mix.
- 11.3.9 The Council should also look beyond its boundaries to other best practice examples, particularly where direct comparisons can be made, such as in other New Towns. Bracknell New Town, for example, similarly to Harlow, suffered from high levels of in and out commuting and could not attract its highly skilled workforce to live in the town. In general, employees of the high tech companies such as British Aerospace, ICI and 3M lived in the more attractive outlying towns of Berkshire, leaving a lower skilled residential population. However, significant changes in employment opportunities and construction of the North Bracknell development have attracted a new generation of New Town dwellers; a young, professional population base who have actually chosen to live there
- 11.3.10 In addition, a partnership between land owners and the Council is taking forward the major redevelopment of the town centre, helping to rebrand the town’s shopping and living experience. Bracknell has now begun to be seen as an attractive option, close to major employment opportunities, alongside other, more attractive nearby town centres, such as Wokingham and Ascot.

Neighbourhood Centres

- 11.3.11 Neighbourhood Centres are an important part of the fabric of Harlow, in terms of their service function. However, their character is poor and need improving as they are reaching the end of their lifespan. Some have been renewed already (Staple Tye, for example; Bush Fair is being improved). Local shops are important, but the design of some have poor public spaces that are not well utilised and provide space for youths to congregate. Neighbourhood centres provide shops, living/working accommodation, public spaces, services and some employment land. This mix of functions should be maintained in redevelopment. Employment is mainly service based.

11.4 Strengths, weakness, opportunities, threats.

Strengths

- Clear neighbourhood identity makes renewal easier to market
- Well established neighbourhood centres and hatches providing local services and employment
- Primary Schools provided at the heart of neighbourhoods within walking distance from most residential areas
- A concerted effort has already taken place in recent years to improve the town centre working and shopping environments
- Clear focus on neighbourhood renewal areas with physical housing renewal and building capacity with residents.

Weaknesses

- Mixed tenure on all estates creates problems for HDC in renewal terms, maintenance and costs of buy back
- Public sector designs of their times now create serious maintenance problems due to poor quality building standards
- Prefabricated units built off site now have serious quality implications and are increasingly difficult to maintain
- Designs of their times now create serious personal safety problems for residents due to an inward looking public realm and housing layouts with unconnected linkages
- Green wedges have been despoiled and are uncared for in many places, so have become threatening to personal safety
- Accessibility by road to many estates is difficult in peak periods
- Harlow town centre is downmarket in character
- The pilot areas for neighbourhood renewal are relatively small and are not on a scale likely to change overall neighbourhood images and perceptions
- The character of neighbourhood centres is poor and needs improving

Opportunities

- Public sector housing stock in certain areas has become so poor that opportunities for comprehensive renewal now exist
- The initial neighbourhood renewal work can be transferred to other neighbourhoods.

Threats

- Harlow has a poor image to non-residents
- Private sector investment tends to be concentrated in large peripheral areas
- Harlow is not perceived as a location where people with choices choose to live

11.5 Strategic Challenges

Image

- 11.5.1 There are two sides to the image of Harlow: that from within and that from the outside. In 2002, the resident population of Harlow was almost 80,000, and there is evidence of a strong sense of civic pride among residents. However, to outsiders, Harlow has a relatively poor image of a sterile New Town with low quality and unattractive housing, and pockets of deprivation in a number of neighbourhoods. As such, many Harlow employees choose to live outside of the town and commute into work. Those who live in the town and are in employment tend to be employed in work which requires lower skills. This has resulted in the town having a negative liveability image, with an unbalanced population structure and a situation where private investment is confined to only a few specific areas.

11.5.2 Although the neighbourhoods, town centre and employment areas are well connected by local buses, the structure of the town and its residential areas are dominated by car-based access, using a wholly inadequate road infrastructure. Although the radial routes and collector roads allowed for ease of movement and have led to the creation of neighbourhoods with strong individual identities, they have created segregated communities which have become isolated from their surrounding areas. Lack of connectivity, unsympathetic housing layouts and outdated designs have meant that many neighbourhoods are facing decline and a downward spiral of isolation and insularity.

Investment

11.5.3 The Council has become the main investor in housing in certain neighbourhoods, but due to the significant costs involved in maintaining atypical and poorly built stock, it is struggling to keep up with maintenance demands. It is also becoming increasingly difficult to raise the profile of many of the worst hit neighbourhoods. Private investment can be seen in pockets throughout the town, but these appear to be on large, specified sites such as Church Langley, which although they are characterised by good infrastructure and landscaping, tend to be on the periphery of the town, with little connection to the older, more established neighbourhoods. There is little evidence of smaller scale, private investment within the older residential areas.

Residualisation

11.5.4 Over the years, Harlow Council has effectively adopted the position of landlord rather than a holistic partner in the town's housing supply and, as it has been the dominant housing operator, has not aligned itself with the housing market. This, along with the Right to Buy scheme, has resulted in the residualisation of stock (i.e. The Council being left with the worst housing stock). The good stock has been transferred to private ownership and the Council is left with poor quality, badly designed housing in increasingly unattractive areas. Stock is becoming increasingly concentrated in specific areas, leading to 'sink estate' situations.

11.5.5 The issues here are about creating choice and establishing new pockets of demand within existing areas, in order to raise and spread liveability profiles. This can only be achieved through partnership between the Council and the private sector and a determined aspiration from both parties to improve Harlow as an attractive living environment. It is to be hoped that, over time, as neighbourhoods build up better reputations for having good Council housing stock, good schools and services and become interconnected with adjacent up-and-coming areas, expectations and perceived improvement will lead to significant benefits for existing and new residents.

11.5.6 There are four key housing challenges, which face Harlow Council and its partners today.

- a In the past, there is a feeling that Harlow has accepted inappropriate development - poorly designed housing estates, which lack connectivity to surrounding areas and do not address the issues, which are also apparent in

the older areas. However, the Council is trying to move towards a position of control and influence, and has been involved in the master planning exercise for the New Hall housing being built on the eastern outskirts of the town.

- b Harlow is approaching a housing needs crisis, stemming from the poor quality “new town” housing, now 40 to 50 years old, which was prefabricated and is all ageing at the same rate. Fundamentally, the majority of the housing stock, particularly in the public sector, is unattractive and underlines the desire of professionals and key workers to live outside Harlow.
- c The provision of affordable housing is a big and growing issue. In general, the Council stock is residual and so renewal needs to take place in a comprehensive way alongside major new affordable provision.
- d Neighbourhood Renewal is needed as a holistic approach, to recreate existing areas as attractive for a wide social mix. The Council’s view is that failing estates need a fresh start that removes reputation and changes image. The small scale change that the Council has tried to enact in the past has not worked and so a decisive action of reviewing wider areas and creating change is needed.

11.5.7 The following represent further potential initiatives for consideration within the Regeneration Strategy to facilitate the renewal of housing and image in Harlow:

Strategic linking of growth with renewal. Planning agreements on major new housing allocations need to be linked with the renewal of existing failing neighbourhoods in Harlow. A successful future for housing will rely on a large scale rolling programme, moving from area to area, particularly as stock tends to degrade in large swathes. This large scale process also creates critical mass for developers to provide affordable housing and still make a profit. Effectively, the Council needs to package areas up for private sector involvement, and link new allocations to the renewal of old areas. Through this process, the community can be relocated (permanently or temporarily) in new areas while the renewal of old areas continues.

Prioritisation of renewal areas. Through analysis of the extensive work being undertaken to understand the nature of stock in the town, large scale areas for renewal need to be identified. Mapping the results of the current ‘Estate Sustainability Index’⁵ and analysis of IMD 2004 indicates that priority Wards should be Staple Tye, Little Pardon & Hare Street, and Sumners & Kingsmoor. Each of these three wards contain failing council owned estates and concentration of housing for renewal. These provide public sector assets that can be levered in the renewal process. Further points to note include:

- Staple Tye ward has the most Super Output areas within the 20% most deprived in the East of England, containing over 370 failing council properties and have low sustainability ratings. Regeneration of these areas needs to take place within a renewal of the wider area to facilitate image change and increase demand rankings.
- Little Pardon & Hare Street has significant deprivation within the IMD2004 housing domain. The high levels of council stock provide opportunity, as does proximity to on-going regeneration initiatives including the Town Centre, Harlow Gateway and Princess Alexandra Hospital. Housing renewal in this ward would benefit immensely from these synergies.
- Sumners & Kingsmoor ranks high in terms of IMD2004 housing domain.

Regeneration of Neighbourhood Centres. As the heart of many neighbourhoods in Harlow, regeneration of these centres needs to remain a priority. Already completed has been the centre in Staple Tyre that has proved successful. Associated with this is continuation of the capacity building within existing communities so that they are

⁵ Source: Investing in Harlow’s Homes – Harlow’s Housing Revenue Account Business Plan 2004-07

involved and engaged in the regeneration process and help shape future facilities and space.

Deliver more affordable housing. Ensure that new development and renewal of existing neighbourhoods contributes to and extends the stock of affordable housing in Harlow. Linked to this is facilitating an increased role for the Housing Association sector in Harlow to provide and maintain future affordable stocks, and the continued transfer of council housing into different tenures, through wholesale or 'trickle' transfers.

Support improvement to owner-occupiers. The problems of depreciation also affect the owner-occupied sector, where high prices and a lack of affordability mean the investment in property maintenance is low. Regeneration initiatives should support this sector through offering small grants to eligible residents.

Encourage housing demand in difficult areas. Negative stereotypes and poor images of neighbourhoods have a direct effect on demand. Whatever actual improvements are made to a neighbourhood (through improving the appearance and condition of the stock, tackling crime and anti-social behaviour, etc), demand will remain limited if a negative image persists. Alongside physical renewal, conscious efforts need to be made to alter perceptions through image management (changing attitudes, challenging current behaviour and perceptions, enacting social change).

11.6 Needs and Issues

- Two types of housing ownership dominate the Harlow housing market. The Council owns 30%, whilst 60% is owner occupied, with Housing Associations and private landlords owning the balance of 10%.
- Harlow's housing market is characterised by an ageing stock and some poor quality build. The worst housing stock is in Council ownership, but the Council struggles to provide an effective maintenance programme, given the nature of the stock and its poor build quality.
- Less than 1% of Harlow's private sector housing stock is classified as unfit, compared to the national average of 7.5%. In the private rented sector just 1% of the stock is unfit, compared to the national position of 6%. Poor energy efficiency and the problems associated with condensation were the most prevalent unfitness factors.
- Harlow faces a dual problem, in terms of affordable housing. It faces both a shortfall of affordable homes, with a projected shortfall deficit of 987 homes over the next six years. This is made worse by the fact that an increasing proportion of the residual stock of affordable housing is in Council ownership, and is affected by the problem of poor maintenance. The Council's holdings of affordable housing is, therefore, the poorest stock with high maintenance costs.
- Although there is some buoyancy in the housing market, the limited diversity and choice of housing makes Harlow a less attractive residential location, particularly for people with higher income occupations. Nevertheless, the overall view of housing in Harlow is of a stock lacking in choice, largely unattractive and, in parts, approaching the end of its liveability.
- The quality of sports facilities needs upgrading. Harlow has benefited from the Sustainable Communities Plan with a £12 million award to unlock the Sports Centre and Harlow Pool sites, forming the Gateway Scheme.
- The neighbourhood renewal work, while effective where it is carried out, is relatively small scale.

12 Town Centre, Retail and Other Services

12.1 Introduction

12.1.1 This chapter considers the town centre, retail and other services in Harlow. The issues are considered under the following sections. It first considers the policy context and evidences related to an assessment of the current provision. Leisure and hotel provision in Harlow is reviewed. It then makes an assessment of the strengths, weaknesses, opportunities, and threats facing Harlow Town Centre. A series of questions are raised on strategic choices and challenges. New initiatives are flagged to build on current town centre, retail and local service provision. It concludes with a summary of key issues.

12.2 Policy Context

12.2.1 Harlow is recognised as a sub-regional shopping centre in the Essex County Structure Plan, but had fallen from 78 to 130 in the national hierarchy in the past twenty years. However, the completion of Town Centre South has helped to turn the position round and will raise its Experian ranking back up into the 90s.

12.2.2 Harlow 2020 sets out to strengthen the town centre's position as a sub-regional shopping centre, to increase town centre footfall by at least 1% per annum, and to attract over 300,000 visitors from a wide catchment area. In the town centre there is a significant backlog of private (and public) sector investment decisions awaiting the growth specifications of RPG14 / RSS and the implications for Harlow's catchment potential. Retailers have resisted joint working with HDC to date, possibly in part due to growth uncertainties and the performance of HDC itself.

12.2.3 The Local Plan recognises the need to enhance the vitality and viability of the town centre to retain this role by diversity and quality of uses in the town centre (retail, employment, leisure, entertainment and culture), and encouraging residential development in the town centre.

12.2.4 Lakeside/Bluewater are considered serious accessible competitors for Harlow's town centre and its related neighbourhood centres. The Harlow Baseline Study (2002) indicated that around one-fifth of all Harlow jobs are based in the town centre area, with the majority of these being taken up by local people. But the number of town centre jobs has fallen significantly since 1998. BL/LSC and HDC are planning a pilot training and recruitment scheme for Harlow retailers to anticipate increasing competition with town centre redevelopments.

12.2.5 The 2002 Harlow residents survey carried out by MORI showed that 67% of the population thought creating a pleasant and relaxing environment was the most important thing to do to improve the town centre. There is no budget for environmental improvements to the town centre in 2004. Harlow has a big image problem internally and externally, and there is no marketing budget to address these

with information about recent developments. Early settlers consider Harlow's appearance, facilities and services have gone downhill over a long period.

- 12.2.6 Harlow was designed with a hierarchy of retail centres; a town centre, five neighbourhood centres (half mile standard) and eighteen hatches (quarter mile standard). The hierarchy has been undermined over the past decade by local retail parks and other sub-regional shopping centres, but also by changing shopping practices.
- 12.2.7 Nevertheless, the Local Plan suggests that the neighbourhood centres and hatches have an important role to play in providing local facilities for residents and minimising car travel, particularly important for Harlow's ageing population. This will require the improvement of the range and quality of facilities to meet the needs of the local population, supported by retaining and increasing residential accommodation above shops and on previously developed land.
- 12.2.8 Neighbourhood centres should also be the foci for redevelopment, regeneration and reinvestment through extension, mixed use and intensification. The majority of retail areas are looking dated and run down, and have some form of restriction on change of use from retail to non-retail. This suggests weak market conditions and a lack of reinvestment incentives for the private sector.
- 12.2.9 Harlow has been successful at the value end of the retail market, but needs to broaden its retail offer through increasing the amount and quality of comparative shops and securing a department store. CB Richard Ellis (CBRE) confirms that Harlow has a limited retail offer, which is skewed to the mid to lower end of the market. Their report concludes that Harlow could have a much wider catchment area, given its strategic location within the M11 corridor, but is hindered both by the failure of Harlow to meet shoppers' requirements and the growth of competitors.
- 12.2.10 CBRE recommends that new development should broaden the retail offer of Harlow towards the middle and upper sectors of the market and provide key variety store anchors, which will integrate with the existing centre. This is not addressed by the new Water Gardens development.
- 12.2.11 The Local Plan envisages that the sustainable principle of providing schools, community and health centres facilities within each neighbourhood and within walking distance of home should continue, although the evolving nature of health provision requires a more flexible approach. Major new housing development should set aside land and make financial contributions for the provision of associated community facilities.
- 12.2.12 The use of community services rests on access (physical and financial) and the attitudes of the people in the community. To address issues of social inclusion, people with special requirements should form an integral part of the liaison, planning and possibly management processes.

- 12.2.13 As a former New Town, Harlow has a number of planned community facilities spread throughout the town, but many need refurbishment or rebuilding, and these will be conditions of any planning approvals. In Harlow 2020, an emphasis on initiatives for young people and housing for second and third generation residents is set against a priority over the next ten years to provide for the housing, care and leisure needs of older people (the number of over 75s in Harlow will increase by over 33%) and to invest £80m in local authority housing.
- 12.2.14 The term leisure covers indoor and outdoor sports and recreation, entertainment and cultural activities. These activities increasingly have significant land use implications, and can be significant differentiating factors in personal and business attraction to an area.
- 12.2.15 Good quality financially sustainable facilities are required for the regeneration of Harlow and improvement of the town's image, but many of Harlow's facilities are dated and in need of reinvestment to increase participation and levels of performance.
- 12.2.16 The [State of Play](#) identified the need for appropriate facilities for athletics, wheeled sports, football, tennis, rugby, swimming and outdoor pursuits, and the need to consider facilities for most other sports.
- 12.2.17 Harlow has a high proportion of open space compared to its built up area. This included 159 hectares of POS, 26 hectares of recreation grounds, 58 hectares of public playing fields, 11 hectares of playgrounds, 83 hectares of principal parks and 134 hectares of woodlands.
- 12.2.18 This is necessary due to relatively high densities and very little vacant or underused land in the housing areas. The Green Wedges, together with other areas of internal open space, have enabled playing fields and other recreational facilities to be distributed so that they are easily accessible to every home.
- 12.2.19 The Council has always encouraged the arts in Harlow and these activities are important to regeneration, employment creation and quality of life.
- 12.2.20 The Harlow Cultural Strategy intends to integrate cultural issues into the development plan and express and realise a vision in response to the needs and aspirations of the local community. Efforts to improve the visual quality of the town by the provision of sculptures, murals, and street decoration are to be supported particularly through "Percentage for ART" schemes where developers are required to contribute.
- Care must be taken, however, not to cater /improve for the visitor at the expense of the residents.
 - Improving visitor attractions only makes sense if people will have the interest in them and know about them.
- 12.2.21 Leisure and Arts are heralded by the Cultural Strategy as having a considerable role to play in the local economy and making the town a lively and attractive place to live and work. They could be critical factors in attracting new higher skilled residents and

their employers, and possibly specific creative industry sectors such as software and design.

12.3 Current Provision

Retail

- 12.3.1 Harlow's central shopping area is typical of a New Town; it is small, compact and based round a series of pedestrianised precincts. The town centre, bound by the ring road, is predominantly made up of commercial and civic uses. The primary shopping areas include the Harvey Centre and Broadwalk, together with Little Walk, Cross Street and Terminus Street. The Harvey Centre is anchored by Marks & Spencer, Tesco, Littlewoods and British Home Stores. The Water Gardens, located at the southern edge of the town centre, is a recent development comprised of new civic offices, restored Water Gardens and significant retail and leisure development. It was envisaged that the scheme will be fully completed by October 2004. Asda, TK Maxx, Matalan, Next and Woolworths were the first to open.
- 12.3.2 Harlow market, comprised of approximately 100 fixed stalls, is open five days a week and is located in Market Square. The market, owned by Harlow District Council and operated by Hughmark International, has come under increasing pressure from other markets such as North Weald (one of the largest in Europe) and a lack of investment and current construction works which has made the market relatively unattractive and inaccessible to shoppers. As a result, a number of long term stall holders have left the market and it has become more difficult to attract new stall operators. Market refurbishment work was completed in 2004 and possible relocation of the market is under consideration
- 12.3.3 A number of retail developments took place in Harlow in the late 1980s and 1990s, including retail warehouse parks along Edinburgh Way, large food stores such as Sainsbury's and Tesco, a new neighbourhood centre for Church Langley and the redevelopment of the Staple Tye neighbourhood centre. The retail warehouses have however tended to dilute the character of Edinburgh Way as an area of employment.
- 12.3.4 Harlow's proximity to the M11 and M25 and the town's limited provision means that residents in the catchment area are likely to travel to competing town centres, including Cambridge and Chelmsford. Furthermore, the town centre has come under pressure in recent years from out of town development and other centres such as Lakeside and Bluewater. Significant retail developments in the catchment area of Harlow have caused leakage of trade from the town, while Harlow's own retail parks have drawn shoppers from the town centre and neighbourhoods.

Retail Capacity Forecasts

- 12.3.5 Retail capacity forecasts (for comparison goods) have been made by CB Richard Ellis under five different population growth scenarios, taking into account the 'Town

Centres and Retail Potential Study' of Essex completed in 2002 by Hiller Parker to inform the Replacement Essex and Southend Structure Plan and the catchment and market share data provided by the CB Richard Ellis 'National Survey of Local Shopping Patterns' (2002).

- 12.3.6 The expected housing growth in Harlow associated with the forecasts has been estimated using the 'Harlow Options Study' prepared by Atkins in June 2003.
- 12.3.7 For each growth scenario, CBRE examined two sub-scenarios: one which assumed the pattern of market shares of comparison goods expenditure attracted by Harlow town centre in 2002 remains unchanged throughout the forecasting period (A, the 'baseline' scenario); and the other making allowance for Harlow town centre increasing its market share of comparison goods expenditure as a result of the Water Gardens and proposed Harvey Centre extension town centre developments (B).
- 12.3.8 Per capita expenditure on comparison goods is estimated to be £1,672 in 2000 rising to £2,026 by 2003, £2,253 by 2006, £2,689 by 2011 and £3,209 by 2016. Total comparison goods expenditure for the catchment area forecast to rise from £719.3 million in 2003 to over £1.1 billion in 2016.
- 12.3.9 The CBRE model finds Harlow town centre to be achieving an average sales density for comparison goods in 2003 of £6,628 per sq m net. Based on other retail studies of a number of town centres carried out by CBRE, this is a relatively high sales density for a town centre of the size of Harlow, and indicates that the prime retail areas of the town centre appear to be currently performing well for a town centre of its size. However, care should be taken when commenting on this sales density, since the figure is based on floorspace data provided by Experian Goad rather than on an up-to-date and comprehensive survey of existing floorspace in the town centre.
- 12.3.10 Under each of the scenarios there appears to be capacity to support the Water Gardens in the period 2006-2011; with capacity arising sooner in the case of the higher population growth scenarios, and if marginal growth of market share occurs.
- 12.3.11 The date when the proposed Harvey Centre extension will be fully supportable by catchment area expenditure will also depend on local population growth, and on the ability of this department store anchored scheme to attract increased market share. On the realistic assumption that the proposed extension to the Harvey Centre is able to increase marginally the market share of catchment area expenditure attracted by the town centre, this scheme will be fully supportable by no later than 2011, if forecast trends occur. This is not long after the most realistic opening date of 2008.
- 12.3.12 Thereafter, depending on the increase in market share the analysis shows that the capacity for further town centre comparison goods floorspace is still expected to grow rapidly due to the increased population in Harlow and increasing per capita expenditure. On this basis, a third phase of town centre development of between about 4,100 and 13,800 sq m net would be fully supportable by 2016 if forecast trends occur. This capacity for new development should, of course, be reviewed and

confirmed well before that date, based on a comprehensive household interview survey of shopping patterns, and a new shop floorspace survey of the town centre.

Leisure

- 12.3.13 Attendances at the town's key sports facilities totalled about 1 million in 2001-2002. These include the Harlow Sportcentre (run by the Harlow and District Sports Trust) and Harlow Pool (run by Harlow District Council).
- 12.3.14 Leisure provision in the town centre has increased recently with Esporta taking 2,787 sq m (30,000 sq ft) in the Water Gardens Centre development.
- 12.3.15 Significant investment is required to update sports facilities and adapt and extend them to modern expectations and demand. Their improvement may be critical to attracting new employers and the technical and professional labour skills required.
- 12.3.16 There are currently two cinemas in Harlow; the Odeon located on West Square in the town centre has three screens and the UGC Cinema located at the Queensgate centre on the Templefields industrial estate is a more modern facility providing six screens. Harlow's leisure offer also includes First Bowling and Mecca Bingo, both located on Terminus Street in the town centre, and The Playhouse, which provides a two auditoria theatre. There are currently only three nightclubs, Jumpin' Jacks, Millennium Night Club / Liquid Nightclub and CM20 Music Bar.
- 12.3.17 The current A3 offer in Harlow is limited. Few of the major pub and restaurant brands, such as All Bar One, Pitcher & Piano, Fine Line, Pizza Express, and Wagamamas are currently represented in the town. However the Water Gardens development at Town Centre South provides units for Pizza Hut, Nando's and Esquires Coffee House, and there are additional published requirements from a number of pub and A3 operators including ASK, Brewers Fayre, Costa Coffee, Ember Inns and KFC.

Hotels

- 12.3.18 Harlow's hotel provision is currently limited. The demand for hotel accommodation in the town is predominantly from business travellers due to its proximity to the M25, London and Stansted airport. As a result the current hotels found in Harlow are predominantly three star/budget operators who are targeting the business market. Mid-week business is reported to be strong, but weekend business is more difficult to generate.
- 12.3.19 Although the hotel development market continues to grow, it is driven by the expansion of budget operators and the development of 4/5 star hotels has been much more limited due in part to the well documented decline in tourist numbers.

Car Parking

12.3.20 Harlow town centre has nearly 4,000 parking spaces, which can be found in six central multi-storey car parks.

12.4 Strengths, weaknesses, opportunities and threats

12.4.1 This analysis provides a summary assessment of Harlow Town Centre, retail and local service provision.

Strengths

- Town Centre South redevelopment has been achieved
- The town has a compact centre
- A new department store is imminent at the Harvey Centre
- Different retail unit sizes are available to attract modern independent and national comparison retailers
- There is scope to extend the centre northwards towards the railway station
- Harlow is a sub-regional centre in a growth corridor
- Harlow is in close proximity to London
- The town has relatively good rail links, with two stations
- Green Wedges provide for informal and new leisure facilities
- There is active Town centre management
- Pedestrianisation encourages social inclusion. Harlow has the first pedestrianised town centre in the UK
- Harlow has the largest local authority collection of sculptures

Weaknesses

- Long term retail decline has driven problems in Harlow town centre and the local centres
- Relatively low wages and discretionary spend characterise the HDC area
- Under-investment by both the private and public sectors is leading to a poor image and town centre environment
- The old-fashioned appearance of the neighbourhood centres reinforce the poor internal and external perception
- There is a relatively high resident dependency on subsidised services

Opportunities

- Accepting planned growth over the next twenty years will increase the spend potential of the local catchment area
- Growth pressures and rising property values will drive redevelopment schemes
- There is scope to upsize Harlow to achieve economies of scale, critical mass, intensity of mixed uses, and the attraction of customers from other competing centres

- An expanded events calendar for the benefit of local residents and visitors
- A progressive change in Harlow's retail offer and image
- The potential to develop a quality evening economy
- The development and implementation of a public/private investment framework
- Extensions of Harlow's town centre and the town boundaries
- The creation of quality public spaces in Harlow town centre and the highlighting of public realm sculptures

Threats

- The do nothing policy option
- Continued under-investment which will reinforce the absolute and relative decline of the town centre and Harlow as a whole
- Competition from nearby retail and services centres, particularly on the M11 / M25
- The poor quality, mix and limited retail hierarchy accessed by local residents
- Distribution of M11 corridor growth to other centres under RPG14 / RSS

12.5 Strategic Challenges

12.5.1 Harlow is faced by a number of strategic choices and challenges in the context of improving town centre, retail and local services. These pose a number of questions.

- What scale and quality of town centre retail is required to competitively fulfil the sub-regional shopping centre role?
- A vibrant town centre is significant to other regeneration objectives, including inward investment, new office based activity, use of leisure facilities and the overall quality of life for local residents.
- Identification of "soft" neighbourhood centres where mixed use redevelopment could provide increased housing and employment densities, and therefore reinvestment opportunities? What criteria should apply?
- Harlow neighbourhoods should be better linked and accessed to allow larger catchment areas to sustain retail provision and the viability of local services?
- Car access is vital for a competitive sub-regional role?

12.6 New Initiatives

12.6.1 A number of new initiatives might be considered which both build from existing projects and programmes and may contribute towards the overall regeneration of Harlow.

- Extend Harlow town centre northwards towards the station, including new entertainment, leisure and residential uses
- Establish a Town Centre Management Company and BIDS options for public/private partnership in environmental improvements and marketing
- Develop public spaces, street furniture, signage and public art packages

- Reinforce customised training and recruitment initiative to give local access to new jobs in the town centre
- Reduce mixed use constraints in all retail centres through Local Plan Review
- Extend the size and range of employment opportunities in the retail centres
- Attract a hotel and conference centre to Town Centre North
- Develop the New Hall neighbourhood centre

12.7 Needs and issues

- Harlow's sub-regional shopping centre had underperformed, but the completion of the Town Centre South redevelopment with the Water Gardens has helped to turn the position round and will raise its ranking in the national hierarchy.
- Around one fifth of all Harlow jobs are based in the town centre area, with the majority being taken up by local people. However there had been a decline in the overall number of town centre jobs from 1998.
- The town centre is unattractive to residents, particularly in the higher income brackets. It is deficient in comparison shopping and faces a serious challenge from accessible competitors including Lakeside / Bluewater.
- The town centre had a poor physical environment which has deterred shoppers and is not easily accessible. Harlow market in Market Square is suffering from increasing competitive pressures, a lack of investment and the current construction work on adjacent redevelopment sites.
- The hierarchy of retail centres in Harlow has been undermined by growth of retail parks and other sub-regional centres. The neighbourhood centres and hatches have an important role in providing local facilities and minimising car travel. They are also important in serving Harlow's aging population. However while offering important facilities their environment needs upgrading.
- The Local Plan recognises that the sustainable principle of providing schools, community and health centre facilities within each neighbourhood and within walking distance is important.
- Good quality financially sustainable leisure facilities are necessary to meet needs and for the improvement of the town's image but many facilities are dated and in need of reinvestment to increase participation and performance levels.
- The arts have an important role in helping to make Harlow an attractive place to live and work.
- The town suffers from a deficiency of facilities to support a vibrant evening economy, few of the major restaurant and pub brands are represented in Harlow.
- Hotel provision in Harlow is currently limited, particularly in the 4/5 star hotel category. Weekend business is difficult to generate and there has been a well documented decline in tourism and visitor numbers.

13 Conclusions and main points

13.1 Introduction

13.1.1 This concluding chapter brings together the main points that are set out in the preceding chapters. It summarises the economic, social and physical regeneration needs of Harlow which point towards priority areas for the regeneration policies. The findings of the report provide an evidence base to allow the Harlow Regeneration Strategy to be developed reflecting the fundamental regeneration issues and primary needs set out at the end of the chapter.

13.2 Socio-Economic Overview

- Harlow's population, from the completion of the construction of the new town, was broadly static for several decades, but then went into steady decline. The position improved from the mid 1990s, with net immigration primarily to the new development of Church Langley, but the population has started to decline again.
- Long run population trends show that Harlow's population has experienced overall decline since 1981, while the population of the surrounding area has increased by more than 10%. The (relatively small) size of the population of Harlow has also determined the size of its labour market. The small size of the labour market has failed to keep pace with local labour requirements.
- Employment growth in Harlow has lagged behind growth in neighbouring areas for some time. Harlow jobs grew by only 12%, compared to 22% in the Harlow sub region, in the period 1991-2002, indicating a relative economic underperformance.
- The structure of Harlow's economy lacks diversity because it is dominated by a small number of very large employers. Harlow developed in the 1950s and 1960s as a large company town. This concentration and imbalance in the structure means that the town's economy is potentially fragile, vulnerable to large firms downsizing, and reliant on a narrow business base.
- Given the large company context the small firms sector is seriously underdeveloped.
- VAT registration data show that Harlow has a markedly small number of registrations relative to its size. The town had only 38 registered businesses per 1,000 economically active residents in 2004, which is less than half that of the sub-region (79 registered businesses per 1,000 economically active). National research indicates that new firms are an important component of a successful, dynamic local economy.
- The current industrial specialisms and strengths of Harlow are Research & Development, Manufacture of Office Machinery and the Manufacture of Instruments.
- A greater proportion of Harlow's residents are economically active than in the East Region and the country as a whole, which is a positive attribute for the local labour force.
- Substantially fewer Harlow residents are in full time education than in the rest of the country. Only 12% of Harlow residents hold a degree, compared to 20% in England and Wales.
- About 4.7% of the economically active are unemployed in Harlow, compared to 2.9% in the Harlow sub region and 3.8% in the East region. This suggests

the need for higher levels of local employment and job creation and skills development.

- Qualification levels are reflected in the occupational characteristics of Harlow residents. A third (33%) of Harlow residents are in managerial, professional or technical occupations, compared to 46% in the Harlow sub region. Higher income jobs go to those who commute into Harlow and residents tend to be in lower paid occupations.

13.3 Business Development

- The small firm sector in Harlow is particularly underdeveloped. The sector accounts for only 53% of employment, compared with a national average of 62%. This also means that self-employment rates in Harlow are lower than in the other areas; 9% of economically active Harlow residents are self-employed compared to 16% in the Harlow Sub Region.
- The rate of business formation in Harlow is also much slower, at 4.9 per 1,000 economically active population. This is only 60% of the rate in the Harlow sub-region (8.2 per 1,000 economically active). Taken together, the relatively small number of registrations and slow rate of business formation are an indication of the lack of dynamism and business growth in Harlow.
- The cost of premises, availability of skilled labour, availability of premises and inadequate transport infrastructure are the key factors restricting SME growth in Harlow. More particularly, Harlow is not able to provide the range of space required by businesses at different stages of their development.
- As a business location, Harlow has a demonstrable appeal for the Research and Development sector. The sector accounts for about 10% of employment in Harlow, compared with a national rate of only one per cent. However, Harlow is not exploiting the opportunities of this potential area of business and is, therefore, failing to develop a genuine cluster from which to encourage SMEs spin-offs. The development of a genuine Research and Development cluster will assist the development of the knowledge based economy in Harlow.
- A substantial number of graduates work in the town in both R&D and management. They represent a pool of potential 'high tech would be' entrepreneurs who could be encouraged to establish new businesses in Harlow.
- Harlow does not currently offer appropriate entrepreneurial culture or environment to support start-ups.

13.4 The Specific Needs of Businesses

The needs of businesses are based on a survey of firms carried out in October 2004.

- Almost 90% of the firms interviewed in Harlow are micro businesses, employing 10 or fewer people. Most of the remainder are small to medium sized firms and a few large firms.
- The micro and small enterprises are concentrated mainly in construction, transport, finance and business services. Firms in these sectors are also mainly those that have been established in Harlow for 20 years or more. This implies that Harlow is not attracting the new businesses that utilise high level skills; the type of businesses which are essential for regeneration, and which will also enable the town to attract and retain its graduates.
- A significant proportion of the firms expect to grow over the next five years. Most of these are mid-sized businesses; but it is a concern that many were

expressing uncertainty about their continued presence in Harlow because of business constraints they face.

- By far the most severe constraint on firms meeting their business objectives is the (high) cost of suitable premises. This is closely followed by the lack of suitable skills among the resident population.
- Harlow's poor image is considered by the firms as one of the significant factors discouraging new businesses locating and developing in the town. The other discouraging factors are the business rates and poor transport links. The firms believe these are pressing issues which the Council and its partners must tackle to both encourage and retain businesses in Harlow.
- Although it is generally acknowledged that Harlow has a low skills base, there appears to be little effort made by firms to address the problem by training and developing their current workforce. Only a small minority of firms have a training plan, or one that is supported through dedicated training budgets. Moreover, very few firms appear to have systems and processes in place for the development of their workforce.
- The evidence from the survey suggests that firms in Harlow do not place much importance on workforce development and a significant number believe their workforce needs only basic skills to do the job. The lack of investment in their workforce will have serious implications for the future competitiveness of firms in Harlow.

13.5 Employment Sites and Inward Investment

- Since the late 1990s, Harlow has secured the highest number of recorded new investment projects in Essex, but the majority are reinvestments arising from the restructuring of existing facilities.
- Despite its success in attracting high levels of inward investment, Harlow is still plagued by not only its poor image, but also perceptions about its inadequate road network and transport infrastructure. The town suffers from road congestion, poor access to sites and has outworn industrial estates.
- Harlow is constrained by its current boundaries and there are few opportunities for the identification and designation of new employment land.
- There have been significant losses of employment land, particularly off Edinburgh Way on the northern side of the town, to retail warehouse, car showroom and leisure related uses. This detracts from the primary employment use of the area and adversely affects market perceptions, particularly in relation to the reletting of industrial and office premises. This is a consequence of market failure, and further reduces the employment potential of land, thereby undermining Harlow's attractiveness as an investment location.
- The Essex County Structure Plan requires that land lost to non-employment uses should be replaced. This replacement process is increasingly problematic, given the constraints on developing Green Wedges and Green Belt in Harlow.
- The Local Plan has identified a significant stock of vacant or underutilised employment sites and premises in Harlow. However, much of this stock is outworn, and constrained further by its size and desirability. The employment sites themselves suffer from poor accessibility. They are poorly located relative to the strategic transport network, and can be accessed only via the town's congested road network, and as such are unattractive to potential investors.
- The Harlow industrial and commercial premises market is not strong, as older industrial and office stock become redundant. This also means that achieved

rent levels falling. Although this provides for businesses some of the lowest industrial and commercial rents in the South East, these same market conditions also prevent reinvestment and renewal of stock.

- The cost of new build B Class development in Harlow is not covered by current achieved rents, with the result that the development market is stalling.
- Harlow suffers from severe peak period congestion on all principal routes into and out of the town, which has an adverse impact on both new investment and reinvestment in sites and premises.
- The persistent message throughout this analysis of Harlow's needs is the very poor image of the town and negative perceptions of Harlow as a location for business and inward investment. The evidence from the analysis is that potential investors and employers feel the town has only a limited offer. Consequently, Harlow is marketed on the basis of its proximity to London and Cambridge, rather than on its own intrinsic qualities or attractions. The image of Harlow as a failing New Town detracts from its ability to attract investment.

13.6 Labour Market, Skills and Workforce Development

- The most distinctive feature of Harlow's labour market compared with the wider area is the higher proportions of workers employed within manufacturing, wholesale and retail trades, and transport, storage and communications.
- Harlow's labour pool is relatively low skilled. A higher proportion of residents have no qualifications at all; and compared with its surrounding areas, only a very low proportion of the workforce has higher qualifications.
- Harlow is characterised by a poor retention rate for higher skilled residents. Graduates and other qualified residents tend to leave the town, and are more likely to live and work in towns and villages in the neighbouring travel to work areas, which offer a better quality of life.
- Underpinning the skills deficit in Harlow is the fact that fewer residents are likely to participate in learning compared to both the region and the country as a whole. This is most noticeable among 16-17 year olds. Harlow has the highest proportion of pupils not achieving 5+ GCSE/GNVQ qualifications among local authorities in Essex although the position is improving.
- The skills and employment mismatch has an inhibiting effect on local business creation and the potential for spin-off in the knowledge sectors, for example the Research and Development base. Research evidence to suggest that workers with higher level qualifications are generally more predisposed to starting their own small business.
- Some of the large Harlow employers for the most part operate independently and do not regard regeneration and the low indigenous skills base of Harlow as being particularly related to their future business growth.

13.7 Community Development

Key characteristics of the population have implications for community development.

- Harlow is not ethnically diverse; the white British population is above the national and regional average, but there are distinct minority community needs.
- The proportion of Lone Parent households is comparable to other Southern New Towns.

- According to the Index of Multiple Deprivation, the Harlow community does not suffer from widespread deprivation. Nevertheless, Harlow remains within the most deprived 10% of local authorities in the East of England region.
- Deprivation tends to be more dispersed in Harlow and hence less visible. Only a small part of Staple Tye Ward falls within the 20% most deprived areas of the country.
- The Harlow Ward deprivation scores of significance in terms of community need are education, skills and training, barriers to housing and services and crime and disorder.
- The opportunities for residents to continue to participate in community initiatives may be under threat as projects are wound up and need to be restructured.
- Mainstream service providers have a low level of awareness on how to build the community participation process into service planning and delivery.
- The Voluntary and Community Sector is relatively underrepresented on the LSC.
- Community involvement and participation in Harlow is constrained by the lack of basic skills.

13.8 Health

- Harlow has a 4% larger proportion of 0-44 age groups and a lower proportion of 75+ age groups, and an ageing population.
- There are a slightly higher proportion of dependant children under the age of 18 live with a lone parent
- Deaths by cancer are shown to be higher than the national average (significantly), which is also the case for mental health.
- Harlow Town's healthcare needs and issues cannot be viewed in geographical isolation from the adjacent area and should be considered within the context of the requirements of the surrounding Primary Care Trusts.
- Under any planned population expansion in Harlow, secondary healthcare will require a second stage of capital development to provide further additional capacity and remodel its emergency care and clinical diagnostic facilities, and develop short stay and day case facilities.
- The West Essex Clinical Services Review (WECSR) and internal assessment of site capacity at the Princess Alexandra Hospital will indicate the capability and healthcare requirements and combine to inform planning of healthcare provision in the area to 2021 and beyond. Healthcare facility developments should, ideally, be in place before the expansion of population.
- There is a need to increase the pace and extent of modernisation initiatives across West Essex/East Hertfordshire. It is also recognised that it would not be possible to meet increasing demand for healthcare through investment in 'more of the same'.
- There is a need for a medium term strategy to manage requirements for secondary care provision by developing suitable alternative community services. Integrating and developing a range of community services improving the support available to those with long term conditions to avoid unnecessary admission to hospital.
- A comprehensive workforce strategy for healthcare is required to meet any planned growth, which takes into account the European Work Time Directive, changes in medical training, recruitment and retention initiatives, the

requirement for new and flexible professional roles needing new sets of skills and knowledge, and overall expansion in staff numbers. This will impact on affordable housing needs.

13.9 Transport and Accessibility

- Harlow is poorly provided for in terms of strategic road connections: Junction 7 of the M11 and the A414 are both significantly congested during the peak periods.
- Capacity is restricted in the main routes and junctions.
- The main railway station is remote from the town centre, has poor facilities for passengers (including parking and waiting rooms) and offers only limited connections into the Region. The main use is for commuting purposes to and from London.
- The town centre is cut off, surrounded by a dual carriageway – effectively a ‘collar’ - which severs the centre from the neighbouring residential areas and restricts pedestrian movement into the town centre.
- The plan for internal traffic circulation has been compromised by the lack of links from the south and west. The result is that the westerly and northerly employment sites are not directly connected to the motorway network.
- The neighbourhood centres themselves are well-planned in transport terms, separated from through traffic, with extensive local walking and cycling networks.

13.10 Housing

- Two types of housing ownership dominate the Harlow housing market. The Council owns 30%, whilst 60% is owner occupied, with Housing Associations and private landlords owning the balance of 10%.
- Harlow’s housing market is characterised by an ageing stock and poor quality build. The worst housing stock is in Council ownership, but the Council struggles to provide an effective maintenance programme, given the nature of the stock and its poor build quality.
- Less than 1% of Harlow’s private sector housing stock is classified as unfit, compared to the national average of 7.5%. In the private rented sector just 1% of the stock is unfit, compared to the national position of 6%. Poor energy efficiency and the problems associated with condensation were the most prevalent unfitness factors.
- Harlow faces a dual problem, in terms of affordable housing. It faces both a shortfall of affordable homes, with a projected shortfall deficit of 987 homes over the next six years. This is made worse by the fact that an increasing proportion of the residual stock of affordable housing is in Council ownership, and is affected by the problem of poor maintenance. The Council’s holdings of affordable housing is, therefore, the poorest stock with high maintenance costs.
- Although there is some buoyancy in the housing market, the limited diversity and choice of housing makes Harlow a less attractive residential location, particularly for people with higher income occupations. Nevertheless, the overall view of housing in Harlow is of a stock lacking in choice, largely unattractive and, in parts, approaching the end of its liveability.
- The quality of sports facilities needs upgrading. Harlow has benefited from the Sustainable Communities Plan with a £12 million award to unlock the Sports Centre and Harlow Pool sites, forming the Gateway Scheme.

13.11 Town Centre, Retail and Other Services

- Harlow's sub-regional shopping centre had underperformed, but the completion of the Town Centre South redevelopment with the Water Gardens has helped to turn the position round and will raise its ranking in the national hierarchy.
- Around one fifth of all Harlow jobs are based in the town centre area, with the majority being taken up by local people. However there had been a decline in the overall number of town centre jobs from 1998.
- The town centre is unattractive to residents, particularly in the higher income brackets. It is deficient in comparison shopping and faces a serious challenge from accessible competitors including Lakeside / Bluewater.
- The town centre had a poor physical environment which has deterred shoppers and is not easily accessible. Harlow market in Market Square is suffering from increasing competitive pressures, a lack of investment and the current construction work on adjacent redevelopment sites.
- The hierarchy of retail centres in Harlow has been undermined by growth of retail parks and other sub-regional centres. The neighbourhood centres and hatches have an important role in providing local facilities and minimising car travel. They are also important in serving Harlow's aging population. However, while offering important facilities their environment needs upgrading.
- The Local Plan recognises that the sustainable principle of providing schools, community and health centre facilities within each neighbourhood and within walking distance is important.
- Good quality financially sustainable leisure facilities are necessary to meet needs and for the improvement of the town's image but many facilities are dated and in need of reinvestment to increase participation and performance levels.
- The arts have an important role in helping to make Harlow an attractive place to live and work.
- The town suffers from a deficiency of facilities to support a vibrant evening economy, few of the major restaurant and pub brands are represented in Harlow.
- Hotel provision in Harlow is currently limited, particularly in the 4/5 star hotel category. Weekend business is difficult to generate and there has been a well documented decline in tourism and visitor numbers.

13.12 Fundamental Regeneration Issues

13.12.1 This report has outlines the potential of Harlow and the strengths upon which regeneration may be delivered. It has also identified the prevailing conditions which inhibit the realisation of this potential and are combining to create the challenging economic and social conditions that confront the town.

13.12.2 Arising from this analysis it is concluded that Harlow is faced by seven fundamental regeneration issues which are set out as follows:

- 1 Harlow has an underperforming economy. Relatively high economic activity rates, low unemployment, steady employment and investment all point to some economic success. However, closer analysis yields a picture of relative economic stagnation with Harlow's competitive position worsening as it continues to be outperformed by neighbouring areas. Slow employment

- growth, limited business stock and SME development, low levels of entrepreneurship and unexploited strengths in R&D and key sector clusters are all factors contributing to underperformance.
- 2 Harlow has a relatively small labour force and a low skilled labour market offer. Overall population decline has contributed to the local labour market failing to keep pace with local labour requirements. There is a higher proportion of residents with no qualifications and a significantly lower proportion of the workforce with higher qualifications in Harlow than in comparator areas. Young graduates / qualified people tend to leave Harlow. Basic skills are among the lowest in the region. Fewer residents are likely to participate in learning than in other parts of the country.
 - 3 There is an imbalance between the resident population and the occupational composition of workplace jobs in Harlow. The extent to which the town operates as a sustainable labour market has been undermined over time. In commuting has increased from 37% in 1991 to 48%, with neighbouring locations and travel to work areas offering a better quality of life. There are 9,300 positions in Harlow requiring Level 4/5 with only 5,600 residents qualified to this level. This has an inhibiting effect on local business creation and the potential for spin off activity, which tends to take place outside Harlow.
 - 4 Harlow suffers from social exclusion and deprivation with weak educational attainment, albeit improving, and low aspirations. Social indicators show that the residents of Harlow are typically worse off than their neighbours in terms of wealth and health. Harlow remains within the most deprived 10% local authorities in the East of England region and exhibits significant concentrations of deprivation, particularly in the Staple Tye ward.
 - 5 Poor physical infrastructure, constrained employment sites, decaying housing and a town centre requiring much greater improvement characterise Harlow. Economic potential is undermined by the state of the urban fabric which has suffered from underinvestment over recent years. Industrial and commercial rents are among the lowest in the London ring area, with market conditions inhibiting reinvestment. The housing stock in Harlow lacks choice, is largely unattractive and in parts is approaching the end of its liveability. The town centre has lost competitive position. The neighbourhood centres and hatches fulfil an important social need but many are in decline and future viability is questionable.
 - 6 There is poor accessibility both to and within Harlow. Current transport linkages are inadequate and compromise the original vision for the town. Harlow's weakness in transport infrastructure provision results in high levels of dependence on the private car and a poorly developed public transport network. Significant measures are required to address the transport deficit in Harlow.
 - 7 Harlow has a negative image and poor external perception. Although Harlow has been successful in attracting a share of inward investment in the East of England the negative perceptions of the town persist with the inadequate transport infrastructure, outworn industrial estates, poor quality housing and the town's outdated design detracting from Harlow as an investment location. This lack in investment, in turn, further undermines the image of Harlow.

13.13 Primary Regeneration Needs

- 13.13.1 It is manifest from the evidence base and analysis of needs set out in this report that far reaching and decisive intervention is required to both address the deep rooted structural problems facing Harlow and to realise the inherent potential of the town.

An incremental approach focussing on only some of the issues is unlikely to have either a significant or a long lasting impact. A wholesale regeneration initiative is therefore required which tackles the causes of Harlow's progressive underperformance.

13.13.2 A fundamental requirement for regeneration is a successful and sustainable Harlow economy. The achievement of success is dependent on a series of interrelated needs being fully addressed. These primary needs are defined as follows:

- a Building a dynamic economic base with a flourishing SME sector contributing towards better integration between the employment and local skills base of Harlow.
- b The creation of a highly skilled and innovative workforce with improvement in the existing labour market, retention of skills, rising aspirations and an increase in the scale and qualitative composition of new inward migration to Harlow.
- c A step change in the physical environment to demonstrate a continuing process of renewal and regeneration in the town centre, that the investment deficit is being made up and that an improvement in both the quality and choice available in the housing stock is being achieved.
- d A development process that proceeds on a socially inclusive basis allowing all sections of the Harlow community to share in the new economic prosperity and opportunity created.
- e A rebranding of Harlow which contributes to a fundamental change in the image of the town and builds the perception of a growing and dynamic sub regional centre.
- f The creation of a critical mass of new investment which contributes towards increased capacity in terms of spend, population and employment to extend the economic potential of Harlow.

13.13.3 The Harlow Regeneration Strategy builds on this evidence base and sets out the strategic policies and actions which are required to address Harlow's needs.

Appendix A LEPS

A1 Local Economic Performance System (LEPS)

- A1.1 The Local Economic Performance System (LEPS) comprises the collection, processing and presentation of local and national data. Data is collected from a variety of sources, but the majority comes from the Office for National Statistics (ONS) and other government sources (such as the Department for Skills and Education and the Home Office).
- A1.2 Much of the source data is processed by PACEC in order to produce robust and consistent estimates over time. For example, such processing is necessary where data is affected by differences in classification (e.g. definition of unemployment and industrial classification), geography (e.g. changes in local government areas) or methodology (e.g. Annual Business Inquiry and Annual Employment Survey). It is necessary to make estimates when data is not available locally, but is available nationally or regionally (e.g. Labour Force Survey or GVA), or where data collection errors need to be corrected (e.g. ABI). LEPS also includes projections into the future for both employment and population.

Appendix B List of Consultees

Name	Organisation	Name	Organisation
Joanna Beaumont	Harlow DC	Paul Jenner	Essex LSC
Anne Bonsor	Harlow DC	Liam Sammon	Essex LSC
Philippa Bull	Harlow DC	Liz Hand	JobCentre Plus
Ian Christmas	Harlow DC	Michael Hargreaves	GO-EAST
Dianne Cooper	Harlow DC	Dearbhla Lawson	GO-EAST
Vernon Herbert	Harlow DC	Jamie Merrick	EEDA
Julie Houston	Harlow DC	Keith Hughes	Business Link for Essex
Ellena Mould	Harlow DC	Richard Harrington	English Partnerships
Demetrious Panton	Harlow DC	Simon Meddick	Harlow PCT, WECSR
Danny Purton	Harlow DC	John Gilham	NHS Trust, Princess Alexandra Hospital
Laurence Sach	Harlow DC	Robert Powell	NHS Trust, Princess Alexandra Hospital
Mary Orton	East Herts DC Planning	David Thomas	CBRE (Property Agents)
Paul Pullin	East Herts DC Planning	Richard Faine	Faine (Property Agents)
Henry Stamp	Epping Forest DC	Paul Fitch	Glenny (Property Agents)
Ian White	Epping Forest DC	Linda Warr	Harlow Seedbed Business Centre
Ivan Le Gallais	Epping Forest DC consultant	Andy King	Arrow Electronics
Geoff Gardner	Essex CC	Jim Hood	GlaxoSmithKline
Steve Bailes	Herts CC	David Adlington	Nortel Networks
Anne Fisher	Herts CC	Trevor Hayburn	Orridge (Stocktaking Services)
Rachael Donovan	Herts CC	Stacey Lambert	Pearson Education
Richard Bailey	Essex Investment Office	Andy Jones	Pitney Bowes
Sue Young	Harlow College	Julie Cox	Transco
Jon O'Connor	Harlow Education Consortium		

Elected members were consulted through the Stansted M11 Local Authority Partnership at a meeting on 7th September 2004.

Appendix C Sources

- 1 East Herts Local Plan: Second Review December 2000
- 2 Out There Harlow 2003 Business Directory
- 3 Property Market Overview – Harlow Town Centre CBRE March 2004
- 4 Employment Densities: A full guide. July 2001. Arup Economics and Planning
- 5 The New towns, their Problems and Future. House of Commons. Transport, Local Government and Regions Committee 2002
- 6 Retail Trends GVA Grimley 2004
- 7 Business Parks Review. GVA Grimley 2004
- 8 Business Link for Essex Delivery Plan 2003/4
- 9 National Survey of Local Shopping Patterns CBRE 2002.
- 10 London Stansted Cambridge Sub Regional Study July 2003)
- 11 London-South Midlands Multi Modal Study LSMMS (February 2003)
- 12 Sustainable Communities Plan (ODPM February 2003)
- 13 Stansted/M11 corridor Development Options Study (September 2003)
- 14 Harlow Options Study/September 2003)
- 15 Draft RPG14 East of England Regional Assembly (February 2004)
- 16 Regional Economic Strategy EEDA (June 2004)
- 17 Framework for Regional Employment and Skills Actions (FRESA) (February 2002)
- 18 Small Business Needs in Harlow and the development of a networked mode of delivery. CLES (2001).
- 19 Competitiveness White Paper (DTI 1998)
- 20 Transport White Paper (DETR 1998)
- 21 European Investment Monitor (2004)
- 22 Harlow Baseline Study.
- 23 Harlow New Town: A plan prepared for the Harlow Development Corporation by Frederick Gibberd, 1952
- 24 Harlow Factfile.
- 25 A guide to the Harlow Economy.
- 26 Homes for Harlow, Harlow 's Housing Strategy 2004-2007 .
- 27 Indices of Deprivation, making the case for Harlow.
- 28 Harlow 2020 Vision (full).
- 29 Harlow 2020 Vision 2004 report.
- 30 Response to the Harlow Options Study, March 2004
- 31 Regen 10 year plan 03
- 32 ID making the Case for Harlow
- 33 Key Worker Research, Harlow District Council Feb 2003
- 34 Regional Housing Strategy 2003-2006
- 35 Residential Land Availability Study 2003

- 36 London Commuter Belt Sub-Regional Housing Strategy
- 37 Investing in Harlow's Homes - Harlow's Housing Revenue Account Business Plan 2004-20
- 38 'The Value of the Sports Economy in the Regions: The case for the East of England', Final Report, Sport England, June 2003
- 39 'Culture: making things happen in Chelmsford', Chelmsford BC, April 2002
- 40 Celebrating Essex': a cultural strategy for the county of Essex,
- 41 Living East: 'Culture: a catalyst for change – a strategy for cultural development for the East of England'

Appendix D Harlow Ward Based Super Output Area (SOA) Data (in rank order)

Table D1.1 Index of Multiple Deprivation (2004)

SOA	WARD	IMD SCORE	RANK OF IMD (where 1 is most deprived)	INCOME SCORE	RANK OF INCOME SCORE (where 1 is most deprived)	EMPLOYMENT SCORE	RANK OF EMPLOYMENT SCORE (where 1 is most deprived)	HEALTH DEPRIVATION AND DISABILITY SCORE	RANK OF HEALTH DEPRIVATION AND DISABILITY SCORE (where 1 is most deprived)	EDUCATION SKILLS AND TRAINING SCORE	RANK OF EDUCATION SKILLS AND TRAINING SCORE (where 1 is most deprived)	BARRIERS TO HOUSING AND SERVICES SCORE	RANK OF BARRIERS TO HOUSING AND SERVICES SCORE (where 1 is most deprived)	CRIME AND DISORDER SCORE	RANK OF CRIME AND DISORDER SCORE (where 1 is most deprived)	LIVING ENVIRONMENT SCORE	RANK OF LIVING ENVIRONMENT SCORE (where 1 is most deprived)
E01021858	Staple Tye	34.92	6265	0.20	7801	0.13	9366	0.51	9261	46.91	3714	39.90	2289	1.29	2007	5.61	27888
E01021864	Sumners and Kingsmoor	31.64	7453	0.22	6924	0.11	11610	0.35	11236	52.15	2802	37.75	2997	0.61	7948	7.15	25996
E01021846	Mark Hall	30.96	7732	0.19	8319	0.11	11168	0.26	12458	36.48	6070	38.46	2736	0.97	4126	17.34	15823
E01021842	Little Parndon and Hare Street	30.81	7794	0.18	8848	0.11	11169	0.52	9161	43.66	4333	32.33	5682	0.91	4712	16.74	16312
E01021860	Staple Tye	30.40	7977	0.19	8451	0.11	11366	0.44	10104	45.44	4007	29.54	7476	0.89	4910	18.27	15136
E01021859	Staple Tye	29.59	8300	0.25	5377	0.09	14375	0.30	11833	45.17	4044	24.59	11694	1.06	3430	7.27	25856
E01021851	Netteswell	29.46	8356	0.19	8505	0.12	10722	0.55	8832	35.67	6323	34.81	4268	0.34	11478	21.37	13090
E01021871	Toddbrook	29.45	8359	0.19	8601	0.13	8528	0.63	7981	29.66	8384	28.28	8435	1.07	3409	5.16	28396
E01021836	Harlow Common	28.78	8679	0.19	8213	0.11	10789	0.49	9523	48.61	3418	27.62	9002	0.45	9932	9.97	22724
E01021861	Staple Tye	27.29	9401	0.17	9388	0.10	12327	0.34	11418	40.72	5001	32.85	5373	0.75	6267	4.48	29150
E01021863	Sumners and Kingsmoor	26.05	10052	0.15	10912	0.10	13327	0.22	12965	42.56	4571	32.14	5789	0.79	5873	5.00	28577
E01021821	Bush Fair	25.68	10245	0.16	10220	0.10	13783	0.29	12052	42.01	4706	24.46	11823	0.81	5736	12.48	20070
E01021829	Great Parndon	25.55	10318	0.13	12807	0.09	15207	0.30	11823	38.58	5484	39.17	2495	0.65	7449	5.81	27668
E01021872	Toddbrook	25.42	10384	0.22	6879	0.08	15942	0.19	13279	32.52	7324	30.41	6884	0.17	13846	20.22	13777
E01021823	Bush Fair	25.01	10591	0.16	10186	0.11	11817	0.15	13879	36.73	6006	24.47	11809	0.55	8706	17.44	15734
E01021862	Staple Tye	24.61	10792	0.15	10692	0.09	14123	0.30	11941	40.84	4977	26.88	9642	0.65	7388	7.53	25530
E01021850	Netteswell	24.36	10918	0.14	11489	0.09	14151	0.35	11183	34.60	6639	26.84	9664	0.64	7537	15.37	17429
E01021845	Mark Hall	24.30	10963	0.20	7787	0.11	12005	0.32	11571	30.64	8033	23.36	12959	0.04	15623	14.98	17747
E01021852	Netteswell	23.99	11107	0.16	10343	0.11	11961	0.06	15226	36.48	6073	27.70	8916	0.37	10987	10.96	21667
E01021840	Little Parndon and Hare Street	23.15	11632	0.15	10786	0.09	14637	0.14	14079	43.78	4312	32.68	5489	-0.93	27896	12.17	20403
E01021834	Harlow Common	22.59	12004	0.13	13102	0.09	15032	0.02	15681	40.62	5018	32.70	5472	0.28	12269	8.05	24918
E01021868	Toddbrook	22.33	12163	0.12	14183	0.10	13841	0.37	11034	33.38	7037	26.77	9726	0.32	11668	14.90	17815
E01021831	Great Parndon	21.85	12498	0.13	12938	0.10	12585	0.33	11528	30.43	8110	21.91	14510	0.38	10886	13.11	19478
E01021847	Mark Hall	21.79	12539	0.14	12299	0.08	17371	0.08	14961	30.62	8041	30.17	7062	0.68	7059	10.27	22405
E01021819	Bush Fair	21.65	12621	0.11	14433	0.10	13850	0.19	13334	34.58	6644	25.08	11232	0.42	10311	13.47	19123
E01021820	Bush Fair	21.47	12759	0.13	12840	0.09	15305	0.07	15012	31.00	7890	29.49	7511	0.41	10446	11.53	21059
E01021839	Little Parndon and Hare Street	21.33	12854	0.15	11327	0.08	17241	-0.27	19756	28.11	9070	31.97	5875	0.58	8309	12.70	19867
E01021865	Sumners and Kingsmoor	21.15	12995	0.10	15737	0.08	15969	0.37	10954	34.13	6798	34.48	4440	0.09	14998	3.46	30338
E01021853	Netteswell	21.00	13083	0.13	13116	0.08	16039	0.11	14414	28.91	8698	29.99	7165	0.39	10789	11.66	20930
E01021849	Netteswell	20.95	13117	0.15	11084	0.09	14056	0.23	12817	25.44	10284	23.92	12360	0.50	9352	5.78	27702
E01021843	Little Parndon and Hare Street	20.94	13123	0.12	13609	0.10	13821	0.17	13593	21.16	12652	35.52	3936	-0.11	17758	13.26	19327
E01021838	Harlow Common	20.74	13290	0.11	15013	0.08	17430	0.00	15962	41.34	4860	29.91	7204	0.34	11459	7.51	25545
E01021866	Sumners and Kingsmoor	20.67	13345	0.12	13917	0.07	19370	0.21	13100	23.43	11363	44.55	1113	-0.18	18740	2.54	31232
E01021869	Toddbrook	20.30	13642	0.11	15283	0.09	14359	-0.02	16273	33.73	6927	25.37	10943	0.55	8658	7.91	25090
E01021835	Harlow Common	20.07	13813	0.12	14067	0.09	15312	-0.07	16998	34.60	6641	27.88	8777	0.13	14311	10.58	22061
E01021844	Mark Hall	19.92	13926	0.14	11795	0.07	18331	-0.09	17212	28.74	8786	22.49	13886	0.84	5454	7.73	25303
E01021841	Little Parndon and Hare Street	19.90	13936	0.12	13434	0.08	17741	-0.21	19018	25.00	10500	35.52	3938	0.58	8349	3.45	30348
E01021822	Bush Fair	19.78	14025	0.13	13093	0.06	20947	-0.16	18262	43.43	4371	22.59	13783	0.61	7947	7.27	25860
E01021848	Mark Hall	19.43	14301	0.11	14429	0.09	15279	-0.07	16953	29.09	8613	32.36	5662	-0.12	17830	8.71	24167
E01021870	Toddbrook	19.17	14505	0.11	14754	0.07	18699	-0.35	20868	29.10	8609	30.80	6612	0.38	10847	16.29	16652
E01021837	Harlow Common	18.97	14641	0.11	15159	0.07	19552	-0.08	17145	37.73	5711	29.82	7271	0.19	13497	6.48	26835
E01021833	Great Parndon	17.86	15537	0.11	14565	0.07	18336	0.07	15091	27.08	9501	28.16	8542	0.08	15162	6.88	26327
E01021855	Old Harlow	15.11	18034	0.14	12274	0.05	23873	-0.23	19307	22.08	12118	20.53	15995	0.00	16225	13.17	19407
E01021854	Old Harlow	15.05	18085	0.09	17886	0.06	22183	-0.36	21035	19.90	13460	32.01	5856	0.21	13216	8.86	23989
E01021832	Great Parndon	14.36	18797	0.05	24040	0.05	25501	-0.43	21958	24.73	10639	43.09	1421	-0.81	26733	6.79	26446
E01021867	Sumners and Kingsmoor	13.08	20219	0.05	26058	0.04	29031	-0.66	24767	21.94	12182	34.56	4404	0.66	7262	6.05	27353
E01021830	Great Parndon	12.98	20351	0.06	23580	0.06	21193	-0.50	22803	17.74	14960	35.97	3713	-0.14	18154	2.35	31395
E01021857	Old Harlow	11.78	21734	0.08	19071	0.05	25191	-0.26	19700	13.72	18197	32.70	5473	-0.74	25970	5.67	27825
E01021856	Old Harlow	11.76	21757	0.07	20132	0.05	26417	-0.45	22214	20.24	13239	20.32	16217	0.29	12219	11.16	21465
E01021826	Church Langley	11.17	22435	0.07	20578	0.04	26824	-0.52	23017	14.49	17547	35.37	4020	-0.66	25029	2.97	30841
E01021828	Church Langley	11.12	22512	0.02	31548	0.02	31744	-0.63	24364	17.21	15334	46.75	768	-0.68	25229	2.12	31587
E01021827	Church Langley	10.94	22750	0.08	19097	0.03	29862	-0.28	19995	19.19	13908	25.88	10492	-0.28	20091	6.24	27132
E01021824	Church Langley	9.99	23948	0.03	30406	0.03	30353	-0.67	24831	18.82	14185	39.92	2282	-0.78	26471	4.05	29665
E01021825	Church Langley	9.99	23950	0.02	31205	0.03	30869	-0.61	24057	15.85	16464	40.64	2060	-0.32	20640	2.10	31611

Note: Rank of IMD range (1-32,483) where 1 is the most deprived on a national basis. The shaded indicator figures are within the top 20% most deprived on a national basis.

Source: ODPM

**Harlow Regeneration
Strategy
Housing and employment in
Harlow**

Employment Projections

A report prepared by

PACEC

For Harlow Council

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July 2005

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1 Introduction

- 1.1 This short paper outlines the methodology of the housing and employment model used by PACEC in the preparation of the Harlow Regeneration Strategy which is based on the “Evidence Base and Analysis of Needs” report.
- 1.2 The initial stages involved a review of employment and population trends in Harlow to identify values for the model and a desk study of reports and other projections of employment for Harlow and the Harlow area; for example, the BSL Experian forecasts for the Government Office for the East of England.
- 1.3 The outputs of the model are calculated using three sets of assumptions, which form the three scenarios used in the Strategy:
- Lower, or “Continuation of Trends”;
 - Medium, or “Broadening Horizons”;
 - Higher, or “Dynamic Transformation”.
- 1.4 The projections of jobs required under each scenario are presented in a table which shows the intervening steps leading to the final employment estimates. These steps are then explained in the following methodology section.

2 The employment projections

- 2.1 Table 1 below shows, in sequence, the required inputs to, and calculated outputs from, the forecasting model:
- Inputs (baseline forecasts of dwellings and workplace jobs under the 3 scenarios)
 - Assumptions (demography and labour market statistics)
 - Labour Supply (the population under the three scenarios and the resultant labour market)
 - Labour Demand (the baseline number of workplace jobs in Harlow, and preliminary adjustments based on the population increase and the labour market assumptions)
 - Labour Market Balance (further adjustments to the number of workplace jobs based on the number of resident workers and a wider sub-regional role for Harlow)
 - Final total or projected jobs. These show the ranges for the growth scenarios 1, 2 and 3 and the commuting assumptions.
- 2.2 These projections have been used as a basis for characterising the scenarios in the Regeneration Strategy.

Table 1 Housing and employment in Harlow under each scenario to 2021

	Units	Growth Scenarios					
		Base position (2001)	1	2	3	Revised Higher	
		Harlow	Lower Harlow	Medium Harlow	Higher Harlow	Harlow	NWeald
Inputs (change since 2001)							
1. Dwellings in Harlow	000s		+8	+14	+20	17	6
2. Workplace jobs forecast (Experian Baseline)	000s		4.2	4.2	4.2	4.2	0.0
Assumptions							
3. Population per dwelling	ratio	2.3	2.1	2.1	2.1	2.1	2.1
4. Pop'n of Working Age (%)	%	61.6	62.9	62.9	62.9	62.9	62.9
5. Economic Activity rate	%	84.2	86.2	86.2	86.2	86.2	86.2
6. Unemployment rate	%	4.7	4.7	4.7	4.7	4.7	4.7
7. Double Jobbing*	%	8.6	8.6	8.6	8.6	8.6	8.6
8. Population related service jobs	ratio	0.15	0.15	0.15	0.15	0.15	0.15
9. Dwellings	000s	33.8	41.8	47.8	53.8	50.8	6.0
Labour Supply							
10. Population (= 3 x 9)	000s	78.6	88.9	101.6	114.4	108.0	12.8
11. Population of working age (= 10 x 4)	000s	48.4	55.9	64.0	72.0	68.0	8.0
12. Economically Active (= 11 x 5)	000s	40.8	48.2	55.2	62.1	58.6	6.9
13. Unemployment (ILO) (= 12 x 6)	000s	1.9	2.3	2.6	2.9	2.8	0.3
14. Resident workers (= 12 - 13)	000s	38.9	46.0	52.6	59.2	55.9	6.6
Labour Demand							
15. Workplace jobs (baseline)	000s	43.0	47.2	47.2	47.2	47.2	0.0
16. Workplace jobs (pop related) (= 8 x increase in 10)	000s	0.0	1.5	3.3	5.2	4.3	1.9
17. Total workplace jobs (= 15 + 16)	000s	43.0	48.7	50.5	52.4	51.5	1.9
18. Workplace workers (= 17 - (7 * 17))	000s	39.3	44.5	46.2	47.9	47.0	1.7
Labour Market Balance							
19. Net in commuting (= 18 - 14)	000s	0.4	-1.5	-6.4	-11.3	-8.8	-4.9
20. Wider sub-regional role for Harlow	000s		0.8	1.5	2.5	2.0	
Total jobs "in Harlow"							
21. Excluding commuting (= 17 + 20)	000s	43.0	49.5	52.0	54.9	53.5	1.9
22. To reduce net commuting to zero (= 21 - 19)	000s		51.0	58.4	66.2	62.3	6.8
23. Jobs required for scenario (if net commuting reduced to zero) (= 2 + 16 - 19 + 20)	000s		8.0	15.4	23.2	19.3	6.8
Chosen ranges for Strategy (see paras 3.10 and 3.11)	000s		4-6	11-13	16-20		

Note: Formulae in brackets refer to the numbered steps in the model (e.g. "Population = 3 x 9" should be read as "Population = Step 3 (Population per dwelling) x Step 9 (Dwellings))
The "sub-region" refers to Harlow and the ring of 4 surrounding districts (Broxbourne, East Hertfordshire, Epping Forest, and Uttlesford).
*The difference between workplace jobs and workplace workers is accounted for both by "double-jobbing" and by a statistical discrepancy between the Labour Force Survey and the Census of Population.

Source: PACEC

3 Methodology

Inputs

- 3.1 Our baseline of 43,000 workplace jobs in Harlow in 2001 comes from our own internal Local Economic Performance System (LEPS) and is a combination of the Census of Population, Labour Force Survey, and Annual Business Inquiry, including estimates of the self-employed. To this, we add a forecast of 4,200 extra workplace jobs by 2021 from the BSL Experian “unconstrained” model and forecasts.
- 3.2 The number of dwellings in Harlow is taken from the 2001 Census. We have used estimates of 8,000, 14,000, and 20,000 further dwellings by 2021 for the three scenarios; these estimates are in line with the policy options as advised by the Steering Group.

Assumptions

- 3.3 In order to convert estimates of resident population into resident workers, we make several assumptions, based on research, about the population structure and labour market conditions in Harlow in 2021. Our population model (which we maintain as part of LEPS and which projects trends in births, deaths, ageing and migration) predicts that the proportion of the Harlow population which is of working age will rise from 61.6% in 2001 to 62.9% in 2021, and that the economic activity rate will rise from 84.2% to 86.2%. We assume that the unemployment rate will remain at 4.7%. Our estimate of a drop in population per dwelling from 2.3 to 2.1 is taken from the Structure Plan (note that this refers to the population in *all* dwellings in Harlow, not just the extra dwellings built between 2001 and 2021).
- 3.4 The Census of Population, and other surveys of the population, provide information on the number of *workers* in an area, whereas surveys of employers such as the Annual Business Inquiry provide information on the number of *jobs* in an area. There is an inbuilt discrepancy between these figures which is attributable to the number of workers with more than one job, known as “double-jobbing”. However, there is an additional statistical discrepancy between the number of workers as measured by the Census and the Labour Force Survey and the number of jobs as measured by the Annual Business Inquiry which is not accounted for by double-jobbing but rather by methodological differences and sampling error. The sum of double-jobbing and the statistical discrepancy is currently 8.6%, and we assume that it will remain constant.
- 3.5 Certain sectors of the economy are “population-related” in that they offer services directly to consumers and cluster around population centres in such a way that their density per head of population throughout the country is nearly constant; such sectors include retail, health, education, personal banking, and personal services. Employment in these sectors as a fraction of the population of Britain is around 15%, and it is assumed that jobs in these sectors will be created at this rate in line with any increase in population.

Labour supply

- 3.6 Using the assumptions above, we are able to project Harlow's population and economic activity in 2021 under the three scenarios. The population is derived from the number of dwellings and the number of residents per dwelling. We apply the assumed ratios of working-age population, economically active, and unemployed. Those who are economically active but not unemployed are by definition in employment.

Labour demand

- 3.7 Our baseline forecast for workplace jobs is augmented by adding the population-related service jobs in line with the population rises under the three scenarios. This gives our initial forecast of workplace jobs. We subtract from this the number of jobs which are accounted for by double-jobbing and the statistical discrepancy to give the number of workers in Harlow workplaces.

Labour market balance

- 3.8 The next step is to calculate the balance between the number of Harlow residents who have jobs and the number of workers who have jobs in Harlow; the difference between these two figures is accounted for by commuting flows into and out of Harlow. The population-driven forecast produces a greater number of resident workers than local workplace jobs, resulting in net outward commuting in all three scenarios.
- 3.9 We have also exercised our judgment in estimating the further number of jobs which will be created to service the wider sub-regional role which Harlow will play under the three scenarios, based on additional facilities and services in Harlow.
- 3.10 One assumption which could be made for the purposes of the Strategy would be that jobs will be created in Harlow to reduce this net outward commuting to zero. (Net inward commuting in 2001 was 400, or just 1% of total workplace jobs in Harlow.) The final projection of the number of jobs required under each scenario to reduce net commuting in Harlow to zero is the sum of the following:
- The baseline of 43,000 jobs in 2001
 - The projected increase of 4,200 jobs to 2021
 - Additional population-related service jobs
 - Additional job creation to reduce net out-commuting
 - Jobs created as a result of a wider sub-regional role for Harlow.
- 3.11 The scenarios presented in Table 1 and in the Strategy estimate that the number of jobs created will fall in a range slightly less than the upper limit where net outward commuting is reduced to zero; that is, an increase of 4,000 to 6,000 jobs under Scenario 1, of 11,000 to 13,000 jobs under Scenario 2, and of 16,000 to 20,000 jobs under Scenario 3. This takes into account current commuting patterns in Harlow (as discussed in the Strategy) and the likelihood that some of the residents in the new

dwellings will retain their existing jobs outside Harlow (typically in London). In the case of Scenario 1, the lower level of jobs growth (4,000) corresponds to a potential slight increase in net out-commuting.

3.12 The projected jobs are shown in the Strategy and reflect paragraphs 3.10 and 3.11 above. The preferred scenario is set out in the Regeneration Strategy.

3.13 The projected additional population-related service jobs are drawn from the retail, health, education, and banking and insurance sectors, while the wider sub-regional role for Harlow will revolve around retail, personal and business services. According to the BSL Experian forecasts, the fastest-growing sectors among the projected baseline increase of 4,200 jobs will be in business services, health, education, and retail. Given this mix of sectors, we anticipate that the largest job growth is likely to be seen in a range of broad occupational groups such as administration, sales, management, and personal services.