

Item No. 10.	Classification: Open	Date: 20 November 2012	Meeting Name: Cabinet
Report title:		Economic Wellbeing Strategy for Southwark 2012 – 20 and Response to the Final Scrutiny Report on Employment and Unemployment in Southwark	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Claire Hickson, Communities and Economic Development	

FOREWORD – COUNCILLOR CLAIRE HICKSON, CABINET MEMBER FOR COMMUNITIES AND ECONOMIC DEVELOPMENT

This new economic wellbeing strategy has been developed to help us deliver a fairer future for the people of Southwark.

Since we last updated our economic development strategy in 2010, the economy has experienced the longest double-dip recession since the Second World War; changes have been made to the welfare system that will have a significant impact on Southwark residents; and cuts to our own budget and other sources of funding mean we have fewer resources to invest in the local economy or to help those in need.

This requires a new strategy which focuses on how we can have most impact with fewer resources and on how we can help families cope with the challenges they face.

Our position in London brings opportunities. The opening of the Shard and major regeneration schemes provide jobs and demonstrate that we are open for business. We also are in easy reach of millions of jobs London-wide. This new strategy aims to maximise the opportunities but also to ensure that we connect our communities with them, breaking persistent cycles of worklessness.

The council will seek to lift and keep families out of poverty and improve the life chances and social mobility of the most disadvantaged young people, building on the work we have already done through the Community Restoration and Youth funds.

We aim to promote economic wellbeing by making Southwark a place:

- where people, especially our young people, are equipped with the skills and ambition to make the most of our central London location;
- where businesses grow and prosper;
- where town centres thrive; and
- where our residents are financially independent.

This is all highly ambitious and the council cannot tackle these challenges alone. Making the strategy work will depend on building new and better partnerships with all the groups – government departments, businesses and voluntary organisations – that have a stake in Southwark’s economic future. In particular, we need to forge a new and better relationship with business in Southwark. Realising our ambitions will take more than individual initiatives – no matter how effective they are. All parts of the council will have to work together to deliver this strategy and enable our residents to access the skills and support they need to achieve economic wellbeing and ensure the borough is open and responsive to the needs of business.

RECOMMENDATIONS

That cabinet approves:

1. The proposed economic wellbeing strategy (Appendix 1);
2. Note implementation plans will be developed collaboratively across all council services and with our private, public and third sector partners;
3. Note the additional information provided as a specific response to the recommendations of the final scrutiny report on employment and unemployment in Southwark.

BACKGROUND INFORMATION

4. The current Southwark Economic Development Strategy was adopted by cabinet in 2010. However, very significant shifts in national government policy since 2010 have transformed the operational context for interventions to address labour market failures and support for business start-ups, growth and survival. The end of Working Neighbourhoods funding, the abolition of regional development agencies and the subsequent reduced funding opportunities and changed priorities of local enterprise partnerships mean that external, discretionary funding is no longer available to the council for volume interventions in the labour market or for substantial investment in business start-up and growth programmes.
5. Government expectations are based on private sector growth to provide additional job opportunities and growth out of the recession, while simultaneously, the Work Programme is expected to reduce dependency on work-related benefits and thus support the national welfare reform programme. This changing landscape makes it ever more important for the council to work with partners, and we can still change much by doing so.
6. The new strategy proposed in this report at appendix 1 states what the council will do to achieve economic wellbeing for individuals and businesses, creating working communities and recognising how our regeneration plans will support this.
7. The new strategy also addresses the recommendations made in the final Scrutiny Committee report “Employment and Unemployment in Southwark”, and appendix 2 of this report links each recommendation to the relevant economic wellbeing strategy ambitions.

KEY ISSUES FOR CONSIDERATION

8. The strategy addresses needs that have been identified and assessed from a variety of sources and evidence bases. Our employment rate is lower than the rate for London as a whole despite being in the same market for opportunities. The government's welfare reform programme will increasingly make getting into work the only option for many who currently depend on benefits, and at the point of introduction of these reforms, Southwark has one of the highest rates of health-related benefit claims, increasing numbers of long term unemployed adults as well as seeing a disproportionately sharp rise in youth unemployment. And Southwark is affected by the increasing rates of business failure and vacant high street properties that characterise the recession nationally.
9. Our strategy proposals are supported by national and local labour market data; experience from our current labour market interventions; engagement with employer representatives and skills providers; consultation, research on barriers to work and business market failures carried out for the 2010 Southwark Economic Development Strategy, our draft joint strategic needs assessment on child poverty, and conversations with business representative organisations about business engagement across the council.
10. The council is already engaged in a wide range of actions to improve residents' skills and employability and to promote business growth. These include supporting people furthest from the labour market, including people with learning difficulties, into work; the various Youth Fund employment projects; investment of S106 funds from development and regeneration in construction training; leveraging in external funds to support projects to get more residents into work; working with Jobcentreplus and other partners to make sure our efforts to improve employability and skills match employers' needs; helping businesses make a local impact and become better networked through the Community Restoration Fund; supporting new business start-ups and business survival. However, our new strategy seeks to go far beyond these actions in scope and to set out ambitions for the longer term.
11. Accordingly, four main ambitions have been identified in the new economic wellbeing strategy:
 - Employment – narrowing the gap with the London employment rate
 - Southwark – the place of choice to start and grow a business
 - Thriving town centres and high streets
 - Promoting financial wellbeing and independence

Making it happen

12. The new strategy sets out big ambitions, to be achieved in the long term in many cases. It is designed to be a framework for supporting our local economy, and therefore has to be flexible enough to respond to challenges, resources and partnership opportunities that become available. We are doing much to deliver them already with ambitious regeneration programmes in place at Elephant & Castle and in Peckham for example, but there will be much to do to make things happen, and our next steps will involve setting out more detailed plans to identify assets, extend

our engagement with partners and identify opportunities for further action.

13. Following approval of the strategy, the first step will be working collaboratively across all council services and with our private, public and third sector partners to develop implementation plans and targets. This level of ambition and change will be challenging, requiring partners to collaboratively tackle complex and multi faceted issues; to take immediate actions where we can; and create the basis for longer term changes where required. Within the council actions and targets will be incorporated into the council's performance management framework, council Plan, and into the relevant cabinet performance schedules. This will be done inline with annual review of Council Plan in summer 2013.
14. Meanwhile, the council has already set in motion further new actions to deliver these ambitions in the short term. These include:
 - Identification of "one-off" funding for pilot projects to extend the Youth Fund and support youth employment
 - Developing programmes to support families with multiple problems alongside the local delivery of the government's troubled families programme
 - Renewing the Children and Young People's Plan, gathering a 1,000 stories about living, working and growing up in Southwark that will influence the priorities of the council and partners in schools and health to help shape the future of services for children and families
 - The report of the Housing Commission, including consideration of the relation between housing provision, incomes and wellbeing
 - Development of the new Health & Wellbeing Strategy with recognition of the importance of work as a positive determinant of health
 - Establishment of a welfare reform working group to co-ordinate a consistent and clear approach by the council and partners to communicating how the reforms will impact, and giving information, advice and support for residents affected
 - Resolution by cabinet (October 2012) to support a programme of benefit maximisation undertaken via the council's Rightfully Yours service, and to promote financial inclusion and responsibility through the provision of budgeting, employment and arrears advice in partnership with relevant external organisations and support networks
 - Reviewing what support the council should commission for employment and enterprise in 2013-14 and beyond, including a review of the Youth Fund employment strand
 - Recruiting a new intake of 40 young people as apprentices (13 with our major works contractors)
 - Guidance on how to implement payment of the London Living Wage for Council contractors and sub-contractors
 - Amending the council's procurement process and guidance to help identify how procurement can support the aims of the strategy and comply with the Public Services (Social Value) Act
 - Reviewing how the council could make land and accommodation available to support business start-ups and growth

- Finding use for vacant land ahead of the Elephant & Castle regeneration (developing proposals for the old Shell Garage site on Walworth Road) to provide new business opportunities
- Reviewing how businesses access council services and developing options for a more effective portal

Employment and unemployment in Southwark – Final scrutiny report

15. Having considered the above report, cabinet resolved on 17 July 2012 to note its recommendations; to ask the cabinet member for communities and economic development to consider these recommendations in the context of the economic wellbeing strategy currently being developed, and to bring back a report to cabinet.
16. The new economic wellbeing strategy states our ambitions for Southwark's local economy. The scrutiny recommendations have been considered as part of the development of this strategy, and the links between the strategic ambitions and the recommendations from scrutiny are shown in appendix 2.

Policy implications

17. The proposed strategy is in line with the Council Plan and identifies cross-council actions to maximise value of council activity and partnership working in support of jobs, business and the financial wellbeing of residents.

Community impact statement

18. Set out below is an overview of the assessment of impacts on the community, this includes the equality analysis carried out. Specific measures and actions to address inequalities and assessment of the impact on protected characteristics in line with the Equality Duty will be developed as part of the implementation plans as relevant. The analysis will therefore be ongoing.
19. The economic wellbeing strategy will impact on the whole community in all wards including the borough's business community. One core aim of the strategy is to identify what actions the council and partners can take to remove the barriers and market failures that prevent certain sections of the community from being able to achieve their potential, participate in the economy and achieve financial independence and wellbeing.
20. For example ethnic minority employment is at 64.5% compared to a 73.1% employment rate for the overall White group. Similarly the female employment rate is 61% whilst the male employment rate is 72.9%; young people aged 18 – 24 are disproportionately affected by the recession in terms of rising numbers claiming Jobseekers Allowance by comparison with older groups.
21. Therefore the strategy and subsequent implementation plans will aim to reduce or remove barriers to work for specific groups and target those groups most likely to be over-represented in measures of employment deprivation (ex-offenders and young offenders, BME residents, women, young people, people with alcohol or drug dependency, homeless people, refugees, people with disabilities, the over

50s, those with mental health needs and families with young children, particularly lone parents).

22. Concentrations of worklessness match concentrations of social housing and the pattern of deprivation in the borough: wards where claimant rates are above average include Livesey, East Walworth, Nunhead, Peckham, Riverside, South Bermondsey, Camberwell Green, Grange, Newington, Rotherhithe, The Lane, Cathedrals, Colledge, Faraday, Peckham Rye, Surrey Docks.
23. The council is currently reviewing its commissioning arrangements for employment and enterprise support, with a view to implementation of a new approach in 2013-14. As part of the review, project monitoring arrangements will be reassessed in line with changes to the council's equalities monitoring guidance to ensure capture of detailed information about impact on intended target groups and protected characteristics as relevant to individual projects.
24. Areas of the borough with concentrations of worklessness and claimant rates also show low job and business density in local town centres such as Peckham, Camberwell, Bermondsey and the Elephant and Castle. The new economic wellbeing strategy re-emphasises the need to support enterprise activity in town centres and high streets to encourage business start ups and growth and provision of local employment opportunities close to where workless residents are concentrated. Caring responsibilities, and the cost and accessibility of transport are barriers for many priority groups such as parents, lone parents and people with poor health and disabilities who often need flexible or part time work close to home.
25. Making Southwark the place to start and grow a business, and stimulating town centres and high streets supports the creation of an environment in which business activity from all sections of the community can flourish, including young people, women, BME groups and people with disabilities who are under-represented in business ownership. Self employment and business start up are likely to be increasingly important options for groups already suffering unemployment disproportionately in the fiercely competitive London job market.
26. Our ambitions that Southwark should be a better place to do business and to see our high streets and town centres thrive require that we deal fairly and appropriately with the sometimes conflicting requirements of different individual businesses and between businesses and communities; our implementation plans will address these potential conflicts, which will also be considered in subsequent reviews of council services to business.

Resource implications

Financial and budget Issues

27. No specific resource levels for future years beyond 2012-13 have been assumed in this report or in the strategy, and agreement is sought for a set of strategic priorities. No further commitment of resources is sought in this report, and no assumptions are made about commissioning budgets deployed to support implementation of the strategy. Implementation will also be embedded in the

council's medium term resource strategy as it is refreshed in line with the budget-setting process and in line with future council funding.

Staffing issues

28. Officer time to effect the recommendations will be contained within existing budgeted revenue resources.

Consultation

29. A series of early consultation meetings were arranged in early 2012 between businesses organisations – including Southwark's three business improvement districts and various established and emerging local business networks – and the then cabinet member for regeneration and corporate strategy in order to set in motion the council's review of how we engage with business, and the right priorities for the Community Restoration Fund. Views expressed in those meetings have been taken into account in the development of the strategy's ambitions. These consultations included the following organisations: Better Bankside Business Improvement District (BID), the Black Business Initiative, Southwark Chamber of Commerce & Industry, Team London Bridge BID, Lewisham College incorporating Southwark College, DWP work programme contractors in Southwark; Business Extra, GLE One London, Waterloo Quarter BID, Bermondsey Business Association, South Southwark Business Association, Southwark Association of Street Traders and Camberwell Business Network. Further meetings were held with groups of business from particular locations, including Peckham, Walworth and Rotherhithe (Albion Street).
30. Further consultation meetings were held during September and October 2012 to consider the strategy proposals, including Jobcentre Plus, the three business improvement districts and Southwark Chamber of Commerce and Industry.
31. Further consultation and engagement will take place to develop the implementation plans (see para 13)

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

32. Officers from the corporate team of legal services have reviewed this report and confirm that as this report affects more than one portfolio under the provisions of Part 3D of the council's constitution cabinet should approve the recommendation in paragraph 1 set out in this Report.
33. In addition the overview & scrutiny procedure rules provide that cabinet shall consider and provide a written response to a scrutiny committee report.
34. The Equality Act 2010 introduced a single public sector equality duty. This duty requires us to have due regard in our decision making processes to the need to:
 - (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;

- (b) Advance of equality of opportunity between persons who share a relevant protected characteristic and those who do not share it
 - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
35. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also applies to marriage and civil partnership, but only in relation to (a) above.
36. The council is required to act in accordance with the equality duty and have due regard to the duty when carrying out its functions, which includes making decisions in the current context.

Strategic Director of Finance & Corporate Services (SDFCS/NR/FCS/11/9/12)

37. This report recommends that the cabinet approve the proposed economic wellbeing strategy, note that specific actions (and success measures) designed to achieve the proposed outcomes will be developed and set out in the Council Plan and note the additional information provided as a specific response to the recommendations of the final scrutiny report on employment and unemployment in Southwark.
38. The strategic director notes the financial implications contained within the report. Officer time to effect the recommendations will be contained within existing budgeted revenue resources.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Southwark Economic Development Strategy 2010-16 http://www.southwark.gov.uk/downloads/download/2587/economic_development_strategy_2010-2016	Local Economy Team Corporate Strategy 160, Tooley Street SE1 2QH	Graham Sutton 020 7525 5456
The Southwark Council Plan http://www.southwark.gov.uk/info/2/00342/council_plan	Strategy & Partnerships Team Corporate Strategy 160, Tooley Street SE1 2QH	Alex Irvine 020 7525 3672
Economic Wellbeing Strategy – equality analysis (attached as Appendix 3 to report)	Local Economy Team Corporate Strategy 160, Tooley Street SE1 2QH	Graham Sutton 020 7525 5456

APPENDICES

No.	Title
Appendix 1	The Southwark Economic Wellbeing Strategy 2012-20
Appendix 2	Scrutiny Recommendations and the new Economic Wellbeing Strategy
Appendix 3	Equality analysis

AUDIT TRAIL

Cabinet Member	Councillor Claire Hickson, Communities and Economic Development	
Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Graham Sutton, Principal Strategy Officer, Local Economy Team Claire Webb, Head of Policy	
Version	Final	
Dated	8 November 2012	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES		
Officer Title	Comments Sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director of Finance & Corporate Services	Yes	Yes
Corporate Management Team	Yes	Yes
Cabinet Member	Yes	No
Date final report sent to Constitutional Team		8 November 2012