

APPENDIX 1

Southwark Council's response to the consultation on the London Economic Development Strategy

1. Do you agree with the Mayor's vision to create a fairer, more inclusive economy?

Council agrees with the Mayor's vision to create a fairer, more inclusive economy. Southwark Council is committed to creating a fairer future for all in our borough and a strong and inclusive local economic is critical to this. The council's own economic strategies set out our commitment to inclusive growth, employment and skills. The council is committed to supporting local people into work and as a council we are creating new jobs and apprenticeships, offering guaranteeing education, employment or training to all school leavers in the borough and developing innovative solutions to improving skills locally.

We agree that the benefits of London's huge economic success are tempered by the growing inequalities in the city, as highlighted in the Economic Evidence Base that underpins the Mayor's strategy. These conclusions are shared by Southwark Council and form a basis for our own refreshed Economic Wellbeing Strategy 2017-2022 and the Southwark Skills Strategy 2018-2022. Employment is a key strategic priority for the council and we recently fulfilled our commitment to create 5000 new jobs for local residents between 2014 and 2018. Southwark is demonstrating the importance of local authorities in contributing to economic growth and delivering real change. We believe councils are best-placed to work closely with the communities we know, to understand the barriers to work local people face and to help them maximise the opportunities available in our boroughs. Therefore, it is essential that the strategy recognises that well resourced and well supported frontline borough programmes are vital to sustain the London's high employment rate in the borough and promote a strong local economy for the city.

We share the Mayor's commitment to improving the health and wellbeing of Londoners through good growth and good jobs that are secure and fair. The joining of both health and economic wellbeing underpins Southwark's Social Regeneration vision. As recognised by the Mayor's strategy, a number of key health determinants relate to economic development, and the final strategy should draw together clear aspirations to address inequalities in education, access to good early year's settings, housing, transport, affordable childcare and food poverty.

As also noted in the Mayor's strategy and echoed in Southwark's Economic Wellbeing Strategy, unemployment is falling and yet the high cost of living and low / insecure wages can make everyday life challenging for both people in and out of work. We aspire for all Southwark residents to have work that is fairly paid, underpinned by the council's lead on promoting the London Living Wage. We also want Southwark residents to have secure employment and the skills to progress beyond entry-level, insecure, low-paid work.

We have a vision of a full employment borough with a job opportunity for every Southwark resident who wants to work but employers must also account for and support their employees' health needs, caring responsibilities and offer flexible working practices. Southwark believes the Good Work Standard's commitments to fair pay and the London Living Wage, excellent working conditions, and diversity in the workplace are to be commended. We encourage the GLA to look at our work promoting high quality apprenticeships through the Southwark Apprenticeship Standard, promoting the

London Living Wage, and transforming employment practices in the care sector locally through our Ethical Care Charter, as examples that can be promoted and replicated across London.

2. Are there any other trends and drivers of change which you feel should be addressed, and how should the Mayor be responding to these?

While local, regional, and national government have a key part to play in dealing with existing skills gaps, employers and business have at least as much responsibility to ensure worthwhile in-work progression and decent pay. The Mayor should continue his work supporting the Good Work Charter, the London Living Wage, and the London Healthy Workplace Charter but also examine emerging trends in business such as the gig economy and opportunities to ensure that employers share their success in these new fields with their staff. Southwark was an early adopter of an Ethical Care Charter which placed new duties on providers of council commissioned homecare services around how they manage their employees, which has successfully addressed the most precarious elements of zero-hour contracts, scheduling, and payment of travel time. The Mayor should aim that all publicly-funded services in London are delivered by organisations that pay the London Living Wage.

We have discussed in both our local Skills Strategy and Economic Wellbeing Strategy that although Southwark is a key part of central London and attractive to business and higher earners, this is often reflected in a higher cost of living for residents in all parts of London. There is high demand for housing in both London and our borough, and we are keen to ensure families and key workers, such as teachers, nurses, and fire fighters can afford to live in the borough they work in. We are using our Housing Strategy to improve access to affordable housing, including building 11,000 new council homes by 2043, and help ensure Southwark remains a borough where people in all types of work can live. We feel a similar approach must be explored city-wide and support the Mayor's role and responsibilities for investing in new affordable homes through the Homes for Londoners partnership. In addition, both the GLA and local authorities should seek to encourage large private employers to offer housing or housing subsidies to their staff.

The gender and BAME pay gaps are a persistent issue in London with inequalities replicated and reinforced in growth and emerging sectors including tech and lower numbers of women in the paid workforce due to high costs of childcare. The Mayor should take this opportunity to set out a bolder vision for addressing the pay gaps in London.

Southwark would also like the Mayor to look in more detail at the impact of sickness absence on the London economy. Research shows an average London business employing 250 people can lose up to £250,000 per year due to sickness absence, and while the Mayor of London's Healthy Workplace Charter is a strong model for businesses, there is scope to more fully explore support for healthy workplaces in the city as discussed in the Mayor's Strategy.

3. What additional support could be offered to increase work-based learning?

In line with the Mayor's pledge to work with schools, colleges, providers, businesses, universities, and local boroughs, Southwark supports a local offer that allows learners of all ages to improve their skills to prepare for and find work, change careers and progress in work. The GLA must support boroughs to work with employers and skills providers to increase the range of opportunities for our residents to develop their skills and gain work experience. Our Southwark Apprentice Standard provides a set of criteria to help partners focus on quality provision for apprentices, and our SEEDS programme offers a subsidy to businesses taking on young apprentices at London Living Wage. Both of these form part of a model that the GLA should strongly consider examining, adapting and adopting.

In addition, the GLA should recognise and support the good work of boroughs that offer services to residents to access and navigate education and employment support services. We will continue to work with employers to adapt recruitment and workplace practices to provide supportive working environments. We will build on the value of our local Adult Education offer in enabling progression to advanced and higher level training. Skills provision must be embedded within local employment support offers, providing work place skills as well as lifelong, community and family learning opportunities. This requires support for appropriate devolution of resources and powers to London and a corresponding strategic support for local priorities and budgets.

In its response to the Mayors skills strategy, Southwark set out its enthusiasm for maintaining an open dialogue on the future of skills funding and delivery in the city. This is especially so in the light of Brexit and the wider impacts attached. In particular we welcome the opportunity, through sub regional infrastructure such as the Central London Employment and Skills Board, to look at innovative options to tie future investment into high growth, higher skilled sectors that add value over and above what is currently in place both locally and across the city within adult education and other skills delivery.

The future of employment brings excitement and opportunities but also challenges when considering the potential effects of systemic automation and the thinking power of artificial intelligence. Training in new technology has often been concentrated on school-age students and young people. While this is a key cohort, it is vital that the rest of the city's population have the opportunity to become well-versed in new work skills. This inclusiveness must also encompass and address gender inequalities in growth and emerging sectors. We are currently engaging with business, schools, other education providers and the wider community on the development of our skills delivery plan - we look forward to engaging with the Mayor on how boroughs (and collections of boroughs) can work together with the GLA to create skills investment growth spots in the city that utilise future funding to deliver enhanced outcomes in key areas such as apprenticeships growth and emerging sectors like digital and high tech creative business.

An example of Southwark's innovative approach to tackling the growing skills gap is the Southwark Construction Skills Centre, which was officially opened by the Mayor of London in September 2016. The Skills Centre has been a great success in providing crucial pre-employment training, with over 2,600 local people benefitting from skills training, but at least as importantly in a direct pipeline for employment and apprentices for Southwark's developers and construction companies. The Mayor's Construction Academy Scheme seeks to address London shortage of home-building skills through a promulgation of opportunities for Londoners to work and progress in the construction industry. Southwark's centre is an exemplar model for this and could be replicated across other sectors experiencing skills shortages.

4. What more could the Mayor do to achieve his economic fairness goals?

The Mayor's promotion of the Good Work Standard, the London Living Wage, and the London Healthy Workplace Charter are strong pillars increasing economic fairness. The key is to get the delivery of the Standard right and adopt the right incentives for employers so businesses can change their practice where required and join the compact with the Mayor. In August 2017, the Southwark Cabinet Member for Business, Culture and Social Regeneration endorsed the Mayor of London's proposed Good Work Standard, noting that the council met the proposed criteria and reaffirmed the council's commitment to promoting good employment practice across the borough.

However there is scope for London-wide adoption of the practices of champion boroughs for good pay and conditions. Southwark Council requires payment of the London Living Wage by our supply chain, recipients of grant funding and a number of our major developers and this is enforced directly with tier one contractors and all sub-contractors. We are also working to embed social value in all procurement and suggest strongly that the GLA show best practice in a similar manner with their city wide contractors and workforce.

Modern local government requires a careful balance of close working with developers and employers to encourage business growth, with a robust set of employment obligations, legally enforced through section 106 and CIL agreements, to ensure all share in the future prosperity brought by regeneration and development. Southwark is a leading borough in its commitments to using these methods to bring jobs and apprenticeships to the borough and we believe we have a robust model that the GLA can use to raise standards and outcomes throughout London. We would welcome further discussions with the Mayor and GLA on how Southwark secures best value for its residents from s106 and CIL obligations relating to employment and skills.

We support the Mayor's commitment to the London Healthy Workplace Charter, and we work with employers in Southwark to promote good work and realise the benefits of a healthy workforce. To further address the inequalities highlighted by the strategy, Southwark would like the Mayor to consider running high profile campaigns and crucially offer additional support to traditionally low paid sectors and SMEs to encourage sign-up to the Charter and the Good Work Standard.

5. What additional business support (if any) do you think will benefit London's SMEs?

The Mayor's aspirations on Enterprise and Entrepreneurship will make the city an attractive place to work and start a business. Southwark has put the provision of low cost workspace by developers front and centre in new and emerging policies. We use our own assets as exemplars. Occupying the empty levels of a multi-storey carpark, Peckham Levels exists to showcase the cultural talent at work in Peckham and create affordable workspace for artists and entrepreneurs.

There is an increasing wealth of knowledge around incubation and start-ups. Southwark is following the model of a number of other boroughs in requiring developers to provide workspace meet the growing demand for new types of digital and high-tech businesses. It is often costly to seed incubation and other space and so investment in this business support for boroughs is crucial. The recent Creative

Enterprise Zone prospectus was a useful model - we think that business growth areas must be encouraged and resourced by the GLA.

Affordable workspace providers have successfully occupied 'meanwhile' spaces in our borough, in particular, clusters of creative and Clean Tech incubation and start-ups are thriving even in time-limited spaces.

However, the largescale enforced movement of these providers owing to the affordability gap between meanwhile and permanent hubs limits the strategic benefits to the borough and city and reduces the effectiveness of the providers themselves as they are compelled to regularly move. Therefore we are placing increasing obligations on developers to provide permanent affordable workspace and encourage the Mayor to do the same.

There are some local models of support that can help established SME's. In Southwark we have prioritised the provision of quality apprenticeships, and made considerable progress in supporting businesses to improve the local apprenticeship offer by introducing the Southwark Apprenticeship Standard. This sets the standard for quality apprenticeships in Southwark - payment of the London Living Wage, quality training provision, and effective mentoring and support.

We have enhanced the local support offer available to SMEs in the borough, producing a toolkit to guide local employers interested in taking on an apprentice as well as offering personal advice and support. This is a model that the Mayor should consider adopting across London. We have ambitions to offer more business support and ask that the GLA help resource and support this offer, extending investment at borough level through the London Growth Hub and encouraging the LEAP to work more directly with boroughs on local needs and delivery.

6. How should the Mayor work with partners (businesses, universities, Londoners, communities, local authorities, other public-sector bodies, UK and international cities) to make London the most innovative global city?

Southwark offers great examples of partnerships where developers, employers, education and skills providers are working together to improve outcomes for residents and local businesses; the Southwark Construction Skills Centre, the new Institute of Professional and Technical Education (Passmore Centre), the Southwark Business Forum, and the Southwark Apprenticeship Standard, are all examples of effective partnership working in practice. The GLA should support successful skills partnerships across London and align its strategic objectives to the most successful examples.

We will continue to work with businesses in emerging and innovative sectors such as technology and science, media and communications, and creative industries. We will also continue to work in partnership with the Southwark Business Forum, Business Improvement Districts (BIDs) and our developer partners to adopt a more strategic approach to business engagement, employability and recruitment issues. LEAP and other bodies can provide strategic partnership, leverage, and funding for this local support. We will encourage more employers to sign up to the Mayor's Good Work Standard and the London Living Wage and promote pay equality.

The Mayor should also encourage closer working across partnerships including local authorities in the development of Good Growth Fund priorities to drive synergies and impact at sub regional and local levels.

7. How should the Mayor lever London's tech innovation to help solve the challenges facing London and Londoners?

London-wide engagement with emerging tech, creative and digital sectors is critical. Boroughs and businesses have an opportunity to address the skills gap through an exercise of promoting wide-spread technology use among its residents. With the right set of incentives for education provider and employers, and the creation of appropriate pathways, we could be perfectly placed to appeal to our young population to work into these sectors and create a new set of possibilities for employment and new business types. Training in new technology has often been concentrated on school-age students and young people. While this is a key cohort, it is vital that the rest of the city's population also have the opportunity to become well-versed in new work skills.

Southwark, like other parts of London and the country, suffers with Wi-Fi "not spots"; those areas where businesses and residents are unable to receive an adequate Wi-Fi service. Businesses may suffer and home workers will struggle, or not choose to relocate in London, if fast Wi-Fi is unavailable. Southwark is working with ISPs in the sector to improve its coverage and has made strong progress with this in Rotherhithe, but more needs to be done city-wide. The GLA should seek constructive partnerships with ISPs with a clear timetable to deliver superfast broadband as an integral part of business support.

The Mayor recognises the affects of various types of pollution, particularly air quality, on the city and on Londoners. There is a bold vision set out in the draft London Environment Strategy for London to have the best air quality of any major world city by 2050. This requires significant investment supporting London businesses in a transition to a low carbon economy and resource efficient city. As discussed in our Mayor's Health Inequalities Strategy Consultation response in November 2017, the Mayor should press for a new Clean Air for London Act in order to achieve full legal compliance with UK and EU limits to begin this ambitious and welcome plan. Low Emission Bus Zones need to be expanded in order to improve air quality in areas. Southwark would welcome an extension to the Camberwell, Walworth and London Bridge routes. Additionally, the Ultra Low Emission Zone (ULEZ) ought to be expanded to the M25 as soon as possible. Transport for London needs to take into account the principles of the London Local Air Quality Management (LLAQM) framework in order to help local authorities meet their air quality objectives in the shortest timescale possible.

8. What should the Mayor focus on to strengthen London's attractiveness on the international stage?

The result of the national referendum on membership of the European Union has created uncertainty in political, economic, and social spheres. London remains a world city and an attractive place to be as well as to work. However with national government likely to play an increasingly important part in the funding and resourcing of both mainstream services (as well as initiatives, programmes, and pilots previously funded by European money), the Mayor and GLA must lobby for a good deal for London at a national level. This should cover capital, revenue, rents, rates, and service costs.

Investment in London's environment is never wasted. The city is blessed with incredible architecture and open spaces. This contributes to the attractiveness for businesses, students and visitors. With London's population growing year on year, the

GLA should ensure that our buildings, parks, rivers and infrastructure are well maintained and are truly world class.

9. How can the Mayor incentivise greater coordination when infrastructure investments are made?

The Bakerloo line extension is a key infrastructure investment for London in housing, employment, and new places to live and thrive. Both the GLA and Southwark must work together to commit resources to this programme, recognising the relationship between local growth in the Old Kent Road area and growth across the city as a whole.

Cross-borough working exists both formally and informally for a range of activity, including capital investment, service delivery and programmes. Boroughs have a primary responsibility to their residents and so any co-ordination model must fully demonstrate the added value to individual boroughs as well as the strategic benefits to a cluster of authorities. We ask for GLA match-funding for infrastructure to underpin this as this will allow boroughs to commit their own resources with less concern for immediate outputs for their own residents in place of a longer term set of outcomes.

The London Devolution deal signed by the Government with the Mayor and Chair of London Councils in March 2017 committed the Government to supporting the voluntary pooling of business rates across the whole of London government subject to satisfactory governance arrangements being agreed. This use of devolved budgets allows business-friendly boroughs to retain the growth in business rates income and this deal is supported by Southwark. As discussed elsewhere, this requires support for appropriate devolution of resources and powers to London and a corresponding strategic support for local priorities and budgets.

10. What other funding options should be explored to invest in new infrastructure assets?

We want Southwark to play an integral part in the broader sub-regional work that is underway to improve the quality of the FE and skills offer in London. We want to ensure local leadership influences how the Adult Education Budget (AEB) is prioritised when this is devolved to London from 2019/2020. The AEB aims to engage adults and provide the skills and learning they need to equip them for work, an apprenticeship or other learning. We will seek to align Mayoral priorities and the delivery of the London Skills Strategy, the proposed Central London Forward (CLF) Skills Strategy and our local skills plan to guide delivery of the AEB, supporting providers to be more focused on responding to local priorities and outcomes. National schemes and existing funding sources alone will not address the skills needs of the borough. We will continue to focus on what can be achieved through partnership working, such as through our Better Placed Partnership with Lambeth, Lewisham and DWP, and continue to make the case for further funding devolution and local accountability.

The full piloting of business rate retention discussed in the Mayor's strategy under 'making the case for devolution' is a model Southwark supports to keep London competitive and support local opportunities for innovation and business growth. The proposed suite of further measures is bold and can generate useful thought around the pace of devolution. Southwark remains committed to cross-borough working and devolution, and believes that services designed and delivered locally can offer more cost effective and better outcomes for local people. The Mayor should continue to use

his leadership and influence to drive effective devolution at the city level and work with boroughs to shape the opportunities for improvements in local delivery

11. How can we best manage the intensification of residential and employment uses in town centres and along high streets whilst ensuring that they continue to serve existing as well as new communities, and retain their character?

The Old Kent Road plans and the Bakerloo Line Extension will be a game changer for this part of the city. It will create a new town centre and a major new hub for Southwark and London. Development and regeneration provide huge opportunities but understandably local communities can feel concern when faced with major change. In Elephant and Castle and Old Kent Road, consultation on major development is ongoing and extensive and policies for those areas put priority on existing businesses to have first access to affordable workspace and mitigations to retain existing economies alongside the new. The Good Growth Fund should continue to support in this area, supporting businesses and also helping develop new affordable business space.

Southwark Council wants its residents to enjoy vibrant and culture-rich high streets and town centres. These play a unique role as lively and welcoming places to visit and spend time during the day and night. Events, festivals, art and cultural venues bring communities together and provide a positive economic impact, attracting visitors and supporting complementary businesses and development. Southwark's evening economy is buzzing with areas such as Borough and Peckham attracting many visitors who enjoy a wide-range of leisure and cultural opportunities. The Mayor should continue to support responsible business operators who contribute towards a vibrant business and night-time economy, while ensuring that the quality of life of those who live and work in the borough is protected and enhanced.

At the same time, we will continue to oppose through planning policy any increase in the number and clustering of business types that extract money from the local economy, such as payday lenders and betting shops, or represent an increased risk to public health, such as the over provision of unhealthy food. We are committed to keeping Southwark safe and will also ensure public spaces are accessible to all. We believe these commitments help retain the character of a community and they should be supported and reflected in the strategy.

12. How can you or your organisation contribute to the Mayor's vision for the economy and pledge to support the final strategy?

Southwark is already contributing to the Mayor's vision for the economy as discussed throughout this response. Our aspirations match the Mayor's in our four key themes in our Economic Wellbeing Strategy. Southwark's place in the CAZ, its place as home of a quarter of a million jobs, and a growing digital and physical connectivity combined with a decisive and compassionate approach to the financial wellbeing of its residents is a parallel within London as the city itself is to the rest of the country and the outside world.

Southwark seeks to align Mayoral priorities and the delivery of the London Skills Strategy, the proposed Central London Forward (CLF) Skills Strategy and local skills plan to shape the AEB, supporting providers to best respond to local priorities and outcomes. Our Economic Wellbeing Strategy makes clear that Southwark strongly

supports devolution where it can add to the effectiveness of local planning and delivery.

Southwark demonstrated in the success of our 5000 lives programme that proper and appropriate resourcing of local growth programmes is vital. Investment through regeneration and development has helped support residents back into work.

We would welcome conversations with the Mayor and the GLA to share best practice and explore how any of the programmes developed by Southwark to support a strong local economy can be replicated on a larger scale.

13. Are there additional significant objectives/aims that should be considered in the final strategy (and what evidence can you provide to support this)?

We would like for the Mayor to consider the Thriving Places Index Report (<http://www.thrivingplacesindex.org/>), a new and accessible framework that uses local level indicators to measure and inform progress towards supporting the wellbeing of all citizens. Good local economic development is an important indicator for thriving communities.

14. Do you concur with the IIA conclusion that the draft EDS contributes positively to every IIA objective in some way?

Southwark agrees. The strategic aims must be translated into delivery to complete the Mayor's objectives. Individual boroughs, including Southwark, will invariably have examples of local delivery, local partnerships of two or more boroughs (both formal and informal), and the range of delivery mechanisms that can fulfil much of the London Economic Development Strategy.

15. Do you agree with the recommendations about mitigating actions to minimise negative impacts and optimise outcomes of this EDS?

Southwark agrees, and feel the recommendations mirror Southwark's approach.