

<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 5 December 2023	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Economic Strategy 2023-30	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Martin Seaton, Jobs, Skills and Business	

## **FOREWORD - COUNCILLOR MARTIN SEATON, CABINET MEMBER FOR JOBS, SKILLS AND BUSINESS**

Southwark sits at the heart of London’s economy, and plays a significant role in the economic fortunes of the capital. The 18,000 businesses and 302,000 people who work here every day generate over £20billion in economic value each year.

We’re proud that Southwark’s economic growth has far outstripped London and the rest of the UK over the past two decades. We continue to push for more investment in our borough, encouraging growing businesses in key sectors for the national economy such as life sciences, creative, cultural, and low carbon industries to establish themselves here.

However, despite our efforts, more residents still need to benefit directly from this growth. If working people are struggling to pay the bills and small businesses in our high streets are unable to generate profits to grow their businesses, we must redouble our efforts to build the support, infrastructure, skills and networks needed for a more inclusive economy where local people hold more of a stake.

Southwark should be a place where everyone benefits from the economy. Our vision is for a fairer, greener, and more resilient economy. We want to close the gap between the most and least prosperous in our borough. Our partners, from businesses and social enterprises to universities and healthcare providers, are pivotal in helping us achieving this aim and we have listened carefully to our residents, our businesses and our partners to make sure this strategy reflects our shared goals.

This is an economic strategy developed by and for the whole borough. It is grounded in a solid economic evidence base and builds on Southwark 2030, Southwark Stands Together and our Climate Action Plan. Our Southwark 2030 ambitions challenge us to create a better Southwark for all, having talked to people across our borough to help shape our future and develop plans to ensure we achieve our shared goals. This economic strategy is at the heart of our commitment to realising these ambitions.

If we get it right, by 2030 Southwark will support a high growth, low emission economy that works better for all.

Where the council takes a lead, we will root our delivery of this strategy within Southwark's neighbourhoods, taking a more localised approach and working alongside residents and businesses to develop new ways of designing and providing support.

But we cannot get there on our own. All those who invest in Southwark and do business here share responsibility for delivering against these goals. We look forward to working with all our partners in the coming years to build a fairer, greener, more resilient economy for Southwark.

## **RECOMMENDATION**

1. That the Cabinet approves the Economic Strategy 2023-30 as set out in Appendix 1.

## **BACKGROUND INFORMATION**

2. Southwark's previous Economic Wellbeing Strategy 2017-22 was adopted by the Cabinet on 13 December 2016. This refreshed an earlier version of the Economic Wellbeing strategy first adopted in 2012.
3. Framed as 'A Partnership for Local Growth', it set out the council's ambitions for the local economy under four headings, and our strategy to work with partners to achieve them:
  - Employment and skills – a full employment borough with a job opportunity for every Southwark resident who wants to work.
  - Business – a growth borough, where business thrives and prospers
  - Thriving town centres and high streets - dynamic, diverse, digital centers that are great places to visit, spend time and enjoy.
  - Financial wellbeing – helping people to grow their incomes and ensuring a fair days pay for a fair day's work.
4. Under this strategy, the council's approach to economic development in Southwark has focused on promoting economic growth, while securing benefits from this growth for our residents and businesses. This was reflected in a number of Council Plan commitments including promoting a strong local economy (2014-18) and making Southwark a full employment borough (2018-20).
5. This approach has delivered many successful outcomes. Over the past decade, Southwark's economy continued to grow at a faster rate compared to both London and the UK as a whole. During the same period over 4,500

new businesses and 55,000 additional jobs were welcomed to the borough.

6. Working in partnership with our communities, businesses, education and skills providers, we have taken action to ensure that Southwark's residents and small businesses have been able to participate in and benefit from this growth. Achievements include supporting over 12,000 residents into work and creating over 4,000 apprenticeships. Southwark became London's first Living Wage Borough, multiplying five-fold the number of accredited Living Wage employers in the borough and securing pay-rises for thousands of employees. Ongoing investment in skills, business support and town centres all continue to deliver positive outcomes for residents and businesses.
7. Moving forward, the new economic strategy will build on the successes of this approach while setting a clear direction towards addressing both longstanding inequalities and more recent economic challenges.
8. The impacts of the Covid-19 pandemic and Brexit continue to affect Southwark's local economy. The Covid-19 crisis starkly highlighted inequalities in the borough and intensified them in many ways. Similarly, the rising cost of living and doing business affects everyone, but it is those starting from positions of greatest economic vulnerability who have suffered most. Southwark Stands Together frames the council's response to addressing inequalities and its principles will be at the heart of our strategy to see the borough through the years ahead.
9. The climate emergency also requires us to reimagine what economic wellbeing means for present and future generations. Our new economic strategy must address the urgent need to expand the low carbon economy, prepare our residents with the skills needed for new green jobs, and reduce climate emissions from business activity where we can. Climate change also presents direct risks to Southwark's economy, which will require coordinated action with partners to mitigate.
10. Southwark 2030 will set out the overarching vision and ambitions for the borough, bringing together diverse perspectives to shape our shared priorities for the future of Southwark. The Economic Strategy for 2023-30 builds on the emerging Southwark 2030 ambitions for our economy and sets out key objectives for delivery through the combined talents, assets and strengths of our borough.

## **KEY ISSUES FOR CONSIDERATION**

### Developing the strategy

11. To establish an updated evidence base for the new economic strategy, the council commissioned an independent analysis of Southwark's economy, addressing three key questions: how fair is Southwark's economy, how

green is Southwark's economy, and how resilient is Southwark's economy. These questions reflected the Economic Renewal Plan that was adopted in 2020 to guide economic renewal from the Covid-19 pandemic. This set out the aim to "*Work collectively and collaboratively to deliver an economy that is fairer, greener and more resilient for the residents and businesses of our borough.*"

12. The evidence base drew together a wide range of quantitative and qualitative data sources to produce an up-to-date picture of the economy in Southwark at the macro level and, importantly, uncovering the experience of Southwark businesses, workers and residents.
13. Extensive consultation with residents, businesses and strategic partners built on the evidence base and further developed our understanding of the nature of the economic challenges facing Southwark. The consultation also started to address where interventions by the council and partners can respond. Further details of the consultation process are provided in paragraphs 53 to 56.
14. Through the development of the evidence base and the consultation process, a number of economic challenges were identified that stand in the way of a fairer, greener, more resilient economy. Many of these are common to the UK as whole, with some more acute in Southwark and similar areas of London. Some of the key challenges include:
  - High costs of living and doing business, squeezing households and small enterprises
  - Climate risks and poor air quality affecting least well-off communities most of all
  - High streets adapting to their changing role in a challenging economy
  - A growing need for connected services and infrastructure in our neighbourhoods to support economic wellbeing
  - Too little of the wealth created in Southwark retained in the borough
  - Our most disadvantaged young people at risk of being left further behind
  - Low pay and insecure work driving in-work poverty for many
  - Unacceptable gaps in our residents' pay and employment prospects linked to gender, ethnicity and disability
  - Ongoing skills shortages and difficulties accessing good quality learning at all stages of life.

#### The strategy

15. The strategy sets out a response to these and other challenges. It puts forward a vision for a more inclusive local economy that works for everyone, with a focus on narrowing inequalities and raising prosperity across all parts of the economy and in every neighbourhood. Much of the focus is on removing barriers that prevent many from benefiting from the wealth that is generated locally. It is an approach that aims to drive better economic outcomes for all, without reliance on economic growth to deliver top-down

benefits. However, the strategy also recognises the importance of continuing Southwark's growth success story, especially in sectors that can deliver a wider benefit to the borough, and in extending growth opportunities more widely across our town centres.

16. The strategy set out a vision for 'A fairer greener, more resilient economy'. This vision for Southwark's economy in 2030 is developed further under three headline outcomes:
  - A high growth, low emission economy
  - An economy with opportunity for all
  - An economy of good work.
  
17. The vision will be supported through eight delivery themes, under which sit the headline actions the council will work with partners to focus on. These are:
  - Investment and growth
  - A greener economy
  - Thriving high streets
  - Inclusive neighbourhoods
  - Extending local ownership
  - Southwark's Youth Deal
  - Good work for all
  - Skills for now and the future.

### Delivery

18. The strategy was developed with the involvement of resident and business communities and strategic partners, and achievement of its aims will also depend on these combined resources and assets. Full delivery of the strategy will only be achieved through strong local partnerships working in collaboration.
  
19. In addition to holding a leading delivery role, the council also has a convening function that will bring together Southwark's businesses, BIDs, universities and colleges, NHS Trusts, cultural institutions, property developers, voluntary sector organisation and public sector partners to reach these shared goals.
  
20. Many such partnerships are already in place. Examples include the SC1 life sciences partnership, the Southwark Skills Partnership, the Southwark Living Wage Action Group, The Local Access Partnership and the Southwark Works network. These will have key roles in the delivery of the strategy. Where gaps in these partnership arrangements exist, new networks will be brought together.
  
21. Just as importantly, the needs, knowledge and lived experience of communities will be at the heart of delivery, with residents and businesses

from all backgrounds and neighbourhoods involved in delivery of the strategy. The implementation of this principle will look different across each of the eight delivery themes, but examples include resident and business involvement in town centre activity, consultation with the Southwark Youth Parliament on support for young people, commissioning locally embedded organisations to provide business, employment and skills support, and regularly capturing service user feedback across all project delivery,

22. Following adoption, the council will work with partners to develop a full delivery plan. This will reflect the extent of activity already underway under each delivery theme, programme planned activity yet to commence and identify where additional resources will be required to meet the objectives in full.
23. Substantial areas of work already underway to deliver the strategy include:
24. Southwark Works – our flagship employment support programme, Southwark Works supports hundreds of residents each year into work with a focus on those facing multiple and complex barriers to securing long-term, sustainable employment.
25. Skills Delivery Plan – developed by the Southwark Skills Partnership, the 2023 Skills Delivery Plan targets gaps in local skills provision to improve residents' access to high quality learning at all stages of life and meet skills shortages across the economy.
26. Living Wage Unit – Southwark's Living Wage Unit leads the delivery of the council delivery plan commitment to double the number of Living Wage employers in Southwark.
27. Southwark Youth Deal - Southwark's Youth Deal will reinvigorate the borough's youth service offer and place young people at the heart of future service design to ensure that they can influence decisions affecting their lives.
28. Town Centre action plans – these plans are developed under the council's ongoing dedicated cross-council strategic response for town centres and high streets, to ensure we identify and respond to the broader range of issues they face. The plans help us to standardise our efforts across the borough, whilst also reflecting a more targeted neighbourhood level approach where required.
29. Thriving High Streets Fund - aligned to our ambitions for town centres is the Thriving High Street Fund, which aims to attract more people back to Southwark's high streets and town centres by funding innovative solutions developed and delivered by local residents, businesses and community groups.
30. Southwark Pioneers Fund - the Southwark Pioneers Fund invests in Southwark's entrepreneurs who aspire to start and grow their enterprise. It

offers support for start-ups and entrepreneurs, support for later-stage enterprises focussed on growth, and support for enterprises to reduce their carbon emissions.

31. Affordable Workspace strategy – our emerging affordable workspace strategy will shape our approach to delivering more affordable workspace for start-ups and small businesses, and creative and community uses, where it is most needed.
32. SC1 - The SC1 partnership between King's Health Partners, Southwark and Lambeth Councils is working to develop sustainable life sciences clusters from London Bridge to Camberwell. Activities include business support, innovation and skills development to ensure access for local people and businesses to the opportunities arising from the development of a thriving south London health and life sciences cluster over coming years.

### **Policy framework implications**

33. Southwark 2030 will bring together the collective energy and focus of residents, community groups, partners and the council to agree and pursue ambitious goals for how Southwark will look and feel in 2030. The Economic Strategy has been developed alongside the listening events held across the borough to inform the development of Southwark 2030. The outputs from these events have guided the development of the strategic vision and delivery themes for Southwark's economy in 2030.
34. The Council Delivery Plan contains the council's commitments for the local economy over the period 2022-26. The Economic Strategy fully reflects these commitments, and also looks beyond the Council Delivery Plan period to 2030. In addition, the Economic Strategy has been developed to reflect the transforming priorities embedded in the Council Delivery Plan: to become truly people powered, to ensure every neighbourhood is a great place to live and to focus on closing the gap in everything we do.
35. The Economic Strategy also aligns with other strategies from across the Council. Delivery will be co-ordinated to meet shared objectives and targets.
36. The plan is consistent with the Southwark Plan 2019-36, the Climate Change Strategy, the Joint Health and Wellbeing Strategy, Southwark Stands Together, the Cultural Strategy, the Streets for People Strategy and the emerging Neighbourhood Plans.

## **Community, equalities (including socio-economic) and health impacts**

### **Community impact statement**

37. The draft Economic Strategy 2023-2030 sets out the high-level roadmap towards a fairer, greener and more resilient economy in Southwark. It sets out a series of challenges that currently have a detrimental economic impact on some communities in Southwark, and a corresponding vision for change, aligned to a set of themes that will guide delivery over the period 2023 to 2030.
38. The principle of fairness is one of the foundations for the strategy. With equalities issues central to economic fairness, equalities issues have been at the forefront during the development the evidence base, the focus on feedback from affected communities and the subsequent drafting of the strategy.
39. Southwark Stands Together (SST) is the council's response to systemic discrimination and inequalities within the borough. It is a long-term programme of positive action, education and initiatives working in solidarity with Southwark's communities and the council's staff to tackle racism, injustice and inequality. The Economic Strategy has been developed with the Southwark Stands Together principles at its heart. It sets out a focus on narrowing inequalities including:
  - Working so that the great diversity of our borough is reflected across all parts of the economy.
  - Providing the best start in life.
  - Removing unequal barriers to success for people of all ages.
  - More opportunities to secure good jobs paying at least London Living Wage with leading employers and fewer barriers for the most disadvantaged
  - Better pay and employment standards and a focus on challenging discrimination will reduce gender, ethnicity and disability pay gaps.

### **Equalities (including socio-economic) impact statement**

40. An Equalities Impact and Needs Assessment (EINA) report has been completed to assess the Economic Strategy against the Council's Equality Duty. The report can be found at Appendix 2.
41. The equality impact and needs analysis (EINA) highlights the areas where the strategy sets out to achieve positive impacts on groups where negative socio-economic outcomes related to shared protected characteristics exist.



42. It also highlights some areas where there is the potential for negative impacts if the principles set out in the strategy are not consistently followed through into implementation.
43. The implementation of the strategy will be articulated through a regularly updated delivery plan. All major programmes and projects arising as a result of this strategy will go through the EINA process and equalities outcomes will be monitored at both the programme and borough level across the lifetime of the strategy.
44. Considering the above, at this stage the recommendations are not considered to have a disproportionate effect on any protected characteristic, such as age, disability, race, faith or religion and ethnicity and sexual orientation and is not considered to have a detrimental impact on the equality of opportunity under the Equality Act 2010.

### **Health impact statement**

45. The Economic Strategy has been developed with early and ongoing input from Public Health officers to ensure alignment with the Joint Health and Wellbeing Strategy 2022-2027. The Health and Wellbeing Strategy emphasises the relationship between economic factors and health outcomes, particularly reflected in its priorities: 'enable all children, young people and adults to maximise their capabilities and have control over their lives,' 'create fair employment and good work for all', and 'create and develop healthy and sustainable places and communities.'
46. The Economic Strategy sets out how the council and its partners will support these priorities. Related areas of focus for the strategy include providing the best start in life and removing unequal barriers to success, promoting good work and reducing employment and pay gaps between groups, supporting neighbourhoods and high streets that promote health and wellbeing, and supporting a cleaner, greener economy with reduced air pollution.

### **Climate change implications**

47. The Economic Strategy has been developed using independent evidence to consider the current climate impacts of Southwark's economy, the needs of businesses and residents if we are to achieve a just transition to net-zero, and the potential impacts of extreme weather on the economy.
48. Southwark's Climate Change Strategy and action plan set out how, working together, we can deliver a sustainable future for the people of Southwark and protect our planet. The climate change strategy makes clear our ambition to tackle climate change in a way that reduces inequality and creates opportunity for people in the borough.

49. Through its vision for a greener Southwark economy, the Economic Strategy supports the climate change strategy and action plan through commitments to support the growth of green jobs and invest in the green skills of the future, to ensure that businesses are doing their fair share in reducing their carbon impact, to work with our small businesses to support those taking steps to reduce waste and carbon emissions, and to work with our partners on mitigation and adaptation to the potential economic impacts of climate change.
50. The monitoring of actions related to a greener economy will be aligned with climate action plan monitoring to ensure coordination across the two strategies.

### **Resource implications**

#### **Financial and budget issues**

51. No additional funding assumptions beyond those already set out in agreed budgets have been made in designing the refreshed strategy. The strategy sets out core ambitions and our anticipated delivery in achieving those ambitions, including with partners. Any new funding requirements, if they arise, will be assessed and reviewed as part of the council's normal budget process.

#### **Staffing issues**

52. Officer time to effect the recommendations will be contained within existing resources.

#### **Consultation**

53. Several phases of consultation with residents, businesses, community and business networks and wider strategic partners have informed the development of the Economic Strategy. Council officers from across key departments have also provided input throughout its development.
54. In addition, the consultation on the development of the Economic Strategy has been supplemented by the extensive Southwark 2030 engagement and listening process, which took place over the same period. Where findings from the Southwark 2030 listening events have provided additional perspective on priorities for the local economy from across the borough these have been integrated in full.
55. The development of the Equalities Impact and Needs Assessment has been supported with feedback from the Forum for Equalities and Human Rights in Southwark and the Southwark Equalities and Human Rights

Panel.

56. The full consultation process is summarised in the table below.

Date	Participants	Event	Outcome
Nov 2021-Jan 2022	External stakeholders and public	External consultation on key principles of a fairer, greener, more resilient economy	Responses received from stakeholders and public. Comments integrated into first draft.
Feb-March 2022	Council teams	Internal consultation on the emerging strategy across key council teams	Responses received from council teams. Comments integrated into draft strategy.
July – November 2022	External stakeholders and public	External consultation on draft strategy	Responses received from stakeholders and public. Comments integrated into draft strategy.
March 2023	External stakeholders and public	Completion of Southwark 2030 listening events	Integration of key messages into the draft strategy.
18 April 2023	Southwark Equalities and Human Rights Panel	Equality impact and needs assessment for the economic strategy reviewed at Southwark Equalities and Human Rights Panel	Further feedback on EINA and finalisation pre-adoption.
June-July 2023	Council teams	Internal consultation on draft for adoption	Responses received from council teams. Comments integrated into final draft.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Assistant Chief Executive, Governance and Assurance**

57. The council has the statutory authority to produce this strategy in accordance with the powers of general competence in section 1 of the Localism Act 2011.
58. The production of this strategy is an executive function of the Council which is determined by the cabinet in accordance with the Local Government Act 2000 and Part 3B of the council’s constitution.
59. The cabinet will need to ensure that the public sector equality duty in section 149 Equality Act 2010 is considered i.e. to have due regard to the need to eliminate discrimination, advance equality of opportunity, and to foster good relations between people with protected characteristics and others. Reference is made to this in the “Community, equalities (including socio-economic) and health impacts” section above and an equalities impact and

needs analysis has been carried out which the cabinet should take account of in its deliberations.

60. The cabinet will note the consultation that has been carried out in connection with this strategy. The cabinet should carefully take account of the outcome of this consultation as set out in the report in reaching its conclusions.

**Strategic Director of Finance (FC23/004)**

61. This report is requesting the cabinet to approve the Economic Strategy 2023-30 as set out in Appendix 1.
62. The strategic director of finance notes the recommendation in this report and that there are no immediate financial implications arising from this report.
63. The staffing and other costs connected with the proposed Economic Strategy 2023-30 need to be contained within existing departmental revenue budgets, the agreed housing revenue account, or the council's agreed capital programme, as applicable. Any additional resources required in connection with this report will be subject to the council's usual financial governance procedures.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
<b>Link:</b> <a href="#">Southwark Economic Evidence Base (2022)</a>	Local Economy Team 160 Tooley Street	Nick Wolff 020 7525 5676

## APPENDICES

No.	Title
Appendix 1	Economic Strategy 2023-2030
Appendix 2	Equalities Impact and Needs Assessment

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Martin Seaton, Jobs, Skills and Business	
<b>Lead Officer</b>	Caroline Bruce, Strategic Director of Environment, Neighbourhoods and Growth	
<b>Report Author</b>	Nick Wolff, Principal Strategy Officer, Local Economy Team	
<b>Version</b>	Final	
<b>Dated</b>	22 November 2023	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Assistant Chief Executive, Governance and Assurance	Yes	Yes
Strategic Director of Finance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		22 November 2023