

<b>Item No.</b> 8	<b>Classification:</b> Open	<b>Date:</b> 30 January 2024	<b>Decision Taker:</b> Cabinet Member for Jobs, Skills & Business
<b>Report title:</b>		Report to the Education and Local Economy Scrutiny Commission	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Danny Edwards, Head of Economy	

### RECOMMENDATION(S)

1. That the Education and Local Economy Scrutiny Commission note the contents of the report.

### BACKGROUND INFORMATION

2. This report provides an update on the Cabinet Member for Jobs, Skills & Business portfolio for the Education and Local Economy Scrutiny Commission meeting on 30 January 2024.

### KEY ISSUES FOR CONSIDERATION

#### Economic Strategy 2023-2030

3. Our new Economic Strategy 2023-30 was adopted in December 2023. The strategy 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, summarised as '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
4. 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

5. The strategy was developed with the involvement of resident and business communities and strategic partners. We will work with these partners to develop a full delivery plan. This will reflect 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.

### **Southwark Skills Plan**

6. Southwark's Skills Delivery Plan was adopted in October 2023. It sets out a programme for delivering the shared priorities of the Southwark Skills Partnership over the next two years, to 2025. It builds on the ambitions of a fairer, greener and more resilient economy as set out in Southwark's Economic Strategy 2023-30, and supports the council's broader ambitions as articulated in the Council Delivery Plan and Southwark 2030.
7. The Skills Delivery Plan was developed by the Southwark Skills Partnership, formed of skills and employment support providers, large employers, business groups and council teams. The partnership is responsible for the delivery of the actions set out in the delivery plan, and ensuring it continues to respond to emerging skills needs.
8. The Skills Delivery Plan has nine themes that align with broader council ambitions, including a focus on key sectors of our economy. There are six sector-focussed themes:
  - Life sciences
  - Digital
  - Green
  - Health and social care
  - Creative and cultural
  - Hospitality

And three cross-cutting:

- Apprenticeships
  - Careers information, advice and guidance
  - Essential skills
9. Work with partners is now underway to deliver on the priorities identified within the skills plan.

### **Southwark Construction Skills Centre**

10. Since its inception in 2016, the SCSC has proven to be hugely successful in supporting Southwark residents into construction related employment and apprenticeships. Originally based at Elephant Park, the SCSC relocated in July 2021 to Canada Water.
11. The council has a MoU with British Land regarding the ongoing governance on the SCSC. A Board (chaired by the cabinet member for Jobs, Skills and

Business) has oversight of the management and performance of the SCSC.

12. Some notable outputs and achievements from the SCSC to date (Q2 23/24) include:
  - 6,475 Southwark residents trained
  - 12,000+ people trained in total
  - 1,800+ jobs and apprenticeships for local residents
  - 2,231 existing Southwark construction workers upskilled
  - 6,000+ local school children engaged

### **Green Jobs and Skills**

13. A Green New Deal for Southwark is a headline commitment of our Climate Change Action Plan and the creation of 2,000 green jobs is a commitment within the Council Delivery Plan 2022-26. We are on track to meet this target with 1,299 green jobs created as at Q2 23/24.
14. Actions supporting green jobs and skills in Southwark are as follows:
  - Delivering a Green Skills Hub with London South Bank University under the Mayors Academy Programme, which is creating new qualifications, apprenticeships and job outcomes and raise awareness of training pathways into new low-carbon jobs.
  - In partnership with Lambeth and Lewisham, appointed a shared post to drive local efforts to create green skills and support local people into new green jobs.
  - Researching the feasibility of and business case for additional local training facilities for low-carbon skills.
  - Exploring support for local SMEs and sole traders to gain accreditation that will enable them to secure work on housing retrofit and low-carbon energy projects.
  - Developed a monitoring framework across council services working on carbon reduction programmes to quantify job creation, agree measurement and promote opportunities for Southwark residents.
  - Cross-borough work through Central London Forward to create a shared definition of 'green jobs' and built knowledge of the green growth opportunities and skills gaps across central London.

### **Hospitality**

15. In September 2019, a hospitality skills study was jointly commissioned with the boroughs of Lambeth, Lewisham and Wandsworth. This piece of work, led by Southwark, was identified as a priority within the then Southwark Skills Strategy, which had noted the large skills and recruitment gap in the prominent local hospitality sector and identified an opportunity to better align provision with employers' needs.
16. The skills study was completed in January 2020 and the final report made several recommendations, most notably the development of hospitality skills provision that would better meet employer needs and improved access to good quality job opportunities for local residents.

17. Since then, several locations for a physical Hospitality Skills Centre have been considered. However, due to significant capital costs with a physical site and a lack of appetite from hospitality skills providers to operate a centre in its entirety as intended, including a public facing restaurant for added real-life experience, the solution to address hospitality skills gaps has been reviewed. To this end, a virtual hub and spoke model is being explored to act primarily as a co-ordination role between different stakeholders, relying on existing training infrastructure (spokes) to deliver successful skills interventions. This option seeks to mirror the ambitions of the Mayor's Academies Hospitality Hub programme but with a clear focus on Southwark residents and the capability to provide support in key areas to tackle the hospitality skills gap challenge more effectively.

### **SC1 – Life Sciences**

18. Local health partners together with Lambeth and Southwark Councils have come together to establish SC1, a new health science district for South Central London to deliver high impact innovation, driving improvements in health and wealth both locally and globally. The arrival of new businesses and employers, along with increased employment space through new development, offers a significant opportunity to create a high volume of new jobs for local residents.
19. Founded by King's Health Partners (King's College London, King's College Hospital, South London and the Maudsley, and Guy's and St Thomas'), Lambeth and Southwark councils, and the Guy's and St Thomas' Foundation, SC1 is a place based initiative to support inclusive growth of the life science economy in south central London. Their vision is to *create a Life Science District in the centre of London, dedicated to scientific and medical innovation to improve health for people locally and globally.*
20. SC1 is overseen by a Board and an employment and skills sub-group of the Board has been created to put a strategy in place to pathways are put in place to ensure job, training and enterprise opportunities are available to local residents in Lambeth and Southwark.
21. Research commissioned by the boroughs sets out the potential scale and scope for employment, skills and enterprise delivery within SC1, along with a set of recommendations for securing these opportunities for local residents. The sub-group is in the process of developing an employment and skills action plan informed by the research, and will be taking a draft version of the plan to the SC1 Board in March 2024.

### **Supporting residents into employment**

22. The Council Delivery Plan 2022-2026 includes a target to support 2,500 Southwark residents from priority cohorts into work. As of Q2 23/24 a cumulative total of 1,237 residents from priority cohorts have been supported into jobs thus far during the Council Delivery Plan period.

## **Southwark Works**

23. Southwark Works is a network of employment support providers targeting a variety of priority cohorts and directly contracted by the council. Formed of specialist providers, the programme seeks to reach and support hard to reach groups into the labour market. Southwark Works was successfully recommissioned in 2023 for another 4 year period to 2027 and is now comprised of three elements:
24. A network co-ordinator directly contracted by the council, responsible for management of the network of employment support providers; service and data quality assurance; operation of the customer facing hub office; developing, managing and delivering service plans; such as a service wide Outreach and Engagement Plan; triage and assessment of clients and referral to a network provider; and skills training.
25. Southwark Works Framework providers who form the Southwark Works Network, delivering employment support to clients based on their underlying needs and barriers to work, across 11 contracts for distinct priority cohorts, and who share the use of a hub office in the borough, managed by the Network Coordinator, from which intensive, in-person support is provided to clients.
26. The Employer Relationship Management contract is a new service co-designed with the network providers to improve the ability of Southwark Works to sustain long-term relationships with Southwark employers. GoodPeople have now been commissioned to facilitate more targeted approaches for employers to connect with residents and put additional mechanisms in place to ensure coherence between what employers need and the skills offer available via Southwark Works.

## **Apprenticeships**

27. In the Council Delivery Plan we are committed to creating 2,000 new apprenticeships. From April 2022 – Sept 2023 the Council has supported 818 apprenticeships, exceeding our target to date of 574.
28. This achievement is largely due to the growth in the number of Southwark businesses supported to create apprenticeships from our partnership with the Passmore Centre at LSBU. Further work has commenced with LSBU to develop their strategy to engage even greater numbers of Southwark residents.
29. Our apprenticeship portfolio consists of a range of active work-streams cutting across the Council, including:
  - Apprenticeship Levy: we are continuing to partner with Workwhile who offer a free brokerage service linking SME's with Levy payers to make the most of the 25% Levy Transfer. We are also continuing to explore what a Southwark Levy Transfer would look like, bringing together larger organisations from across the Borough to enable greater distribution of funds with LSBU close to being on-board.

- Southwark Council Apprenticeship scheme – we have a successful internal Council scheme supporting 83 people into apprenticeships since April 2022.
  - Construction Skills Centre – the centre is an employer-led, community focused training and apprenticeship provider, and despite challenges within the wider construction industry has supported 122 apprenticeships.
  - Section 106: we routinely monitor our S106 regulations and continue to receive a consistent number of apprenticeships, contributing 90 to our overall target.
30. We are currently on track to deliver our CDP commitments. However, the wider apprenticeship system is facing challenges particularly with starts decreasing over the last few years. We are developing an Action Plan to build upon our apprenticeship portfolio to address these challenges across a range of priority areas:
- Pre-Apprenticeship support
  - Apprenticeships in schools
  - Social value in major council contracts

### **Paid Internships**

31. The council delivery plan 2022-26 contains a renewed commitment to “Create 250 paid internships for young people from disadvantaged backgrounds.”
32. In line with the Strategy approved by Cabinet in 2019, the paid internship programme continues to be delivered principally via three schemes:
- schools,
  - undergraduates/graduates,
  - Council.
33. Through a commissioned provider - Career Ready - the schools scheme supports sixth formers from four schools across the borough to access support such as mentoring and masterclasses and ultimately secure paid summer internships at a range of employers.
34. For the undergraduate/graduate scheme, we have partnered with Gradcore Ltd, a social enterprise who provide a programme of personalised career support to help eligible university students and recent graduates to develop key skills to enhance employability and secure paid internships and graduate jobs.
35. The council’s own internship scheme has been in place since 2019 and continues to offer young people opportunities within different teams across the organisation. Recruitment is cohort based and placements generally last 12 weeks with a structured programme of development to support the interns.
36. Since 2022, the paid internship programme has created 142 paid

internships for young people and is on track to deliver the 250 CDP target by 2026.

### **Town Centres and High Streets**

37. Thriving and safe town centres and high streets are a key part of our new Economic Strategy (2023-2030) and are an integral part of the council's wider Neighbourhoods programme.
38. Ambitions for our town centres include:
  - Protecting employment space and attracting new businesses investment.
  - Using planning powers and our role as a landlord to protect the role of markets and town centres, while promoting healthier high streets.
  - Supporting the recovery of the hospitality, night-time and cultural economy while also recognising and addressing health and community safety concerns.
  - Promoting safer high streets and encourage businesses to sign up to good practice such as the Women's Night Safety Charter.
  - Encouraging businesses to switch to zero-pollution delivery vehicles, especially in town centres with poor air quality.
39. Governance arrangements for a whole council approach have been implemented, including a Director level group of officers that meet regularly with strategic oversight of all cross-council services, activities, engagement and other work aimed at supporting and revitalising our high streets and town centres. To help standardise our efforts across the borough, whilst also acknowledging that each town centre has a unique identity and may require a more targeted neighbourhood level approach, individual Town Centre action plans have been co-developed for Peckham, Camberwell, Elephant and Castle/Walworth and Canada Water, with lead officers appointed for each.
40. The Town Centre action plans are currently being adapted so that they are fully accessible to the public and available on our website for engagement and feedback.

### **Thriving High Streets Fund (THSF)**

41. As part of our commitment to support our high streets to adapt and respond to shifting footfall and shopping patterns, the THSF was launched in Spring 2023.
42. Funded via the UK Shared Prosperity Fund, over £240,000 grant funding was awarded in Round One to eleven successful projects aimed at supporting local businesses and increasing footfall in our town centres.
43. Round Two of THSF is set to launch in February 2024 with a remaining budget of c£216k to be used for projects that meet criteria under two or more of the following themes:

- A Greener Southwark
- Cost of Living Crisis
- Healthy and Safe High Streets
- Cultural / Community Events
- Southwark Stands Together

### **Southwark Pioneers Fund**

44. The Southwark Pioneers Fund (SPF) was originally developed in 2019 to generate inclusive growth by supporting the creation or scale-up of micro commercial and social enterprises (including revenue-raising charities). However, just as the SPF was launched, covid-19 struck and the £2m budget was necessarily repurposed into a Business Hardship Fund, helping local businesses in the period before central government grants funds were forthcoming.
45. Subsequent to this, the full SPF fund has now been reinstated with the Business Hardship Fund expenditure covered instead through Covid-19 emergency funding. As a consequence, a refreshed SPF Delivery Strategy was agreed in February 2022.
46. Since its original inception the economic climate has changed significantly (covid-19, Brexit, Climate Emergency, and Southwark Stands Together), making it particularly important that we support local enterprises to build resilience, sustain and grow. To deliver these aims and ambitions, the refreshed SPF has been split into four themes:
  - **Start-up Programme** - Enterprise support for start-ups and aspiring entrepreneurs.
  - **Growth Programme** - Enterprise support for later-stage enterprises focused on growth.
  - **Green Programme** - Support for enterprises to decarbonise and reduce their environmental impact.
  - **Social and Community Programme** - support for social and community enterprises led by women or people from Black or minoritised backgrounds.
47. Both the start-up and growth contracts commenced in July 2022. Trampoline is delivering the Start-up Programme for anyone with a business idea, through to early-stage start-ups. Hatch Enterprise is delivering the Growth Programme for anyone with an established business looking to scale and take it to the next level.
48. To date (Q3 23-24), 162 start-ups and budding entrepreneurs have been supported via the main cohort programme with many more offered tailored IAG to see if starting a business is right for them. In addition, £45k grant funding has been awarded to 18 enterprises to help them to develop their business ideas, products and services.
49. On the growth programme, 49 enterprises have completed an in-depth Accelerator and 12 of these have received combined grant funding of £112k



to help their businesses to grow. Over 100 entrepreneurs have also been support via the Community offer, which includes 1-1 consultations and a range of online workshops and talks.

50. For the Green Programme, ReLondon have been commissioned to support 36 high street businesses to trial circular economy business models to tackle those hard-to-abate consumption-based emissions. Approximately 15 high street businesses will receive grant support to implement a new, circular initiative in their business, either by procuring products/services from circular innovators or by developing products from scratch. The green programme will be delivered from April 2024 to Feb 2025.
51. The Social and Community Programme is being delivered via the **Local Access Programme (LAP)**, which is a partnership of local stakeholders<sup>1</sup> with a shared vision of a *collaborative, sustainable and diverse social economy, which delivers positive social impact and a better future for all Southwark's residents*.
52. The LAP has received £900k grant funding from the Local Access Foundation to support social enterprises in Southwark and the council has match-funded this with £500k to bring the total enterprise support budget to £1.4m. The LAP intends to support Southwark social enterprises and charities at various stages over three years.
53. In addition to enterprise support, the LAP has been provisionally allocated £4.4m (£2.625m repayable capital, £1.85m grant capital) from Big Society Capital to invest in the social economy. Plans are being developed to make best use of this investment, including a Retail Asset Fund, which would aim to provide affordable working and trading spaces for local social organisations through an asset trust that will outlast the funding programme to achieve the legacy that is at the heart of the Southwark Partnership.

### **Southwark's Living Wage Unit**

54. The Council Plan 2022-26 includes a commitment to establish a new Southwark Living Wage Unit, tasked with doubling the number of Southwark employers who pay at least the London Living Wage to all their staff. The target is have 498 Living Wage Employers by March 2026.
55. As at Q2 2023/24 we are making good progress with 320 accredited employers. We have seen good growth in the number of Living Wage Employers in the Borough in recent months, however challenges are posed by the significant rate rise from £11.95 to £13.15 per hour in November 2023.
56. Actions delivered as part of the LWU so far include:
  - A new grant scheme to incentivise new accreditations from Southwark employers.

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<sup>1</sup> Renaisi (accountable body), School of Social Entrepreneurs, Do It Now Now, plus individuals and social entrepreneurs.

- Dedicated officer resource to delivering the programme and support businesses.
- Secured Living Wage Place recognition for the second time. One of only of two London Boroughs to have this status.
- Established a Living Wage Officer group to ensure best practice across the council.
- The Southwark Living Wage Place Action Group continues to be effective and motivated with 18 organisations represented from across the borough and different sectors including developers, trade unions, universities, business improvement districts, charities and employers big and small. The group meets quarterly and collaborates between meetings.
- Successful Living Wage Week (w/c 6<sup>th</sup> November 2023). Increased interest and number of accredited Living Wage Employers.
- Increasing communications activity using resident and business newsletters, social media and partner organisations.
- Commissioned case study film with London College of Communication.

## AUDIT TRAIL

<b>Lead Officer</b>	Danny Edwards, Head of Economy	
<b>Report Author</b>	Danny Edwards, Head of Economy	
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<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
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Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
List other officers here		
<b>Cabinet Member</b>	Yes	Yes
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