

Leaders' Committee

Pledges to Londoners - Update on Progress in Supporting Business and Inclusive Growth

Item no: 10

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Summary: This paper provides an update on the supporting business and inclusive growth pledges agreed by Leaders' Committee as part of its wider Pledges to Londoners.

Recommendations: Leaders' Committee is asked to note and comment on this report.

Pledges to Londoners – Update on supporting business and inclusive growth

Introduction

1. Pledges to Londoners states that London is the business capital of Europe and the most outward looking global city on the planet. All London boroughs are committed to nurturing that success and ensuring that all Londoners can share in it. Boroughs aspire to be the first choice of every London business when it wants a conversation with London government.
2. While London continues to see strong employment and economic growth, the benefits of this growth are not spread equally. Some Londoners, such as disabled people and some BAME groups, are more likely to be unemployed and in-work poverty is high, with 58 per cent of Londoners in poverty living in a working household. This is a 50 per cent increase over the last decade¹.
3. The following Pledges were adopted by Leaders in the supporting business and inclusive growth policy areas:
 - Co-designing a Charter for Business with London businesses, improving London as a place to do business, promoting inclusive growth and positive dialogue.
 - Lobbying to ensure that post-Brexit development funding provides at least as much support to London as the current EU ESIF programme.
 - Working alongside the Mayor to transform adult skills training through the devolved powers starting in 2019; supporting in work progression and ensuring that we meet the job aspirations of learners and the skills needs of business in each part of London.
 - Working towards a better start for young people through improved careers advice, work experience for every young Londoner and building the case to extend skills devolution to include 14-19 provision.
 - Working in partnership with London businesses to help government reform the apprenticeship levy; including using London levy underspends to support training within London.
 - Creating a comprehensive local welfare support offer for those transferring to Universal Credit or at risk of homelessness, supported by work with government to develop more effective funding models based on invest to save principles.
 - Supporting 55,000 disadvantaged Londoners towards a job through the devolved employment programme agreed with the DWP.

¹ <https://www.trustforlondon.org.uk/publications/londons-poverty-profile-2017/>

- Lobbying government for co-location and joint working of council and Jobcentre Plus services.
4. The delivery of these pledges is being overseen by the Executive member for Business, Europe and Good Growth, the Executive member for Skills and Employment and the Executive member for Welfare, Empowerment and Inclusion. They reflect shared pan-London priorities for Leaders over the next three years but the list does not reflect the entirety of London Councils work around the economy, skills, employment and welfare for this period. This report provides an update on progress since the last report to Leaders' Committee on work around the Pledges in July 2019.

Progress Update

Supporting business

- i. Co-designing a Charter for Business with London businesses, improving London as a place to do business, promoting inclusive growth and positive dialogue.
 - ii. Lobbying to ensure that post-Brexit development funding provides at least as much support to London as the current EU ESIF programme.
5. London Councils has developed our Pledges to Business and these were agreed by Leaders' Committee in December 2019. We have also gained the support of key business organisations for the Pledges, including London First, the Federation of Small Businesses in London and the London Chamber of Commerce and Industry (LCCI). The Pledges for Business will be launched on 18 March 2020. We continue to engage with lead members for business and economic development in the boroughs and will be holding a series of events to encourage boroughs to actively use the Pledges and share good practice.
6. London Councils has also commissioned CEBR to undertake a survey of London's business base. The review looked at all businesses, but had a specific focus on micro-businesses, those employing less than 10 people. A business profile was developed for each borough, to support their understanding of the local business base. The report and borough profiles can be found [here](#).
7. London Councils, the Mayor and LEAP have recently written a joint letter to the Chancellor highlighting the urgent need for the government to provide details on the UK Shared Prosperity Fund (UKSPF) that will replace ESIF and Local Growth Funding. The letter calls for the UKSPF to be a less bureaucratic, fully-devolved and flexible single pot of long-term funding, with allocations based on a fair measure of need. London should receive at least as much funding as currently via ESIF and Local Growth Fund programmes, as part of an increased overall national pot. London Councils and the GLA held a workshop in

December 2019 of key local stakeholders to discuss how the UKSPF might be used in London. London Councils and GLA officers are developing a more detailed policy and lobbying plan around the UKSPF, as agreed by the Congress of Leaders in February 2020.

Skills and employment

- i. Working alongside the Mayor to transform adult skills training through the devolved powers starting in 2019; supporting in work progression and ensuring that we meet the job aspirations of learners and the skills needs of business in each part of London.
 - ii. Working towards a better start for young people through improved careers advice, work experience for every young Londoner and building the case to extend skills devolution to include 14-19 provision.
 - iii. Working in partnership with London businesses to help government reform the apprenticeship levy; including using London levy underspends to support training within London.
 - iv. Supporting 55,000 disadvantaged Londoners towards a job through the devolved employment programme agreed with the DWP.
 - v. Lobbying government for co-location and joint working of council and Jobcentre Plus services.
8. London Councils nominates five Leaders² to sit on the Skills for Londoners Board, which advises the Mayor on the devolved Adult Education Budget (AEB) and skills more widely. London Councils' Executive member for Employment and Skills co-chairs the Board. London Councils has been inputting into GLA work around better understanding the impact of the Adult Education Budget (AEB), focusing on economic and social outcomes. The GLA is exploring the feasibility of a London Learner Survey to capture and measure some of these outcomes. London Councils is highlighting the need for this survey to be large enough to provide robust borough level data. This is potentially an important first step towards moving to a skills system focused on outcomes, not solely qualifications.
9. In September 2019, London Councils and the Mayor jointly published [Skills for Londoners: A call for action](#), which calls for a new devolution and funding deal from government to establish an integrated, properly funded skills and employment system in London. It makes the case for further devolution around 16-18 skills provision, careers advice, apprenticeships, employment support and the UKSPF. We are looking to align lobbying

² These are: London Councils' Executive member for Employment and Skills, plus the Leaders who chair four sub-regional skills and employment boards.

activity with other cities and combined authorities to push for further skills devolution, ahead of the government's White Paper on Devolution.

10. London Councils is also developing additional evidence and more detailed proposals to support the case for further skills devolution. London Councils commissioned Impetus PEF to analyse data sets on young people not engaged in education, employment or training in London at a granular level. The [Employment Gap in London](#) report highlights how London's good educational performance is not sustained after age 16, with almost half of young Londoners leaving the system without A-levels or Level 3 qualifications. It also shows a complex picture at borough level, with significant variations in outcomes. London Councils produced a policy report [Level Up London](#), alongside the research, to argue for a local approach and further devolution, particularly 16-18 skills provision, careers advice and apprenticeships. Both reports were launched in February 2020.
11. London Councils is also working with the GLA and London First to establish more detailed proposals for what a devolved apprenticeship system in London would look like and achieve. We are working with boroughs and Sub-Regional Partnerships (SRPs) to consider what the borough role should be in any devolved apprenticeship system. We will also lobby government on more immediate flexibilities to the apprenticeship levy in its current format, following the government's commitment to look at improving the working of the levy.
12. The four devolved Work and Health Programmes (WHPs) in London have been running for almost two years. SRPs (who manage the programmes) have increased referrals and starts to the programmes, but performance remains below profile, as it does for the national programme. Participants coming onto the programme have more complex needs and there is a higher proportion of long-term unemployed claimants on the programme than originally anticipated. London Councils has worked with the SRPs to commission a pan-London evaluation of the WHPs in London and a Stage 1 report has been completed.
13. London Councils has recently brought together a small group of members, senior borough and SRP officers to start to discuss what any future devolved employment programmes should look like, building on the lessons of the WHP. We will be developing this work over the coming months, working more widely with boroughs and SRPs, to inform future discussions with DWP on devolved employment programmes.
14. In October 2019 London Councils held a meeting of JCP and borough officers at Croydon Jobcentre, where councils and JCP services are co-located, to discuss the benefits of this approach and/or aligning council and JCP services. We are meeting with the JCP Group

Director for London and Essex shortly to explore to discuss how this model could be extended in London.

Welfare

- i. Creating a comprehensive local welfare support offer for those transferring to Universal Credit or at risk of homelessness, supported by work with government to develop more effective funding models based on invest to save principles.

15. *Supporting Low Income Londoners: the future of Local Welfare* was published in Autumn 2019. The report provided a summary of existing local welfare provision in London, including case studies showing borough innovation to offer improved local welfare services. It concluded with a call for the Department for Work and Pensions to work with London Councils to further develop a new model of local welfare. A second report, *From dependency to self-sufficiency: a new model of Local Welfare* is in production and expected to be published in spring 2020. It makes the case for properly funded local support services. Three London boroughs (Greenwich, Tower Hamlets and Barking & Dagenham) were successful in bidding to become a pathfinder authority as part of the Local Government Association's 'Reshaping Financial Support Programme'. London Councils is part of the evaluation of this programme which will feed into the further development of a new local welfare support offer.

Next Steps

- 16. London Councils officers and Executive members will continue to work on supporting the implementation of the pledges as outlined in this report and will keep Leaders updated on a regular basis.

Recommendations: Leaders' Committee is asked to note and comment on this report

Financial implications for London Councils

None

Legal implications for London Councils

None

Equalities implications for London Councils

None