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| Tuesday 13 March 2018 |

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|  | Draft Economic Development Strategy for London |
|  | DRAFT London Councils Consultation Response |

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The Mayor of London’s draft Economic Development Strategy (EDS) sets out a vision to establish a fairer, more inclusive economy in the capital that creates and supports growth across all of London’s sectors. London boroughs will be important in delivering key elements of the final strategy. Our response to the draft strategy identifies some aspects of the strategy’s vision that are of particular wider importance to London boroughs. Further detail is provided in our responses to the questions posed in the consultation feedback form.

London is home to some of the poorest wards in the country that sit adjacent to some of the wealthiest. A more place-based approach to the strategy would enable sub-regional borough groupings and individual boroughs to enhance their business environments in accordance with local priorities. In particular, the strategy should recognise places’ strengths and abilities to support local, high-value infrastructure projects that will benefit local communities, as well as wider sub-regions and London as a whole.

Boroughs have a deep connection with their communities and play a crucial role as place-shapers, community leaders, service providers and employers in influencing local economic growth. Boroughs have strong ties with local businesses, with the vast majority surveyed recently by London Councils engaging with them beyond what the council is required to do via statute/regulations. This can be are on a wide range of issues again including apprenticeships, skills and training, developing sector specific approaches, town centres and BIDs and social mobility/Corporate Social Responsibility (CSR).

The final strategy should adopt a more place-based approach which recognises that different approaches in different areas of London might enable boroughs to address inequalities and create the right conditions for growth in their communities. This should include greater consideration of the different challenges inner and outer London experience.

London local government broadly supports the draft strategy’s ambition to ensure all Londoners can benefit from economic growth across the capital, including through more radical devolution and more control for London over its resources. London Councils welcomes the Mayor’s commitment to work closely with boroughs, sub-regional partnerships (SRPs), businesses and community groups to support growth, increase innovation and improve skills levels across the capital.

However, the role of sub-regional borough groupings or individual boroughs is not made clear within the draft strategy. The final strategy should provide clearer guidance with regards to what is expected from boroughs in order to achieve the strategy’s ambitions around supporting London’s sectors and creating the right conditions for growth in a fairer, more inclusive economy. A place-based rather than prescriptive approach to this guidance would allow boroughs the necessary flexibility to deliver and achieve the strategy’s aims in their local area.

Ensuring that Londoners are equipped with the skills they need to access and successfully compete for jobs created in the capital is a priority for all London boroughs, particularly given Brexit’s potential impact on London’s workforce and communities. Continued access to skilled labour after the UK’s withdrawal from the EU will be necessary for the strategy’s vision for economic growth to be delivered. However, the potential impact that uncertainties around future migration to the UK could have on London’s economy is not addressed within the draft strategy. The strategy should acknowledge this and any accompanying action plan should be flexible enough to change once the details and impact are known.

**Devolution**

Devolution and public service reform continue to be key ambitions for London local government. Powers and freedoms should be devolved locally so that London can flexibly respond to challenges and opportunities ahead.

London Councils is continuing to make the case for a devolved skills system more responsive to employer demand that provides inclusive opportunities for all learners, employees and businesses in London. The devolution of the Adult Education Budget (AEB) from 2019/20 should be used to tailor skills provision to London’s needs and support progression into and within work. We welcome the Mayor’s recognition that a wider package of skills devolution is required to meet the draft strategy’s ambitions to establish a business environment that creates the right conditions for good economic growth across London.

London Councils will continue to work with the GLA and boroughs to make the case for devolution of skills budgets other than for adult learning, such as 16-19 skills provision. Further devolution in these areas would go further than improving the quality of learning facilities across London – it would improve the quality, consistency and suitability of provision across London, whilst addressing social integration and exclusion issues through increased social mobility amongst London’s future workforce.

Skills devolution in the capital should also give London government a fair share of its Apprenticeship Levy as well as powers to make careers information advice and guidance services more efficient across London. This would enable London to grow its own talent, which may also benefit the rest of the UK in a post-Brexit UK economy as it would limit the impact of London taking talent from other regions to fill skills gaps.

Devolved local leadership will be the best way to improve skills, help business sectors grow and serve local communities after Brexit, so that London can continue to be a place of opportunity that competes globally. London government – the Mayor and boroughs – should ensure that local government plays a central role in deciding whether to amend or devolve EU laws that could affect London’s economy during the process of converting them into UK legislation.

There is also a wider role that the Mayor could play in supporting people experiencing significant barriers to work back in to employment. London Councils has strongly advocated for a larger role for the Boroughs in the delivery of employment support services in the capital. While the devolution of the Work and Health Programme to sub-regional groups of boroughs is welcome, this does not go far enough to support all of those who experience entrenched forms of labour market disadvantage. We ask that the Strategy considers in more depth what the Mayor could do in partnership with boroughs to make sure that London has the powers it needs to make sure everyone is able to benefit from and contribute to London’s economic success. This work should give local areas greater control over how employment support works in order to align services with economic and skills needs.

London Councils is particularly interested in exploring the potential for greater co-location of employment and local government services, and aligning provision to enable those experiencing entrenched labour market disadvantages to enter, sustain and thrive in work. This should be backed by a shared data infrastructure across public services, making sure that front line staff have the data resources they need. London government should also be able to take ‘local first’ approach to new employment-focused funding streams, including the UK Shared Prosperity Fund.

A more radical package of devolved powers for London government is referred to throughout the strategy, including devolution of local stopping rail services, property taxes, a proportion of income tax and VAT generated in London, and powers to establish smaller taxes such as a tourism levy. A tourism levy retained within the capital would enable London government to provide longer-term investment in London’s infrastructure. Boroughs and other stakeholders must be involved in agreeing any formula for the distribution and investment of tourism levy funds across London. London attracts tourists for a wide range for visitor attractions across the capital, so there needs to be a way to ensure that all parts of the capital benefit from the levy.

London Councils supports Mayor’s calls for devolution of property taxes, but this will only go some way towards ensuring the necessary investment in infrastructure and housing that might achieve the strategy’s vision for creating a fairer, inclusive economy through enhanced affordable supply. London Councils, boroughs and the GLA should continue to work together with Government to explore opportunities for further devolution around the use of Permitted Development Rights, Land Value Capture (LVC) and Tax Increment Financing (TIF), for instance. The Mayor and the boroughs could then take an evidence and place-based approach towards determining how these would work best for London.

**Lower Cost of Living**

The strategy highlights the importance of increasing the supply of affordable housing in London in order to lower the cost of living and create a fairer, more inclusive economy. London Councils agrees that the delivery of genuinely affordable housing is essential to building strong and inclusive communities. Devolution of additional powers, freedoms and funding from Government to improve boroughs’ abilities to accelerate housing delivery would go some way towards achieving this. Greater flexibility in the use of local authority funds, such as the use of right to buy receipts and freedom to set planning fees, will enable boroughs to better support land assembly for both housing and workspace.

The draft strategy links this increase in affordable housing supply to the revised assessment of London’s housing needs outlined in the draft London Plan, which is to be achieved by a significant rise in the pan-London housing target from 42,000 to 65,000 homes per year. Whilst boroughs support the ambition of higher housing delivery, housebuilders in London have been unable to achieve the previous lower target in recent years, so adequate levels of affordable housing are not being provided to meet the needs of Londoners.

In addition, the Strategic Housing Market Assessment identifies that 47% of new housing in London should be low cost rented. The Mayor and boroughs need to jointly consider how a greater amount of social and low cost rented units can be delivered to meet the draft strategy’s ambition to boost the supply of genuinely affordable homes and lower the cost of private renting.

As part of its vision for more accessible and affordable childcare, the draft strategy recognises that less than half of London boroughs have enough childcare for parents working full-time. A London Councils survey of 28 boroughs found that 15 had to make savings in 2017/18 as a result of the introduction of the 7% cap on central spend introduced in April 2017 as part of the Government’s Early Years National Funding Formula. These savings included service reductions, reduced outreach to encourage greater take up of childcare, and reductions in full time places for the most disadvantaged children. From 2018/19, two thirds of London borough early years teams will need to make savings, many of which will be on top of previous savings. The Mayor should work with boroughs to make the case to Government for sufficient capital and revenue funding for local authorities to ensure they meet their sufficiency duty.

London Councils welcomes the Mayor’s commitment to work with boroughs to improve the quality of childcare provision and improve awareness of available childcare. Creating new childcare provision within schools should be encouraged where there is need, space and funding available, but boroughs need the flexibility to determine what would be best for their local communities, whilst capital funding is needed to equip boroughs to create any new places.

**UK Industrial Strategy**

The draft strategy states that the Mayor will work with national Government on the development of the Industrial Strategy to identify and capitalise on opportunities for growth in London. The Industrial Strategy and Mayor’s final EDS present an opportunity to make better use of local assets to boost growth and productivity in London. However, it is not clear what the role of the EDS will be as part of London’s local industrial strategy. The Mayor and the London Economic Action Partnership (LEAP) must ensure that boroughs and SRPs are integral to the development and subsequent delivery of London’s local strategy, whatever form it takes.

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

London Councils welcomes the strategy's recognition of the need to work with businesses, boroughs, and education providers in order to establish a more fair and inclusive economy in London. However, we believe that London's economy would benefit from a more place-based approach to creating and supporting growth.

Enhanced local leadership at borough and/or sub-regional level can enable funding decisions to sit closer to the communities that will benefit from them. A more place-based approach would also allow more localised, sub-regional priorities to be taken into account - what works in one area of Inner London may not be relevant or beneficial to a different area of Outer London that relies on more population driven sectors like retail and health, for instance. With this in mind, the strategy makes no reference to the role of Sub-Regional Partnerships whose expertise in the local economic priorities and wider skills needs of their areas should be important in delivering local inclusive growth.

We welcome the Mayor's calls for more radical devolution to achieve the strategy's objectives. As previously stated, London government – the Mayor and the boroughs – should have more control over revenues raised and funding decisions through stronger fiscal powers that will enable services become more focussed on local priorities that might generate local inclusive growth.

The Mayor should commit to work alongside boroughs to make the case for greater control over 16-18 skills funding, the apprenticeship levy, and an all age careers advice service. Further devolution will enable a more locally-responsive approach to skills provision, strengthening skills and productivity across London. Boroughs should play a key role in skills devolution to ensure London has a system that reflects the diverse range of challenges and opportunities across the capital and one that responds to the needs of local people and businesses. London Councils and boroughs must also be part of any future review of the London apprenticeship levy to ensure it is invested in skills and employment initiatives that benefit local communities most.

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

The strategy rightly refers to the challenges ahead that London faces as a major global city. However, in many aspects the vision lacks the necessary flexibility to address challenges emerging from Brexit uncertainties. The Mayor makes the case for a deal with the EU that protects jobs, growth and prosperity, but the vision for a fair, more inclusive economy in post-Brexit London fails to take into account the potential impact of a possible 'hard' or no deal Brexit.

88% of London businesses employ EU citizens[[1]](#footnote-2), with a majority of these being SMEs (99.9% of all private sector businesses in London are SMEs)[[2]](#footnote-3). The possibility of reduced rights for EU workers entering the UK after March 2019 and lower levels of capital investment due to uncertainty around future trade could result in less product development, lower levels of business internationalisation and lower levels of growth for London's SMEs. Any implications of Brexit that might affect London businesses in this way need to be considered, and the EDS for London will need to contain the necessary flexibility to address them. Businesses will also require the necessary support to take advantage of opportunities arising from new and future trade deals post-Brexit.

Understanding the potential impact and role of automation and disruptive technologies will be extremely important and is another development where the precise impacts are unclear. However, given that most studies suggests that lower paid jobs will be most susceptible to these changes, enabling Londoners to anticipate and respond to this effectively will be extremely important if we are to create economic growth. This requires looking at the entire skills system and ensuring that the three 'Cs' – creativity, critical thinking and collaboration – are embedded into education and training policy and delivery.

Research has shown that around 908,000 (16.1%) jobs across London are at risk of being significantly changed or replaced by automation by 2030[[3]](#footnote-4). The proportion of jobs at high risk in some parts of London is a high as 39%[[4]](#footnote-5). Low skilled and low paid jobs are most likely to be affected, whilst the sectors most at risk include retail, administrative and support services, transport, manufacturing, construction, accommodation and food services. . However, automation and disruptive technologies will also create jobs and business activity and the EDS should create the conditions that support London businesses to be at the forefront of these developments.

The final strategy should give more consideration as to how trends and drivers of change will play out in different parts of London. London is not homogenous and different parts of London will be affected differently. For instance, the fact that automation and disruptive technologies may affect sectors disproportionately means that some areas of London where industries are clustered will be affected more than others. The final strategy should consider and reflect this.

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

In-work poverty is a real and growing issue for London. There is a lack of evidence of what works in supporting adults (particularly those already in low paid; low skilled jobs) to gain the skills and confidence to progress in work. There are a number of projects e.g. West London Alliance's Careers Ladder, Trust for London pilots and the European Social Fund (ESF) in-work progression projects but the Mayor, alongside London Councils, could show leadership by sharing what works and identifying mechanisms to scale up this support where it's effective.

We need to understand and try to reform Adult Learner Loans so that they are more attractive to Londoners and employers. The Mayor should work with boroughs and other stakeholders to understand and identify reforms to the Loans, given the extremely low take-up. Government should allow them to be used for more bite-sized learning rather than only full qualifications. They could also be marketed more effectively and the Mayor could add his profile to market them to Londoners.

It will be important to look at the demand side as well, for example getting employers to invest more in skills, potentially as part of the Mayor’s ‘Good Work Standard’. There is some evidence that there has been a significant reduction in employer investment in skills over the last decade, with employer spending per employee having fallen by 16.9% in real terms between 2007 and 2013[[5]](#footnote-6).

The strategy lacks employment initiatives; there should be a greater role for boroughs and the Mayor should consider funding for new initiatives as something to push Government to focus on as part of the UK Shared Prosperity Fund. London Councils calls on the government to take a ‘local first’ approach to new programmes designed to explore innovative approaches to tackling in-work poverty and preventing people from leaving the workplace prematurely due to ill health.

The Mayor may also want to consider the impact of the roll out of Universal Credit in London. Working to support people to progress in work will form an increasing part of Jobcentre Plus’s (JCP) responsibilities. The devolution of the AEB to London is an opportunity to enhance Jobcentre provision and support more people to enter and stay in work. Given its importance in enabling people to increase wages better alignment between skills and employment provision would significantly enhance the London offer to people in low paid work offer. Lobbying for greater alignment between JCP and London government provision should be an important part of this.

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

While London has a relatively high employment rate, work remains out of reach for too many people. There are pockets of unacceptably high unemployment across the city and some groups face significant barriers to entering and staying in work. In London today, more than half a million people who want to work don’t have a job. The disability employment gap has barely moved in more than a decade, and now stands at 26.3% in London.

London Councils believes that everyone who wants to and is able to work should see their ambition matched with the opportunity to get a job. The support that the GLA have given London local authorities in lobbying for and expanding the devolved Work and Health Programme has been welcome. The Work and Health Programme will support 50,000 – 55,000 disabled people and people in long term unemployment into work over five years. But the London Work and Health Programmes will only go so far in helping the many Londoners who are out of work and who want to work.

The strategy focuses on employers generating good quality jobs, as well as highlighting the support that exists in London through ESF programmes and the devolved Work and Health Programme. But the Mayor could be more ambitious and work with London Councils and other stakeholders to try and bring about further reforms to mainstream employment programmes, to make them more effective in supporting disadvantaged Londoners into work and to prevent people falling out of work should they experience health problems. This should include lobbying for London to have greater power and controls over jobcentre support for both jobseekers and those who are obligated to increase their earnings. Bringing together Jobcentre and skills provision to promote in-work progression should form a part of this, and could include work to bring Jobcentre and SRP geographies into alignment.

1. **What additional business support (if any) do you think will benefit London’s SMEs?**

99.9% of all private sector businesses in London are SMEs. Ensuring that small businesses can effectively use digital in their day-to-day business, including reliable connectivity and access to superfast broadband, is important[[6]](#footnote-7). Small businesses are also increasingly concerned about the rising costs of operating in London. The 2017 revaluation of business rates again saw the largest increases in London impacting many small businesses. This will continue until the system is reformed.

London Councils and the GLA have jointly set out ambitious plans for genuine devolution of business rates (both how it is set and how it is redistributed) to London Government that would increase local accountability and potentially prevent such disproportionate increases in rates bills for London’s small businesses[[7]](#footnote-8). It is important that the Mayor continues to work with boroughs leaders to argue for greater business rates devolution – building on the success of the London 100% retention pilot that will begin in April 2018-19.

Enhanced provision of office, retail and industrial workspace, as well as affordable housing, are key areas of focus within the draft EDS. In order for both of these ambitions to be successful, planning authorities require the necessary freedoms to deliver and shape growth in their local area.

The strategy rightly points out that London has lost necessary office space due to Permitted Development Rights (PDR). The use of PDR needs to be reviewed so that boroughs can ensure the provision of affordable workspace is sufficient for local growth. More control for boroughs over infrastructure and planning decisions are essential for developing local economic growth. It supports a place-based approach that allows individual or sub-regional groupings of boroughs to focus on local priorities. Similarly, greater flexibility in the use of local authority funds, such as the use of right to buy receipts and freedoms to set planning fees, would enable boroughs to better support land assembly for both housing and workspace.

London boroughs are concerned about the loss of workspace over recent years, so we welcome any plans to improve the provision of affordable workspace that will benefit London’s current and emerging SMEs. Due to the recent losses of low cost business space, many boroughs are already creating affordable workspace through Section 106 clauses and other developer agreements. We look forward to working with the GLA to explore how the provision of office space will meet the needs of London’s SMEs in the growing economy.

With the introduction of the Apprenticeship Levy in April 2017, skills funding has become an additional pressure for SMEs. Shifting away from a grants-based system has had a detrimental effect on smaller training providers and the SMEs previously receiving cost-free training for their staff. SMEs now have to fund 10% of the apprenticeship where previously no costs would have been incurred. SMEs also now have to engage in administration related to the levy system that they may not have the experience or capacity to do. London boroughs are concerned this will cause a reduction in apprenticeship opportunities, something SMEs to date have significantly contributed towards. London Councils believe that unspent levy funds raised in London should be retained by London. These funds could then be used to support SMEs to employ apprentices, providing more opportunities and delivering the government’s objectives on skills.

There is a strong sectoral focus within the strategy but relatively little is said about how these and other activities in the strategy will play out in different parts of London. Whilst links to the London Plan are made, the strategy does not give a clear sense of how the Mayor sees different parts of London contributing to its vision, unlike the spatial approach included in the Transport Strategy. A greater focus on this, as well as the need to link objectives around new infrastructure and transport investment to those within the Transport Strategy, is needed in the final strategy (particularly for outer London). Only within specific areas can the different elements of the strategy come together and make a difference.

1. **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 innovative global city?**

We welcome the Mayor's commitment to work closely with boroughs, sub-regional partnerships, businesses and community groups to support growth, increase innovation and develop skills across the capital.

Understanding the needs of employers on a borough and sub-regional basis is vital to creating a system that maximises the opportunity available to Londoners. In 2016, 9.4% of 16-24 year olds in London were unemployed compared to 3.6% of 25-64 year olds. For both adults and young people, this represents wasted potential.

Yet London faces significant skills gaps. Almost a quarter (23%) of all vacancies in London are due to a lack of applicants with the right skills, whilst 42% of employers are not confident they will be able to recruit people with the higher-level skills their organisation needs over the next five years. Businesses too are realising the need to re-shape their operations and the skills of their workforce, becoming more open in engaging with the public sector on skills where there has be an overreliance on EU labour. The Mayor should commit to addressing this problem by ensuring that boroughs and SRPs can help shape the future skills system, through their close work with local employers, understanding their needs and the local skills response required.

Close public sector working with local employers has enabled a pipeline of local skills being developed that fits the need of local employers, for example through the Southwark Construction Skills Centre. The Mayor is an important figure in encouraging business to think about how they participate in skills development, ensuring they have the talent they require now and in the future.

The Mayor’s commitment to developing a ‘Good Work Standard’ is welcome. London Councils welcomes the Mayor’s commitment to making London a place where ‘good work’ is open to everyone, and that the Strategy recognises the role that this play in creating a productive economy. There are a number of principles which we believe will help the Standard become a useful tool to achieve this.

Clear and tangible standards against which organisations can measure themselves should be at the heart of the Standard. Employers should be easily able to understand how their current organisational practices measure up against the Standard. The Standard could also build on existing measures of good work and best practice schemes. Importantly, the Standard should recognise the differences that exist between businesses in London, and the effect that this will have on the way in which they can provide ‘good work’ for their employees. This is particularly crucial for small and micro businesses, which may struggle to access HR or occupational health services, but could take steps in other ways to create positive and healthy work environments. The Standard should also be flexible around the London Living Wage. In some circumstances it can be difficult for organisations with long or ongoing contracts to change requirements in the short term.

1. **How should the Mayor lever London’s tech innovation to help solve the challenges facing London and Londoners?**

The Strategy should include a focus on providing a digital infrastructure suitable for a global city, including addressing issues such as improving broadband speeds, connectivity and eliminating ‘not spots’. Businesses as well as residents need reliable, fast broadband speeds. The Mayor should promote the template wayleave for digital infrastructure, as well as continuing to progress the mobile wayleave, to enable businesses to access fast, digital infrastructure, especially in multi-tenanted buildings.

1. **What should the Mayor focus on to strengthen London’s attractiveness on the international stage?**

The strategy should contain measures to ensure that the cost of doing business in London allows for a diverse mix of businesses to thrive, particularly in response to uncertainties surrounding London’s economy post-Brexit.

The Mayor should encourage the development of tech clusters in London, including those in outer London e.g. Croydon, Richmond and Havering ‘Enterprise Quarter’. This work could be developed by London and Partners (L&P), which is already undertaking work to promote London on the international stage. L&P should continue to promote the whole of London through their work, including outer boroughs who are expanding the work on international investment and can offer competitive prices.

Devolution of the AEB will enhance the skills levels available in London for foreign investors, and this should be considered as a part of the Mayor’s skills strategy.

Wider planning policy should also be taken in to account. In particular, more affordable workspace is required to attract those foreign investors in order for London to compete with other similar global cities looking for their investment.

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

The Mayor has a strategic role to champion close coordination and collaboration on major sites, such as Growth Areas and Opportunity Areas, to ensure that holistic infrastructure needs are identified up front, including where capacity is limited at a site (for example water or electricity). This work is already underway and should continue.

The GLA should develop a framework approach that takes the collaborative approach used for Growth and Opportunity Areas and makes it more applicable and resource-appropriate for smaller, typically borough-led sites. The Mayor should continue to champion with London Councils further pilots to test concepts such as LVC, Stamp Duty uplift and TIF, to demonstrate the need for Government to think differently about how to fund necessary infrastructure fairly across the UK.

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

The strategy rightly points out that more radical fiscal devolution is required to secure London's status as a global city. Much of the devolution called for in the draft strategy, including devolution of the full suite of property taxes and a proportion of income tax and VAT generated in London, reiterates the recommendations of the reconvened London Finance Commission in January 2017 that were supported by London Councils.   
  
Opportunities to generate revenue for infrastructure spending through Land Value Capture (LVC) have not yet been fully considered. The ability to generate LVC on major infrastructure projects and the provision of improved transport links will be critical to increasing office space and housing supply in London. Clarification from Government over its investment in major projects such as Crossrail 2 and the Bakerloo Line Extension is necessary so that boroughs can plan to deliver increased levels of development where it is needed most. Even with these investment projects, it will take time to ramp up housing delivery to the levels expected from the Mayor and the Ministry of Housing, Communities and Local Government under current proposals.

Following the recent conclusion that a Development Rights Auction Model is unlikely to be viable in London and that other LVC mechanisms may be more efficient, London Councils remains committed to working with the GLA and government on new approaches to funding infrastructure, building on the work of the London Finance Commission and the draft London Plan.

1. **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?**

Planning authorities in London need the necessary freedoms to deliver and shape inclusive growth in their local area. Greater flexibility in the use of local authority funds, such as the use of right to buy receipts and freedom to set planning fees, will enable boroughs to better support land assembly for both housing and workspace.

The strategy refers to evidence that suggests London has lost necessary office space due to Permitted Development Rights (PDR). The GLA, working with boroughs, should ensure that the implementation of PDR is reviewed by Government. A more place-based approach allowing boroughs greater flexibility over the use of PDR would enable them to ensure the provision of affordable workspace in their communities is sufficient for local economic growth.

High streets and town centres are important economic nodes but the challenge of intensifying residential and particularly employment uses is likely to apply beyond this. Boroughs are also keen to explore how to encourage co-location of employment and residential uses on employment land, as well as intensification of both employment and housing and how to make this work in practice. Some boroughs are undertaking research on this. This is another area where boroughs and the GLA can usefully collaborate and develop a shared understanding.

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

The final strategy should be more specific about the role of other institutions in delivering its aims. The draft strategy focuses solely on the Mayor's and the GLA's role in delivering it. But boroughs and businesses will be important delivery partners, alongside many other stakeholders. The final strategy should include a delivery plan setting out who should lead or support each action.

The Mayor should continue to work with London Councils in making the case to government for further devolution, public sector reform, and resources to enable London to grow inclusively. The Mayor and boroughs will need to ensure the necessary joint governance is in place in order to best deliver devolved services across London. London Councils will act as a facilitator to identify where boroughs and sub-regions can help deliver this programme of work.

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

This is a very wide ranging economic development strategy. The Mayor sets out 12 aims for London’s economy in 2041 and has committed to developing specific targets and measuring these within the final strategy. The Mayor should prioritise these aims and activities, focusing on those that will have the greatest impact and where he has most leverage to affect change.

1. [CBI, ‘London Business Survey’, September 2017](http://www.cbi.org.uk/cbi-prod/assets/File/CBI_London-business-survey-2017.pdf) [↑](#footnote-ref-2)
2. [House of Commons Briefing Paper, ‘Business Statistics’, December 2017](file:///\\docserver\UsersFlderRedirect\DavidArnold\Downloads\SN06152.pdf) [↑](#footnote-ref-3)
3. [Centre for Cities, ‘Cities Outlook 2018’, January 2018](http://www.centreforcities.org/wp-content/uploads/2018/01/18-01-12-Final-Full-Cities-Outlook-2018.pdf) [↑](#footnote-ref-4)
4. [Future Advocacy, ‘The Impact of AI in UK Constituencies: Where will automation hit hardest?’, October 2017](https://static1.squarespace.com/static/5621e990e4b07de840c6ea69/t/59e777fcd7bdce3041b57ac3/1508341775530/FutureAdvocacy-GeographicalAI.pdf) [↑](#footnote-ref-5)
5. [IPPR, ‘Skills 2030: Why the Adult Skills System is Failing to Build an Economy that Works for Everyone’, February 2017](https://www.ippr.org/files/publications/pdf/skills-2030_Feb2017.pdf) [↑](#footnote-ref-6)
6. <https://www.gov.uk/government/statistics/business-population-estimates-2017> [↑](#footnote-ref-7)
7. <https://www.londoncouncils.gov.uk/node/30451> [↑](#footnote-ref-8)