

Lambeth Economic Development Strategy

2006-2010

This is a strategy to harness the creativity and diversity of our communities and develop an enterprising Lambeth, to support new business growth, improve skills and employment opportunities so that no one is excluded from realising their full potential

Welcome

The London Borough of Lambeth

London is one of the world's greatest cities with a unique role in the UK, European, and international economies. Competing globally, London's economic success is increasingly based on high productivity and creativity. From major international companies to start-ups and SMEs, businesses in London welcome having their suppliers, advisors and competitors nearby and this fuels economic growth. While London is highly productive and enjoying significant economic growth, not everyone, or every place, in London has benefited equally, or in some cases benefited at all, from the city's success. London has high unemployment, child poverty and concentrations of disadvantage. The high costs of housing and childcare present barriers, as can the discrimination that some communities face.

Lambeth is a diverse and vibrant inner London borough, located within the Central London sub-region on the south bank of the Thames. Home to around 270,000 residents and nearly 10,000 businesses, 5 town centres and some key strategic locations; Lambeth stretches from the South Bank arts complex, Waterloo, Vauxhall and the Oval in the north, through Stockwell, Clapham and Brixton in the centre, to Streatham and Norwood in the south.

Lambeth is among the most socially and economically deprived local authority districts in the country. The population is young and diverse, unemployment remains relatively high, and nearly a fifth of all residents have no qualifications. In Lambeth, over three times the national average of households are deemed to be overcrowded, the number of incapacity benefit claimants is the highest in London, and around a fifth of households have a gross income of less than £10,000 per year. The social and economic pressures faced by young people in a world city can create tensions in some local communities where high levels of crime exist alongside a growing informal economy.

Lambeth's economy is dominated by micro and small businesses, with 75% of all enterprises having fewer than 5 employees. The borough has relatively low levels of business density; though in the north of the borough there is a concentration of large firms, 48 of which employ more than 200 employees, including the national headquarters of businesses such as IBM, Shell, and ITV. The majority of small and medium enterprises are concentrated in the north and centre of the borough, while micro businesses are mainly distributed across the centre and residential south. As in most of London, Lambeth's economy is largely based on the service sector. In addition to a burgeoning creative and cultural sector, and a high level of diverse and successful social enterprises, Lambeth's economy is dominated by three broad growth sectors:

- Public Sector (36% of total employment)
- Banking, Finance, and Insurance (26% of total employment)
- Distribution, Hotels, and Restaurants (17% of total employment)

Recent **research** suggests that Lambeth's economy will continue to grow, encompassing a rise in business formation, employment, and a related increased demand for skills. These forecasts are both supported and expanded upon in Lambeth's '**Unitary Development Plan**' and the Learning and Skills Council's '**London Learning and Skills Plan**'.

The Purpose of the Economic Development Strategy

We are reviewing the Economic Development Strategy for Lambeth, the purpose of which is to set out the borough's ambitions to 2010 in order to facilitate local economic development.

Lambeth's current Economic Development Strategy was produced for the period 2004-2008 but, following a change in Council administration and a number of developments in Government policy, it was decided to update the strategy and review the supporting data on which much of it was based. Further to this, the emergence of both **Employment and Skills** and **Enterprise** Boards for Lambeth has provided a new strategic impetus and clearly demonstrates the improved methods of partnership working taking place in the economic development of the borough. The introduction of floor target action plans, the evolving local area agreement and the Local Enterprise Growth Initiative only further highlight the need for an updated and refined Economic Development Strategy for Lambeth; a strategy to expand upon and complement Lambeth's **Unitary Development Plan** and **Regeneration Delivery Plan**.

The Economic Development Strategy 2006-2010 is built upon much of the research and consultation work done for the 2004-2008 strategy and, following further consultation and a renewed focus on issues such as equalities and neighbourhood renewal, it aims to address matters around economic well being, and tackle the gap between wealth and poverty in Lambeth.

Ultimately, the purpose of the Economic Development Strategy is to ensure that the local economy can develop for the benefit of the whole community, encourage growth, wealth and well being, particularly to assist those who are economically disadvantaged and who wish to move away from a cycle of poverty, low income and benefit dependency.

The Economic Development Strategy aims to harness the creativity and diversity of our communities and develop an enterprising Lambeth, to support new business growth, and improve skills and employment opportunities so that no one is excluded from realising their full potential.

Key Drivers for the Strategy

Economic Development in Lambeth 2006-2010

Lambeth's Economic Development Strategy 2006-2010 is required as both a response to, and catalyst for, change following a number of developments to the policy context in recent years. There have also been changes within Lambeth itself and the revised Economic Development Strategy must reflect the changing state of the borough, the progress that has been made, the widespread pockets of deprivation, and the challenges that have arisen.

Key Driver 1: Policy

Since 2004 the context for economic development at the local, regional and national levels has changed.

Nationally, the introduction of the Government's **strategy for neighbourhood renewal** and the White Paper '**Strong and Prosperous Communities**' has highlighted the Council's need to place itself closer to the community it serves and engage meaningfully with the voluntary and private sectors. In addition, the White Paper '**Further Education: Raising Skills, Improving Life Chances**' and the Learning and Skills Council's '**London Learning and Skills Plan**' set out the economic dimension for the future of further education and skills across London and the UK.

At the regional level, London is going through a period of sustained economic growth and expansion in terms of population and employment. '**Sustaining Success**', the 2005 Economic Development Strategy for London, has identified the Mayor's vision for the capital which sets out the regional context in terms of investment in places, people, enterprise, and marketing and promotion. It is important for **Lambeth's Local Strategic Partnership** and Council, through its partners to respond to the opportunities and challenges arising from '**Sustaining Success**' and ensure that the borough remains closely aligned with the London-wide strategy.

Locally, Lambeth's economy has projected significant growth beyond 2010. The anticipated growth is expected to include up to 28,000 new jobs and 2,000 new businesses by 2020. It is also expected that by 2014, 50% of all employment will require a degree level qualification. This growth requires a sound business base and a favourable environment for investment in order to make best use of economic development opportunities. Securing this investment and generating new employment opportunities for local citizens will require an active and collective effort between public and private sectors.

As part of the **Local Area Agreements** for local authority areas initiative, the Government has introduced new 'Floor Targets' for local areas to tackle worklessness and decline within key deprived areas. Further to this, the strong

evidence base and robust cross-sector partnership generated as part of Lambeth's **Local Enterprise Growth Initiative** bid have helped to clearly define the role of and priorities for economic development at the local level.

The breadth and variation of new and changing policy initiatives since the publication of the 2004-2008 Economic Development Strategy is a key reason for this review. While new policy initiatives will continue to emerge throughout the lifespan of this Economic Development Strategy 2006-2010, an understanding of the altered policy context since 2004 allows a more focussed and better-informed approach to economic development in Lambeth.

Key Driver 2: Economic Profile

In addition to the changing policy context of economic development affecting Lambeth, another key driver for this review is the changing character of the borough itself. Lambeth has experienced some noticeable changes since the publication of the Economic Development Strategy in 2004; the breadth and scale of transformation is a key reason for this review.

Since the Economic Development Strategy was published in 2004 there have been a number of changes in Lambeth's economic profile, as demonstrated in the Local Enterprise Growth Initiative bid **evidence base**:

- An increase in the number of businesses within the borough
- An increase in employment levels within growth and significant sectors
- Static levels of self-employment
- A decrease in the number of Job Seekers Allowance claimants in the borough
- An Increase in the number of Incapacity Benefit claimants
- A continued high level of people without formal qualifications

A more detailed evidence base offers an up-to-date insight into the issues and challenges facing Lambeth and its residents, and provides a clear neighbourhood focus for economic development. The challenges and pressures facing Lambeth include:

- Tackling worklessness, deprivation, and poverty
 - Raising the level of potential incomes of households in need
 - Raising local employment rates
 - Raising the level of small business formation
 - Dealing with the heightened demand for employment land within the borough
 - Raising skills levels in an increasingly skill-dependent job market
- Reducing the number of Incapacity Benefit claimants

Key Driver 3: Deprivation

Deprivation in Lambeth remains a key driver for this review. While levels of employment and business activity have improved, deprivation continues to adversely affect large and varied groups of Lambeth residents with some areas suffering from instances of multiple deprivation. It is essential that deprivation, in all its forms, is tackled through this Economic Development Strategy so as to make Lambeth a safer, healthier, more prosperous place, and to assist those who are economically disadvantaged and who wish to move away from a cycle of poverty, low income and benefit dependency. Deprivation in Lambeth:

- 24 areas in the top 10% and 86 in the top 20% most deprived in England
- There are pockets of deprivation spread across the borough
- The worst kinds of deprivation in Lambeth are crime and income deprivation
- 15-19 year olds account for a third of all criminal offences in Lambeth
- Brixton is the worst 'hotspot' for street-crime and shoplifting in Lambeth
- Over 14% of 16-18 year olds are not in employment, education or training
- Lambeth is ranked 15th most income deprived borough in the country
- 18.4% of residents have no qualifications
- Multiple deprivation is concentrated in social housing estates
- At 7.4% of work-age residents, Lambeth has a high rate of Incapacity Benefit claimants
- Brixton wards Coldharbour (26th) and Vassall (53rd) are among the most deprived areas in London.

With an understanding of Lambeth's new economic development policy context, its statistical baseline, and key deprivation issues; clear, measurable outcomes have been identified against local, regional, and national indicators and government floor targets.

The Strategic Vision

Strategic Links

The Economic Development Strategy is a Lambeth Council **Corporate Plan** objective. The Council has placed its commitment to enterprise as a top priority in its ambition to regenerate Lambeth, and there are many direct correlations between the strategic objectives and outcomes of economic development and the wider aims and objectives of the **Local Strategic Partnership**, specifically:

- Sustainable enterprise activity and a cleaner greener environment. Growth in local economic development is subject to good quality built environment and public realm and good transport links.
- Retention of local business and jobs requires safe neighbourhoods. High crime is a disincentive to local economic development. Business also has a role to play in reducing and preventing crime. Reducing crime is an important factor in attracting future investment into areas.
- Our investment in children and young people should include opportunities for young people to realise their future employment and enterprise aspirations through the introduction of the vocational curriculum into primary and secondary schools
- Investment in housing and the promotion of cohesive neighbourhoods also requires action on tackling worklessness and poverty within the local community.
- Similarly, there is a direct link between poor health and lack of economic activity and opportunities

The Economic Development Strategy provides the context for local economic development within the borough. By recognising the synergies across this strategy, the **Corporate Plan**, the **Community Strategy**, **Unitary Development Plan** and the **Regeneration Delivery Plan**, Lambeth can progress and deliver on each of its strategic areas for action.

Strategic Areas for Action

The vision of the Economic Development Strategy is:

To harness the creativity and diversity of our communities and develop an enterprising Lambeth to support new business growth and improve skills and employment opportunities so that no one is excluded from realising their full potential.

In this context and considering the key drivers, the following strategic areas for action have been identified to outline the vision for economic development in Lambeth, and enable the successful delivery of this Economic Development Strategy:

Strategic Aim 1: Growth in Enterprise

We will harness the creativity and diversity of our communities. Lambeth will become a place where enterprise is key to prosperity. We will increase the number and range of new enterprises, reduce failure and generate new local jobs. Our annual **Enterprise Action Plan** will set out how we intend to deliver the priorities. Achieving growth in enterprise will involve:

- **Building effective partnerships:** supporting the new Enterprise Board for Lambeth and placing business at the heart of area regeneration
- **Improving the co-ordination and quality of business support:** providing high quality, integrated business support with our public and private sector partners, maximising resources, delivering industry standard quality assurance, responding to premises demand, linking business and growth opportunity, including the Olympics 2012
- **Improving the effectiveness of the public sector and regulation:** Tackling bureaucracy, improving customer experience, being "Open for Business", increasing local procurement opportunities, reducing crime
- **Promoting innovation:** maximising new investment opportunities, strengthening key business sectors, increasing business to business opportunities, improving skills
- **Building pathways to enterprise:** developing a culture of enterprise and entrepreneurialism, encouraging community based enterprise, promoting "Enterprise Week" activity, and enterprise in schools

Growth in Enterprise – Lambeth in 2010

- i) Self-employment and new VAT registrations will be closer to the London average
- ii) Business ownership among the key target population groups will be increased
- iii) Lambeth will have increased the supply of low-risk start-up space for new entrepreneurs, embraced the concept of home-working and have a network of community facilities offering start-up space and training facilities with business support provision
- iv) Lambeth will have a streamlined system of information dissemination promoting available property and a coordinated Council-wide approach to secure employment land in Key Industrial Business Areas.
- v) Lambeth will have a single quality assured business support network providing effective services to all potential and existing businesses
- vi) London Borough of Lambeth Council will have achieved 4 out of 4 CPA stars
- vii) Brixton and Streatham will have active, business-led town centre partnerships

Strategic Aim 2: Growth in Employability

We will provide the vocational education, skills, and employment opportunities for our citizens for the future world of work. We will increase the employability of our citizens by improving vocational preparation and removing barriers to work. Our annual **Employment and Skills Action Plan** will set out how we intend to deliver the priorities. Achieving growth in employability will involve:

- **Raising skill levels:** Strengthening vocational education in local neighbourhoods to aid learning and improving individual performance, developing pathways to achieve higher level skills for future jobs
- **Tackling barriers to employment:** To improve access and individual confidence to enter the world of work , bundling support to meet complex individual need
- **A Chance to Work:** To generate opportunities to reduce the impact of worklessness on families and children
- **Lambeth employers:** working together with employers to achieve employer led training and in-work support services, increasing rates of local employment and sustaining future jobs for local people

Growth in Employability – Lambeth in 2010

- i) Unemployment in Lambeth will have been reduced by 2% per annum for those residents living in NRF district wards defined by the DWP to have the worst labour market positions
- ii) The number of people accessing Level 1 qualifications will have increased by 2% and by 1.5% at Level 2 and above
- iii) The number of workless families claiming working age benefits will have reduced by 2%
- iv) There will have been a reduction in the incidences of child poverty in Lambeth
- v) There will be an increase in the availability of affordable childcare for low income families
- vi) More local employers will be involved in local employment and training schemes
- vii) There will be an increase in the number of people accessing learning in growth sectors

Strategic Aim 3: Opportunity through Diversity

We will tackle inequalities. This is a fundamental and cross cutting aim of our strategy. We will generate opportunities for community led economic development to regenerate our local neighbourhoods. Our **annual action plans** will set out how we will deliver our objectives. Achieving opportunity through diversity will involve:

- **Tackling continuing inequalities:** By taking economic development into the heart of our local neighbourhoods
- **Providing an enabling environment:** Creating opportunities for those on the edge of the informal economy to move into the mainstream
- **Promotion of a youth focus for regeneration:** Creating learning and employment opportunities in neighbourhood renewal
- **Providing enterprise support services:** To sustain investment into local community and voluntary organisations

Growth in Employability – Lambeth in 2010

- i) The number and percentage of economically inactive people in the most deprived wards will have been significantly reduced
- ii) Overall economic activity rates will have increased to 70%
- iii) The number of working age people in receipt of Incapacity Benefit for 6 months or more will have reduced by 2% per annum
- iv) The number of JSA claimants under 25 years of age will have been reduced
- v) There will have been a major reduction in the percentage of 16-18 year old not in education, employment or training from 14% to 9%

Delivering the Strategy

This is a borough wide strategy owned by the **Local Strategic Partnership**. The Partnership has given the responsibility for the delivery of the Strategy to the **Enterprise Board** and the **Employment and Skills Board**. A joint Economic Development Commissioning Group commissions activities on behalf of both Boards. It is managed by Lambeth Council on behalf of the partnership.

Each board prepares an annual action plan and individual Board members will champion or sponsor the activities. Beyond these Boards, the successful delivery of this strategy is dependent on further continued and improved partnership working. Similarly, it is important to actively engage community and voluntary partners to achieve local economic regeneration through outreach, culture and language initiatives, and effective referral and tracking between and within organisations. This calls for a strong community and voluntary sector which in turn needs the active support of the **Local Strategic Partnership**.

