



# Southwark Economic Strategy 2023 to 2030

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# Section 1 Introduction

# Cabinet member's foreword

Southwark sits at the heart of London's economy, and plays a significant role in the economic fortunes of the capital.



## Foreword by Cllr Martin Seaton, Cabinet Member for Jobs, Skills and Business

The 18,000 businesses and 302,000 people<sup>1</sup> who work here every day generate over £20billion in economic value<sup>2</sup> each year.

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

However, despite our efforts, still not enough of our residents benefit directly from this growth. If working people are struggling to pay the bills and small businesses in our high streets are unable to generate profits to grow their business, we must redouble our efforts on building the support, infrastructure, skills and networks needed for a more inclusive economy where local people hold more of a stake.

Southwark should be a place where everyone benefits from the economy. Our vision is for a fairer, greener, and more resilient economy. We want to close the gap between the most and least prosperous in our borough. Our Southwark 2030 ambitions challenge us

to create a better Southwark for all. This strategy is at the heart of our commitment to realising these ambitions.

This is an economic strategy developed by and for the whole borough. It is grounded in a solid economic evidence base and builds on Southwark 2030, Southwark Stands Together and our Climate Action Plan. We have listened carefully to our residents, our businesses and our partners such as universities and NHS Trusts to make sure it reflects our shared goals.

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

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

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

<sup>1</sup> NOMIS Labour Market Profile – Southwark (2023)

<sup>2</sup> NOMIS UK small area gross value added estimates (2021)

# A strong foundation

As part of our Southwark 2030 vision, this strategy sets our ambitions for Southwark's economy. We start from a position of strength.

**Working alongside partners in business, education and across our communities, over the last decade we have:**

- Directly supported over 12,000 residents into work and created over 4,000 apprenticeships.
- Cemented Southwark's reputation as a business-friendly borough, welcoming 4,500 new businesses and growing our business base by 37%.
- Increased five-fold the number of accredited London Living Wage employers and become London's first Living Wage Borough.
- Pioneered the Southwark Construction Skills Centre which has seen over 3,000 residents go on into work and seen over 10,000 people supported with training.
- Invested tens of millions of pounds in our town centres and high streets, supporting new business, creating workspace and empowering communities to transform their local area.
- Launched our £2m Pioneers Fund supporting small business to start up and grow.
- Created over a thousand green jobs, with many more in the pipeline, and trained hundreds of residents in skills needed for the net-zero transition.

The successes are many but the challenges remain. These challenges have been amplified in recent years with the impact of the pandemic and cost of living crises hurting still too many in our borough, meaning that delivery in the future demands a new approach – one focused on working collaboratively, building on our strengths, and delivery for all.

We will encourage growth, particularly in key sectors such as life sciences, digital, creative and cultural, and the green economy, and we will redouble our efforts to support local people and businesses to benefit from our growing economy.

A future strategy cannot rely on growth alone to close the gaps in prosperity within the borough. As we move to 2030 we will go further to shape a more inclusive local economy, working with business and other stakeholders to meet the challenges of the climate emergency, and building economic fairness and resilience across the whole economy.



# Strengths and challenges

## Southwark's economy is:

- **An engine for London and the UK**, generating around £1 of every £20 produced by London's economy and £1 of every £100 produced nationally.
- **Growing** faster than the rest of London and the UK as a whole, and high in jobs and employment.
- **Home to** world-leading universities, institutions and businesses.
- **Innovative**, with growing life sciences, digital and creative sectors.
- **Diverse**, made up of 96% small and micro businesses and with around half of all local jobs in the 'foundational economy' of everyday goods and services.
- **Highly skilled**, with around 60% of Southwark residents educated to degree level and above.

## But as a borough we face several economic challenges, in line with the UK as a whole, with some felt more acutely in London and Southwark. These include:

- High costs of living and doing business, squeezing households and small enterprises.
- Climate risks and poor air quality affecting least well off communities most of all.
- High streets adapting to their changing role in a challenging economy.
- A growing need for connected services and infrastructure in our neighbourhoods to support economic wellbeing.
- Too little of the wealth created in Southwark retained in the borough.
- Our most disadvantaged young people at risk of being left further behind.
- Low pay and insecure work driving in-work poverty for many.
- Unacceptable gaps in our residents' pay and employment prospects linked to gender, ethnicity and disability.
- Ongoing skills shortages and difficulties accessing good quality learning at all stages of life.



# By 2030 we will see a Southwark economy where:



- Southwark is home to 3,000 new jobs in life sciences, with a workforce that reflects the diversity of our borough.
- There are 7,000 new jobs in Southwark's green economy, doubling its size compared to 2020.
- Southwark grows as a centre of creative excellence with a cultural footprint that sets it on the international stage and attracts visitors from all around the world.
- Everyone who wants to can access good work, with fair pay and decent working conditions.
- Residents of all ages face fewer barriers to work and are able to progress in their careers of choice.
- Gaps in pay and employment rates between different groups have closed.
- Support for residents affected by the rising cost of living is readily available and easily accessed in every neighbourhood.
- Learners benefit from a first-class local skills offer that meets both their needs and those of employers.
- Co-operatives and social enterprises play a bigger role in our economy, keeping more wealth within our communities.
- All new investment into the borough generates meaningful social value for the community.
- Businesses play their part in a net-zero borough, meaning lower climate emissions and cleaner air.
- Our town centres and high streets are healthy and safe, and hubs for thriving neighbourhood-based economies.
- Investment across the borough underpins our Southwark Plan growth targets, adding 58,000 jobs and 460,000 sqm of commercial space by 2036.

# Building from Southwark 2030, delivering our vision for the local economy

## Southwark 2030

Southwark 2030 sets the vision and ambitions for the council

## Economic Strategy 2023 to 2030

The Economic Strategy sets our ambitions for reshaping Southwark's economy to achieve the Southwark 2030 vision

## Delivery Plan

The Delivery Plan will be developed with partners to set out our delivery commitments for the economy and holds us to account on progress



## Section 2 Our vision for Southwark's economy by 2030

# A fairer, greener, more resilient economy

Our vision for 2030 is a fairer, greener and more resilient Southwark economy that benefits everyone.

○ **A high growth, low emission economy**

We will attract investment, raising productivity and growth across the borough, with a focus on strategic growth opportunities in low-carbon and life sciences sectors, and reinforce our strengths in the creative, cultural and knowledge economies. We will secure investment in our town centres that supports our existing businesses and strengthens neighbourhood economies. The whole economy will be greener, with significant reductions in climate change emissions and improved air quality, promoting healthier lives.

○ **An economy with opportunity for all**

Residents and businesses alike will benefit from a more inclusive economy that works for everyone and where communities hold a bigger stake. Our focus is on narrowing inequalities so that the great diversity of our borough is reflected across all parts of the economy. This means providing the best start in life, as well as removing unequal barriers to success for people of all ages. We will encourage large employers and anchors to invest in our communities, talent and businesses. Our neighbourhoods will be places that promote health and wellbeing, where people can find connection, security and support when they need it.

○ **An economy of good work**

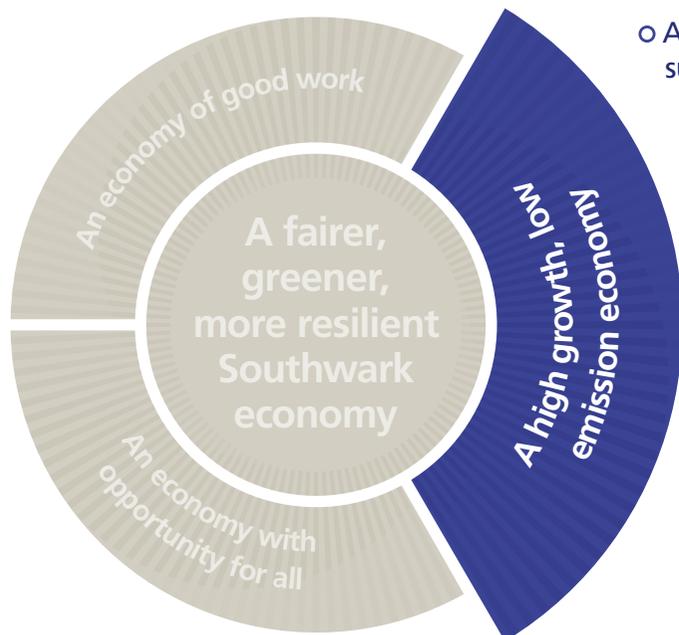
Southwark workers will see higher incomes, better job security and more opportunities to progress in work. There will be more opportunities to secure good jobs paying at least London Living Wage with leading employers and fewer barriers for the most disadvantaged. Better pay and employment standards and a focus on challenging discrimination will reduce gender, ethnicity and disability pay gaps. A first-class local skills offer will support people of all ages to progress in their careers of choice.



Next, we set out our detailed vision under these three headings >

Section 3 sets out how we plan to meet these ambitions under eight strategic delivery themes >

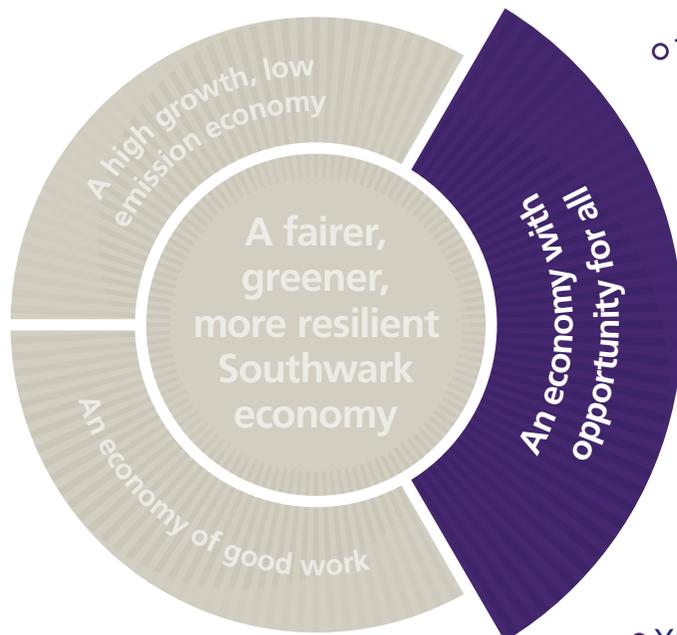
# A high growth, low emission economy



- A thriving life sciences sector creating 3,000 new jobs, supporting our ambition to reduce health inequalities and creating opportunities for all.
- Diverse creative, digital and cultural sectors, maintaining Southwark as a centre of creative excellence.
- Well-established knowledge and visitor economies maintaining their central role in London's economic success.
- An expanding low-carbon economy creating 7,000 new jobs, encouraging innovation and delivering on our ambitions for net zero.
- A greener economy with lower greenhouse gas emissions and less contribution to air pollution.
- A secure and thriving foundational economy of essential goods and services that residents and businesses rely on every day.
- More businesses and jobs in Southwark's town centres, supporting healthy neighbourhood-based economies.

## Delivery themes

# An economy with opportunity for all



- o The great diversity of our borough is reflected in all parts of our economy.
- o A culture of enterprise and entrepreneurship with no barriers to business success for diverse talent.
- o When in need, residents have access to neighbourhood support with food security, personal finances, mental and physical wellbeing.
- o Communities hold more of a stake in the borough's economic success through co-operatives and social enterprises.
- o Land and buildings work for the benefit of all in the community.
- o Southwark's largest employers invest in local services and talent, creating social value across all of our communities.
- o Young people have every opportunity to build a successful career, whatever their background.

## Delivery themes

# An economy of good work



- More jobs in Southwark pay at least London Living Wage and offer a secure, reliable income.
- Improved employment standards and greater awareness of employment rights to benefit of employees and employers alike.
- Reduced ethnicity, gender and disability pay gaps, with equal participation and progression in the workforce and an end to discrimination in the workplace.
- More opportunities for local people to secure good jobs and apprenticeships with leading employers and fewer barriers for the most disadvantaged.
- A first-class local skills offer that supports people of all ages to progress in their careers of choice.

## Delivery themes



## Section 3 Towards an economy that works for everyone

How we will deliver on our vision for 2030

# Delivering our vision for a fairer, greener, more resilient Southwark economy



# Investment and growth

We will attract investment in key sectors that support our ambitions for a fairer, greener and more resilient economy.

**A growing economy needs support to thrive.**

Realising opportunities for growth in the life sciences sector demands a collaborative approach with key health partners. The net-zero economy needs space for innovation, start up and growth. Southwark's established knowledge, creative and cultural industries require an ongoing focus on keeping Southwark an attractive place to do business. Meanwhile, established smaller businesses can face pressures from development, rising land values and costs.

Our land use strategy, the Southwark Plan, sets out our commitment to add 58,000 jobs and 460,000 sqm of commercial space throughout the borough. We will attract investment in sectors that generate good jobs and wider value for our community and ensure our small businesses can grow and thrive.

## How we will deliver:

- Work with partners, including King's Health Partners and the Guy's and St Thomas' Foundation, to establish a world class health innovation district, attracting investment and opportunities in life sciences.
- Deliver additional work space in town centres, including industrial, distribution, hybrid and studio workspace.
- Protect arts and cultural space from redevelopment.
- Build on our strength as a filming destination, ensuring that film and event producers offer jobs and training for Southwark residents.
- Partner with local universities, King's, UAL, LSBU and TEDI-London, to support entrepreneurship and innovation.
- Invest in relationships with large and small businesses through key business networks including our established BIDs.
- Encourage development to create good jobs in London's Central Activities Zone (CAZ), Elephant and Castle, Canada Water, the Old Kent Road and other town centres across Southwark.
- Secure affordable workspace for start-ups and small businesses, creative and community uses, where it is most needed.
- Support small business affected by development and require relocation strategies where they are directly impacted.
- Make full use of planning and social value obligations to secure affordable housing, jobs, skills and other local benefits from investment in Southwark.
- Improve access to town centres and growth areas with station improvements at Elephant and Castle and Peckham Rye.
- Work with TfL and wider partners to deliver the upgrade and extension of the Bakerloo Line, unlocking 5,000 jobs and 10,500 homes in Southwark and a total of 130,000 jobs and 110,000 homes across London.
- Make superfast broadband available to homes and businesses across the borough.
- Ensure Southwark is a business-friendly council, making it easy for new and existing business to access council services.

# A greener economy

We will grow the green economy and support a just transition to net zero.

The green economy offers new opportunities, but we need to ensure it works for all.

Across London, the number of jobs in the green economy is predicted to double by 2030. While this provides opportunities for young people with the right skills, many jobs in the green economy will require older workers to reskill. Local SMEs will need support to understand and benefit from supply chains arising from net-zero investments.

Climate change and poor air quality also threatens Southwark's businesses and residents' economic futures, with people living in areas of higher deprivation more likely to be at risk. We will work with anchor institutions, businesses and other stakeholders to reduce emissions and waste and create green jobs.

## How we will deliver:

- Provide small business support and affordable workspace for new and growing low-carbon businesses.
- Influence and support Southwark businesses to identify and reduce emissions in areas such as buildings and transport.
- Support local businesses to compete for work arising from council investment under the Southwark Climate Change Strategy, such as retrofitting council buildings for energy efficiencies and reduction in carbon emissions.
- Continue to support the circular economy to reduce waste and create jobs.
- Prepare residents for new roles in a growing green economy, including reskilling older workers and developing pathways for young people into good green jobs.
- Ensure we support those at greatest risk of disadvantage from the move to a net-zero economy, so no one is left behind.
- Work with business and public sector partners to plan for and prevent impacts from climate-related events on the local economy, such as extreme heat and flooding.



# Thriving high streets

We will promote thriving high streets for all.

**High streets continue to adapt to changing working and shopping habits.**

High streets and town centres increasingly provide social and leisure opportunities as shopping and services move online, while new commuting patterns have affected footfall. People value their local high streets as the heart of their neighbourhood and many depend on them for essential goods and services.

We want our high streets to be sustainable, accessible places where all residents are able to access a range of goods and services close to home. We will promote a strong sense of pride and ownership in high streets that reflect the diversity of Southwark's communities. Our high streets will be greener, healthier and safer, and local residents and businesses will be involved in their upkeep and development.

## How we will deliver:

- Protect employment space and attract new businesses investment into our town centres and high streets.
- Use our planning powers and role as a landlord to protect the role of markets, high streets and town centres as providers of essential goods and services to our communities and to shape healthier high streets.
- Support high streets across the borough to adapt and respond to shifting footfall patterns through our ongoing programme of investment and initiatives such as the Thriving High Streets Fund.
- Put local communities and businesses at the heart of town centre improvements by co-creating individual town centre action plans.
- Support the recovery of the hospitality, night-time and cultural economy while also recognising and addressing health and community safety concerns.
- Promote safer high streets and encourage businesses to sign up to good practice such as the Women's Night Safety Charter.
- Encourage businesses to switch to zero-pollution delivery vehicles, especially in town centres with poor air quality.



# Inclusive neighbourhoods

We will grow neighbourhood economies that support inclusion and wellbeing.

Access to community networks, local services and support is difficult for many, with serious impacts on wellbeing.

The ability to access basic services, feel connected to a community and so have somewhere to turn for support is essential for health and wellbeing. Where these are lacking, mental and physical health issues can limit an individual's ability to participate in family life, social activities, local communities, and the wider economy.

We want everyone in Southwark to be able to access basic services, be more active and healthier, feel connected to a community and have somewhere to turn for support locally.

## How we will deliver:

- Grow a network of start-up hubs rooted in our communities to support neighbourhood economies.
- Ensure our commissioned employment and business support services including Southwark Works and the Southwark Pioneers Fund are accessible across our estates and neighbourhoods.
- Increase access to digital devices, connection, motivation and skills for digitally excluded residents.
- Provide free, good quality essential skills support in English, Maths and digital skills within our neighbourhoods.
- Ensure everyone has access to healthy, affordable food within a short walk of their home and work towards healthier streets for people.
- Work with our voluntary and community sector to offer help with essential needs and encourage inclusion and connectedness at neighbourhood level.
- Encourage co-design of solutions to local health and wellbeing challenges by bringing together local communities and health and life sciences partners.
- Protect and preserve essential community infrastructure in neighbourhoods such as libraries, leisure centres, schools, playgrounds, sportsgrounds and green spaces.

# Extending local ownership

We will grow our residents' stake in the economy and direct more of Southwark's wealth into our communities.

Much of Southwark's economy is owned and operated remotely, meaning money flows out of our borough instead of into our communities.

Promoting growth and attracting investment must be complemented by activities designed to build and retain the wealth being generated in the borough through the work and talent of our communities and businesses.

The ownership of companies, buildings and land also shapes decisions that affect the local economy. We want to encourage broader and more transparent ownership of the economy through co-operatives and other local ownership models that bring social and economic benefits to our neighbourhoods.

## How we will deliver:

- Grow the role of co-operatives, community and social enterprises in the economy.
- Provide extra support for local entrepreneurs who are underrepresented in business, including women, Black, Asian, minority ethnic and disabled people.
- Consider findings from the independently-led Southwark Land Commission to explore new models for management, ownership and use of land and property to open up economic opportunities for local people.
- Develop a targeted approach to securing social value for residents through our investment and procurement.
- Increase our spend in the local economy and work with the largest local organisations to do the same.
- Work alongside communities, residents and businesses to develop innovative ways of designing and providing support for a more inclusive economy.
- Enable a more impactful, collaborative and sustainable voluntary and community sector.



# Southwark's Youth Deal

We will secure unlimited opportunities for Southwark's young people.

Young people are seizing opportunities in difficult circumstances, but some are at risk of being left behind.

Southwark is a borough where young people are facing unprecedented economic challenges. While many young people do well, a large number of families, particularly in the most deprived areas of Southwark, experience low pay and irregular, insecure work across multiple generations. This presents long-term risks to wellbeing for young adults.

We want all young people in Southwark to be well prepared to pursue any career they choose, regardless of their background or circumstances.

## How we will deliver:

- Under the council's Youth Deal, ensure all young people have awareness of and access to good quality career opportunities while in education and when entering the labour market, including through a digital information hub and regular youth opportunities bulletin.
- Provide additional engagement and support for young people from low-income families in the most disadvantaged parts of the borough, and other groups who are most at risk of being left behind including young carers and young people in care.
- Redouble our efforts to create quality apprenticeships, traineeships, paid internships and work experience opportunities for young people, with the broadest range of opportunities on offer at the borough's largest employers.
- Support young entrepreneurs to start their own business through the Southwark Pioneers Fund and other targeted programmes.
- Involve the Southwark Youth Parliament in developing new skills, employment and enterprise support for young people.



# Good work for all

We will support residents to find good quality well paid jobs and close pay and employment gaps.

Low-paid, insecure work and the high cost of living means incomes are precarious for many, reinforcing longstanding inequalities.

Income deprivation also affects those in work. Southwark is a costly place to live, work and bring up a family, and the effect of low pay is made worse by job insecurity and irregular incomes.

We want jobs to pay a real living wage, to lower the cost of living where possible, and for those out of work to have straightforward access to the additional support they need. Gender, ethnicity and disability employment and pay gaps demonstrate the earnings inequality faced by many and must be closed.

## How we will deliver:

- Build on our status as London's first Living Wage Borough to double the number of local employers paying the London Living Wage by 2026.
- Increase awareness of rights at work and the benefits of trade union membership.
- Raise standards, pay and conditions, promote healthier workplaces and address discrimination in the workplace in partnership with employers and trade unions.
- Provide effective, personalised support to those out of work who have multiple barriers to accessing good jobs.
- Work with employers so that people who need to work flexibly can find a job to match their circumstances.
- Support progression in the workplace, especially for those trapped in low-paid roles by issues such as ill-health, disability or caring responsibilities.
- Direct support to communities most in need, actively targeting persistent gender, ethnicity and disability employment and pay gaps in the borough.
- Provide a 'no wrong door' to residents looking for support with employment, benefits, financial difficulties or help to alleviate other forms of poverty, e.g. food or fuel poverty.
- Deliver more affordable housing to help reduce housing costs as a proportion of income.
- Increase access to affordable childcare for working parents.

# Skills for now and the future

**We will help residents gain the right skills for the job.**

**Many people have left the labour market, and employers can't find the skills they need.**

Lack of access to quality skills provision is a long-standing issue, contributing to ongoing skills shortages, worsened by the numbers leaving the workforce since 2020. People in lower-skilled roles are also struggling to find routes out of the low-skill, low-pay trap and progress their careers.

We want people of all ages in Southwark to know how to acquire the skills needed to get good, well-paid jobs across all sectors. We'll bring together employers in key sectors with skills providers to improve the range, quality and relevance of the skills offer available to Southwark residents.

## How we will deliver:

- Bring employers and training providers together to develop and invest in innovative skills programmes to address skills shortages in key sectors.
- Support education and training providers to offer high quality, accessible skills training in line with employer needs.
- Put Southwark learners first in getting the best possible funding deal for learning and skills.
- Offer clear, accessible careers information, advice and guidance to people at all stages of life.
- Provide more apprenticeship opportunities locally, particularly for our young and disadvantaged residents.
- Support residents to engage with local essential skills support at formal education institutions and within our neighbourhoods.
- Establish new skills pathways to employment opportunities arising from our life science district.
- Develop local capacity to meet the growing demand for green skills, with a focus on provision for those at greatest risk of being left behind.
- Inspire and help residents from disadvantaged backgrounds to pursue careers in our creative, digital and cultural sectors.
- Improve access to health and social care jobs locally, helping to address longstanding workforce challenges and unlock local opportunities for our residents.
- Increase the take-up of hospitality jobs locally, by raising the profile of the sector and improving local hospitality skills provision.

# People-powered delivery

This is a strategy for the whole borough, developed with resident and business communities and strategic partners.

**During our Southwark 2030 conversations, we have listened to people's lived experiences of our local economy and their views on how it could work better for all. Here we have set out our response.**

A detailed delivery plan for each theme will set out how we will work with partners to build on work done to date and grow existing networks to reach these objectives.

To achieve every objective in full we will need to secure additional investment in our borough as well as making the best use of our combined resources and assets.

Full delivery of the strategy will only be achieved through strong local partnerships working in collaboration to achieve our goals across Southwark and in local neighbourhoods. Southwark's businesses are at the centre of growing an economy that works better for everyone. We will use our convening power to bring together businesses, BIDs, universities and colleges, NHS Trusts, cultural institutions, property developers, voluntary sector and public sector partners to reach these shared goals.

We will ensure that the needs, knowledge and lived experience of communities will be at the heart of delivery, with residents and businesses from all backgrounds and neighbourhoods involved in delivery of the strategy.

Together, through these combined talents, assets and strengths, we will achieve a fairer, greener, more resilient Southwark economy for all.

