

<p>Non-Executive Report of the:</p> <p><b>General Purposes Committee</b></p> <p>Tuesday, 25 February 2020</p>	
<p><b>Report of:</b> Sharon Godman, Divisional Director, Strategy, Policy and Performance, Governance.</p>	<p><b>Classification:</b> Open (Unrestricted)</p>
<p><b>Central London Forward Membership Agreement</b></p>	

<p><b>Originating Officer(s)</b></p>	<p>Andy Simpson</p>
<p><b>Wards affected</b></p>	<p>(All Wards);</p>

## Executive Summary

Central London Forward (CLF) is the strategic sub-regional partnership for Central London covering the local authorities of Camden, the City of London, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster.

Around one fifth of the UK's national income is generated in London, and in turn, almost 65% of London's total GVA is created within the Central London Forward partnership area. Access to the opportunities generated from this growth is key to improving the lives of residents with the borough which Tower Hamlets residents have direct access to through opportunities generated through growth in the sub region (e.g. affordable housing, workspace, accessible infrastructure, connectivity, business growth, supply chain opportunities, access to increased availability supply of jobs and skills opportunities).

CLF's core purpose is to facilitate collaboration and partnership amongst the 12 boroughs and provide a collective voice for member boroughs and their residents in meeting these challenges and capitalising on the opportunities which growth provides. As part of this offer, CLF also undertake economic and social research, provide members with support on strategic policy, as well as guidance on testing /implement new approaches that deliver priorities around inclusive growth and lobby policy influencers and decision makers in national and regional government on behalf of the sub region and members to further support growth across the sub region and each member borough.

In addition to managing programmes to support residents into the labour market, CLF also work with member boroughs to secure growth funding. Tower Hamlets has secured over £15m in the last two years through individual and consortia bids supported by CLF.

The existing membership agreement with CLF is currently being refreshed to reflect new signatories as well as re-emphasise the purpose of the partnership around driving inclusive growth.

CLF's work outlined above is critical in supporting the council create the conditions for inclusive growth for residents through undertaking activities set out in items 3.11, 3.12, 3.13, 3.14 and 3.22 of this report. CLF's work is fundamental in supporting the council achieve the ambitions contained within both the Tower Hamlets Plan and Strategic Plan. Consequently, membership is strongly supported by both the Mayor and Will Tuckley, CE LB Tower Hamlets.

The attached agreement is required to be signed to continue the council's membership of the sub regional partnership, along with an annual subscription of £40,000 pa.

### **Recommendations:**

The General Purposes Committee is recommended to:

1. Approve membership to the CLF sub-regional partnership, noting best value in regard to the economic benefits derived through membership which by far offset the annual subscription fee.
2. Authorise the Corporate Director Governance to update the relevant parts of the constitution accordingly

The repurposed focus of CLF is towards interventions which support inclusive growth. Rather than focusing solely on generating growth, the focus is towards delivering interventions which better support those with protected characteristic (age, gender, ethnicity, disability etc) to better access opportunities presented by growth within the sub region (e.g. affordable housing, accessible infrastructure, connectivity, business growth, supply chain opportunities, access to increased availability supply of jobs and skills opportunities). Consequently, this seeks to redress any inequalities where growth has polarised communities.

### **1. REASONS FOR THE DECISIONS**

- 1.1 The proposed agreement incorporates a committee with decision making powers, some decisions relating to items 3.11-3.13 which the council would take forward on a voluntary basis. The body will also have Member level representation. All such bodies must be included in Part B of the Council's Constitution. General Purposes Committee has delegated authority to approve changes to the Constitution and so it is asked to determine this request.
- 1.2 The decision to approve membership drives net economic benefits for Tower Hamlets residents, the council and its stakeholders through the activities undertaken by the CLF partnership. These ambitions and benefits

are strategically aligned with both the council and the Tower Hamlets Partnership.

- 1.3 Access to the opportunities generated from this growth is key to improving the lives of residents with the borough which Tower Hamlets residents have direct access to through opportunities generated through growth in the sub region. Moreover, the repurposed focus of CLF is towards interventions which support inclusive growth – e.g. reduce inequalities by supporting those with protected characteristics to better access opportunities presented by growth.

## **2. ALTERNATIVE OPTIONS**

- 2.1 The committee could choose not to support the extension of the council's membership of CLF. Restriction of access would reduce access to lobbying, partnership work, sharing of best practise and delivery of programmes which directly support both the Tower Hamlets Plan and Strategic Plan.
- 2.2 Restriction of access could also limit the council success in securing funding which is supported through CLF. Over the last two years this has totalled in excess of £7.5 for Tower Hamlets specific project as well as £8m secured as part of a sub-regional consortium. This funding is critical in strengthening inclusive growth within the borough.

## **3. DETAILS OF THE REPORT**

### ***What is the CLF sub regional partnership?***

- 3.1 Sub regional partnerships are member (local authority) based partnerships, which undertake a range of activities to promote, generate, capture and capitalise from opportunities presented by growth within a defined geographical boundary. Across London there are 4 sub-regional partnerships (Local London, West London Alliance, Central London Forward and South London Partnership).
- 3.2 Central London Forward (CLF) is the strategic sub-regional partnership for central London covering the local authorities of Camden, the City of London, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster.
- 3.3 Around one fifth of the UK's national income (GVA) is generated in London. The twelve Central London boroughs within the sub region are pivotal to this success as almost 65% of London's total GVA is created within the Central London Forward partnership area.
- 3.4 Access to the opportunities generated from this growth is key to improving the lives of residents with the borough. Tower Hamlets residents have direct access to opportunities generated through growth in the sub region (e.g.

business growth, supply chain opportunities, access to increased availability supply of jobs and skills opportunities).

- 3.5 As economic growth is not generated/retained within borough boundaries, collaboration amongst CLF's 12 member boroughs is crucial to (1) sustaining the economic growth of central London - in particular against a backdrop of economic uncertainty; (2) ensuring a fairer distribution of the proceeds of growth.
- 3.6 Sustained growth across the central London area, which Tower Hamlets residents have benefitted from has been driven by:
- An open, stable and specialised business environment.
  - A diverse and highly skilled workforce.
  - High quality transport infrastructure connecting businesses to employees and customers.
- 3.7 The council has been a member of CLF since 2015 and is currently represented on the CLF Board by Will Tuckley, CE LB Tower Hamlets and the Mayor. As part of the CLF Board structure, the borough plays an active role in supporting the conditions for growth through:
- Agreeing the work priorities of the Central London Forward Team;
  - Agreeing the strategy for the future of Central London Forward;
  - Agreeing appropriate sources of funding;
  - Agreeing promotional activities;
  - Approving CLF's annual financial report;
- 3.8 Conversely, CLF also supports the council create the conditions for inclusive growth for residents through undertaking activities set out in items 3.11, 3.12, 3.13, 3.14 and 3.22. Looking west and working with inner London councils to support the borough's growth agenda is fundamentally aligned to deliver of the Tower Hamlets Plan and the council's strategic plan and consequently membership is strongly supported by both the Mayor and Will Tuckley, CE lb Tower Hamlets.

### ***What does CLF do?***

- 3.9 CLF's core purpose is to facilitate collaboration and partnership amongst the 12 boroughs and provide a collective voice for member boroughs and their residents in meeting these challenges and capitalising on the opportunities which growth provides.
- 3.10 CLF undertake a range of functions for and in partnership with member authorities to sustain inclusive economic growth across London. These include;
- 3.11 Economic and social research – e.g. developing an evidence base to inform the partnerships (and member boroughs) approach to skills and inclusive

growth. This includes undertaking a central London infrastructure needs assessment to identify the infrastructure needed to support future growth of the sub region as well as research items on transport affordability, working conditions and wage growth.

3.12 Strategic policy advice, design and development - CLF supports boroughs with strategic direction and tests/implement new approaches that deliver priorities around inclusive growth. This is has largely been around three key work areas which dovetail the council's strategic priorities around growth;

a) Labour market and skills policy

- *CLF Skills Strategy addressing polarisation in central London labour market, exclusion from growth for some parts of the labour market and the mismatch in skills required by the central London economy and those provide by the skills system.*
- *Support the vulnerable residents into learning and work and deliver more and better apprenticeships*
- *Tailor skills provision to align with the needs of central London's employers and learners and set employment pathways between employers and skills providers*
- *Work to respond to challenges for central Londoners such as low pay, the risk of employment instability and changes to workplaces in central London.*

b) Inclusive Growth Policy: Housing and Workspace

- *Share best practice in new housing delivery*
- *Work with partners at the GLA and in Government to secure higher grant rates in central London to delivery more affordable housing*
- *Lobby the Government to relink Local Housing Allowance to rents in central London*
- *Lobby to protect commercial property within central London via exemptions to permitted development rights*
- *Share approaches across CLF member boroughs to secure and manage new affordable workspace policies*

c) Inclusive Growth Policy: Infrastructure

- *Advocate Investing in infrastructure upgrades to accommodate growth.*
- *Work with London borough on funding bids and projects funded by pooled business rates.*
- *Lobby for the accelerated delivery of the expansion of the ultra-low emission zone (ULEZ) and sophisticated road charging policies.*
- *Work to examine new approaches to supporting low income households to be able to access opportunities across the capital.*

3.13 Lobbying - CLF use evidence gathered from policy and research work to lobby policy influencers and decision makers in national and regional government on behalf of the sub region and members. This covers:

- *Skills - lobbying the GLA on the devolved Adult Education Budget supports to support Central London's economy,*

- *Working conditions – lobbying businesses and employers, demonstrating the benefits of improved pay and conditions for employees*
- *Commercial Space – lobbying government to extend and expand permitted development exemptions to protect commercial property)*
- *Infrastructure – Lobbying TfL and mayoral candidates on proposals to improve transport affordability*

3.14 Commissioning Employment and Skills Programmes. CLF commissions and manages programmes to support CLF residents improve their skills and support them in finding work

- *Working Capital – Programme to support Employment Support Allowance claimants across member boroughs that have completed two years on the government Work Programme and not secured employment.*
- *Central London Works – Programme providing specialist employment support for people with health conditions or disabilities and people who are long-term unemployed. It provides support to help people find and keep good quality employment. Participants are supported for up to 21 months including up to six months of in-work support. The programme launched in March 2018 and will operate until 2023, with an option to extend the programme to 2025. 844 TH Residents have been supported as part of this project since its inception.*

### ***CLF strategic fit with Tower Hamlets Objectives***

3.15 The objectives of Central London Forward (outlined in item 3.5) are directly aligned to and support the following objectives within the Tower Hamlets Plan (owned by the Tower Hamlets Partnership) and the Tower Hamlets Strategic Plan (owned by the council).

#### Tower Hamlets Plan Objectives

##### *Good jobs and employment*

- *People and businesses are supported to be innovative and enterprising*
- *People have access to lifelong learning, employment and opportunity*
- *People are provided with help to find good quality jobs*

##### *Better health and well-being*

- *People live in a borough that is clean and green*

##### *Strong, resilient and safe communities*

- *People are proud of and want to live, work, study and stay in the borough*

#### Tower Hamlets Strategic Plan Objectives

*Priority 1 - People are aspirational, independent and have equal access to opportunities*

- *Outcome 1: People access a range of education, training, and employment opportunities.*
- *Outcome 4: Inequality is reduced and people feel that they fairly share the benefits from growth*

*Priority 2 - A borough that our residents are proud of and love to live in*

- *Outcome 5: People live in a borough that is clean and green*
- *Outcome 6: People live in good quality affordable homes and well-designed neighbourhoods*
- *Outcome 8: People feel they are part of a cohesive and vibrant community*

- 3.16 Strategic alignment is due to the similarities Central London Forward members face in managing the demands of growth within individual boroughs and across the sub regions (affordable housing, infrastructure demands and connectivity, sustainable business growth and connecting residents to these opportunities, mitigating the impact of growth on the environment).
- 3.17 Not only are objectives and challenges within the sub region similar, so are the opportunities derived through growth. CLF play an active role in harnessing the opportunities presented by growth and supporting members to work collaborative to share in the benefits.
- 3.18 As indicated above, Tower Hamlets residents have direct access to opportunities generated through growth in the sub region with accounts for 65% of London's total GVA (e.g. business growth, supply chain opportunities, access to increased availability supply of jobs and skills opportunities). Therefore, going forward with risks to economic output such as Brexit and reduced government funding to deliver priorities, it is increasingly important that Tower Hamlets look towards partnership with Central London Forward members in order to enjoy access to the benefits that are created within the sub-region.

### **Renewal of membership**

- 3.19 While LB Tower Hamlets are full members of CLF, the existing membership agreement is currently being refreshed to reflect new signatories as well as re-emphasise the purpose of the partnership as working collaboratively to:
- Sustain the economic growth of central London; and
  - Ensure a fairer distribution of the proceeds of growth within central London.
- 3.20 The refreshed membership agreement (Appendix 1) is scheduled for adoption by Leaders at the CLF Board meeting on the 19th March – subject to approval at the General Purposes Committee.

- 3.21 Membership to Central London Forward is £40,000 per annum which funds CLF to facilitate partnerships between boroughs, share innovation and good practice as well as deliver the activities set out in item 3.11, 3.12 and 3.14.
- 3.22 In addition to supporting the borough deliver inclusive growth through activities outlined in 3.11-3.14, CLF also provide support to member boroughs to bid as a sub-region and individual members to funds which deliver shared priorities. Between 2018 and 2020, CLF have supported two rounds of allocations as part of the Strategic Investment Pot. This funding pot is funded through the portion of retained London business rates and allocated by City of London (as accountable body) to projects which further stimulate business growth across the capital. Tower Hamlets has been successful in securing the following allocations to deliver growth related projects in the borough
- *South Dock Footbridge - £7,000,000 contribution to a new footbridge, South Dock Bridge, which will provide a fully accessible link to South Quay with Canary Wharf and its new Elizabeth and Jubilee Line Stations. It will unlock the delivery of new housing and commercial development on the Isle of Dogs, and improve access to 100,000 new jobs, retail and other town centre services at Canary Wharf.*
  - *Lower Lea Valley Bridge Enablement - £250,000 was secured to enable a network of six bridge and connection projects in the Lower Lea Valley, including work to develop more detailed feasibility and designs, securing planning and other consents, securing land and transitioning to procurement and construction. Once delivered, this infrastructure will accelerate economic growth and enhance housing delivery in the Lower Lea.*
  - *Building Inclusive Knowledge Quarter (Islington, Hackney, Camden, Tower Hamlets) - £3.5m was secured as a part of a sub-regional consortium to strengthen the Knowledge Quarter, Tech and Med Cities and develop a Creative Production hub within the sub-region. The project will do this through combining people-based activities (such as entrepreneurship support, business creation, and talent development) with place-based activities (including spatial planning, fibre optic connectivity and affordable workspace provision) to strengthen existing businesses and catalyse innovative start-ups across a broad, porous geography that impacts at scale through a four borough partnership covering 76 square km.*
  - *Inclusive Workspace (Camden, Hackney, Haringey, Kensington and Chelsea, Tower Hamlets and Westminster councils) - £4.5m was secured as a part of a sub-regional consortium to support business growth and deliver new commercial space with digital infrastructure across the sub region. The funding will be to provide support businesses across their lifecycle from start up, initial growth to employ others and expansion with the movement into grow on space. The investments will give residents and businesses the skills, means and*

*confidence to set-up and invest in London and grow which in turn will generate additional business rates revenue*

- 3.23 Taking the above benefits into account it is therefore recommended to extend the council's membership of the CLF sub regional partnership, through signing up to the attached membership agreement.
- 3.24 Pending approval, it is proposed to report progress of the CLF delivery programme to the General Purposes Committee as appropriate, including any changes to the membership agreement.

#### **4. EQUALITIES IMPLICATIONS**

- 4.1 Local data and the Borough Equality Assessment outline that while growth has occurred over the last 20 years within the borough, a range of inequalities still exist concerning the education, employment, housing, health and life chances of those within protected characteristics. Membership to the sub-region will provide the council with access to support and interventions which better deliver inclusive growth across the sub region and borough, seeking to reduce inequality across the borough and support those with protected characteristic to better access opportunities presented by growth.

#### **5. OTHER STATUTORY IMPLICATIONS**

- 5.1 Membership of CLF supports best value not only through the economic benefits derived by residents but also regarding funding which the council has deliver regeneration initiatives. While membership to CLF is £40,000 pa, the council is supported by CLF in securing funds to drive future growth. Notwithstanding any uplift in future business rates from successful bids, since 18/19 the council has secured in excess of £15m for regeneration activities as part of a sub-regional consortium.
- 5.2 Membership of CLF supports the council's environment objectives concerning the reduction of air pollution and carbon dioxide. A key element of CLF's inclusive growth strategy and activities they undertake (3.10 – 3.13) include working with members to reduce the impact that growth has on the environment and residents

#### **6. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 This report seeks approval for the membership to the CLF sub-regional partnership, noting best value in regard to the economic benefits derived through membership which by far offset the annual subscription fee.
- 6.2 Paragraph 3.2 details the cost of the annual subscription as £40k. This will be fully funded from the Corporate budget.

#### **7. COMMENTS OF LEGAL SERVICES**

- 7.1 The Council has the legal power to enter into this partnership arrangement.
- 7.2 Membership is until such time as the arrangement is terminated. When estimating the overall contract value for a contract of indeterminate length good practice is to assume a contract period of five years.
- 7.3 This would mean an estimated contract value of £200,000. Therefore, the relevant Corporate Director (or the Chief Executive as appropriate) has sufficient delegated power to authorise the completion of the agreement under paragraph D.8 of the Corporate Operating Procedures.
- 7.4 By committing to the partnership it is expected that the Council will provide input and resources into various schemes and initiatives. However, the Council is not obligated so to do and any such input will be subject to agreement at the CLF board level on which the Chief Executive sits.
- 7.5 Where the Council is appointed as the lead on any particular project, subsequent expenditure and other activities such as entering into contracts in the furtherance of the remit of given by the CLF board such expenditure and other activities will be subject to obtaining the appropriate approvals in accordance with the council's constitution
- 7.6 There are no immediate Equalities Law implications arising from the report.
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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE

### **Appendices**

- CLF Membership Agreement

### **Local Government Act, 1972 Section 100D (As amended)**

#### **List of "Background Papers" used in the preparation of this report**

- NONE

### **Officer contact details for documents:**

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