

TOWER HAMLETS ENTERPRISE STRATEGY FULL EQUALITIES IMPACT ASSESSMENT

SECTION 1 – General Information

1a) Name of Strategy, Policy or Function:

Tower Hamlets Enterprise Strategy

1b) Service Area:

Development and Renewal

1c) Service Head:

Nick Smales, Service Head Employment and Enterprise

1d) Name and role of the officer/s and representatives involved in undertaking the EQIA:

Melanie Aust, Independent consultant and experienced advisor in enterprise issues

Andy Scott, Employment and Enterprise Manager

Huw Morgan-Thomas, Enterprise Manager

Enterprise Task Group, part of the One Tower Hamlets Partnership

1e) Assessment Methodology:

The Enterprise Strategy and its integrated Action Plan forms an intrinsic part of delivering the Prosperous Community theme of the Community Plan (which has had its own EQIA undertaken with an extensive consultative process underpinning it). This theme indicates a key priority of 'Fostering enterprise by:

- Providing incentives that encourage both business and social entrepreneurship
- Maximising the opportunities for local businesses to benefit from key growth sectors, and the Olympic and Paralympic Games.
- Promoting Tower Hamlets businesses and encouraging growth and tourism, with particular emphasis on the Olympics and Paralympics'.

Equality and diversity has been a key principle throughout the development of the Enterprise Strategy, see Principle 3 – Equalities and Diversity. This indicates that 'In recognition of the diversity of Tower Hamlets' population and business base. This includes ensuring substantial benefit for the diverse groups which make up Tower Hamlets' population and supporting any group which, in terms of business support or involvement in the wider business community, is disadvantaged compared with the others'. This EQIA will assess whether this principle has been effectively applied during the development of the Strategy and will also be embedded in the delivery of the Action Plan.

The Local Economic Assessment which was completed in December 2010, provides the detailed evidence base upon which the Enterprise Strategy is built. This is a comprehensive assessment of both the 'supply' (people) and 'demand' (jobs) sides and the complex economic environment within which the Strategy is being developed. It will be regularly reviewed and updated and this will need to impact on the delivery of the Strategy and the Action Plan. It will be role of the Prosperous Community Delivery Group and the Enterprise Task Group to ensure that the strategic fit between the evidence and action continues to provide a clear line of site between agreed priorities and activities and interventions designed to meet these priorities.

This EQIA has been developed during the consultation and redrafting stage of the Enterprise Strategy.

This consultation has been undertaken in a number of stages as outlined below:

Prosperous Community Delivery Group consultation

Enterprise Task Group

Consultation with local businesses as part of the Business Survey included in the Local Economic Assessment and during February/March as part of the consultation process feeding into the Enterprise Strategy (where there is a read across to the 'demand' section within the Employment Strategy)

Consultation with strategic partners and agencies from 21st April to 23rd May 2011

Consultation with local communities from 21st April to 23rd May 2011

The consultation regarding the Enterprise Strategy completed on 23rd May 2011. Nine larger organisations based in the borough have provided written comments on the Enterprise Strategy. These comments were broadly supportive of the Strategy and it was noted to have been well researched. Specific comments and suggestions have been considered and revisions have been made to the redrafted Enterprise Strategy and into this EQIA.

SECTION 2 – Information about changes to Policy, Strategy or Function

2a) Please explain the aims and objectives of the strategy, policy or function and the reasons for the change

WHAT ARE THE PURPOSES OF THE STRATEGY?

The Enterprise Strategy, alongside the Employment Strategy, form part of a suite of strategies aimed at reducing child poverty and increasing financial inclusion in the borough, which require effective working between departments, agencies and partnerships to achieve their objectives. The overarching strategy for the Council and its partners is the One Tower Hamlets Community Plan. The Enterprise Strategy, therefore, reflects the vision of the Prosperous Community theme of the One Tower Hamlets Community Plan:

‘The Partnership chose to include a number of employment and skills related targets in the Tower Hamlets’ Local Area Agreement – reflecting the importance of this issue in making Tower Hamlets a more prosperous place.

But prosperity is not just about wealth. It is about ensuring all residents have the support, skills and encouragement to make the best of their lives. Jobs provide people with fulfilment, purpose and the means to enjoy life. We are committed to making this a reality for all residents by actively supporting more people into work, giving people access to the training they need to be job-ready and by encouraging enterprise and fostering new industries’.

The refreshed Community Plan and the approved Employment Strategy provide the opportunity and framework within which to develop the Enterprise Strategy.

This is a new strategy for the Council and formulates its approach to enterprise and enterprise support. It deals with the ‘demand’ side of the economy – creating a business friendly environment to support new enterprise and enhance the existing business infrastructure. The ‘supply’ side of the economy – developing the skilled and trained workforce to meet the needs of employers is the role of the Employment Strategy – and it’s associated EQIA.

The aim of the Enterprise Strategy is to:

‘encourage and support enterprise and entrepreneurial activity to increase opportunity, prosperity and mobility in Tower Hamlets’

There are 3 Objectives identified, which are as follows:

- **Objective 1** – Support the establishment, growth and development of SMEs
 - 1.1 Co-ordinate and strengthen enterprise support services and access to finance
 - 1.2 Work with large organisations and business to harness their resources for the benefit of SMEs
 - 1.3 Support social enterprise

- **Objective 2** – Provide an environment that supports a thriving and diverse economic base
 - 2.1 Secure premises to support business growth
 - 2.2 Ensure that the physical environment, including town centres, is suitable for a range of businesses
 - 2.3 Encouraging an entrepreneurial spirit and a culture of innovation.

- **Objective 3** – Support the borough’s enterprise economy by communicating local needs and wishes to influence a variety of audiences
 - 3.1 Develop Tower Hamlets’ enterprise voice
 - 3.2 Influence the policy context to maintain a diverse and sustainable economy
 - 3.3 Promote Tower Hamlets as a location for investment and enterprise, and a destination for visitors

WHY IS THE STRATEGY REQUIRED?

The purpose of the Tower Hamlets Enterprise Strategy is identified as ‘to set the context for encouraging the future growth and development of the Tower Hamlets economy and its enterprises. It is proposed that a strong, diversified and entrepreneurial economy will ensure that there are opportunities for residents in the future; however the Strategy operates on an understanding that success will require significant focus, partnership working and investment to achieve’.

The Enterprise Strategy has been written to sit alongside the other Council strategies, within the context of the Tower Hamlets Community Plan. Specifically it sits as a companion to the borough’s Employment Strategy, in recognition of the synergy and overlap between workforce and economy. The Local Economic Assessment, with its authoritative overview of the context, opportunities and challenges for the Tower Hamlets economy, forms a significant part of the evidence base underpinning this strategy.

The draft Enterprise Strategy indicates that Enterprise is important to the borough in a number of respects:

- Enterprises create opportunities for employment – enterprises provide jobs which local residents may apply for....
- Enterprise is a means for residents to create wealth – Many Tower Hamlets residents earn a living by owning a business or by being self-employed.
- Enterprise fuels local economic activity
- Enterprise improves the local economy.

The key question framed by the Enterprise Strategy is to address what the Council and its partners are able to do to effectively support the local enterprise economy to achieve growth and to foster new business opportunities for borough residents. This is placed in the context of limited resources and effective action to meet the agreed initiatives.

Enterprise is identified as strong in the borough and the economic picture is broadly positive. Tower Hamlets is generally a place where people start-up businesses and it has an enterprising local population. However, there are challenges facing the borough as it moves to become part of the central London economy. These are identified as follows:

- Skills gap between residents and business needs
- Relatively low level of self-employment
- Limited resources for business
- Underperforming town centres
- Lack of suitable workspace for small business

The strategy is clear in its understanding that there are many dimensions of an enterprise economy which ‘lie beyond the ambit of the Council and its partners to influence’ and we are in an environment of limited public sector resources. It has a clear focus, therefore, on adding value and intervening where it is possible to make a difference to developing a pro-enterprise environment in the borough.

With these ambitious outcomes, a robust and effective response is required to the challenges identified – particularly in terms of the methodology behind enabling residents to benefit from economic growth. The rationale provided is that the Employment Strategy addresses how residents’ skill levels will be raised to improve their access to jobs. The Enterprise Strategy will support enterprise, encourage growth and support a diverse, sustainable business base that generates employment that local people can access. The Action Plan sets out the actions that will be undertaken to support these outcomes. The governance arrangements will need to be robust to monitor and underpin delivery arrangements. The Action Plan will be monitored and reviewed by the Enterprise Task Group to ensure that they are effective in ensuring that these links between enterprise growth and local residents benefitting are achieved. The existing governance arrangements and partnership structures are being reviewed to ensure that they are fit for

purpose.

This new strategy, while accepting the limitations of its ability to influence economic growth, aims to add value and make a difference in its interventions working in partnership to create an enterprise friendly environment in the borough.

HOW HAS THE STRATEGY BEEN REVISED?

The strategy is the first Enterprise Strategy developed in the borough – previously ‘enterprise’ was contained within other strategies.

The Local Economic Assessment which was completed in December 2010 provides a wealth of information which is now available for use to ensure that the strategy is built on a solid evidence base and this was recognised during the consultation process – which indicated that the strategy was ‘well researched’. It shows that:

- Tower Hamlets economy is worth over £6bn per year, larger than the other Host Boroughs and bigger than Monaco, Malta or Jersey
- The economy provides 204,000 jobs, 5% of London’s total and 30% of all jobs in East London. There are 60,000 more jobs than there are residents of working age
- Less than a fifth of jobs in the borough are taken by residents; the others are filled by people commuting in
- Two thirds of working residents are employed outside the borough, more than half in Central London – mainly in the City and Westminster. A third of out-commuters work in business services
- A third of all jobs in the borough are in financial services and another fifth in business services, a combined total of 55% and comparable with Central London. In contrast, manufacturing – if newspaper publishing is excluded – accounts for just 2% of jobs
- More than anywhere else in London, large firms dominate the economy – with over 45% of jobs in firms with 500 or more employees and over 70% in Canary Wharf itself
- Unemployment at 13% is close to twice the London average of 7.6%. Only 70% residents are in work or looking for work and, for female residents, the figure is less than 60%. A quarter of borough residents – twice the London average – have no qualifications and over 40% of these are not in work
- The borough has the fourth highest population turnover in London and this is in part driven by the lack of housing choices in the borough. House prices are six times mean earnings and over 80% of the accommodation is flats, compared with 50% for London as a whole
- Tower Hamlets is the third most deprived authority in the country and the second in London. But more than a tenth of employees earn over £100,000, compared to 2% for London

- The last decade has seen job growth of 60% in Tower Hamlets – four times the rate for London. Over the next twenty years, employment is expected to grow by at least 50,000 – faster than in all but one other London borough.

This provides the evidence base and framework for the development of the Enterprise Strategy. While it provides the foundations upon which to build the strategy and its Action Plan, it will need to be regularly updated to maintain this strength and relevance. There is a clear line of sight between the economic data to the barriers identified in the Strategy. It also clearly identifies the challenges faced by a limited ability by the Council and its' partners to intervene effectively to make a difference. An assessment is made about the linkage required between enterprise growth and those who are disadvantaged in the labour market due to their ethnicity, disability, gender, skill level, geographical location, socio-economic status and age.

Over the last 20 years the borough has been transformed – particularly with the development of Canary Wharf and the City Fringe. This has created an environment where there are 1.4 jobs for every resident in the borough. However, 85% of jobs in the borough are filled by people who travel into work every day. At the same time as the rise in the financial and business sectors in the borough, there has been a major and significant decline in the traditional low skilled industries based in the borough and a current retrenchment of the public sector affecting public sector and third sector organisations. The future growth in the borough appears to be largely knowledge based and high skill. This creates a skills mismatch between the needs of employers for a highly skilled workforce and the residents of the borough (35,500 people, which equates to a quarter of the borough's population have no qualifications and over 40% of them are not in work). There is a relatively high level of entry level jobs in the borough and a relatively high level of well-paid positions, but there is very little progression between the two. 95% of employers in a survey in 2009 indicated that they had difficulty filling vacancies because of skill shortages.

Objectives, sub objectives and proposed actions are identified in the Action Plan. These will assist the Enterprise Task Group (and the Prosperous Community Delivery Group) in monitoring the effectiveness of the strategy in meeting its identified aims.

The EQIA considers the impact of the proposed Strategy and the Action Plan on a number of equality strands.

Structure of the Strategy

The Strategy has been structured as follows:

- **Executive summary** – summarises the contexts, challenges and opportunities, sets out the aim and 6 objectives of the strategy and identifies the delivery mechanism;
- **Introduction** – identifies the purpose of the strategy, presents Tower Hamlets as a unique economy, maps out the gaps

between business and residents, identifies areas of mutual benefit, warns of the risks of failure, highlights the need for partnership working, sets the overarching principles and structure;

- **What is happening in the Tower Hamlets enterprise economy**– identifies the rate of change, A Central London economy, growth of financial services/decline of traditional sectors, financial business service clustering, other sectors of growth, an enterprising economy;
- **Who's who in relation to enterprise** – presents the stakeholders and contributors to the Tower Hamlets enterprise economy, types of enterprise, role of the council;
- **Problems** – the skills gap – residents and borough businesses, relatively low rate of self-employment, limited resources to businesses, underperforming town centres and lack of suitable workspace for small businesses;
- **Objectives**

The Action Plan builds specific actions to meet the Strategic objectives and intermediate objectives and sets a framework for development and review.

SECTION 3: Equality Implications of the changes to Strategy, Policy or Function

What is the relevance of this Plan and the proposed changes to equality?

The bulk of the Equality Act 2010 came into force in October 2010 and the new public sector duty will come into force in April 2011. In delivering its functions the Council and its partners must give due regard to:

- Eliminating discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- Advancing equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, which means
- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
- Fostering good relations between persons who share a relevant protected characteristic and persons who do not share it.

There is also a greater onus on statutory partners to be more accountable to residents for how inequality is being tackled.

The Enterprise Strategy sets out a key aim to ‘encourage and support enterprise and entrepreneurial activity to increase opportunity, prosperity and mobility in Tower Hamlets’. There are significant limitations on the ability of the strategy, the Council and its partners, to influence economic growth in the borough:

- The ‘supply’ side – the provision of jobs and work opportunities – is dependent on economic conditions – both national and global – and is not locally determined.
- There is significantly less public sector funding available to support business engagement, advice and support in the borough, so the funding that is available needs to be prioritised and used strategically.
- The growth sectors in the borough mainly require highly skilled workers – in a borough where qualification levels are generally low. Ensuring that skill levels are increased is a significant challenge for the Employment Strategy, but it is only if this can be achieved that the numbers of local residents employed by these growth sectors will improve.
- The borough has low levels of both self-employment and social enterprise activity. These are both areas where there may be scope for providing support – particularly for those target groups identified in the Employment Strategy e.g. Bangladeshi women, young men under 29. This is likely to have more of a social impact than an economic impact. Self-employment and social enterprise are, however, areas where the Enterprise Strategy could offer targeted support in terms of business support and information, communicating and networking.

SECTION 3: Equality Impact by Equality Strand

RACE EQUALITY IMPACT: Outline below the impact of your policy, strategy or function on different racial groups	
What are the race equality issues in Tower Hamlets appropriate to the Enterprise Strategy?	Does the draft Strategy adequately respond to the high level race equality needs of the Borough?
<p>The borough is one of the most ethnically diverse in the country, with a non-white population of over 45%, compared to a 13% London average. The high proportion of Asian origin residents within the borough stands in marked contrast to proportions for London as a whole.</p> <p>The 2009 National Employer Skills Survey (NESS) showed that at</p>	<p>Yes: The Strategy recognises that: ‘High levels of economic exclusion mean that residents have low levels of income and assets, and can struggle to access debt finance through traditional means. Informal sources, primarily friends and family, may provide an alternative means of finance and it has been suggested that this is particularly prevalent among the Black and Minority Ethnic communities’.</p>

<p>least half the owners or partners in Tower Hamlets businesses are at least half owned are from a black, asian or other ethnic minority group.</p>	<p>It is less well developed in terms of developing a more detailed analysis of the specific communities – and their respective roles in the enterprise economy in the borough (e.g. which specific ethnic group are they from, what sort of sectors are they working in). It is proposed that the research to be undertaken on the ‘demand’ side should assist in developing such an analysis. This also should identify, where possible, gender, age, disability, faith (and if appropriate LGBT) to enable the Mayor’s Employment Board to monitor and review the Action Plan effectively. The mapping, supply chain and networking actions identified in the Action Plan (e.g.1c, 2b, 3a) provide some early opportunities for collection and analysis of information on business composition in the borough that could then feed into future reviews of the Action Plan.</p> <p>It is proposed that the action to undertake further research is undertaken early and that an information base is developed and maintained that will help to build a greater understanding of the borough’s entrepreneurs and business owners.</p>
<p>DISABILITY EQUALITY IMPACT: Outline below the impact of your policy, strategy or function on disabled people</p>	
<p>What are the high level disability equality issues in Tower Hamlets appropriate to the Enterprise Strategy?</p>	<p>Does the draft Strategy adequately respond to the high level disability equality needs of the Borough?</p>
<p>Economic inactivity amongst disabled people: The most significant priority for disabled people identified in this assessment is the impact of the changes to benefits paid on the basis of poor health and disability. Those on claiming ill-health benefits are the second largest group of workless residents in the borough. Employment and Support Allowance (ESA) is paid to people whose illness or disability limits their ability to work, and replaces both Incapacity Benefit (IB) and Income Support (IS). In May 2010, there were 12,370 ESA/IB claimants in Tower Hamlets; 7% of the working age population. By June 2010, of 2,600 completed ESA assessments; 76 per cent were found fit for work. Of those who have appealed against the decision, 37 per cent were successful. We know that 45% of IB claimants in</p>	<p>Partially: There is an understanding that disabled people are most excluded from the workplace and would most benefit from local employment. This should be expanded to identify what additional support is required to enable disabled people to become entrepreneurs or self-employed. There is obviously a read across to the Employment Strategy with its work on developing the skills required for business. Networking opportunities are being developed as part of the Action Plan. These should be exploited to enable the needs of disabled people and the opportunities offered by the enterprise economy in the borough for disabled people to be better understood.</p>

<p>Tower Hamlets suffer from a mental health condition.</p> <p>Disabled people are around twice as likely not to hold any qualifications and half as likely to hold a degree which has an impact on their employability.</p> <p>Tower Hamlets is estimated to have one of the highest prevalence rates of mental health conditions in London.</p>	
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<p>GENDER EQUALITY IMPACT: Outline below the impact of your policy, strategy or function on different gender groups (including Trans people)</p>	
<p>What are the high level gender equality issues in Tower Hamlets appropriate to the Enterprise Strategy?</p>	<p>Does the draft Strategy adequately respond to the high level gender equality needs of the Borough?</p>
<p>The introduction of welfare reforms will have an adverse impact on families and it will be disproportionately fall on women. Lone parents (90% of whom are women) are likely to be hardest hit (TUC report The Gender Impact of the Cuts), losing 18.5 per cent of their net household income.</p> <p>Women represent 65 per cent of the public sector workforce in the UK and as a result are likely to experience a heavier impact of job losses across the public sector in Tower Hamlets than men. Public sector job losses will be felt particularly hard by women working part-time as the average pay for part-time jobs in the private sector is just £6.78 an hour (compared to £9.34 in the public sector). The public sector accounts for about one sixth of all the jobs in the borough.</p>	<p>Yes:The aim of the Enterprise Strategy is to encourage the economy in the borough to diversify. Key areas of growth are likely to be within sectors where women have traditionally worked e.g. retail, tourism, cultural and creative. It is anticipated that via the work of the Employment Strategy, key skills will be developed in target groups – which includes women – there will be a pool of skilled workers developed to take advantage of new job opportunities in the borough.</p>
<p>Economic inactivity rates for women in Tower Hamlets are considerably lower than the national average, particularly amongst Bangladeshi and Somali women.</p>	<p>Yes:The strategy references Account3 Women Consultancy Service as a ‘borough level support service’. This suggests that there is a level of interest in start-up business coming from women. There is research currently underway and project work will follow shortly, with</p>

	<p>Somali and Bangladeshi women which will help to provide a better understanding of the barriers to work faced by women from these communities. The research has already highlighted that there is a strong tradition of enterprise and self-employment within the Somali community and that women play a major part in this area. It also suggests that self-employment and social enterprise may be an appropriate route ways into work for these groups.</p> <p>It is proposed that further analysis is undertaken to determine this level of interest in both communities and to identify any specific business support needs may flow from this.</p>
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AGE EQUALITY IMPACT: Outline below the impact of your policy, strategy or function on different age groups	
What are the high level age equality issues in Tower Hamlets appropriate to the Enterprise Strategy?	Does the draft Strategy adequately respond to the high level age equality needs of the Borough?
<p>With over a third of residents aged 55-59 claiming an out-of-work benefit, this group is heavily over-represented in the claimant count relative to other groups at almost twice the London average</p>	<p>No: The strategy does not have any references to the needs of older people. They are included in SO5 'encouraging a culture of innovation and entrepreneurial spirit'.</p> <p>It is recommended that this is picked up in the action to undertake research into all the equality strands and that future Action Plans will target more effectively the needs of those over 50.</p>
<p>Child poverty: Over 60% of children in the borough are classed as living in low-income households. Over 50% of children in the borough live in live in families claiming key out of work benefits. 33% of families are living on less than £20,000 per annum.</p> <p>All wards exhibit considerable levels of child poverty compared with the UK average. The ward with the highest level of child poverty is St Dunstan's and Stepney Green, where nearly 70% of children live in poverty. This is closely followed by Bromley by Bow, Mile End East,</p>	<p>Yes: The Enterprise Strategy responds to child poverty through its clear commitment to supporting the development of an enterprise culture in the borough and clearly linking the growth of enterprise to local people. This objective requires the alignment of this policy with the Children and Young People's Plan and the Child Poverty Strategy. This will be achieved through the effective joint work between department's and within the One Tower Hamlets Partnership towards achieving the delivery of N1 116 – reducing the proportion of children in poverty.</p>

<p>East India and Lansbury, Bethnal Green South and Shadwell, each reporting more than two thirds of children in poverty. Like deprivation measured through national indices, child poverty is high compared to the UK average and it show strong spatial concentrations.</p>	<p>By creating more employment opportunities and preparing local people with the right skills for the jobs on offer, there will also be a reduction in the financial burden on the Exchequer in terms of costs of benefit costs. Increasing median incomes and reducing dependency is essential, both in terms of combatting poverty and deprivation, and in terms of stimulating the local economy. High levels of disposable income in turn provide more opportunities for retail, leisure, tourism and related sectors to prosper within the borough.</p>
<p>Unemployment amongst young people: There has been significant progress in reducing the numbers of young people, 16-18, not in education, training or employment. However, transition into employment at 18 continues to be difficult. National data shows that 18 year olds are more likely (17%) than 16 year olds (4%) to be NEET and that the problem is getting worse for 18 year olds. Tower Hamlets has the youngest job-seekers within London – 43% of JSA claimants are under the age of 29. Black African (11.2%) and Bangladeshi residents (9.4%) have the highest claimant rates in the borough.</p>	<p>Yes: The Enterprise Strategy highlights a number of initiatives with young people, working closely with schools. These include support for ‘Your Enterprise’ initiatives, including making test market stalls available, advocating outreach programmes and peer group support networks and developing links between universities and SME’s.</p> <p>There is a read across to the Employment Strategy where it is proposed that employability skills for young people will be provided by working through schools, colleges and business organisations, such as ELBA. Interventions are likely to include transition from education to employment support. Working with employers in delivering the Enterprise Strategy will ensure that there is good access to job vacancies and to information on growth sectors in the borough.</p> <p>It is recommended that the initiatives are built on existing good practice and that any gaps and opportunities are identified – particularly for the involvement and support of local business in developing enterprise skills in young people.</p>

<p>SEXUAL ORIENTATION EQUALITY IMPACT: Outline below the impact of your policy, strategy or function on gay, lesbian (LGB) and bisexual people</p>	
<p>What are the high level LGB equality issues in Tower Hamlets appropriate to the Enterprise Strategy?</p>	<p>Does the draft Strategy adequately respond to the high level LGB equality needs of the Borough?</p>

<p>It is estimated that 10% of the borough's population is lesbian, gay or bisexual (LGB), which means that there are potentially 23,900 LGB people living in Tower Hamlets.</p>	<p>No: The Strategy does not identify sexual orientation as an advantage or disadvantage in delivering its objectives or actions. It is not clear if sexual orientation is a barrier in setting up a business or in being a business owner, or if there is information available that would show that LGBT groups are disadvantaged in the enterprise sectors.</p> <p>It is recommended that the research to be undertaken on equality strands builds a picture of the specific issues and barriers facing those from LGBT backgrounds who want to become involved in enterprise sector.</p>
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<p>RELIGION/BELIEF EQUALITY IMPACT: Outline below the impact of your policy, strategy or function on people with different religions and beliefs</p>	
<p>What are the high level religion/belief equality issues in Tower Hamlets appropriate to the Enterprise Strategy?</p>	<p>Does the draft Strategy adequately respond to the high level Religion/ Belief equality needs of the Borough?</p>
<p>The profile of religion and belief in Tower Hamlets is very distinctive. 78% of residents state that they have a religious belief, which is significantly higher than the national average. The borough has the highest proportion of Muslim people of any local authority area in the country; at 36.4% and 40% of residents are Christian.</p> <p>The religion and belief equality needs of the borough are in many respects intrinsically linked to other equality strands. For example, the high prevalence of worklessness amongst Muslim women.</p>	<p>Yes: The Strategy does indicate that there is evidence that Islamic finance is a source of start-up and growth funding for some new businesses in the borough.</p> <p>It is acknowledged that those with different faiths may wish to take a particular career path e.g. self-employment, entrepreneurship. Support for self-employment and entrepreneurship is included as part of the Action Plan.</p>

<p>SOCIO ECONOMIC EQUALITY IMPACT: Outline below the socio economic impact of your policy, strategy or function</p>	
<p>What are the high level socio economic equality issues in Tower Hamlets appropriate to the Enterprise Strategy?</p>	<p>Does the draft Strategy adequately respond to the high level socio economic equality needs of the Borough?</p>
<p>Tower Hamlets residents struggle to access the borough's jobs, increasing deprivation and reducing local spending and that this needs to be addressed. The majority of residents travel outside the borough to work and 85% of jobs in the borough are filled by those</p>	<p>Yes: The Strategy indicates that this mismatch has social, economic and environmental costs. The strategy proposes that by improving the performance of the non-financial services sectors and enhancing access to opportunities in the growth clusters (ICT and High Tech,</p>

<p>who commute into the borough to work every day.</p>	<p>cultural and creative, retail, hospitality and tourism) will be the key to addressing this imbalance. The conclusions around this contextual issue are that the borough's attractiveness as a location for financial and business services is maintained; that growth in other sectors must be encouraged to diversify the economy and that there has to be an increasing overlap between residents and businesses to ensure the maximum mutual benefit.</p>
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Community Cohesion IMPACT: Outline below the cohesion impact of your policy, strategy or function	
What are the high level cohesion issues in Tower Hamlets appropriate to the Enterprise Strategy?	Does the draft Strategy adequately respond to the high level cohesion needs of the Borough?
<p>Tower Hamlets has long been a place where people from different backgrounds have lived together. Over the last twenty years, Tower Hamlets has experienced a transformation in its economy, although there has been gradual progress in translating this into increased employment for residents and there are still concentrations of deprivation. The development of both the City Fringe and Canary Wharf has created a boom in high-skilled modern occupations, which has developed alongside a marked decline in more traditional lower-skilled, lower-paid sectors (the rise in the restaurant and hospitality centre around Brick Lane being an exception). Polarisation has become the dominant feature of the new Tower Hamlets, with thousands earning £100,000 and over, but some 47% of residents on benefits. Today, the overall picture remains one of deprivation existing alongside plenty.</p>	<p>Yes: The strategy includes that social cohesion and social mobility must be strengthened in tandem if we are to be considered successful. It highlights that an entrepreneurial culture will be the key to delivering this next wave of transformation – ‘entrepreneurial businesses, an entrepreneurial people and entrepreneurial public services together striving to innovate and deliver for the borough’s businesses and residents’. This will be underpinned by actions to increase the proportion of local procurement opportunities; develop an enterprise culture in the borough, with support for new entrepreneurs; to support the take up by enterprises of the ICT/Tech City initiatives and facilities and providing an increased supply of flexible workspace for micro and small enterprises. Through the Mayor’s Employment Board and One Tower Hamlets Partnership, there will be co-ordinating and focusing of work with and between big business to encourage them to embrace the strategy and focus more of their CSR activities and funding in the borough.</p> <p>There is also a need to reinforce the ‘demand’ side of employment and working with employers to highlight the benefits of a diverse workforce. This also needs to be reflected in the Employment Strategy. A clear focus of activity needs to ensure that the 2 strategies do work in concert to maximise the impact of preparing local residents for sustainable jobs in growth sectors in the borough. The</p>

	<p>strategy indicates a particular challenge around how to connect growth to residents, including how best to support enterprise and generate employment within the borough which local people can access. A commitment of this nature to enterprise offers benefits for both businesses – large and small- and to the people of Tower Hamlets.</p> <p>It is recommended that a comprehensive approach to cohesion and making these links is articulated in the strategy and that this is seen as a priority for Mayor’s Employment Board. This would spell out exactly how local residents are going to be linked into the entrepreneurial transformation and what route ways are being developed to enable this to occur.</p>
<p>National government has entered into a period of fiscal tightening that sees reductions of £40bn by 2015/16. This has been accompanied by welfare reform, which sees an emphasis on work over benefit support. The reduction in public spending accompanying the fiscal tightening is resulting in many public sector jobs (and their ancillary service requirements) going. Significant private sector activity is dependent on public sector activity e.g. contractors, consultancy and out-sourcing and this must be considered at risk. VAT has been increased to 20% from January 2011.</p>	<p>Yes:The recent government initiatives to reduce national debt has led to VAT being increased steeply to 20%, which will result in reduced consumer confidence and will have a likely impact on spending levels in the borough. This will adversely affect businesses in the borough. The reductions in public sector funding and purchase power will impact adversely on many businesses in the borough who provide goods and services for the borough. Many residents in the borough are reliant on the public sector either as an employer or a provider of services. Many are also reliant on the benefit system. Significantly for Tower Hamlets the government’s reforms include reductions in benefits which will impact disproportionately on some locations in the borough more than others. The Enterprise Strategy aims to build the enterprise base in the borough by providing support and advice, but also by helping local business to compete more effectively for local contracts and work.</p>
<p>Underpinning this structural divide is the phenomenon of population churn, by which some residents exercise a choice to leave the borough seeking better jobs and greater housing choice. By leaving they create space for others, often with similar or more challenging socio-economic profiles at the start of their economic career in London – and so the same pattern of deprivation tends to re-assert itself. This can make the borough’s indices of health, wealth and skills seem</p>	<p>Yes:The Local Economic Assessment identifies that there is a good level of enterprise, demonstrated by business births, deaths and survival rates. A good level of enterprise and business churn is seen as a strength of the borough.</p> <p>The Employment Strategy reflects that this population churn means that those leaving the borough are potentially more qualified, skilled</p>

<p>unusually resistant to improvement over time, whereas in fact significant social mobility has taken place.</p>	<p>and paid more than those arriving in the borough. It would be helpful to consider further what impact this social mobility is likely to have on the performance of the Enterprise Strategy.</p> <p>In updating the evidence base for the LEA, it is proposed that social mobility becomes an area for additional research. This should aim to establish the reasons for both in and out migration from the borough and to understand how this impacts on delivery of the Enterprise Strategy</p>
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<p>Equality impact of the new approach adopted and delivery arrangements of the Strategy</p>
<p>It is anticipated that the approach taken in developing this Strategy will have a positive equality impact in tackling the high level equality needs in the borough.</p> <p>The Enterprise Strategy has been developed to develop an understanding of the economic environment and to focus the approach on areas of ‘added value’ or where the partnership is able to ‘make a difference’. It properly analyses the current situation and provides a strategic framework for providing interventions that will support its aim and objectives. The approach taken has been to build equality and diversity into the Strategy as a key principle: ‘In recognition of the diversity of Tower Hamlets’ population and business base, initiatives will be developed, implemented and monitored in a way which will achieve:</p> <ul style="list-style-type: none"> • substantial benefit for the diverse groups which make up Tower Hamlets population; • support for any group which in terms of business support and involvement in the wider business community is disadvantaged compared with the others’. <p>Partnership governance arrangements are being reviewed to ensure they are fit for purpose to deliver the new strategy, particularly</p>

to ensure that the 'right partners' are around the table to achieve the objectives, including those that impact on equality and diversity. It is proposed that the partnership through the Enterprise Task Group should take responsibility for ensuring that the recommendations coming from this EQIA are monitored and built into their work programme to ensure effective delivery.

RECOMMENDED AREAS FOR IMPROVEMENT

1. A key area of improvement is the important role that the Mayor's Employment Board should take, going forward, with regard to ensuring effective targeting and monitoring of interventions towards disadvantaged communities.
2. Any review of the Local Economic Assessment should be analysed and assessed for impact on the equality strands and actions taken in response to any findings.
3. There is a need to develop a shared understanding – (building on the anecdotal and existing stakeholder knowledge base) that those from the different equality strands play in the enterprise economy. The Action Plan includes an action to 'Review Enterprise Strategy objectives against the other council strategies (including the LDF) and put forward practical steps needed to reflect the needs of SME's to support:
 - their attraction to the borough
 - their start up, growth and development'.

This will be an important first step in enhancing the evidence base for and targeting of the Enterprise Strategy to start to deliver on the improvement areas identified in this EQIA. The findings should be built upon in future reviews of the Enterprise Strategy.