

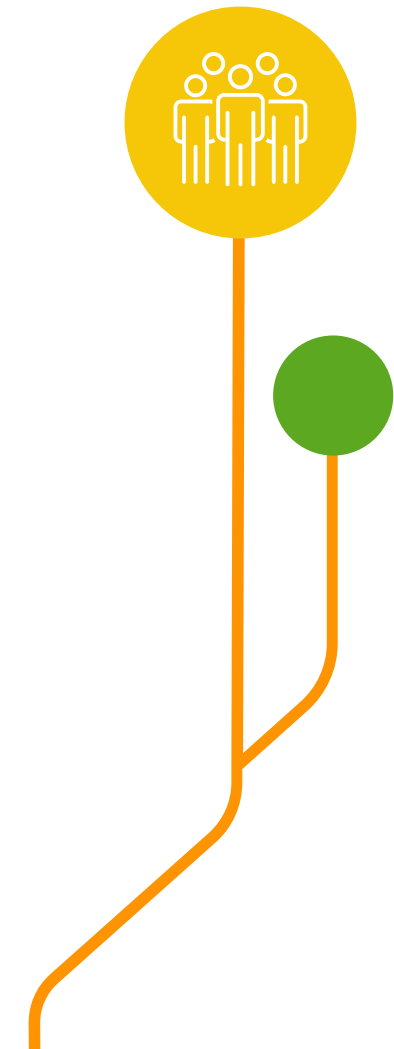


# Tower Hamlets Growth and Economic Development Plan 2018-2023



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# Foreword

Welcome to the Tower Hamlets Growth and Economic Development Plan 2018-2023. It sets out the approach that the council and its partners will take to shape the growth of our economy over the next five years. We want to build a borough that has, at its heart, a commitment to fairness that allows all our residents to benefit from its success.

Tower Hamlets is a great place to live and work with a rich history that we are rightly proud of. It is a history that has seen generations of hardworking people embody the entrepreneurial spirit of the East End; creating opportunities for success and working tirelessly for themselves, their families and their communities.

People from across the world have been attracted by the character of this borough. They have made it their home and added new chapters to its story. The diversity they have introduced to our communities is one of our greatest strengths.

But Tower Hamlets is a place of contrasts where the towers of Canary Wharf and

the offices of the City Fringe sit next to communities that have not always felt able to benefit from the success that they see on their doorstep.

There are families that fear their children may not be able to secure the jobs they dream of and there are young people who, despite having the determination to succeed, lack the confidence and knowledge to access the opportunities they can see all around them.

We have bold ambitions to create the pathways that will allow our residents to succeed in whatever sector they choose. We want entrepreneurs who aspire to create new businesses to be able to do so right here in Tower Hamlets and young people to know they can reach their potential in any career. Fundamentally, we want to build a fairer economy for our residents.

This is not a vision that we can realise alone. It will require genuine partnership working to achieve our goals.

We already work closely with our partners

in the public sector, civil society and the worlds of business and education. This Growth and Economic Development Plan provides us with an incentive to strengthen those ties and to push forward with a new determination and focus.

Our partners have already played a key role in helping to shape the strategic approach set out in this plan.

We look forward to working with you to deliver this as we guide Tower Hamlets through its future growth and work to make its next chapter genuinely fairer for all.

**John Biggs**

Executive Mayor of Tower Hamlets

**Cllr Motin Uz-Zaman**

Cabinet Member for Work and Economic Growth

# Introduction

The Tower Hamlets Growth and Economic Development Plan 2018-2023 aims to build an economy that works for local people and ensures everyone can benefit from the borough's success. The council's vision is to create a Tower Hamlets that delivers sustainable and inclusive economic growth enabling all of our residents and businesses to prosper.

This aim and vision are aligned with priorities set out by the council's Strategic Plan 2019-2022 (e.g. Priority 1: People are aspirational, independent and have equal access to opportunities) and the Tower Hamlets Partnership's Tower Hamlets Plan (tackling inequalities by building a stronger, more inclusive and fairer borough).

## Why do we need a Growth and Economic Development Plan?

- Tower Hamlets was historically one of London's poorest areas and a place where many new immigrants settled on arriving in London. More recently it has become a borough of sharp contrasts. While some people remain very poor, there are also pockets of high earners. This situation is particularly acute now with only 3% of household income being over £100k p.a while it is estimated that around four in ten households in the borough are living below the poverty line, after housing costs are considered.
- The significant growth and economic changes that have taken place in the Tower Hamlets have unfortunately resulted in the borough evolving from a deprived area, to a deprived

area with an expanding oasis of wealth. Many residents have not been able to access the economic success our borough offers, leaving them living in poverty alongside enormous wealth.



- There is a mismatch between residents' skills and the jobs available in the borough and (for some also) beyond Tower Hamlets. Data indicates that borough residents with

lower skill levels are significantly less likely to be in employment than the London average. And those who are in employment are most likely to be the working poor.

- It is therefore not surprising that residents identify a lack of jobs as one of their top three areas of concern.
- The on-going challenges of austerity and welfare reforms coupled with the uncertainty around the possible economic impact of the UK's withdrawal from the European Union have required us to find solutions which increase the life chances of our residents.
- As for the latter, irrespective of the terms of the UK's departure from the EU, it should be assumed that Brexit is most likely to have an impact on local government, the local economy, workforce and the way organisations

operate. The expectation is that this will present new challenges for the council, the borough's population and its businesses but also create new opportunities to do things differently.

- The magnitude of these effects remains unknown as they depend on the eventual form of Brexit, and knowledge of the post Brexit UK economic environment across a range of dimensions such as trade, migration, and regulation.
- To best prepare the borough for the UK's departure from the EU, the Mayor of Tower Hamlets launched the Tower Hamlets Brexit Commission tasked with examining the likely impact of Brexit across a range of areas including public, economic, and social implications. The council will carefully monitor the Tower Hamlets Brexit Commission's progress and

the outcome of Brexit negotiations and adjust our Growth and Economic Development Plan accordingly.

- When considering all of the above, the incentive to further invest and strengthen our local economy has never been stronger. We believe that 'inclusive growth' is the way forward to address the challenges and opportunities ahead. It is an absolute necessity to achieve greater prosperity, independence and access to opportunities for all our residents.
- To achieve this we will complement and strengthen local, regional and national initiatives that are already in place to create better prosperity and growth for our local people and businesses. By drawing on these strategies and initiatives we want to create a plan that is applicable to the Tower Hamlets growth context.

We have identified three main priorities that we believe will deliver results.

### Priority 1: Preparing our young people for success

- We will make the transition from education to employment work better for our young people. To achieve this we propose a targeted approach to equip young people in the borough with the tools they need to understand and navigate the options that are available to them.

### Priority 2: Helping our working age residents thrive

- We will ensure all working age residents in the borough get the best possible outcomes in terms of their jobs and careers – by looking where we can complement and strengthen existing ongoing projects such as WorkPath.

### Priority 3: Creating the conditions for business growth

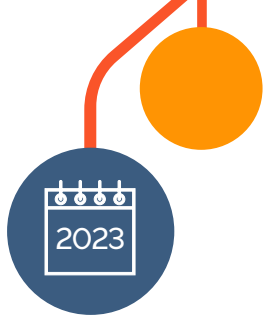
- We will support our existing businesses in the borough to thrive and to stay in Tower Hamlets as they grow. We will also identify ways in which we can attract a diverse business base – so that there are more job opportunities for people with different kinds of interest and aptitudes. The case for expanding our business base is further enhanced by business rates reform which will see the borough retain a greater proportion of rates income. Tower Hamlets' position as one of the UK's leading business destinations is both an opportunity and challenge in this regard, as the desirability of locating in the borough drives up commercial property values.

In all cases we will try to invest rather than just spend. We will commission activities that will either;

- Generate a direct financial return to invest in further activity
- Lever in substantial sums of external investment
- Increase the proportion of national funding streams accessed by Tower Hamlets residents and businesses or,
- Create a 'virtuous circle' of positive actions and outcomes that will become embedded over time.

### The plan answers the following questions:

- Why do we need to further enhance growth and economic development?
- What is growth and economic development?
- What are our long-term aims?
- Why have we chosen these priorities?
- What is our immediate work?
- How will we know if our work is successful?



This plan has been developed in parallel with the Tower Hamlets Regeneration Strategy, which will take an overview of the borough's development as a place to live and work. Complementing the Regeneration Strategy's focus on place, this plan looks at thematic interventions to help people and businesses across the borough succeed.

### National, regional and local policy context

To develop this Growth and Economic Development Plan, national, regional and local responses to the current challenging economic and financial situation, including the impact of austerity, were reviewed.

The government published the Industrial Strategy in 2017. It aims to boost productivity by backing businesses to create good jobs and increase the

earning power of people throughout the UK with investment in skills, industries and infrastructure.

The Mayor of London has initiated a series of policies to address economic and social exclusion. The latest policy is the Mayor's Economic Development Strategy (2017) which sets out aspirations to deliver the following amongst other things:

- Better educational opportunities for all, a lower cost of living, fairer pay and employment practices, better health and less poverty.
- Creating the conditions for growth – through enhanced workspace, better transport and infrastructure, more innovation and better skills, and by encouraging enterprise and entrepreneurship.

The priorities of the Growth and Economic Development Plan are set out within this context.

We also draw on other strategies to strengthen our plan; referenced as and when applicable throughout this document.

### Consultation

- This plan sets the direction for Tower Hamlets growth and economic development over the next five years. It is a bespoke plan, not addressing all areas but highlighting those where Tower Hamlets has a particular need to improve and has a particular chance to transform and lead.
- It goes without saying the council cannot deliver inclusive growth alone. We will therefore involve, engage and seek views from our communities, to ensure that residents can take advantage of opportunities and investments whilst working with our partners to make this a reality.

# What makes growth and economic development?

## What is growth and economic development?

In this plan, we aim to deliver 'inclusive growth', which connects our residents to the opportunities that exist in the labour market through better understanding and access to education, training and employment and proactively influence and shape the nature of employment opportunities. This includes boosting employers' demand for skills as well as shaping the occupational and sectoral make-up of the economy.



Growth and economic development encapsulates a wide range of measures – involving a 'cross cutting' and integrated activity where the physical development of a place is linked to public service, place management and wider drivers of change such as employment, skills, investment, enterprise, innovation, productivity, quality of life and positioning.

The Growth and Economic Development Plan is a roadmap for attracting new investment and ensuring long-term sustainable and inclusive growth. The focus of our plan is to help connect our residents and local businesses to growth and economic development by:

- Removing barriers that are locking our young and working age residents out of the jobs market

- Creating the conditions for business growth by ensuring the right kinds of support and space are available

We acknowledge spatial development and regeneration also have implications for employment and skills. These dimensions will be considered with the council's work on regeneration in parallel with this plan.

By focusing on finding solutions to the above in consultation with partners, businesses and wider community, we will create better conditions for inclusive growth, economic development and employment generation.



# Local picture

## Economy, employment and inequalities

- The rise of Canary Wharf as a global financial district has had many positive effects on local employment through the spread of associated service industries such as law, accountancy and consultancy services, as well as retail and leisure.
- This has resulted in Tower Hamlets being one of the highest economic and employment growth areas in the country with an estimated 278,000 jobs in the borough and one of the highest numbers of new business start-ups. There are more jobs than we have residents – approximately 1.36 jobs for every working age resident.
- However, Tower Hamlets is also a place of contrast and contradictions. There is no correlation between the

economic growth of the borough and better living standards for some people. A significant portion of our residents are living next to a thriving economy unable to reap its benefits.



- Our borough remains deprived despite dramatic population and economic growth, and improvements in local educational outcomes. Persistent inequality requires further

intervention in order for residents to access the benefits from economic development. The skills of many residents are ill suited to the new jobs that are being created.

## What type of businesses are based in the borough

- While the economic profile of Tower Hamlets is dominated by some of the world's largest financial and professional service organisations based in Canary Wharf, the borough has a wide range of local businesses including small family companies, creatives, start-ups, light manufacturers and small-to-medium-sized enterprises (SMEs).

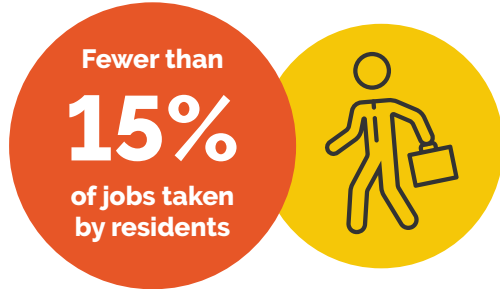
- The vast majority of businesses based in Tower Hamlets are small businesses. 98% of enterprises employ fewer than 50 people and nine in ten are 'micro' businesses which employ fewer than 10 people. 7% of enterprises are sole traders. On the other hand, only 0.5 % of the borough's enterprises are large businesses which employ 250 employees or more.
- Businesses in the financial and insurance industry only account for 3% of enterprises in the borough. The largest industries are 'professional, scientific and technical' which account for a quarter of our businesses and 'information and communication' which make up 18% of businesses. This industrial structure is largely similar to that in London as a whole.

- The vast majority of local enterprises (97%) are in the private sector, 3% are in the non-profit sector, and less than 1% are public sector enterprises.



## Employment and skills

- Fewer than 15% of all the jobs in Tower Hamlets are taken by those living within the borough. Most are taken by those commuting in, with the skills and qualifications to work in the growth employment areas.



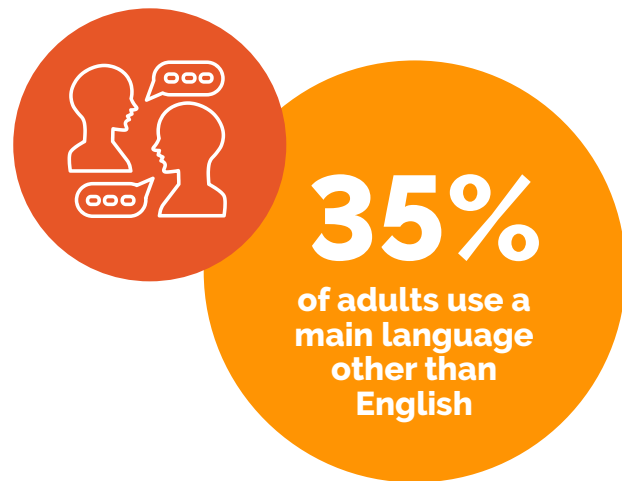
- Those who have the skills to participate in the growth economy are among the highest earners in the country. According to the updated Local Economic Assessment, Tower Hamlets has, after the City of London, the second highest earnings levels in London.

- This is while 14% of borough residents – almost twice the London average – have no qualifications – and 25.9% are not in employment. It is also worth noting that there are 20.9% workless households in the borough. In contrast, over a third of residents are qualified to degree level or above, which is consistent with the London average. With fewer residents at intermediate skill levels than is typical for London, there is thus a polarisation of skill levels within the borough.



## Diversity

- Tower Hamlets is also the 4th most linguistically diverse area in England and Wales. The 2011 Census identified at least 90 different languages being used in the borough. Over one third of adults (35%) in Tower Hamlets use a main language other than English.



- While this is a great richness for our borough as a majority of this group are fluent in English, around one quarter (18,311 residents) said they could not speak English 'well' or 'at all'. This is equivalent to 9% of the borough's adult population - the second highest proportion in England, after Newham. This undoubtedly results in many of our residents being locked out of the job market.

## Skills, education and employment

- Furthermore, borough residents at lower skill levels are significantly less likely to be in employment than the London average. A similar polarisation exists in the borough's jobs market. There are high numbers of entry-level jobs and a relatively high number of extremely well paid jobs, but opportunities for progression between these are limited.

- There has been an overall upward trend in terms of educational attainment outcomes at the secondary level since 2011. In the final year of the previous framework, Tower Hamlets exceeded the national average in terms of educational attainment at the secondary level, with over two-thirds of pupils achieving five or more GCSEs at grade C or above.

- Provisional results indicate that this year's performance has fallen below the national average for the first time. Despite the general attainment trend being positive, the council is mindful of this anomaly. It should however be noted that it is too soon to assess the long term implication and impact of these changes.

- The employment rate of residents is below the national average. We also know that in-work poverty is increasing in the borough. Furthermore, although many of our young people do well at school, improvements in education do not always translate into better sustained opportunities in the jobs market for them, and too few go on to the best universities and break into top jobs.

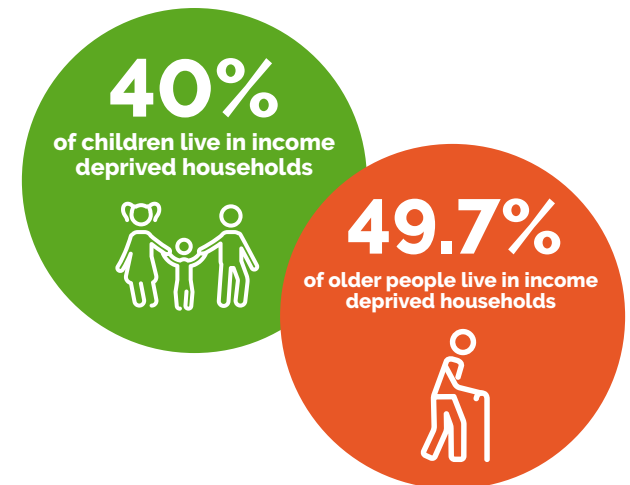


- Tower Hamlets has the highest worklessness rate in London, at 7.7%, and the highest rate of poverty as well – 39%. This is partly a result of the changes taking place in the structure of employment. For men, the manufacturing jobs that once sustained median incomes, skills sets and career progression have disappeared. For women, the white collar administrative work that performed the same function has also been reduced. In both cases, technology is a key catalyst of change.

- In addition to low skills and poor qualifications, inequality also plays a significant factor in the search for employment, with much lower employment rates for certain groups, including those from ethnic minority communities, newly arrived migrants and refugees, people with disabilities or health issues, and women.

### Poverty at households

- The Indices of Deprivation 2015 showed that nearly 40% of children in Tower Hamlets live in income deprived households. Our borough also topped the same table for older people, with nearly half (49.7%) in that category.



- The data also indicates that around half (48.7%) of Tower Hamlets households had an income below the median Tower Hamlets income of £30,805 (i.e. they are in the under £30K group).

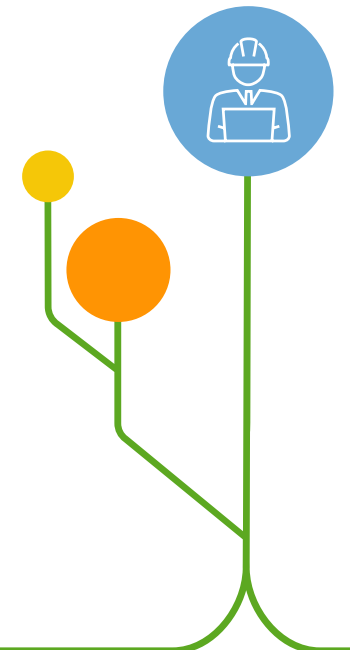


- This translates to an estimated four in ten households in Tower Hamlets living below the poverty line, after housing costs are taken into account. This is the highest poverty rate across all local authorities in England and Wales, and almost double the national average.

### Impact of poverty

- Growing up in poverty can have troubling implications in adulthood. According to the Social Mobility Advisory Group report of 2017, “socio-economic disadvantage continues to be the most significant driver of inequality in terms of access to and outcomes from higher education”.
- The report noted that “eighteen year-olds from the most advantaged groups remain 2.4 times more likely to enter university than their disadvantaged peers, and 6.3 times more likely to attend one of the most selective institutions in the UK. Having graduated from university, students from disadvantaged backgrounds are less likely to go into professional jobs, and if they do they are likely to be paid less”.

- It is against this backdrop that many young and working age residents find it very difficult to access good quality jobs in the borough. Our pioneering WorkPath service already helps many residents improve their skills and find work. The Growth and Economic Development Plan looks at other interventions to reinforce this approach.



# What we intend to do

## Our approach

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The relevant council services will work together to deliver the priorities. Residents, third sector organisations and others will be invited to participate in consultation on the draft plan. In addition, the Growth and Economic Development Partnership will be consulted separately.

The Growth and Economic Development Partnership works to deliver the following priority outcomes:

- Creating opportunity by supporting aspiration and tackling poverty:
  - More residents in good quality, well-paid jobs
  - Young people realising their potential
  - Securing real jobs for local residents from new development

- Harnessing economic growth
  - Actively attracting and securing inward investment, particularly in skilled industries
  - Maximising social value and coordinating business engagement
  - Promoting the historic entrepreneurial energy of our communities

## Current initiatives by the council

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The council's Growth and Economic Development programme covers three main priorities:

- The WorkPath service helps people to get work ready and to find jobs. This includes support with CV writing, ESOL and job searching as well as apprenticeships and other vocational training in high demand areas.

- The Enterprise team delivers the Ready Programme – a suite of projects designed to help businesses start, grow and reach new markets.
- The High Streets and Town Centres team delivers a series of projects designed to improve the look, feel and trading conditions of our town centres and markets, making them successful places to do business and attractive places to spend time.

# Priority 1: Preparing our young people for success

## The challenge that we face:

Despite Tower Hamlets historically exceeding the national average in terms of educational attainment at the secondary level, this is not translating into excellent progress or sustained employment outcomes for our young people.

## Context

- Tower Hamlets offers high quality secondary schools which are judged by Ofsted as being among the best in the country. Provision in the borough for 14 to 19 year olds includes a general further education institution, arts and music college, a technical college and a college offering alternative education and pre-employment training.
- Young people in the borough have traditionally achieved very good results at Key Stage 4. However, there

have been challenges associated with the new grading system introduced in 2016 – in Key Stage 5, A Level attainment has been less strong in general, and results show performance in some specific subjects in particular could be improved. In spite of this, it should be noted that results remain good for many schools.

- There is a wide range of education, employment and training options at both post 16 and post 18 in Tower Hamlets. However in recent years the choice of subjects at post-16 levels has become increasingly narrow. To this end there is a need to explore how sixth forms in the borough can deliver a more collaborative offer which identifies and addresses any gaps in the overall range of courses and brings students together more effectively to enhance their study experience. This would also contribute to clearer and better understood pathways into employment.
- The Draft Learning and Achievement Strategy for 14 to 25 year olds is seeking to address these issues. A comprehensive review is being undertaken to establish a full picture of post 16 provision from all schools and colleges in the borough. The council will assess the findings from this review to clarify gaps in borough wide academic and vocational provision with the aim of identifying ways sixth forms can work together to optimise use of their resources to improve their offer to students.
- Tower Hamlets is the home of Queen Mary, one of the best and most inclusive universities in the country. It is also the source of significant clusters of knowledge intensive industries – financial and business services, digital and tech, and medtech.



- In spite of these highlights, evidence suggests that our young residents are not always able to navigate their way through the system to take advantage of these opportunities.
- The barriers young people face are multifaceted and complex but all the evidence suggests that young people, especially from poor, working class, migrant and ethnic minority backgrounds, can lack the information, awareness and confidence necessary to make informed choices about their future.
- To this end, a more targeted approach to enable young people to access information about their career options early on is needed.

### What we are proposing to do:

- We will make sure all our young people, not just the brightest, understand the range of opportunities open to them early on. The aim is to equip young people with the tools they need to make the right decisions in their pursuit of further education, training and/or employment.
- To this end, we will be exploring good practice options and liaising with schools to pilot a programme of careers education early in secondary school, before critical options and choices are made. The scheme will involve three different strands of intervention to support the transition from school to work.

1. The first strand - an early secondary year 7-9 careers education programme, is intended to expand young people's horizons and help them understand more about the many exciting career options in Tower Hamlets and the wider London economy. Its purpose is to enthuse, motivate and inform our students before they choose their GCSE options.
2. The second strand will involve working with our schools to boost the career guidance sessions offered in the GCSE year to ensure that all our young people are able to get comprehensive and informed advice on their post-16 options. This will also involve supporting parents to raise their awareness of options.

3. For the third strand the intention is to develop a 'finishing school' to support all of our young residents during their transition from education to the world of work, whether that is after GCSEs, A Levels or following graduation. There are several examples of excellent practice in this area already but they are intense and expensive; the challenge will therefore be to develop a quality programme which we can afford to replicate for everyone.

### What are we already doing?

- Improving employment opportunities for young people has been a local priority for a number of years. Our key strategies, such as the Employment Strategy, the Children and Families Plan, and the Procurement Strategy all involve some form of work experience, apprenticeships, entry level posts and graduate jobs as well as career progression opportunities for targeted groups.

- There are also a number of organisations in Tower Hamlets that support young people in their options post 16. Statutory or publically funded organisations such as schools and the careers service provide support to young people throughout secondary school.

- We also currently have a number of initiatives such as:
  - Mayor's Apprenticeship Commitment
  - Pathways to Success – Tower Hamlets Education Business Partnership where volunteers work with young people helping them to prepare for life after sixth form
  - Employment and training Initiatives – the council works in partnership with employers and organisations in Tower Hamlets to increase job and training opportunities through Young WorkPath, Idea Stores, Arts and Professional Development

- Career Services
- Positive Actions for Young People (PAYP)
- Young People Preparing for Adulthood (YPPA) Task Group

### Challenges to this approach include:

- The complex nature of educational provision in the borough and the financial incentive structure for educational providers to retain students
- The crowded curriculum which makes it difficult to find space for non-GCSE subjects
- The innovative nature of some activities which may require piloting and which will need us to identify partner schools

### What will we do in the next 12 months?

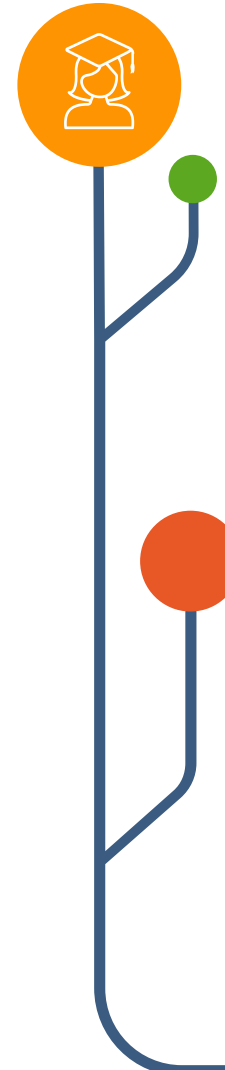
- Develop a programme of activity
- Secure approval and funding
- Start pilot activity in at least one secondary school

### What will have changed in the five years?

- The first pilot cohort will have completed their GCSEs and there will be a measurable improvement in outcomes
- Young people will have access to improved guidance and support, at different stages in their journey, as well as greater opportunities to develop the life skills needed to successfully transition from education to employment

### How will we know if it's working?

- Teachers report improved engagement in classroom study
- Year 11 students feel more confident in their post-16 choices
- Fewer young people in the pilot project drop out or change course in Year 12



# Priority 2: Helping our working age residents thrive

## The challenge that we face:

There is a mismatch between residents' skills and the jobs available in the borough and (for some also) beyond Tower Hamlets. Data indicates that borough residents with lower skill levels are significantly less likely to be in employment than the London average. Those who are in employment are most likely to be the working poor.

## Context

- Supporting our young people is essential but it is a long term investment. Meanwhile many of our working age residents are struggling to make their way in the economy for a variety of reasons including:
  - low skills,
  - poor qualifications,
  - language barriers for especially new migrants and refugees.
  - poor communication skills in

general also act as a significant barrier

- health issues including disability and mental health
- in most cases all of the above also unsurprisingly can lead to limited understanding of the labour market

- These factors act together (or single handedly) to create a cycle of disadvantage. Socio-economic disadvantage and inequality can be the biggest barriers to securing sustainable and well-paid employment. For instance issues such as lack of adequate housing or homelessness and the availability, cost and quality of childcare are significant barriers to many finding and sustaining work. Inequality also plays a significant factor in the quest for employment with much lower rates for certain groups, including those from ethnic minority

communities, people with disabilities or health issues, and women.

- Employment is the most important route out of social and economic exclusion. But the consequences of being unemployed go wider than lack of money. It can contribute to ill-health and can deny future employment opportunities.
- Furthermore, the length of time out of the labour market can create significant psychological barriers that hinder attempts to move into employment. Being out of work for a long period of time can reduce self-confidence and lowers aspirations, all of which can affect motivation and capacity to make what is a significant change.
- This is also too often the case for our residents from migrant backgrounds who face many barriers which at different levels affect the

effectiveness of their strategies to find employment or start a new business.

- Poor command of English is often cited as the most prominent barrier to employment alongside insufficient knowledge about the range of opportunities available to retrain when qualifications are not recognised in the UK and lack of understanding of the equivalence between overseas and British qualifications.
- Migrant residents make up 98% of all those with low proficiency in English. 17% of Tower Hamlets residents who were born outside the UK cannot speak English well or at all. For many this barrier means the inability to work in their trained professions.
- It can also be difficult for overseas-qualified migrants to gain equivalent professional recognition allowing them to practice in the UK.

- It is very much within this context residents have identified lack of jobs as one of their top three areas of concern. Our priority is to equip our residents through training support and brokerage to access jobs.
- Exclusion from the job market is not just a loss for the economy but can also lead to social exclusion which brings with it a wide range of problems to the individual as well as the wider community.
- We aim to complement and strengthen the work already taken place to get our residents into work by working closely with businesses to identify support and skills needed to unlock barriers and create new opportunities.

**What are we already doing?**

- Our pioneering WorkPath service already supports many of our

residents with a suite of programmes designed to help them into work.

- These range from brokerage services for those who just need a little help to link them to the right job through to our pioneering Working Start programme, which offer six months' paid experience, coupled with a tailored training programme, to get people with limited skills and experience or very low confidence back into work. These programmes are expensive but the returns are enormous: to the individual, to the employer and to the state in terms of benefit savings.
- ESOL classes are delivered at our Idea Stores and learning centres to improve and empower residents to find work.

**What will we do in the next 12 months?**

- Through our Growth and Economic

Development Partnership Board and other networks we will work with employers and training partners to identify areas of skills shortage in the borough and create a pipeline of willing and able employees. Brexit, a cause for concern in many regards, may create opportunities here as European service sector employees leave London.

- We will commission projects which support people once they have found work to help them progress into better paid employment and develop their career.
- We will work with smaller employers across the borough to help them understand the benefits of upskilling their workforce, particularly through apprenticeships.
- We also need to make the most of the development in the borough –

continuing to challenge developers and contractors to open up opportunities to local people and, through their development, create the preconditions for more employment.

- We will continue to explore the best way to overcome barriers to employment. For example through ESOL provision by building on and implementing best practice for supporting people into work.
- We will encourage businesses to pay the minimum wage and support initiatives to enable residents achieve a level of skills that increases their earning potential.

### Projects already underway

#### WorkPath

Our pioneering WorkPath employment service provides support for all Tower

Hamlets residents at all levels of work, skills and experience. These services include:

- Providing medium to long term support and guidance to clients that are furthest away from the labour market by assigning them to specialists to prepare for employment.
- Supporting Stronger Families – co-located team working with and funded by Growth and Economic Development. Designed to identify and address multiple barriers families/individuals furthest away from employment through a more holistic approach that takes into account their complex needs. These barriers include mental health, relationships, parenting difficulties, emotional and self-esteem challenges that hinder some families' ability to gain employment, volunteering and/or training opportunities.

- Brokerage – clients that are job ready are assigned to the brokerage team to prepare and forward them for employment opportunities.

Our Working Start programmes support women and older residents back into employment through specialist training and paid work experience.

- Our childcare training programme creates apprenticeships at Level 2, providing additional workforce capacity which frees up more experienced workers to study for their Level 3 qualifications.
- The Mayor's Apprenticeship Commitment works with small firms to highlight the benefits of apprenticeships and help them deal with the associated paperwork.
- Our employer engagement team delivers targeted recruitment and training programmes tailored to

live vacancies and large scale recruitment.

- Provide bespoke sector specific ESOL/English/Maths courses. This initiative supports clients who struggle with basic skills as a barrier to securing and progressing in work, as well as Vocational courses.
- Outreach programmes deliver support to clients in various locations (i.e. children centres, Job Centre Plus etc.) to ensure the service is accessible by all.

#### The Tower Project Jobs Enterprise and Training (JET) service

- Is a supported employment service for young people and adults with learning disabilities and autism. Haggerston Perk is London's first Supported Internship Café and was developed by JET Services to support young people with learning disabilities to progress into paid work

in East London's thriving hospitality sector. Haggerston Perk Café was developed by the Tower Project in partnership with the LBTH Enterprise Team, Peabody Housing Association, The Space Group and Climpson and Sons.

#### Public health and the Health and Wellbeing Board

do work on employment and health related initiatives.

- The Tower Hamlets Health and Wellbeing Board vision is to create stronger links between organisations that support and impact people's health and wellbeing and work together with residents to improve the health and wellbeing of everyone living and working in the borough.

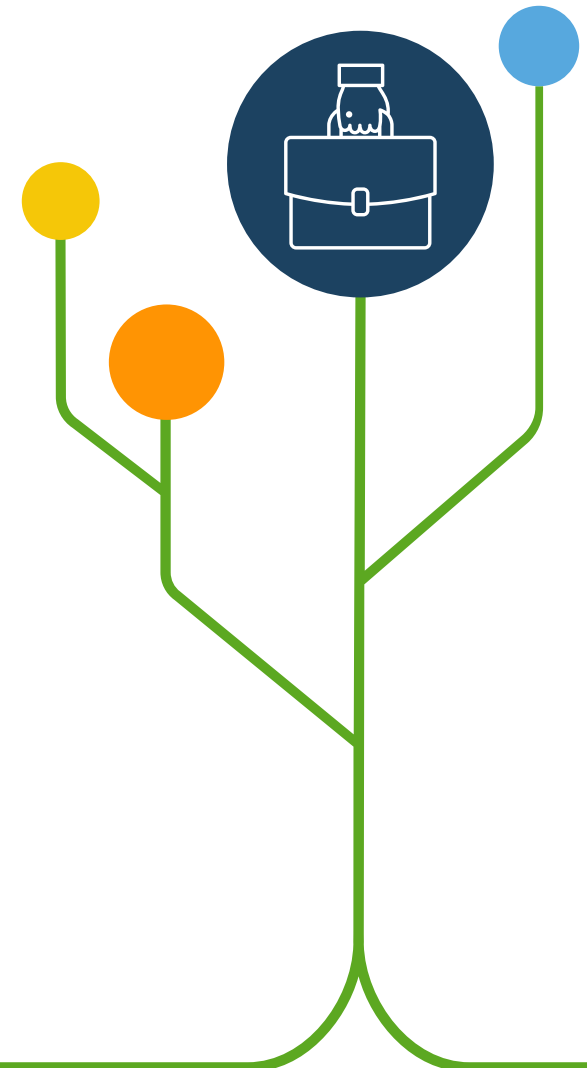
### What will have changed in the five years?

- More than 5,000 people will have been supported into work through WorkPath.
- More than 1,000 apprenticeships will have been created in Tower Hamlets businesses.



### How will we know if it's working?

- Residents access a range of education, training and employment opportunities.
- Residents are resilient/have better control over their lives.
- Residents have improved access to quality employment opportunities.
- Residents are job ready.
- Residents have appropriate competencies and skills.
- Local employers offer job opportunities.
- Employers are able to support employees effectively.
- Fewer families at risk of financial exclusion.





# Priority 3: Creating the conditions for business growth

## What is our challenge?

- Tower Hamlets has a strong economy but it is very much polarised between very large firms and small businesses. Providing the support and opportunity for small firms to grow can create more skilled and semi-skilled roles that allow hard working people with a variety of talents to earn a living wage.
- Historically, jobs that used to fill this function were in the secretarial and manufacturing roles which have disappeared from London since World War Two. However interesting trends in re-shoring short run manufacture together with high levels of entrepreneurship in newer sectors could create a chance to grow this mid-level again. We will investigate how we can accommodate this type of business growth by encouraging the provision of appropriate business space.
- Another challenge for businesses is the upward pressure on renting rates created by the combination of changing demographics and London's thriving economy. This is making some retail and small business processes increasingly unaffordable and requires further exploration about what action can be taken to support businesses.

## Context

- In Tower Hamlets and across the UK, support is generally focused toward start up enterprises, while larger firms particularly in the financial and business services and tech sectors have the resources to buy in specialist expertise. Mid-size companies are often overlooked and unable to get the support that they need.
- Mid-size businesses have a great potential to bring in great revenues and profit and employment opportunities. In Germany SMEs – particularly mid-size businesses that have been enabled to grow – employ the majority of the country's workforce, enjoying robust growth and loyal staff.

## What we are going to do

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- To maximise benefits for local people, the council, with partners, need to provide first class support that will enable Tower Hamlets small and medium size businesses to start, grow and prosper.
- This will be achieved by building on and enhancing our existing support programmes that are already enabling individuals and businesses to address barriers to growth, raise productivity and compete on an international scale.
- We will also review our planning, development and investment policies to maximise the provision of 'grow-on' spaces to retain and attract growing businesses for Tower Hamlets. Being proactive in this area will also serve to enhance our priority of increasing

our business rates income. We will investigate the particular challenges that businesses face as they grow and develop and adopt our enterprise support programme accordingly. We will actively develop our networks of businesses to improve our intelligence on how we can support them further and to help them to connect with each other. We will also explore the prioritisation of particular business sectors.

## What are we already doing?

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- Implementing a programme of business support for Tower Hamlets businesses and entrepreneurs.
- Developing a Workspace Strategy to sit alongside the Local Plan and inform the provision of workspace in new developments.

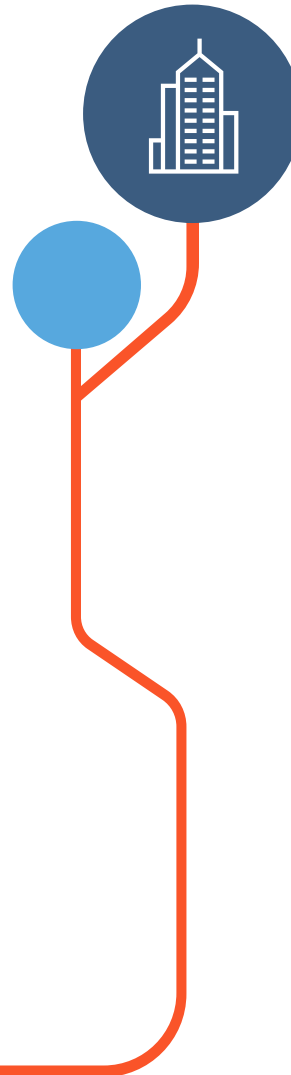
- Implementing the High Street and Town Centres Strategy. This strategy sets out a vision and detailed programme of support for the borough's town centres and high streets. The overall vision is that by 2020 Tower Hamlets will have competitive and dynamic high streets and town centres that are places at the heart of the community, which celebrates our East End heritage, support local economic growth and enhance the health and well-being of people who live in, work near and visit our borough.
- Improving our ability to secure local employment through s106 agreements with developers building in our borough.

## What will have changed in the five years?

Tower Hamlets will have more small and medium sized firms with between 20 and 100 employees.

## How will we know if it's working?

- Our new enterprise programme will be up and running and supporting firms with growth potential.
- Tower Hamlets' policies and strategies will reflect the need for grow-on space.
- At least one major development including grow-on space will be seeking planning approval.



# Implementation and monitoring arrangements

The progress of identified actions and indicators will be monitored through the council corporate performance monitoring process.

The Growth & Economic Development Partnership Board is a sub-board of the Tower Hamlets Partnership. The board works in partnership to understand, facilitate and promote a dynamic local economy in Tower Hamlets with high levels of growth benefitting local people and businesses.

The board will monitor the progress of identified actions.

Furthermore, this plan needs to be understood in the context of the Tower Hamlets Local Plan. What has been proposed has been referenced in parallel with the Local Plan and we will be working with our partners to develop and deliver the issues raised in this plan.

