



Mayor's Economic Development Strategy

This briefing updates members on the content and rationale of the Mayor's economic development strategy, designed to ensure 'good growth' in the capital.

Overview

The Mayor's Economic Development Strategy (EDS) was published in December 2018. It describes what the Mayor sees as the challenges facing the capital's economy and sets out a policy framework designed to 'create a fairer, more inclusive economy that works for all Londoners'. It focuses on:

- 1) Ensuring that growth benefits all Londoners through skills, employment, health and housing policy interventions.
- 2) Improving the infrastructure which underpins growth, including workspace, transport and skills support.
- 3) Supporting specific growth sectors such as culture, tech, life sciences and financial services.

Analysis

The EDS is made up of several documents. These are:

- 1) The full [Economic Development Strategy](#), which sets out the Mayor's vision for London's future economy.
- 2) The [Implementation Plan](#) which sets out the actions the Mayor will take to deliver this vision between 2018-2023.
- 3) The [Economic Evidence Base](#).
- 4) The [Integrated Impact Assessment](#) of the draft EDS, which evaluates the environment, health, community safety and equality impact of the strategy.

A substantial and wide-ranging document, the EDS outlines the Mayor and the GLA's understanding of London's current and predicted economic challenges and opportunities, before setting out a vision for 'good growth' in the capital. This policy framework both describes the actions that the Mayor will be taking and then makes recommendations for public sector partners. The document also strongly makes the case for further devolution to London government.

The Mayor describes London as one of the most successful city economies in the world and the engine of the UK economy. But it is a city with significant inequalities and the lowest reported wellbeing in the UK. London has the widest income gap in England – 10 per cent of households in London own 50 per cent of the capital's wealth. Brexit, productivity and an expanding population are identified as key challenges over the coming years.

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The strategy seeks to tackle these challenges in three ways. It focuses on:

- 1) A fairer, more inclusive economy - Ensuring that growth benefits all Londoners through skills, employment, health and housing policy interventions.
- 2) Creating the conditions for growth - Improving the infrastructure which underpins growth, including workspace, transport and skills support.
- 3) Supporting London's sectors - Supporting specific growth sectors such as culture, tech, life sciences and financial services.

A fairer more inclusive economy

This section focuses on the concept of 'good growth' – how economic equality and economic prosperity build on each other. It argues that the capital's success needs to be felt by all Londoners, and that inclusive growth must be achieved through: improving access to world class education and skills provision (including early years); overcoming barriers to work; increasing the supply of affordable housing and decreasing the cost of living; improving fair pay and employment practices, building socially integrated public spaces; and creating healthier, safer and more inclusive communities.

The Implementation Plan highlights the devolution of the Adult Education Budget, the European Social Fund, the Good Growth Fund, the Good Work Standard and the London Living Wage as key drivers of this vision. Further actions include the launch of the [Healthy Early Years London Programme](#), the delivery of three [Early Years Hubs](#), the careers advice and work experience scheme for young people [London Ambitions](#), the Digital Inclusion Strategy and the publication of an action plan for an all-age career offer.

The strategy calls for government to:

- Support the London school and college system to increase teacher numbers and provide adequate funding for London schools and colleges.
- Make available adequate funding and capital for local authorities to provide sufficient childcare.
- Devolve further powers over 16- 18 skills provision and careers services.
- Devolve further powers and funding in recognition of London's housing challenges.

The Mayor also calls on local authorities to:

- Extend business rate discount schemes for Living Wage accredited employers.
- Promote healthy and sustainable food through policies such as food poverty actions plans and health food retail plans.
- Engage with local communities in developing economic development strategies, Local Plans, town centre strategies and other growth plans.

Creating the conditions for growth

This section looks at the physical, digital and social infrastructure needed to deliver growth and tackle the economic weaknesses identified in the EDS. Space for business and work (including protecting office and industrial space), strong town centres and high streets, transport, infrastructure, innovation and skills and enterprise and entrepreneurship are all identified as key aspects of delivering this, and the document sets out the Mayor's vision in

each of these areas.

Key actions that will be undertaken as part of this include the establishment of a new £100 million Greater London Investment Fund to provide debt and equity finance to businesses seeking to scale up, business support through the [London Growth Hub](#) and the delivery of the [International Business Programme](#). Other schemes include the Transport for London Accelerator Programme, the London Health Streets Approach, the creation of a London Trade Plan and further investment in new transport schemes such as Crossrail 2. The Mayor also announces the establishment of an Infrastructure High Level Group to improve the planning, coordination and delivery of infrastructure in the capital.

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The strategy calls for government to:

- Review permitted development rights for the conversion of office space to residential.
- Formalise a way for small business in large open plan environment to claim small business rate relief.
- Transfer commuter rail services from the Department for Transport to TfL.
- Take forward new aviation capacity in the South East without severe environmental impacts.
- Devolve stronger fiscal powers from Whitehall to help address the UK’s underinvestment in infrastructure and incentivise economic growth, including full devolution of business rates.
- Devolve the Apprenticeship Levy.

Supporting London’s sectors

The Mayor has identified sectors he believes are key to achieving a fairer and sustainable future economy for London, and in which he can have a strategic impact by providing leadership and vision. The documents identify areas of existing work which will feed in to this agenda and set out specific mayoral ambitions for future areas of work.

These sectors include:

- Advanced urban services (especially smart city technology) - helping London to work more efficiently as a city.
- Cultural and creative industries – linking to quality of life and London’s international status.
- The financial and business services – which underpin London and the national economy.
- The life sciences – helping to address major healthcare challenges facing society.
- The low carbon and environmental goods and services sector – driving the transition to a low carbon circular economy.
- The tech and digital sector – driving innovation across all sectors.
- Tourism – a key aspect of London’s international profile.

More sectors could be added in future.

As part of this work stream the Mayor commits to developing an Industrial Strategy for London, funding a creative export programme with sector partners and continued working with London & Partners focused on these sectors. He has also committed to working with borough to establish a [London Office for Technology & Innovation \(LOTI\)](#) by April 2019 to solve problems shared by London boroughs and ensure smart technologies and digital services work for the benefit of all Londoners.

Working with the boroughs

The Mayor commits to continuing to work closely with the boroughs, the City of London and London Councils. He also says that he that ‘strongly supports partnership based, cross-border working, such as through London’s sub-regional partnerships and their respective Skills and Employment Boards’. His support for a more integrated health and social care workforce is also noted.

Commentary

The Mayor's Economic Development Strategy sets out the Mayor's desire for 'good growth' in the capital. It draws together several pre-existing strategies, documents and programmes, placing them in the context of a broad vision of an economy designed to deliver opportunities for all Londoners. Although comprehensive, there are some areas which could have had further consideration, most notably how back to work support programmes could work differently to support those furthest from work.

While providing few significant new policy announcements, boroughs should view this strategy as a tool to understand the Mayor's economic vision, and as guide to how the Mayor's strategies interact with each other. The accompanying data and evidence base also provide a rich source of information at London and local authority level, which boroughs may find useful analysis. Progress on the EDS will be monitored through a broad range of indicators made public through the [London Datastore](#).

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Links:

[The Mayor's Economic Development Strategy \(LEAP website\)](#)

This member briefing has been circulated to:

Portfolio holders and those members who requested policy briefings in the following categories: Economic Development