

Subject: Economy Committee Work Programme

Report to: Economy Committee

Report of: Executive Director of Secretariat

Date: 14 July 2015

This report will be considered in public

1. Summary

1.1 The Committee receives a report monitoring the progress of its work programme at each meeting.

2. Recommendations

2.1 **That the Committee notes the amendments to the scope of its site visit in September.**

2.2 **That the Committee delegates authority to the Chair, in consultation with party Group Lead Members, to agree the Committee's submission to the London Fairness Commission.**

2.3 **That the Committee agrees the scope for the October meeting on London's flexible labour market.**

3. Background

3.1 The topics listed below have been agreed as priorities for the Committee's work programme during 2015/16:

- **Mayoral programmes and commitments on economic issues.** The Committee will continue to scrutinise the Mayor's economic programmes and commitments, including those related to apprenticeships, the London Living Wage and job creation.
- **The role of the third sector in employment and skills programmes.** A separate paper sets out the remit for this work.
- **London's flexible labour market.** The Committee will explore the changing nature of London's economy and labour market and the impact of the changes for London's people and businesses.
- **Food poverty.** The Committee will continue to follow up on the Assembly's previous work on food poverty in the capital.
- **Connectivity.** The Committee will revisit the barriers to digital growth in London, building on previous work relating to digital connectivity.

- 3.2 Other issues that may be included in the work programme include childcare, parental employment and availability of office space. The Committee will also publish its final report on the risks to the London economy from climate change.

4. Issues for Consideration

4.1 The development of London's digital economy is being inhibited not only by poor connectivity, a priority concern for business and the London Enterprise Panel, but also by a significant shortage of skilled workers. Meanwhile, young Londoners are struggling to find opportunities in the tech sector as they are not equipped with appropriate skills, education or access¹. The scope of the Committee's informal site visit, on 10 September, has therefore been broadened to explore the reciprocity of the relationship between Londoners and London's digital economy. The objectives of the visit will be:

- To investigate how the tech sector is rising to the challenge to develop skills, particularly among young Londoners and long-term unemployed people, to ensure that Londoners benefit from the capital's digital growth.
- To uncover the barriers which businesses in the tech sector face in trying to tackle this issue.
- To explore the impact of the Mayor, LEP and others' interventions to support technology skills training for Londoners, and to identify what actions they might take to ensure Londoners benefit from the growth of London's tech sector.

4.2 The London Fairness Commission has been established to explore Londoners' understanding of fairness and what should and/or could be done to promote fairness and address inequalities in the capital.² The Committee has previously produced a number of reports relevant to the inquiry. Therefore an Economy Committee submission would identify relevant reports, recommendations and the responses to date. This could include relevant elements from recent Economy Committee work on:

- Adult careers services
- Parental employment
- Low pay and the London Living Wage
- Food poverty
- Internships
- Personal problem debt

The submission could also reference relevant reports from other Assembly Committees, subject to their agreement.

4.3 While London's economy has struggled to recover from the 2008 recession, we have seen an unexpected strengthening of London's labour market. Much of this increase has been attributed to an increase in flexibility, enabling the city to absorb a larger workforce. However the majority of flexible jobs are towards the lower end of the pay distribution³ and lack the stability of a permanent contract. And there are concerns about in-work poverty levels and poor working conditions for those employed on a flexible basis. Finally, productivity in the city has not increased as might be expected, and it has been suggested that this may be linked to the changing employment trends.

¹ Centre For London, *This is for Everyone*, 2015

² <http://londonfairnesscommission.co.uk/about-us>

³ EY ITEM Club *Special Report on the labour market*, 2015

An Economy Committee meeting in October would explore this complex issue: looking at the wider economic context and seeking to identify the advantages and disadvantages of a flexible labour market for London's people, businesses and the wider economy.

- 4.4 Topics for discussion at later meetings will be proposed for agreement by the Committee during the course of the year. This table will be updated in subsequent reports to the Committee.

Meeting Date	Main discussion
18 June 2015	Role of the third sector in employment and skills programmes
14 July 2015	Role of the third sector in employment and skills programmes
10 September 2015	Informal site visit to explore London's digital economy
15 October 2015	London's flexible labour market
24 November 2015	To be decided
08 December 2015	To be decided
21 January 2016	To be decided
24 February 2016	To be decided
15 March 2016	To be decided

5. Legal Implications

- 5.1 The Committee has the power to do what is recommended in this report.

6. Financial Implications

- 6.1 There are no direct financial implications arising from this report.

List of appendices to this report:

None

Local Government (Access to Information) Act 1985

List of Background Papers: previous minutes of Economy Committee

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