

**Jenny Jones AM**

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Date: 18 September 2014

*Sent via email*

Dear Jenny,

**The Economy Committee's response to Economic Development Plan emerging themes**

Firstly, thank you for your letter of 28 August 2014 outlining the Economy Committee's response to the London Enterprise Panel's Economic Development Plan ('the Plan') emerging themes as presented to the Committee on 17 July 2014. We are pleased that you have been able to review and comment on the themes as this will be an important document for directing the LEP's priorities over the coming months and years.

Before I address each of your points, it is worth clarifying that the EDP does not seek to replace the Mayor's statutory Economic Development Strategy (EDS) – instead we hope that the EDP will inform and shape any future iteration of the EDS, particularly from a business perspective. We specifically commissioned the Plan to provide an economic evidence base for actions that we, as the London Enterprise Panel, can take to drive jobs and growth in the capital. Although the EDS sets the framework for the Plan, it has a wider canvas including objectives such as spreading opportunity for all Londoners and transforming London into a low carbon capital.

**Diversity of London's Economy**

As the Economy Committee will have noted at its July meeting, the evidence and analysis presented identified the creative, technology and tourism sectors as the key emerging growth platforms and your suggestion that the tourism element be cross-referenced with the Mayor's Cultural Tourism Strategy is well made. Officers will be ensuring that this is done as the Plan moves through to publication. In terms of construction, this was not identified as one of the top growth platforms for jobs and growth but does remain a priority within the London Enterprise Panel's current work streams – most notably we have recently provided £1m grant funding to the Construction Industry Training Board (CITB) to increase jobs and growth in this sector. We also continue to take an active role in facilitating dialogue between construction sector employers, London's boroughs, Further Education providers and central government in order to help Londoners obtain the skills that the construction sector will require over the coming years. Officers are very happy to give you some further information about this work on request.

You also ask us to reconsider a role for manufacturing, particularly the role of green manufacturing, in the London Economy. The evidence does not support manufacturing as a major growth area for the Plan to prioritise, although I agree that there is potential for manufacturing to grow in London. As you know, work to develop the Plan has been project managed by London First with McKinsey & Company undertaking the evidence gathering and analysis. Where a strong case can be made for investment in manufacturing, the LEP will do what it can to support the sector, within the Panel's limited resources. For example, the LEP has allocated £7.7m to the Central Research Lab initiative at the Old Vinyl Factory in Hayes to support new manufacturing start-ups.

With regards to skills and employment generation, this is already embedded into everything that the LEP works towards and as we move to publication of the Plan and start developing our subsequent implementation plan this should become even more apparent.

### **Digital Economy**

As mentioned above, the role of the high-tech sector is supported by our evidence and is already a key priority for the LEP. You will know that we have a dedicated Digital Creative, Science & Technology Working Group and they will be very much involved in developing the action plan to ensure that we address some of the concerns you identify such as affordable workspace and skills shortages. The LEP's SME and Skills & Employment Working Groups also continue to lead work in these areas and you may be interested to read our very recently published research report entitled '[Supporting Places of Work: incubators, accelerators and co-working spaces](#)'. As a result of recommendations made in the report, an [online interactive map](#) to make IAC spaces visible to Londoners has been published and an Open Work Spaces Providers Group is being set up to represent the network and the different types of providers which we hope will bring together the relevant experience and skills to support London's future development of workspaces including incubators, accelerators, co-working and maker spaces as well as Artist Studios.

The London Enterprise Panel has emphasised the issue of internet connectivity and are pleased to see further action from the Mayor on this matter recently – indeed, I attended a Connectivity Summit, chaired by Sir Edward Lister, along with all of the key players in the field on 17 September 2014. I am also pleased to see that a taskforce (as recommended by the LEP at its last meeting) is being established. We look forward to hearing an update on this work at our next meeting in October 2014.

### **Climate change and low carbon economy**

As indicated above, the low carbon economy was not identified as one of the top economic drivers for London's future. This does not detract from the Mayor's vision to make London one of the world's leading low carbon capitals by 2025 but he is much better placed to drive this forward through the GLA and to respond on his targets as set out in his EDS. We will of course be interested in receiving your report as we do recognise the importance of this sector and are keen to embed the Mayor's aims into our work where there is a strong economic case to do so.

### **London Living Wage**

We recognise that the London Living Wage is fundamental to the Mayor's economic agenda for London and we agree that it is right that the skills and commitment of workers who contribute so essentially to London's economic success are appropriately recognised and rewarded. GLA officers advise me that over 400 employers are now

accredited as paying at least the London Living Wage rate to direct employees and contractors and work is continuing to expand the reach of the initiative across sectors. The recommendations of the Economy Committee's review 'Fair Pay: Making the London Living Wage the Norm' have been noted by the LEP and we understand that, where relevant, these have been incorporated into the work plans of the GLA and Living Wage Foundation in London.

### **High Streets**

We understand the importance of high streets and are supporting high streets and other places of work through activity being developed as part of the £70m programme agreed through the Growth Deal and funded through the borough's New Homes Bonus allocations. Additionally, the LEP is supporting the creation of additional Business Improvement Districts (BIDs) which can act as key drivers for town centre regeneration and reinvigoration of high streets. The LEP also performs an advisory, rather than leading, role in terms of the GLA's work to support high streets and places of work and is very supportive of the contribution that our high Streets do and can make to the economy. We have recently promoted the Mayor's 'Summer of High Streets' at our regular stakeholder engagement events and I am sure GLA officers would be more than happy to provide you with further information should you wish.

### **Monitoring**

The LEP's Jobs & Growth Plan Implementation Plan is monitored by the LEP and its working groups and is published on the website in advance of each relevant meeting to ensure appropriate oversight. Once the Economic Development Plan has been finalised by the LEP we will be examining ways of amending our current monitoring arrangements to take account of the EDP's insights.

I understand that the Mayor will be responding separately with regards to your concerns with the consultation process and the relationship of the EDP and the EDS.

Best wishes,



### **Harvey McGrath**

Deputy Chair, London Enterprise Panel

**Cc.** Boris Johnson, Mayor of London and Chairman of the London Enterprise Panel  
Kit Malthouse, Deputy Mayor for Business and Enterprise and Deputy Chair of the London Enterprise Panel

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