

Towards a Better Newham

Covid-19 Recovery Strategy



People at the Heart
of Everything We Do

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Mayor's Foreword



We are at a critical moment in Newham. Covid-19 has laid bare the endemic inequality that exists in our borough and wider society.

And it has exposed the increased vulnerability of those most socially and economically deprived. The disproportionate impact of the virus in places scarred by deprivation and in communities enriched by diversity, has hurt our people.

We know clearly, if we ever needed a reminder, that poverty and race inequality lowers your life chances. It manifests in Covid-19 mortality rates, in health inequality, in jobs that expose the precarious daily choices being made by so many of our residents simply to earn a living.

The monumental impact that Covid-19 has wrought on our lives and ways of living, requires a radical rethink and bold interventions to accelerate change in Newham for the better. It will require more investment and adapting of our existing programmes and resources. It will also demand from all of us a range

of behavioural changes and a readiness for future disruptions of whatever kind: another virus, climate change or something not yet known to us.

This moment must be seized as a catalyst to initiate a sea change in the agenda we started in the borough two years ago when I stepped into office through our Community Wealth Building agenda. We must accelerate the new methods and collaborative endeavours that were initiated by a global pandemic of unprecedented proportions.

Newham's Covid-19 Recovery Strategy, as set out in this report, is a fundamental shift to embed an economy which places the health and wellbeing of our residents' and race equality central to our aspirations of inclusive growth, quality jobs and fairness in Newham.

That's why, as we reimagine a better Newham, economic security, health, equality and the environment will be the focus of our rehabilitation and recovery.

A handwritten signature in black ink, reading 'Rokhsana Fiaz' with a stylized flourish at the end.

**Rokhsana Fiaz OBE
Mayor of Newham**

July 2020

Introduction

Now is an important moment for Newham and its economy. In the face of the Covid-19 crisis and as we work towards recovery, we need to re-think the type of economy we want for our people and in our borough.

The pandemic has highlighted the increased pressures for household and family life, challenges for children and young people not least with the interruption of school life and the deep economic impact which will have damaging mental and physical health impacts as well as long term economic affects.

Issues of poverty, financial isolation, inequality and disproportionate impact on black and minority ethnic populations, have been brought into sharp focus by Covid-19. This has led us to the point of recognising the need for a step-change in the Council's approach, focussing upon quality of life and wellbeing for those who have been hit so hard.

The Covid-19 pandemic has once again shown us that the traditional approaches to developing and supporting the economy are not working well enough for Newham. It is why we have adopted community wealth building, driven by our inclusive economy strategy, which sits at the heart of council policy, building on the principles of economic, social and environmental justice so that long-term prosperity, fairness and wellbeing can be embedded for all residents in the borough.

As we navigate our way through the current crisis and contend with the impending recession, we need to act to shape the economy that we want in light of this new reality; one that works for our residents and delivers a place where communities, no matter what their background, share the benefits of a strong and vibrant economy as we build a better Newham through a recovery strategy that sets the foundation for doing this.

The economic and psychological impacts of both the pandemic and subsequent recession will have a fundamental and lasting impact on the borough. We must make sure that our response is not only to the immediate challenges but addresses the underlying conditions which have led to us being one of the most impacted places in the country.

In developing this strategy and our response, we have had to contend with lasting impacts of austerity and a national Covid-19 response, which does not do enough for our residents. As such, we need to adapt existing budgets and resources as well as continuing to lobby government to ensure they understand the long-term impacts of their policy on our borough. As we do this, we not only appreciate our challenges set out here but also recognise our strengths. Newham has one of the most entrepreneurial, diverse and young populations in the UK. We are as connected globally as we are to other parts of London and the UK.



Whilst we are realistic about the current position, we are optimistic that we have the foundations to create a more positive and fair economy.

Our recovery and reorientation strategy



Our strategy is focussed upon two distinct stages of activity: recovery and reorientation.

Recovery focuses upon the next 12 months, a period where we will need to respond to sustained challenges for individuals and businesses.

Reorientation will follow, the time when we start to make more fundamental changes which help us create the inclusive economy we want: an economy which addresses the inequalities - including race inequalities - which exist, as well as tackling the poverty and deprivation that too many of our residents still face. The explicit focus is the needs of our residents; we will ensure that they have everything they need to deal with the challenges of recession and thrive as our economy recovers. We will support an activity which directly contributes to our residents leading more healthier, prosperous and happy lives in Newham.

This is not, however, a fresh start for us. The actions in this document are routed in the principles and aspirations of our Community Wealth Building Action

Plan and Inclusive Economy Strategy. For this reason, we are positive that the strategy set out here can inform the early stages of a better future for Newham.

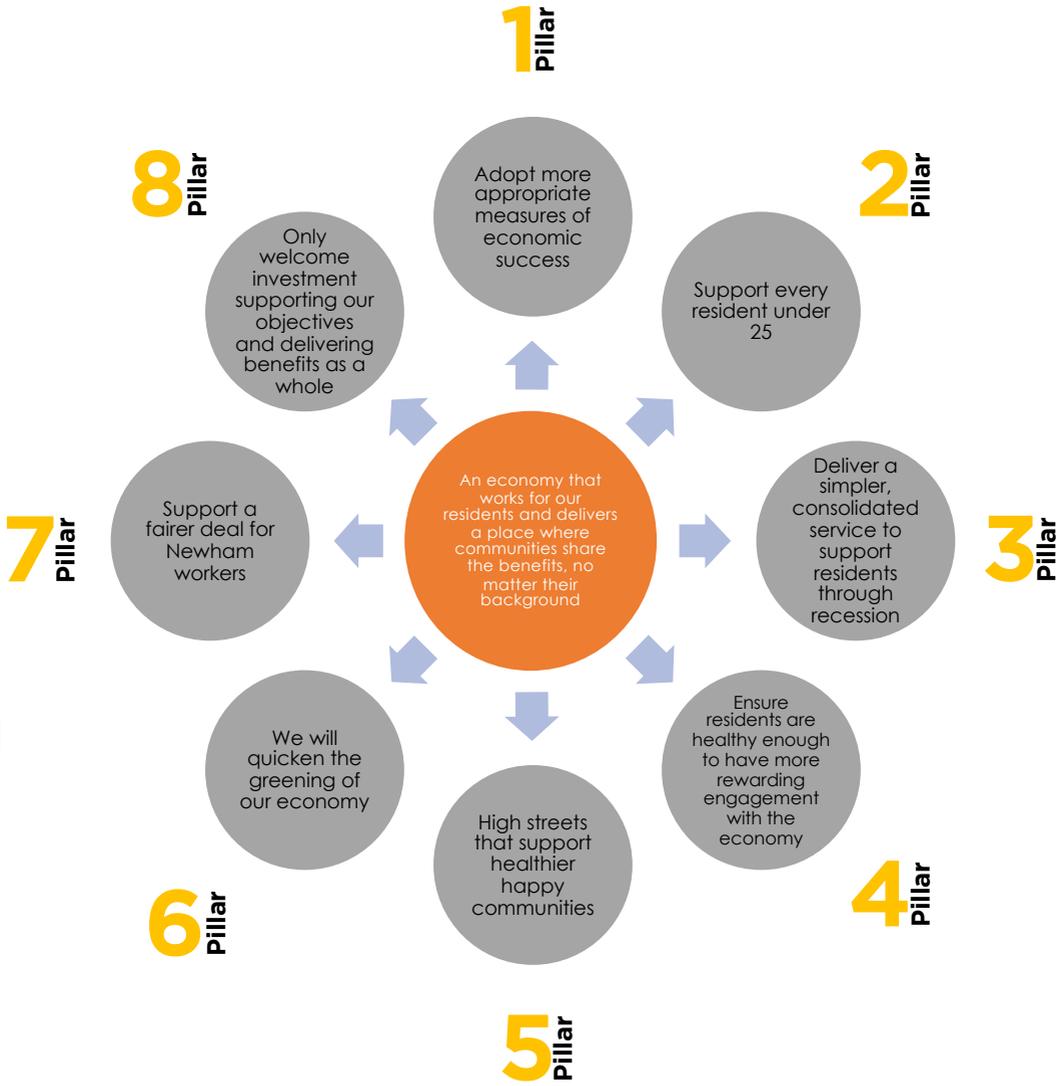
Racial and geographic imbalance

- The employment rate for different Black, Asian and Ethnic Minority (BAME) groups is between 65% and 80% of that for white British residents
- Four Newham wards are in the bottom 10% in London for overall quality of life (Forest Gate South, Custom House, Canning Town North and South)
- Notwithstanding the mobilisation of the sector during the pandemic, Newham has the lowest level of formal participation in volunteering civil society activity of any London borough.

Historic lack of high quality jobs

- The proportion of jobs within knowledge-based activities is half that of London
- The proportion of high growth (scale up companies) in Newham is one fifth of the national average.

The eight pillars of recovery



Where are we now?

The impacts of Covid-19 should not be seen as distinct or different to the inherent challenges that have affected the borough over recent decades. In developing this strategy, we have considered both.

Recovery - responding to the impacts of Covid-19

Covid-19 has brought distinct and stark challenges, which places Newham as perhaps the most impacted borough in London.

- The Covid-19 mortality rate in Newham (196 per 100,000) is the second highest in the country. It has touched all parts of the borough but has been most significant in our most deprived neighbourhoods

- We have 102,000 residents on furlough, or unemployment benefits - 35,000 more than our neighbours, Tower Hamlets and Hackney, and around the same as Kensington & Chelsea, Kingston upon Thames, Richmond, Westminster and the City of London combined

- Since February the claimant count has increased by almost 200% (even before the end of the Job Retention Scheme)
- Based on the government's current economic scenario, 42,000 jobs in Newham could go in the next recession.

Covid-19

has had biggest impact on Newham

102,000 residents on furlough or unemployment benefit



Almost **200%** more claimants

Reorientation - addressing our fundamental challenges

The impacts from Covid-19 have their roots in the well-known and embedded challenges we need to overcome if we are going to create the economy we want. These include:

Historic low incomes

- 49% of Newham households are classified as living in poverty
- 52% of children grow up in low income households
- Average earnings are £6,000 below the London average; 1 in 3 residents earns less than the Living Wage
- Gross disposable household income is less than £20,000 per year - this is 66% of the London average.

49%
living in poverty



Racial and geographic imbalance

- The employment rate for different BAME groups is between 65% and 80% of that for white British residents
- Four Newham wards are in the bottom 10% in London for overall quality of life (Forest Gate South, Custom House, Canning Town North and South)
- Newham has the lowest level of formal participation in volunteering civil society activity of any London borough.

Limited high value business activity

- The proportion of jobs within knowledge-based activities is half that of London
- The proportion of high growth (scale up companies) in Newham is one fifth of the national average.

£6,000
below average
earnings



What we're going to do: the eight pillars of recovery and reorientation in Newham

Our strategy is designed to be as simple and understandable as possible. It's built around eight pillars of activity, focussed on both phases of recovery and reorientation.

We have looked at the best projects from around the world and have come up with a programme of activity which we believe will be genuinely impactful and can change Newham's economic story.

1 Pillar

We will adopt more appropriate measures of economic success, prioritising prosperity, personal wellbeing, health and happiness, ahead of the traditional government endorsed measures of growth, productivity and land value uplift.

Economic analysis has for years focussed on measures that are increasingly irrelevant to people's lived experiences and belie the everyday experiences of our neighbourhoods and communities. Refocussing upon the needs and wellbeing of our residents means that we can make better choices in the future and create a fairer economy.

Recovery

We will be the first borough in London to formally focus on livelihood, wellbeing and happiness as our prime measure of economic success. We will establish new core measures which we will adopt to do this and will report back on how we are doing, making insights available to our partners and communities.

Reorientation

We will change the way we make decisions about our economy, using new and better information. We will partner with the UCL Institute for Global Prosperity to continue their long-term tracking of prosperity in the borough, using this and other evidence to develop wellbeing spending budgets. We will expect all projects and partners to respond to this, reporting upon these measures and tell us how they will contribute.

What residents can expect

- A focus on an economy which better reflects their daily experience
- Clear information on how the Council is doing in delivering against its economic objectives.

Inspiration

New Zealand has replaced GDP with focussing upon the wellbeing and happiness of its population as its principle measure of economic success.

2 Pillar

We will support every resident under 25 to participate in positive activity which supports their long-term prosperity.

Newham is a young borough and young people (particularly those from low income households) will be hardest hit by the recession. We need to positively discriminate in their favour and enhance the support available to them.

Recovery

We have established the new Youth Empowerment Fund, which will directly support young people to overcome barriers to economic participation and training. We have developed an innovative new apprenticeship partnership with Newham College (supporting opportunities in digital, health and science and engineering amongst others). We will also pilot new paid internships to give young people access to new career experiences, whilst still providing them an income.

Reorientation

We want young people to drive our long-term change. We will develop a new enterprise commitment, which will provide space and support for any young person with a new business idea. Through this, we will nurture a new generation of entrepreneurs who will become the future engine of our local economy.

What residents can expect

- A consistent and supportive partner in starting a career or a business.

Inspiration

Business Launchpad helps London youth to build enterprise skills, overcome barriers and become leaders to set up their own business. In Brixton they have taken on space in a vacant public sector building to offer free space and support the local young people with business ideas.

3 Pillar

We will develop a consolidated service to ensure that all residents can access the support they need to cope in recession and thrive in our new economy.

We will capitalise upon the structures we have developed to deliver Newham Workplace, which is London's largest employment brokerage programme, to directly meet the needs of residents. This will be about more than just matching residents to jobs, recognising the range of issues which impact upon members of our communities in a recession.

Recovery

We are already remodelling Workplace and will ensure that it's ready to focus upon the direct needs of residents, particularly as the government's Job Retention Scheme comes to an end. The new service will act as an umbrella for vital Council responses, such as MoneyWorks, as well as providing information and referral on government and London wide support services.

Reorientation

A rebranded, reoriented, and renamed Workplace will be at the heart of our new approach to economic development and support. It will be our community wealth building hub, providing outreach and access for all residents, linking them to opportunities in a more locally focussed, mutually beneficial economy.

What residents can expect

- A supportive partner through difficult economic times
- A clearer route to support and information.

Inspiration

Bologna has refocussed upon resident participation and need through its 'urban commons'. A new Office for Civic Imagination has enhanced collaboration between the city, university, and local residents, linking residents not only to work, but training and a collective conversation about the future of the city.

4 Pillar

Ensure that residents are healthy enough to have more rewarding engagement with the economy.

Our health is our wealth

If people are not healthy, they cannot be productive and engage with opportunities; this is economics at its most basic. We recognise that to build an economy which delivers wellbeing, happiness and prosperity, we need to address long-term health issues within the borough, breaking the vicious cycle of poverty and ill health as a first step to economic participation.

Recovery

Our first order of business is to continue to address the physical and psychological issues associated with Covid-19.

As we work through this task we will bring the implementation of our new strategy and action plan for public health, 50 Steps to a Healthier Borough. This provides practical commitments, the majority of which can link to the improved economic outcomes. We will develop a plan with a focus on the links between health and good employment, include opportunities for income maximisation, debt support, welfare rights and legal advice, influencing the delivery and referral activity of the remodelled Newham Workplace.

Reorientation

We will further develop links between the formal provision of health services and economic opportunity. We will develop new models of social and economic prescribing that link residents to opportunities and training as part of their health care. We will also seek to establish new intermediate labour markets, which provide a softer return to work for those who have suffered with ill health.

What residents can expect

- Clearer routes from ill health to positive economic activity.

Inspiration

Volunteering in Blackburn has been chosen as the focus for social prescribing in the belief it leads to more long-term benefits than other activities. Patients are linked to positive civil society opportunities through a partnership with the local CVS. 80% reported an improvement in overall wellbeing and two thirds felt they had improved their chances of finding work.

5 Pillar

We will support the development of high streets that deliver essentials for healthy and happy communities.

We have six town centres and 13 local centres, each of which can play a vital role in providing the social connections, goods and services to support residents' essential needs. We will strive to ensure that these places are the physical embodiment of stronger more engaged communities. Where necessary, this will mean moving from not just being centres of commerce and transaction, but also being more effective centres of community and civic activity.

Recovery

We are already mapping the social value and civic functions of our town centres to make sure they have the spaces and facilities to serve their local area. Where gaps exist, we are identifying owned buildings which can support more generative activity.

Civic activity will support town centres and enable businesses with an offer that benefits local communities to thrive and recover from the economic impact of Covid-19. Building upon our work in partnership with GLA at Green Street, we are identifying new ways that our local centres can be the physical locations where people can play a more active role in area governance – one of the key recommendations of our Democracy Commission.

Reorientation

We will adopt a new inherent foundational approach to high streets and local centres, where local needs, diverse culture and civic participation are the drivers of success. We will improve walking, public spaces and transport links to local centres, embedding the principles of 15-minute neighbours in our planning.

What residents can expect

- Accessible high streets which support daily needs
- More opportunities to meet, talk and celebrate.

Inspiration

Paris is embedding the principles of 15 minute neighbourhoods in all of its local centres to ensure that all social, civic and economic essentials can be reached within a 15 minute walk and cycle ride.

6 Pillar

We will quicken the greening of Newham's economy, capitalising on local 'sparks' to support evolution as London's greenest economy.

The future economy will be greener and more environmentally responsible. We have the land, political will and a pipeline of investment which leaves us well placed to capitalise this. We do not want the economy to return as it was before, so we will need to bold and focus upon the activities and businesses which will help us achieve this. In thinking about how we measure success, we will need to recognise the environmental limits to growth and act upon this.

Recovery

Initial pilot projects are being developed and delivered including a new focus upon circular economy whilst new investment in the Royal Docks is focussing specifically upon the green economy. To develop this further, we will launch an innovation

Challenge Fund to support new approaches to Newham's most significant issues, including climate change. We will continue the climate emergency conversation, as well as supporting residents to retrain and develop their skills to better participate in the green economy.

Reorientation

We will lead in the borough, supporting the development of greener homes and raising expectations of our supply chains and partners. We will seek to develop new educational facilities which support workforce transition to a new, greener economy. We will develop new models of green business support and look at long term ways of driving new investment and finance in Newham's green entrepreneurs. We will scale pilot activities, making green activities and sustainable development principles a central point of a new normal in our business base. We will catalyse a range of pipeline investments and events to create focus upon green technologies and eco provenance.

What residents can expect

- New opportunities to engage with jobs of the future
- Support to develop your ideas and work in a new green economy.

Inspiration

The Green Bronx Machine in New York is a school-based programme using urban agriculture and key school performance indicators to grow healthy students, develop their business skills, all the while building greener communities.

7 Pillar

We will get a fairer deal for Newham workers, making sure work is rewarding and enjoyable for those employed in the borough.

With very low incomes, and statistically low levels of quality of life, Newham is not providing either the reward or the experiences which we want to offer workers. We want to support all employers to give workers a better deal in terms of their working conditions, compensation and quality of life.

Recovery

We are working to support new ways of working and ensuring that all employers in London sign up to the London Living Wage. We have high expectations of developers and investors coming into the borough, asking them to develop their own community wealth building plans which support companies to offer better terms for their staff.

Reorientation

We know there are gaps in provision and groups of workers and sectors which could benefit from improved organisational practices. In particular, we want to support those in the borough who are working in the gig economy to organise to get a better deal. We are developing new approaches to cooperative development to address areas of work in Newham which are unfair and ensure greater ownership of our new economy.

What residents can expect

- A supportive partner through difficult economic times
- A clearer route to support and information
- That we will work with our partners to provide meaningful work experience placements for all our young people
- The borough will build capacity to help residents get jobs in new green industries (such as electric vehicle maintenance), in building the borough's 1,000 new affordable homes and in retrofitting residential and commercial properties
- Maximised opportunities to benefit from any government Covid-related funding supporting creation of new jobs
- Access to a new employment rights service
- That they will be supported to set up new businesses and develop existing ones.

Inspiration

CoopCycle is a federation of bike delivery co-ops, focussed upon gig economy workers. Governed democratically by coops, it enables them to stand united and to reduce their costs thanks to resources pooling. It creates a strong bargaining power to protect bikers' rights.

8 Pillar

We will welcome investment, but only where this supports our objectives and delivers benefits to the borough as a whole.

Whilst we are focussing our strategy on the needs of our residents, we still want to bring new investment into Newham. We will, however, do this by working only in partnership with companies and investors who share our social and environmental objectives. We will raise our expectations but also support our partners to do more.

Recovery

In partnership with the Royal Docks team, we are simultaneously launching a £13m Good Growth Fund which will support new projects where they can demonstrate benefits across the borough. Alongside this, we will invite business across Newham to develop business pledges to publicly show how they will tangibly support the Council in delivering against community wealth building objectives.

Reorientation

We will adopt new policy to formally articulate our expectations from investors and developers working in Newham. We will actively partner and celebrate those who are pursuing the highest standards in social and environmental responsibility.

What residents can expect

- New local investment and a stronger connection to the development and change taking place in the south and west of the borough.

Inspiration

The Scottish Government has established the Scottish Business Pledge, which is focussed on equality, fairness and innovation. It aims to be a values-led partnership between government and business that is based on boosting productivity and competitiveness through fairness, equality and sustainable employment. Businesses sign up and are accredited once they have shown they can deliver against three core principles and five other themes which they choose.

Day one: what happens now?

This is the start of a process of fundamental change for the borough – it will take time, but we need to start now. By the end of September 2020 we will produce eight action plans for each of our pillars. Straight away, however, we will deliver the following:

- launch a £13m local Good Growth Fund to support benefits of development and investment to spread across the borough
- launch the Youth Empowerment Fund to give under 25s in Newham the best changes in recession
- complete the redesign and rebranding of Newham workplace to create better of engagement of residents in our new economy
- work with first private sector partners who are prepared to support us through ambitious business pledges
- map council property assets and see how these can be used better to support our objectives
- deliver new high street strategies through trailblazer investments in Green Street and Stratford
- commit to being the first London borough to adopt more appropriate core measures of economic success, with a focus upon wellbeing and happiness.

