

# Community Wealth Building

For a fair and inclusive Newham



People at the Heart  
of Everything We Do



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# Mayor Foreword



Newham is adopting a Community Wealth Building agenda, underpinned by the principles of economic, social and environmental justice so that long-term prosperity, wellbeing and fairness for all our residents in the borough is achieved and our response to the Climate Emergency is progressed.

Our Community Wealth Building agenda will frame the Council's Inclusive Economy Strategy, which is all about unlocking the potential of our borough and our people. That's why we'll be cultivating an inclusive economy in Newham, so that growth is shared locally, fairly and democratically.

When I was elected in May 2018, I pledged that Newham would become a beacon of Community Wealth Building, setting the standard in one of the most prosperous cities in the world by becoming the most economically inclusive borough in London.

As well as attracting growth and investment into the borough, we'll be unleashing the potential of all parts of our community - the potential of our residents, our businesses and our voluntary sector. It is this source of wealth and talent that will drive a fairer and more prosperous Newham and help us address the poverty and inequality that still exists.

Why does it matter? It matters because in Newham we have amongst the highest levels of poverty and deprivation in the country and social and economic exclusion is rife:

- For many of our residents, real term pay is still below the 2008-2009 recession peak and they remain disproportionately affected by insecure employment (ONS 2019)
- Our residents are also on the frontline of the housing crisis, with 48% living in poverty once housing costs are taken into account (NAO 2018)
- Central government continues to limit our ability as a council to tackle these problems, as funding for councils has fallen 50% in real terms since 2010, meaning that we've had to make savings of some £200 million over that period with many services and our residents being affected as a result (NAO 2018).

Decisions at both national and local level, compounded by ten years of diminishing funding for local government and austerity, have left too many of our residents struggling. For instance, many of our residents are stuck in jobs that don't meet their needs and are vulnerable to employment right abuses such as wage and time theft. Too many of our children live in overcrowded or sub-standard housing which affects their health and wellbeing. Too many parts of Newham are contending with a public health emergency due to air pollution. We have a moral duty to change that and through our Community Wealth Building agenda we plan to tackle these issues head on with practical actions and an integrated approach with our partners, residents, businesses and the third sector.

Newham is of increasing importance to the London and national economy. We are globally connected, benefitting from the most diverse population of any local authority in the country with over 100 languages spoken and a flourishing youth population. We are positioned to become strategically important for the growth of industrial capacity in the Capital, which puts us in a unique position to influence the future economic and social evolution of the city.

In the north of the borough, we have seen the emergence of a world-class arts and cultural offer through the East Bank development in Queen Elizabeth II Park. In the south, we have London's only enterprise zone in the historic Royal Docks. Through these developments we are at a historic point to seize new opportunities and shape the borough for the better so that growth is shared locally, fairly and democratically.



That's why our new approach to economic regeneration will be an inclusive economy approach which works for the benefit of all our residents. As the Mayor of Newham, I have been clear that I would make the borough **a beacon of Community Wealth Building** by listening to our residents, involving them in decision-making and taking radical action that makes a difference to their lives.



Here in Newham, we have a proud radical tradition of Labour and trade union activism fighting passionately for social and economic justice to improve the lives of residents in Newham and the wider East End. That's why under my administration, we're determined to continue this tradition having already demonstrated our radicalism by being a campaigning council.

From taking on the banks, we've saved our residents some £143 million in interest payments when we terminated toxic loans with NatWest Bank. We've also kick-started the most significant municipal house-building programme in the borough in response to the housing crisis, including pressing developers to deliver homes at social rent levels that our residents can afford.

Through our Community Wealth Building approach, we'll be joining an international movement that spans from Cleveland in the US to Preston in the UK. These places, though geographically very different, are bound by shared ambition of a more equitable society. We are very grateful to the support of the Centre for Local Economic Strategies (CLES) for their support with our bold approach.

Our Community Wealth Building Strategy sets out the bold vision with which we will tackle the injustices our residents face. It will be characterised

by a relentless focus on tackling **poverty in the borough**, and addressing **racial and gendered wealth** gaps that exist. We'll also be applying Community Wealth Building as a key mechanism for responding to the **climate emergency we face**.

We'll be using our purchasing power and influence to keep wealth in our borough through leading on progressive procurement and by becoming a living wage employer, promoting workers' rights and encouraging others to do the same. We'll also be supporting businesses to increase the number of higher skilled, higher paid and better quality jobs that our residents can access so that they and their families are able to thrive. We'll continue to support our young people to have access to the very best opportunities London has to offer, regardless of their background.

Finally, we'll nurture our cooperative sector in the borough which is an integral part of a broader movement for economic democracy nationally.

All these efforts will allow Newham's economic potential to be unleashed.



**Rokhsana Fiaz**  
**Mayor of Newham**



# 1. Community Wealth Building

Community Wealth Building is an approach to economic regeneration, which focuses on enabling measures that support communities to create wealth and retain more of the benefits of economic growth emerging locally (The Cooperative Party 2018). It's an approach that recognises that the way money circulates in a local economy is important and that there's a qualitative element to economic growth that needs to be shaped and directed as well.

Community Wealth Building is also a movement, focused on the local spend of 'Anchor Institutions'. Anchor institutions are enterprises such as universities and hospitals that are rooted in their local communities (Democracy Collaborative 2019). So instead of just encouraging companies to invest in a local area, Community Wealth Building marshals the wealth that already exists (such as public sector spend, the talent and skills of our residents, and the variety of our small businesses) for the benefit of the whole community - but our approach will go far beyond this.

In the past, economic regeneration in Newham has been focused on attracting external investment but it's led to a skewed approach that has failed to address entrenched inequalities that exist, or provide the best outcomes for our residents. So while the employment rate in the borough has increased by 12.4 percentage points over the past 10 years (ONS 2019), Newham residents are still paid £3.13 an hour less than the London average and the borough still features in the top ten local authorities in the country where multiple deprivation remains high (ONS 2018). If we let this approach to economic regeneration continue, we won't tackle the entrenched poverty many of our residents face. That's why we must do things differently and why we must put people at the heart of our new inclusive economic approach.

## Community Wealth Building is underpinned by six key principles:

1. Plural ownership of the economy
2. Making financial power work for local places
3. Fair employment in good quality jobs and just labour markets
4. Recognising the essential link between our resident's health and wealth in the community
5. Progressive procurement of goods and services
6. Socially productive use of land and property

As a local authority with an annual spend of £1.5 billion we have an opportunity, where financially viable, to re-route some of this money into the local economy to extract more economic and social value for our residents and neighbourhoods.

This report illustrates how we'll use our procurement abilities to benefit our local economy and how we will support our residents and businesses to thrive through an exemplary skills offer. We'll also use the opportunities of the huge growth expected in the borough over the coming decade to further advance our response to the Climate Emergency through embedding a Green agenda across the council in line with our Air Quality and Climate Change Strategic Intent strategies.

Our new Community Wealth Building approach comes at a time of unparalleled opportunity and growth in Newham. By 2030 Newham will have 43,000 new homes, 60,000 new jobs and an additional 49,000 residents calling our borough home. We'll relentlessly take advantage of the opportunities available to us to shape our economy for the benefit of all our residents. This means pushing employers for high skilled and good quality jobs, using our planning powers to ensure land is used in the best interests of our residents, building genuinely affordable homes our residents can afford and being on the side of our residents.

This is the source of wealth and talent that will drive a fairer and more prosperous Newham.



## 2. Newham Profile

### People

- Newham's population is currently around 360,000 and experienced a growth rate of 30% from the period 2007 to 2017, double that experienced by London as a whole (15%)
- Newham is also a transient borough, for instance over 15% of the population either moved in or out of the Borough in 2017 alone
- Over the next ten years Newham will account for 30% of London's population growth
- The borough has a flourishing youth population with 24.6% of the resident community under the age of 18 years (ONS 2018)
- With the most diverse population in the entire country, Newham's Black, Asian and Minority Ethnic population represent 72.5% of the borough's residents and over 100 languages are spoken with English being the most common followed by Bengali, Urdu and Gujarati (GLA 2019).

**24.6%**  
young  
people



over  
**100**  
languages  
spoken

### Housing, Health and Air Quality

- Almost half of Newham's homes are in the private rented sector, where rents rose 56% in between 2012 and 2019
- When housing costs are factored in, 49% of all households in the borough are living in poverty
- Newham's Local Plan aims to enable the delivery of at least 43,000 homes between 2018 and 2033 and 39,000 to 60,000 jobs in that same time
- The Council will start building at least 1,000 new council houses at genuinely affordable social rent levels by 2022 and we are on track to start building 1,056 new council homes by March 2022
- In 2019, over £107 million in grant funding was awarded to Newham by the GLA to help the Mayor of Newham deliver her housing pledge - the highest allocation to a council in London
- Newham residents are exposed to high levels of toxic pollution, causing the highest rate of deaths in England - amounting to 96 people dying prematurely each year (PHE 2019)
- Healthy life expectancy at birth is nine to ten years less in Newham than for England's healthiest areas (PHE 2019).

**49%**  
of population  
living in poverty



**£27,942**  
average gross  
annual pay

### Economy

- Our Household Panel survey estimates that 27% of employees in the borough are paid less than the national Statutory Minimum Wage, suggesting that workers' rights abuses are high
- Average Gross Annual Pay in the borough is £27,942 compared to the London average of £33,776
- Jobs paying £30,000 or less are five times more at risk of computerisation than for top earners (ONS 2018)
- There is a net daily outflow of 30,000 workers (predominantly westward to central London)
- Over the next five years Newham will contain 20% of London's jobs growth and 78% of business growth
- By 2030 Newham will have 60,000 new jobs.

# 3. Newham Community Wealth Building Principles

Our Community Wealth Building approach focuses on the pursuit of economic, social and environmental justice, so that long-term prosperity, wellbeing and fairness for all our residents in the borough is achieved and our response to the Climate Emergency is progressed. It is underpinned by the following principles:

## Leading by example

- Use our purchasing power and influence to keep wealth in our local economy
- Lead on progressive procurement, becoming a living wage employer and encouraging others to do so.

## A fair deal for Newham workers

- Our young people will have access to the very best opportunities London has to offer, regardless of their background
- We will support residents to get a fair deal from their employer and the government.

## Inclusive economy

- Unleash the dynamism of Newham businesses, supporting them to improve their productivity
- Nurture our cooperative economy, ensuring wealth created and held democratically.

Through embedding these principles across the council, we will become a beacon of Community Wealth Building.



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## 4. Procurement

Newham Council's annual spend is hundreds of millions of pounds: a huge amount of capital with a huge amount of potential for delivering economic benefits for our borough. That's why through our Community Wealth Building approach we will harness our procurement spend to help keep money in Newham's local economy.

As it currently stands, 28% of the Council's procurement is spent locally and we aim to increase this. While our first responsibility will always be providing the best possible service to our residents and at the best value, we'll also reflect wider social value outcomes in our procurement tenders so that we don't contribute to a 'race to the bottom'.

We'll be encouraging existing and new contract providers to use local companies within their supply chains through our social value measures and we'll be updating the Council's Contract Standing Orders to set out the specific requirements in their engagement with small, medium and micro enterprises locally, that they'll need to demonstrate if they want to do business with us. We're also ensuring that across the council and in each of our service areas, officers are embodying Community Wealth Building aspirations within their tender processes.

We'll also encourage other anchor institutions in the borough to follow our procurement lead, potentially harnessing millions of pounds and more wealth for the local area and for our communities.

### Progress so far

We've already updated our procurement framework so that suppliers are incentivised to include a range of social value benefits to the local community in their tender submissions. Additionally, council officers are supported to tap into local supply chains and encourage local businesses to bid for procurement tenders so that our social value procurement ambitions are realised.

In July 2019, we ran a 'Meet the Buyers' event to encourage local suppliers to apply for council procurement contracts and we'll continue to organise similar events annually combined with an enhanced programme of local business engagement.

We are already working in partnership with local public bodies and organisations such as the NHS, the police, colleges and universities as well as East London Business Place, which develops the business-competitiveness of small, medium and micro enterprises (SMEs) across London and the Thames Gateway, enabling them to bid successfully for new contracts and works opportunities.

Through these efforts, we'll be using our council procurement processes and significant purchasing power as a key driver of inclusive growth in the borough. Our long-term goal is for our procurement system to support a diverse and flourishing local economy in Newham, which provides good quality jobs and opportunities for small, medium and micro enterprises.



# 5. Business Support

## Key statistics:

- Newham has approximately 14,000 businesses, dominated by micro sized enterprises employing nine or fewer staff. Over 94% of businesses in Newham are of this size
- Business growth has been strong over the past five years, increasing by 5,100 since 2015 (78%), which is twice the rate of growth in London overall (31%). The highest growth has been in business support services
- At 48% Newham has a relatively low proportion of 'resilient' businesses compared with other areas and the figure for Inner London is 69%
- Newham has the benefit of lower rent for business workspace than the London average but it is rapidly catching up with office rental values, increasing by 105% between 2013 and 2018, compared to the London average of 38% (GLA 2019).



We know that Newham's business community is crucial to the borough's future. Small, medium and micro-businesses play a vital role in driving growth, innovation and keeping money in the local economy. However, they face challenges of economic sustainability, low productivity, and low wages.

That's why they are important partners in our Community Wealth Building agenda and why supporting local businesses to become more dynamic and resilient in the face of changing market conditions is a priority, as is maximising

the opportunities for them to become sustainable and to grow as London economy evolves.

## Progress so far

Our new approach to business support has started and already we're helping nearly 700 small businesses in Newham through the Business Rates Discretionary Revaluation Support Scheme which we have extended to 2021, saving eligible businesses in the borough as much as £417.46 in 2019/20 alone. During the same period, these businesses will receive approximately £300,000 worth of rate relief (LBN 2019).

We're also helping new businesses to flourish in partnership with The British Library, through a new three-year project called Start-ups in London Libraries (SiLL) designed to support people to turn business ideas into a reality.

We're compiling a new Business Directory for the Borough and looking at ways to help support SMEs become more productive and greener, as well as encouraging the payment of London Living Wage to their workers.

We'll also be using our influence in the Royal Docks Enterprise Zone to encourage SME growth, particularly in cooperatives and the green economy.

All of these efforts show how we are actively working with Newham's business community to ensure they have the opportunity to shape our approach.



# 6. Skills, Training and the Future of Work

## Key statistics:

- Young people in Newham are high achievers with 65.8% of pupils achieving a level 4 or above (equivalent to a grade C or better) in both English and Maths GCSEs in 2017-18 (compared with 64.2% for England)
- In Newham, 36% of schools and colleges are rated as 'outstanding' compared to 20% for England
- According to the Newham Household Panel Survey, over one in four (28%) of Newham residents have no formal qualifications
- There have been over 10,000 apprenticeship starts in Newham over the past five years, significantly higher than our neighbouring boroughs (UK Government 2019)
- Our adult learning service NALS engages with 8,000 part-time learners each year (LBN 2019).

Newham Council is committed to supporting residents into quality high-skilled jobs through a quality skills training and adult education offer. We want more of our residents to be able to benefit from life-long learning, moving into employment and progressing within their careers. Not only because of the changing nature of the labour market, locally and across London but also the disruption being caused to national industries and economic sectors. This is because of technological advances and our need to respond to emerging national and regional industrial strategies.

We are also committed to supporting all young people in Newham to access a variety of education and skills pathways, including securing and achieving good quality apprenticeship outcomes (particularly at Level 3) so that they can achieve good quality employment.

Additionally, we want to support our residents in their personal economic journeys and ensure that our jobs brokerage service, Workplace, supports the Council's new Community Wealth Building agenda and responds to the changing realities of the labour market in Newham and across London.

With the onset of the Fourth Industrial Revolution and the impact of automation, we're witnessing significant labour market disruption across all sectors of the economy, as the application of new technologies to industries are increasing. While this technological advancement has the opportunity



to greatly enhance the lives of our residents, conversely it could result in higher unemployment, under-employment, and heightened inequalities. This great change, combined with demographic shifts means we need to be more ambitious than ever in securing the best opportunities for our residents.

Labour market outcomes in Newham too often fail to provide good quality and high skilled employment. We'll use our new skills approach, coupled with a re-designed employment offer through Workplace, to help break the cycle of low paid employment that many of our residents still face.

## Progress so far

Ten years on from its inception, the Council's job brokerage service Workplace is ready for change and is being re-designed following a review to focus on supporting our residents across a range of positive economic outcomes.

During 2020, Workplace will become a platform to support a wider group of residents, including those with complex needs, to fulfil their potential. For instance, we'll be better supporting residents into higher skilled jobs through working with our local colleges, universities and businesses to address local skills gaps.

Through widening the services Workplace provides, we'll be able to continue to help residents access jobs and also support them with in-work progression. We will support them to increase their earnings potential by sign posting them to the best local providers to get the jobs that require higher skills and pay higher salaries.

Supporting entrepreneurship, Workplace will also offer services for those residents that are part of London's vibrant business start-up community, to set-up their businesses in the borough and help promote small business growth in Newham.

In response to high debt levels in the borough, Workplace will also incorporate the Council's MoneyWorks service to support those residents facing debt and needing financial advice, so that they can take control of their lives and become debt free.

We've re-vamped our skills development framework for our 14 to 19 year olds so that they have access to the best careers advice and employability programmes.

Our Adult Learning offer is helping thousands of our residents enhance their skills with 8,000 part-time learners each year, including the hundreds of adult learners that access our free ESOL courses despite the government guidance against this.

The Council has overhauled its own apprenticeship scheme, expanding it to offer 30 places to local residents under the age of 30, with three places ring-fenced for those leaving care. All contracts are paid the London Living Wage and are 100% centrally funded as a corporate priority.

The Council is also taking action to improve employment outcomes for young black men in Newham through the Moving On Up initiative which is piloting a local area collective impact model in partnership with the Black Training and Enterprise Group (BTEG) and funding provided by Trust For London.

To support our ambitions, the Council has also recently partnered with Newham College to pilot an apprenticeship levy transfer scheme, whereby a percentage of our own unspent levy is provided to small to medium-size enterprises who wish to train apprentices via the College. This will create more apprenticeship opportunities for Newham residents and ensure our unspent levy is better utilised, rather than being sent back to central government. In addition to delivering apprenticeship training, the College will aim to reduce the administrative burden on SMEs wishing to take up an apprentice.





# 7. Employment and Resident Support

## Key statistics:

- According to Newham's Household Panel Survey, some 27% of employees in the borough are paid less than the legally required National Minimum Wage rate (LBN 2017)
- The employment rate in Newham has increased from 54.1% in 2011 to 68.7% in 2018
- Between 2013 and 2017, employment in Newham grew by 18,160 jobs (20%), almost twice the growth rate for London as a whole (11%)
- Average gross annual pay in the borough is £27,942 compared to the London average of £33,776. There are also notable geographical inequalities within the borough (GLA 2019)
- There is a Black and Minority Ethnic employment gap of 18.7% in Newham and a gender employment gap of 23.2% (ONS 2019)
- Newham has been described as the debt capital of the UK, 60,000 of our residents, approximately 22%, have been identified as having problem debts (MAS 2017).



Being on the side of our residents is what our Community Wealth Building strategy is all about because it will help us tackle the injustices our

residents face. In our borough we have a toxic combination of low wages, high housing costs and the burden of debt facing many of our residents.

We have some of the lowest income households in London and the highest percentage of working residents in low pay. According to Trust for London, up to 36,000 of our residents were underpaid the statutory minimum wage in 2018. Moreover, when housing costs are factored in, 49% of households in the borough are defined as living in poverty. Newham also has the highest level of problem debt in the UK.

The combination of these injustices robs our residents and drains investment from the productive economy. Through Community Wealth Building we'll be tackling these issues head on because the approach will focus on addressing poverty in the borough and stark racial and gendered disparities.

## Employment and Resident Support

The rise of insecure work and other features of the gig-economy is not a new phenomenon. It's the return of exploitative forms of employment from a by-gone age in modern form. Our aspiration is to ensure that our residents are able to access good quality jobs in Newham that pay the London Living Wage and that they enjoy the benefits of workplace dignity.

That's why through our Community Wealth Building approach we'll work in collaboration with trade unions, the voluntary sector and those in insecure employment to tackle employment rights abuses in the borough.

Supporting our residents through a range of measures is just as crucial to address poverty and support financial wellbeing. That's why our joined-up approach to supporting our residents reflects our ambition for a fair deal for Newham residents.

We are on the side of our residents, whether this is against unscrupulous landlords and employers, or an unfair economic system

## Progress so far

We have already put aside £3 million to pay the London Living Wage for our hard working care workers, with a further £6 million set-aside over the next three years in draft Budget proposals being considered by Full Council in March 2020.

We've already signed up to the Unison Ethical Care Charter – an industry gold standard in terms of staff treatment, as well as the Unite Construction Charter, ensuring that the Council demonstrates its adherence to best practice. This ensures building contractors and sub-contractors under the control of the Council, provide apprentice training, a safe working environment and the industry rate of pay to their workers.

We're also in the process of achieving London Living Wage accreditation and will continue to work closely with trade unions in the borough who are key partners.

In December 2018 we announced the Council Tax Reduction Scheme to help 19,000 of our lowest income households with £1.4 million directed to support this effort.

We are a national leader in private rental sector enforcement in our quest to ensure homes are fit for human habitation, with Newham being responsible for 57% of all landlord prosecutions in London. In total 1,306 prosecutions have been brought and 28 landlords banned.

MoneyWorks, our money management service, have refocused their efforts on financial wellbeing. This service helps residents facing financial hardship to meet their financial obligations fairly and efficiently by looking at their complete situation to determine the most appropriate course of action.

Working in partnership with London Community Credit Union, MoneyWorks also offers residents affordable short-term personal loans. Since 2017, MoneyWorks has:

- Helped 3,738 residents, through providing almost 6,000 free impartial advice sessions to help them become financially better off
- Increased the incomes of Newham residents by £3.3 million through benefit and debt casework, such as support with claiming Universal Credit
- Provided £307,184 in emergency loans which have helped prevent homelessness and reduced mental health issues.



# 8. Housing, Health and Air Quality

## Key statistics:

- Almost half of Newham's homes are in the private rented sector, where rents rose 56% between 2012 and 2019
- When housing costs are factored in, 49% of all households in the borough are living in poverty
- Newham's Local Plan aims to enable the delivery of at least 43,000 homes between 2018 and 2033, and 39,000 to 60,000 jobs in that same time
- The Council will start building at least 1,000 new council houses at genuinely affordable social rent levels by 2022 and we are on track to start building 1,056 new council homes by March 2022
- In 2019, £107 million in grant funding was awarded to Newham by the GLA to help the Mayor of Newham deliver her housing pledge – the highest allocation to a council in London
- Newham residents are exposed to high levels of toxic pollution, causing the highest rate of deaths in England with some 96 people dying prematurely each year (PHE 2019)
- The premature death rate from cardiovascular disease is significantly worse for Newham compared to the rest of England
- Healthy life expectancy at birth is 9 to 10 years less for residents in Newham than for those living in England's healthiest areas (PHE 2019).

Newham is at a historic point as a borough to seize opportunities of significant growth and shape it for the better so that growth is shared locally, fairly and democratically. However, the economic growth in Newham risks passing many of our residents by, as they experience persistent social and economic inequalities. That's why 'business as usual' to housing delivery and economic growth won't be pursued and we'll be using Community Wealth Building to avoid adverse outcomes through our approach to housing delivery, planning, asset management and our Green agenda.

Moreover, there is a strong association between health inequalities and poverty where those in poor health are more likely to be excluded from the labour market, to have temporary or transient employment, lower household incomes and face

early retirement. The correlation between poverty as a determinant to a range of health conditions is also well evidenced; as are the conditions in which residents work and live. That's why improving health and wellbeing outcomes of Newham residents is an essential part of our Community Wealth Building strategy.

## Progress so far

Housing is a clear priority and we are developing the next part of our new housing delivery strategy which will be published later this year.

The Council has already committed to start building 1,000 new council houses at genuinely affordable rent levels by 2022 and we are on track to start building 1,056 new council homes by March 2022.

In March 2019 we announced that we had made a start on building 234 new homes at social rent levels. That's over double the amount originally committed to be started by the end of May 2019.

Through the GLA, £107 million in grant funding was awarded to Newham in 2019 to deliver 1000 affordable homes in the borough, which was the highest allocation to any council in London. This equates to a grant of £100,000 per home to help us support our residents with London Affordable Rent; and more money in the local economy.

Last summer we started work on preparing underused council-owned land to build homes and since October 2019, 13 planning applications for an additional 137 homes across different sites have been submitted with permission already granted for 22 of these.

The key to the viability of these homes is to ensure that they are energy efficient. As part of our response to the Climate Emergency, we are using the highest standards through a new low energy building design guide for new build council homes in Newham. This will also help residents save on their heating bills and minimise the scourge of fuel poverty.

We have set aside £120 million for refurbishing existing council housing stock, comprising of 16,000 homes and through increasing the efficiency of housing stock we will be able to reduce both carbon emissions and fuel bills.

Through changes to our wholly owned housing company, Red Door Ventures (RDV), we've approved approximately £180 million of investment over the past 12 months to deliver new homes our residents can afford. At least 50% of all the homes built will be let at social rent levels on long-term tenancies.

Already, Red Door Ventures has started building 307 homes across 11 sites. In December 2019, a further £113 million was approved for Red Door Ventures to build an additional 296 homes with the 50% threshold met across the development programme.

Our approach to support and improve the health and wellbeing of the most vulnerable in our

communities includes programmes such as Well Newham, a shared programme across the council, NHS and voluntary sector partners aiming to ensure that every Newham resident is supported around the determinants of their health and wellbeing. It is based on social prescribing, which is when health professionals refer patients to non-clinical support services in the local community to help their health and wellbeing where appropriate. Because the health of our residents can be affected by a variety of social, economic and environmental factors, social prescribing helps to address people's issues so that they can take more control of their own health.

The Council has also agreed a robust and ambitious Air Quality Action Plan for the next five years to reduce the concentration of, and exposure to, air pollution to positively impact the health and quality of life of residents. The plan contains 25 key action areas across all council service areas to mitigate and improve poor air quality.





# 9. Democratising the Local Economy

Central to Newham's Community Wealth Building strategy is ensuring that our residents are at the heart of our local economy and the ways in which we will nurture our cooperative sector in the borough - reflecting our aspiration to be part of a broader movement for **economic democracy nationally**.

That's why residents need to have a genuine and active role in shaping the future of Newham and why we are involving residents in decision making. We are also exploring different approaches and models to increase democratic ownership of wealth and assets in the borough, alongside embedding an inclusive economic model of growth.

We are developing our Inclusive Economy Strategy 2020-2030 which builds on the Council's Community Wealth Building agenda to make Newham a more prosperous and fairer place. The Inclusive Economy Strategy will set out the practical actions, which will help achieve this and guide how the Council will achieve focused delivery and investment over the coming years. It will also set out how the Council will work with our partners, businesses, the third sector and residents.

## Royal Docks Enterprise Zone

One of the opportunities Newham has to encourage inclusive economic growth is in the historic Royal Docks, which is the location of London's only Enterprise Zone, with £1 billion of inward investment expected over the next 25 years. The Royal Docks is one of London's most distinctive economic locations, with regionally important anchor assets located within one of London's fastest growing boroughs and sub-regions, with genuine global connections.

The Royal Docks Enterprise Zone gives us a unique opportunity to shape development in the south of the borough for the benefit of our

residents. That's why its 'economic purpose' has been defined as being 'an internationally significant hub of enterprise, employment and culture, recognised as a testbed for social, environmental and technological innovation. Globally fluent and internationally focussed, harnessing the benefits and Newham's diverse community'.

Already the Mayor of Newham, who co-Chairs the Enterprise Zone Programme Board, has ensured that it responds to the requirements of the Council's Community Wealth Building agenda, including the Climate Emergency. Consequently, the Royal Docks Enterprise Zone's economic strategy will inject £56 million towards skills, business support and workspace initiatives as part of a five year delivery plan that will help local residents and Newham's small business community; alongside promoting opportunities for incubating the green technology sector in the borough.

## New approaches and models to increase economic democracy

We will nurture our cooperative sector in the borough, reflecting our aspiration to be part of a broader movement for economic democracy nationally.

We are also exploring different approaches and models to increase democratic ownership of wealth and assets in the borough, including promoting different forms of land and business ownership. One of our commitments is to help support the creation of at least one Community Land Trust. Community Land Trusts are set up and run by ordinary people to develop and manage homes as well as other assets (NCLTN 2019).

In addition, we are scoping opportunities for creating cooperatives to address market failures, particularly where we see our residents exploited or economic opportunities from our communities.

## Social Integration

Social Integration is the extent to which people positively interact and connect with others who are different to themselves. It is determined by the level of equality between people, the nature of their relationships, and their degree of participation in the communities in which they live.

Our approach to Community Wealth Building will use local skills and local procurement to support the community, coupled with a strong commitment to social integration.

Newham is the most diverse borough in the country, with 48% of the population having been born outside the UK, compared to 36% for London as a whole. Some 41% of residents in Newham don't have English as their first language, which is why we are adopting new approaches to civic and community participation in a borough which has the lowest resident participation in voluntary work in the whole of London.

We've placed a premium on interfaith and inter-religious dialogue, working with the voluntary sector, Citizen Assemblies, and co-production as we embed our new social integration approach.



# 10. Community Wealth Building in Newham – next steps

Our Community Wealth Building strategy will be embedded across the work of the Council and in its Corporate Plan. It is characterised by:

- A relentless focus on Community Wealth Building **as an anti-poverty approach**
- Explicitly harnessing Community Wealth Building to target **racial and gender inequality**
- Making Community Wealth Building a key mechanism for responding to the **climate emergency**
- Ensuring Community Wealth Building is an integral part of a broader movement for **economic democracy**.

It will be supported by the Council's Inclusive Economy strategy, which has five delivery mechanisms ('tactics') that will be used to transform Newham to become a 'beacon' of Community Wealth Building:

- **Tactic 1:** Place Newham's local centres at the heart of Community Wealth Building
- **Tactic 2:** Make best use of public sector assets
- **Tactic 3:** Reform Newham Workplace (Newham's job brokerage service)
- **Tactic 4:** Support Newham's businesses and institutions to become more successful and responsible
- **Tactic 5:** Understand changes occurring in the local and regional economy better through on-going evaluation so that the Council, working alongside its partners, businesses and residents, can adapt to seize the opportunities emerging and offset any negative impacts.

This report reflects phase one of the Council's Community Wealth Building agenda, signalling a fundamental shift in the strategic direction and work of the local authority so that long term prosperity, fairness and wellbeing can be delivered for all residents in Newham. It will be followed by a programme of work during phase two where the strategic intent is fully embedded in everything the Council does.

We have already started through restructuring the Council and through our Corporate Plan where we have set out clearly that our priorities are to:

- Improve and increase employment opportunities for residents
- Increase skills levels in the borough and strengthen pathways from education and training to employment

- Work with all our partners to use our procurement and supply chain to spend public money locally to support Newham businesses
- Improve partnership with the voluntary sector to support Community Wealth Building.

Our 2020-2023 Corporate Plan will build on these ambitions and ensure that we further entrench our Community Wealth Building approach.

## Newham Community Wealth Building – next steps (phase one)

- New Procurement Framework: *completed 2019*
- Updated Apprenticeship Levy Strategy: *completed 2019*
- Community Spaces Review: *completed 2019*
- Anchor Partnership Strategy: *completed 2019*
- Workplace Review: *completed 2019*
- Economic Strategy: *published 2020*

## Newham Community Wealth Building – next steps (phase two)

- Social Integration Strategy: *2020*
- Newham Cooperative Strategy: *2020 onwards*
- Council Service Area Plan: *started 2019 and completed 2020*
- Living Wage Accreditation: *planned 2020*
- Implementing Workplace Review: *2020 onwards*
- Implementing Inclusive Economy Strategy: *2020 onwards*
- Implementing Community Spaces Review: *2020 onwards*
- Skills Strategy and implementation: *2020 onwards*
- New Employment Rights Service: *2020 onwards*
- Developing a Community Wealth Building credit / loan offer for enterprise and innovation: *2020 onwards*
- Implementing Royal Docks Zone Economic Strategy: *2020 onwards*
- Implementing Anchor Partnership Strategy: *2020 onwards*



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