

Report of: Executive Member for Inclusive Economy and Jobs

Meeting of: Executive

Date: 11<sup>th</sup> January 2024

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## Subject: Community Wealth Building Strategy

### 1. Synopsis

1.1 Islington has maintained a strategic focus on fairness for many years. In 2020, we started to build on this foundation to strengthen our focus on tackling economic inequality, leading to the creation of the council's Community Wealth Building Directorate. We also developed our work with other like-minded, locally rooted organisations to formally establish Islington's Anchor Institution Network.

In the last three years, we have built a strong and collaborative engine room to drive change, are already delivering material improvement for local residents, businesses, and communities, and have learned a lot about how best to continue with our core mission.

Put simply, we have focused on doing. Now is the right time to consolidate this activity in an ambitious Community Wealth Building strategy, setting out our approach, objectives, and ultimately the differences Islington should expect to see as the strategy is implemented.

### 2. Recommendation

2.1. To approve the Community Wealth Building Strategy and full performance matrix at Appendix 1.

### 3. Background

#### 3.1 Why does Islington need a Community Wealth Building Strategy?

From the outside, Islington is often seen as a land of plenty – a central London borough with high-value jobs, wealth, and investment. However, this ignores so many residents who struggle to get by and too many local businesses facing barriers to growth.

Of all the thirty-two London boroughs, Islington had the fourth highest level of income inequality, creating 'Two Islingtons', in which wealthy families in owner-occupied properties and low-income families in social housing can live on the same street, but

experience separate lives as ‘distant neighbours.’ This gap in debt has widened over the course of the pandemic and the cost of living crisis.

Work can often be a way out of poverty and financial insecurity. However, in an insecure labour market, this means that for some people work can be a route into a precarious income, where they are underemployed and underpaid or working multiple jobs just to get by.

The pandemic widened inequalities further still, and since then other economic shocks are coming thick and fast, putting unbearable pressure on household and local businesses budgets. We are ready and prepared to respond, to build resilience so that our communities can weather the storm and together we can protect our most vulnerable residents and small businesses.

- 3.1. The objectives of the Community Wealth Building strategy are set out in detail below:
- 3.2. **Objective 1: Economic Wellbeing** - is defined as having financial security now and in the future, with the ability to make economic choices. Our objective is to tackle systemic poverty and inequalities in the labour market and build skills and opportunity for a new economy. We will do this by:
  - a) **Resilient:** Providing a safety net to support residents in severe financial hardship, maximising income for vulnerable, low-income households, and supporting residents to tackle problem debt and manage household finances
  - b) **Skilled:** Creating clear skills pathways into work and supporting those already in work to upskill to find better or more secure jobs
  - c) **Employed:** Reaching residents most in need of employment support and tackling precarious employment and lack of progression.
- 3.3. **Objective 2: Inclusive Economy** - is one that is fairer, greener, more creative, and resilient – a place where new and existing local businesses thrive, and wealth is retained in the local community. Our objective is to ensure our local economy is sustainable, socially just, and enables thriving places, maximising opportunity for local residents and business, and where wealth is fairly shared. We will do this by:
  - a) **Local:** Unlocking the potential of our local high streets, street markets and neighbourhood parades by helping business owners to prosper, and creating vibrant, welcoming, safe, inclusive places for residents and visitors
  - b) **Prosperous:** Championing social inclusion in Islington’s growth sectors, by expanding responsible, sustainable, and inclusive business practices and sector strategies
  - c) **Independent:** Helping grow Islington’s small and micro business community by connecting them to opportunities and supporting wider ownership through cooperatives and social enterprises.

The Local Economies approach will focus on our main economic areas: Angel, Archway, Bunhill, Caledonian Road/Barnsbury, Clerkenwell, Finsbury Park and Nags Head. Our

sectoral work will focus on our priority growth sectors: construction, health and social care, green economy, knowledge economy, life sciences, and creative production.

3.4. **Objective 3: Progressive Procurement** - It is essential that our spending has the maximum positive impact for Islington people and local business, especially the most disadvantaged. Our objective is to boost and lock in local wealth creation through the progressive use of local purchasing power. We will do this by:

- a) **Leadership**: shaping a supply chain that supports an inclusive economy
- b) **Partnerships**: building long term partnerships with like-minded suppliers that deliver high quality services and social value for our residents, whilst offering value for money
- c) **Community**: through active leadership and progressive supply chain partnerships, the council's supply chain will maximise economic, social, and environmental benefits to local communities.

The Progressive Procurement Strategy 2020-27 sets out our vision for maximising community benefits and social value through our commissioning, procurement, and supply chain. The Social Value Guidance sets out our expectations for both commissioners and contractors in terms of commitments to deliver social value, and how we will measure impact.

3.5. **Objective 4: Social and economic Infrastructure** - We will use all the buildings and assets at our disposal, together with our planning powers and influence as a local authority, to protect and enhance our local places, town centres, businesses, and local jobs. Our objective is to leverage and develop the borough's physical assets for the greater benefit of residents and local businesses. We will do this by:

- a) **Progressive**: Upholding a local planning framework to maximise the development of affordable housing and workspaces in the borough, protecting and enhancing our places, businesses, and local jobs
- b) **Affordable**: Building affordable homes and delivering affordable workspaces to help local families and businesses to thrive, also generating social value
- c) **Enabling**: Ensuring that our community and education assets are valuable spaces for everyone where they can come together, get skills, organise, and participate in building a new economy.

3.6. **Objective 5: Challenging Inequalities** - racism and injustice is mission critical for Islington. We cannot realise our vision of creating a more equal borough for all of our residents without tackling the inequality that continues to blight lives across our community. In response to this, we published [\*Challenging Inequality: Our plan to create a fairer, more equal Islington\*](#). Our objective is to challenge and remove systemic economic barriers towards a more equal Islington. We will do this by:

- a) **Targeted**: Tailoring skills and employment support for disadvantaged groups including those from Black, Asian, and Minority Ethnic communities, those with disabilities, parents, and young people.
- b) **Enterprising**: Nurturing and supporting more people from under-represented groups to start-up businesses, survive and thrive

- c) **Rebalanced:** Using our financial leverage and resources to create and promote a more diverse supply chain and advocate for a local and regional economy which works for all local people, communities, and businesses.

3.7. **Objective 6: Anchor Institutions** -While the council has resources and the ability to influence and bring about change, we are stronger, can do more and can go even further if we work in partnership with other local organisations. Our objective is to collaborate with like-minded, local organisations to work together for the benefit of residents and local businesses. Collaboratively, we will do this by:

- a) **Employ local:** Adopting progressive policies on recruitment, pay & conditions, and careers to fully harness the talents of our local workforce and future generations.
- b) **Buy local:** Actively supporting existing and emerging local businesses to deliver affordable, quality goods and services thereby maximising local social value and wealth creation.
- c) **Lead locally:** Managing and developing buildings and spaces to create accessible, sustainable, and better assets and places.

## 4. Implications

### 4.1. Financial Implications

There are no financial implications arising from this report. The Community Wealth Building department has a net revenue budget of £9.4m per annum in relation to the delivery of the six objectives in this strategy.

### 4.2. Legal Implications

There are no legal implications arising from this report.

### 4.3. Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

4.4. The Community Wealth Building Strategy is expected to have a positive implication for the environment. The Strategy embeds a commitment to the development of a green economy and the consideration of environmental impacts in the strategy delivery. Delivery of this strategy will support the council's commitment to tackling climate change by putting economic, social, and environmental justice at the centre of delivery.

4.5. The Community Wealth Building Strategy actively supports delivery of the Green Economy workstream within the council's Climate Action programme. The aim of the workstream is for long-term development that is sustainable while also promoting health, wealth, and well-being for all people. Growth must not take place at the expense of the environment – recognising that socially and

economically disadvantaged people suffer most from the impact of climate change.

- 4.6. To address Climate Change Islington will need a green skilled workforce across a range of sectors including but not limited to; retrofit, renewables generation, climate adaptation and sustainability. As the effort to tackle climate change increases, so will job prospects in these areas. This strategy should help to identify relevant opportunities and support local people into these roles in Islington. There is a need to develop a plan outlining how priority roles and qualifications can be promoted within the borough and across the various services and partnerships referenced in the Community Wealth Building strategy.
- 4.7. The Community Wealth Building Strategy sets out an approach to Procurement which will help to address Islington's scope 3 emissions. To deliver our carbon reduction targets, there is a need for the Council to work with environmentally conscious businesses. The definition of social value requirements embraces the council's response to the climate emergency, embedding targets to achieve net zero carbon emissions by 2030 across all relevant contracts.
- 4.8. The new Local Plan has strengthened policies to support low carbon development and will be supported by a net zero carbon supplementary planning document.
- 4.9. The commitment of the Anchor Institutions Network to reducing carbon emissions will also support delivery of Vision 2030: towards a net zero carbon Islington.
- 4.10. **Equalities Impact Assessment**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

An Equalities Screening Tool was completed and signed-off by a member of the Equalities team. This tool highlights no negative impacts on any of the protected characteristics and as such, a full Equalities Impact Assessment is not required.

## 5. Conclusion and reasons for recommendation

5.1 For the strategy to be a success, Community Wealth Building must be embedded in all of the council's mainstream work programmes and is a key feature of the Council's Corporate Plan. Its inclusion in Islington Together 2030, the Economic Wellbeing Strategy, Procurement Strategy, Local Plan and Challenging Equality Strategy is proof of our commitment to this important area of the council's work, as well as the role that all our services, in partnership with Anchor Institutions, will play in delivering success.

### **Final report clearance:**

Authorised by: Executive Member for Inclusive Economy and Jobs

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Report Author: Caroline Wilson and Dionne Gay

Tel: 0207 527 2641 and 020 7527 3241

Email: [Caroline.Wilson@islington.gov.uk](mailto:Caroline.Wilson@islington.gov.uk) / [Dionne.Gay@islington.gov.uk](mailto:Dionne.Gay@islington.gov.uk)

Financial Implications Author: Tim Partington, Assistant Director of Finance, CWB & Commercial. Email: [tim.partington@islington.gov.uk](mailto:tim.partington@islington.gov.uk)

Legal Implications Author: Marina Lipscomb, Interim Deputy Director of Law

Email: [marina.lipscomb@islington.gov.uk](mailto:marina.lipscomb@islington.gov.uk)

Environmental Implications Author: Sarah Hitchcock, Head of Climate Action

Email: [Sarah.hitchcock@islington.gov.uk](mailto:Sarah.hitchcock@islington.gov.uk)