



INCLUSIVE GROWTH  
COMMISSION

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21st century enlightenment

# Inclusive Growth in London

Evidence hearing 4 Writeup  
18 November 2016

The RSA Inclusive Growth Commission hosted four evidence hearings across the country during the course of its inquiry. The first took place in Sheffield on 29 June, 2016. The second was hosted in Plymouth on 28 September, 2016. The third was held in Nottingham on 1 November 2016. The final hearing was in Barking and Dagenham on the 18 December. The hearing called upon senior leaders to give evidence to the Commission in a series of three panel sessions.

Each of the panel sessions featured leading figures from within Barking and Dagenham and the wider London region, and included those from business, public service, the council and the community and voluntary sector.

The evidence gathered through the hearing will serve to enhance the Commission's understanding of how the inclusive agenda plays out at a place level, and will be used to inform the development of our findings and recommendations.

The evidence session was chaired by:

**Stephanie Flanders**

Chief Market Strategist for J.P. Morgan and Chair of the Inclusive Growth Commission

**Charlotte Alldritt**

Director of the Inclusive Growth Commission and Director of previous City Growth Commission

**Ben Lucas**

Director at Metro Dynamics and Commissioner of the Inclusive Growth Commission

**Giles Andrews**

Founder of Zopa and Commissioner of the Inclusive Growth Commission

**Henry Overman**

Professor of Economic Geography and Director of the What Works Centre for Local Growth and Commissioner of the Inclusive Growth Commission

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## Pannellists

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### Session 1:

- Councillor Dominic Twomey, Deputy Leader, Barking and Dagenham Council
- Chris Naylor, Chief Executive, Barking and Dagenham Council
- Catherine McGuinness, Deputy Chairman and Director, City of London and London Works

### Session 2:

- Janis Davies, Principal, Sydney Russell School
- John Dishman, Chief Executive, Coventry University College
- Yvonne Kelly, Acting CEO and Principal, Barking and Dagenham College
- Mark Bass, Site leader of Londoneast-UK and President of Barking and Dagenham Chamber of Commerce

### Session 3:

- Pastor Ade Adesina, Power House International Ministries
- Rita Chadha, Chief Executive, RAMFEL
- Erika Jenkins, Chief Executive, Barking and Dagenham CVS

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## Panel Session One

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### Decades of lost growth and perceptions of inequality

Cllr Dominic Twomey and Chris Naylor reflected on the long-term lack of growth in the borough, as well as how perceptions of inequality have taken hold amidst rapid demographic change.

- The borough's Growth Commission validated the view that Barking and Dagenham hasn't had 'inequality of growth' as such, because for such a long period it did not have any real growth at all.
- There is a strong perception of inequality within some parts of the borough, which has partly been fuelled by a combination of job losses from industrial decline and the very substantial levels of demographic change in recent years.
- Relations between different communities in the borough have been tested by these trends, which have often led to erroneous perceptions that the people that have moved into the borough have been preferentially treated in terms of employment and housing, while the

- indigenous white population has lost out.
- These sorts of tensions were exploited by the British National Party (BNP), which at its peak in 2006 formed the opposition in the council, with 12 councillors. Cllr Twomey suggested that had the BNP fielded more candidates, it would have taken control of the council in that election. He noted that the BNP is now diminished as a political force in the borough, the result of a concerted effort from the Labour Party but also local volunteers and civil society.
- Cllr Twomey and Chris Naylor stated that it is essential that the borough learns the lessons from that period of deep community tension. It is important to understand the drivers of far-right support and to help all communities develop a sense of aspiration. An important element of this means addressing relatively low educational attainment and aspiration amongst white boys, who perform worse than all other groups. This attainment gap in turn fuels perceptions of inequality.
- Inequality in growth is partly driven by disparities within the borough between Barking and Dagenham. Barking has significant connectivity benefits (for example it is riverside and better connected to central London), has more land for development and has seen relatively significant development in recent years (such as Barking Riverside). Dagenham has also experienced development but less so, and house building is more difficult. This has also partly fuelled the perceptions of inequality, because Dagenham is mostly White British while Barking is much more diverse.

### Addressing the legacy of decline: physical but also social investment

Cllr Twomey and Chris Naylor described some of the efforts to regenerate the borough, stating that physical growth is insufficient, and significant social investment is necessary to address the challenges faced by Barking and Dagenham.

- There is strong potential to redevelop low grade industrial land. Planning has gone through for some of the sites previously owned by Ford, with the possibility of building up to 2,000 homes in them. The borough has also been working with the Greater London Authority (GLA) and Transport for London (TfL) on business cases for new ways of financing such developments. The borough's approach to redeveloping old industrial sites could provide a case study on how to meet London's housing needs without affecting the Green Belt. The proposed A13 Riverside Tunnel development is an example. The A13 is one of the busiest roads into the capital and highly important

strategically, but currently has traffic flow issues and cuts off communities on either side of it. The proposed development would divert a 1.3km stretch of the road into a tunnel, which would reconnect these communities, boost economic growth, create thousands of new homes and transform a blighted area. Land value uplifts, tolling on the roads and stamp duty on the new developments would help finance the borrowing.


- Despite the importance of physical regeneration, Cllr Twomey and Chris Naylor emphasised that the borough's leaders have recognised that if you want inclusive growth, you have to start with people. A key takeaway from the borough's Growth Commission was that Barking and Dagenham could have all the physical growth it wants but while its residents are on the bottom of so many social and economic indicators, far too many of them will be left behind.
- A number of key social issues were identified, including low levels of education, high rates of domestic violence, and poor health. The borough's Growth Commission recognised that these sorts of issues will not be addressed in 4-5 years, but require a generational commitment, which should be set out in some form of manifesto that transcends political cycles.

### **The importance and value of public engagement**

Cllr Twomey and Chris Naylor stressed that agendas for transformation, such as inclusive growth, can only be successful if they involve genuinely engaging with the population. The experience with the Borough Manifesto consultation demonstrates this.

- When the borough's Growth Commission went out to public consultation, there was only a single response. In contrast, the consultation for the Borough Manifesto has seen 3,000 public responses. Despite the anger and disenfranchisement, many people have decided to participate in this exercise.
- Part of the substantial increase in public engagement can be attributed to the fact that the engagement exercise has not been a narrow consultation, but rather has involved meaningful and open *conversations* with residents, including engaging with them through large community events. Reframing and rebalancing the relationship between the council and residents has been key.
- The stronger forms of engagement have also helped the council better understand the specific needs and aspirations of different parts of the borough, leading to more informed

policy decisions. It has also reaffirmed to the council and service professionals that residents have a strong knowledge of local issues and a significant amount of wisdom that should be tapped into more. Residents have emphasised the need for more affordable housing, but they have also stressed the importance of place-shaping – making the borough more vibrant and interesting.

 **If you want inclusive growth, you have to start with people**

### **Growing pressures facing individuals and families**

Panellists identified the growing pressures faced by families and vulnerable individuals in the borough, including as a direct result of public sector cuts and welfare reforms.

- It was stated that the next stage of cuts – including through the benefits cap, and cuts to disability benefits – will be “devastating,” and many residents will not be able to afford rent. This would inevitably lead to displacement, as people would either have to earn more income or move outside of London. Barking and Dagenham had until recently been one of the few areas in London where the private rented sector (PRS) was relatively affordable, but now a combination of rising rents and a cap on benefits will force many families out. Reducing the cap to £23,000 was described as “unsustainable.”
- The housing issues in the borough are also exacerbated by the fact that under the right-to-buy, the council had to sell half of its stock of homes, and the majority of these, 17,000, became privately rented. Only an extremely low number were managed by registered social landlords (RSL), and most of the landlords were ordinary individuals that didn't invest in their stock. Thus, a significant proportion of the 17,000 homes are below the decent homes standards.
- Many families have also struggled as a result of long-term structural unemployment and a diversion onto incapacity benefits, creating a reliance on welfare. Many of the displaced workers, now in their 40s and above, were virtually neglected by government – with very little meaningful engagement to support them back into employment.
- There are also many people whose problems are hidden from view because they are not



part of the system, or claiming benefits. This includes those that are “living hand to mouth,” close to falling over. It also includes those that are currently just about managing to pay rent, but who may not be able to do so as rents rise. Catherine McGuinness cited research by London Councils suggesting that there are 800,000 people in the capital that are “just about managing,” earning less than the London living wage, while 700,000 are unemployed.

### Public service reform for inclusive growth

- Panellists identified that in the context of significant fiscal pressures and spiralling demand as a result of unmet need, public support had to be reshaped in order to improve outcomes and create the conditions for inclusive growth over the long term. Looking more deeply at the question of how growth can be more equitably shared, takes you into areas and a set of priorities you would not expect it to take you too. This includes prevention, early intervention, and integrating public services.
- The council will have lost half of its pre-austerity budget by the end of the decade. It is seeking to respond to this severe fiscal context by resetting what the council does and working to ensure more people benefit from growth, so that needs are addressed at their source and demand on services such as social care and housing falls. This has led to investment into areas such as behaviour change, insight specialists and communications and engagement professionals. The council has also invested heavily in redesigning traditionally paternalistic services such as adult social care and children’s care.
- In order to achieve this, a new model of public service integration is being developed: Community Solutions. The aim for Community Solutions is to address, in an ‘upstream’ way, the multiple problems associated with poverty that tend to fuel demand for services. This will be pursued through reorienting services towards early intervention and focusing strongly on getting people into decent employment and promoting self-sufficiency. Community Solutions will bring together services currently managed in a number of different departments, ranging from community safety services through to housing, and some adult and children’s social care services. It will also work closely with the Department for Work and Pensions (DWP) and other partners such as the NHS. For individuals/households deemed “self-sufficient,” the focus will be on information and advice, and signposting to appropriate resources. For groups considered “at risk,” there will be an additional focus on

early action services (outreach). For groups that have “multiple needs,” there will be additional support and specialist services managed through multi-agency teams.

**“The key role of the state in Barking and Dagenham would not be to “meet need,” but rather to help people live a more sustainable and independent life**

- Panellists argued this sort of reorientation will help issues to be addressed much earlier, before they escalate. The key role of the state in Barking and Dagenham would not be to “meet need,” but rather to help people live a more sustainable and independent life. As an example, for an individual experiencing homelessness or housing problems, the first question Community Solutions would seek to answer is *why* that person is homeless, which in turn could lead to a different set of policy solutions. For example, if that person is homeless because they are only able to work 16 hours, Community Solutions would seek to support them to work for longer, for example by addressing barriers such as child care or health issues. Chris Naylor suggested that “the Community Solutions model is the only way we can get a grip of the intersectional issues that people face in their lives, and get to the root cause.”
- Community Solutions will build on some of the successes of the multi-agency, keyworker model of the “Troubled Families” initiative but will support significantly more individuals and households. Chris Naylor cited the “80/20” rule – 80 percent of residents will not require specific service or specialist support. The remaining 20 percent will be those that will require the support. In contrast, the “Troubled Families” initiative was supporting a much narrower subset of households – “20 percent of the 20 percent.” Thus, many of those that will be supported by Community Solutions will not be living catastrophic lives, but rather unfulfilled and unhappy lives – and at risk of tipping over. In many ways, “troubled families is too late.”
- Nevertheless, some significant challenges were identified in mainstreaming models such as Community Solutions. One issue is trying to get a set of professionals who are heavily regulated to work together differently. While it sounds straightforward, it is the sort

of arrangement that would be challenging to square with organisations such as Ofsted. Central government departments such as DWP are also often very difficult to engage with for initiatives such as this, despite the importance of supporting deprived people into employment. Panellists suggested that if they are not able to engage, then funding should be devolved so that the council can use it differently. An added challenge is that the council itself will need to get the balance right between professional and general work, and replicate it at speed. A final problem is levers over health. The London health devolution proposal was derailed by the sustainability and transformation plans (STPs) process, but improving health is critical to addressing deprivation and promoting inclusive growth. For example, by the time the average woman in Barking and Dagenham is 50, she is already unable to work or has a diminished ability to work due to illness – well below the state pension age of 64. However, if devolution of health and more preventative, community-focused models of health care took hold, this would lead to the health service systematically and structurally spending less money – and if acute admissions are reduced, some hospitals will also become financially unviable, despite strong support for keeping hospitals open.

- It was argued that if the totality of public sector spend in the borough (£1.5bn) was oriented towards the prevention and inclusive growth agenda, you could see significant improvements in people’s social and economic outcomes. Cllr Naylor also stated that while the council itself has some way to go for reforming the way services are delivered, it can still do better than central government in many areas and thus further devolution needs to be continually pursued.

**“ If devolution of health and more preventative, community-focused models of health care took hold, this would lead to the health service systematically and structurally spending less money**

## The contribution of culture to inclusive growth

Catherine McGuinness described some of the work that is being led by the City of London, including cultural and educational work in Barking and Dagenham. She stated that the City of London has a long standing commitment to social regeneration and inclusion, and that this has now extended to places beyond neighbouring boroughs. She outlined a number of ways in which this was being achieved.

- An important element of the work has been about deepening disadvantaged young people’s engagement in schools and broader civic life through fostering cultural relationships. This is being pursued on a “detailed” level through specific projects. One project mentioned was Drum Works, which reaches around 450 young people in east London schools on a weekly basis, enabling them to work with music professionals to produce their own material. Drum Works uses high-paced and high-energy teaching processes and opportunities to inspire young people to develop their leadership skills and stay engaged. Deepening engagement is also being achieved at a wider level, for example through the Dialogue Festival, which brings together technical students, Barbican young poets and local community groups to organise a shared festival.
- Catherine identified a number of pillars of the vision for this sort of work. This includes increasing civic pride, and connecting with the skills and growth agenda, which may include broader access to the opportunities created by growth in the creative sector. Another key pillar is around social responsibility – City of London’s work is premised on developing deep and sustainable relationships with local communities, rather than moving on after projects are completed.
- Another key element is around supporting young people’s pathways into employment. A critical part of this is about encouraging local businesses in the city to help young people, particularly those that are less advantaged and would not traditionally get access to city jobs. Promoting quality work experience also plays an important role. Catherine pointed to recent work that established five simple principles that businesses should take into account. This underscored the value of focusing on improving pathways into work, as well as ensuring good quality work experience.
- The research has also illuminated some of the fundamental barriers young people face, even when they are clearly talented. Part of

this is about aspiration and self-belief – and the importance of giving people aspiration but also providing the “scaffolding” support to help their entry into employment. Some of the barriers also relate to people feeling a deep attachment to their particular neighbourhood, with some too anxious or uncomfortable to travel to other parts of the city. Other panellists also emphasised the important challenge of promoting aspiration and self-belief.

- Catherine also noted that it was a very good time to be speaking to business about the need for more work experience and to be more socially responsible. This is helped by the current political focus on ‘just about managing’ families, employment practices and the need for businesses to do their bit in creating a more inclusive economy.
- The City of London is also leading initiatives to bridge the cultural and employment offers, such as funding schools with more than 30 percent of students on the Pupil Premium to visit.
- Catherine stressed the value of culture and civic pride as a potential engine of social and economic regeneration. She pointed to the example of Londonderry in Northern Ireland, which is using culture as an engine of its growth. Similarly to Dagenham, Londonderry lost its major industry, but over the last 10-12 years has developed a strong sense of civic pride and cultural renewal. Cllr Naylor concurred, stressing the importance of investing in culture in the borough.

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## Panel Session 2

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### The role of schools in supporting inclusive growth

Panellists discussed the ways in which schools can help connect young people, particularly from disadvantaged backgrounds, to the wide range of labour market opportunities available in a major city like London.

- Schools can develop connections with the business community and create work experience opportunities, but it is important that these programmes offer meaningful introductions into the world of work.
- Janis Davies, who is the Principal of a large secondary school in the borough, stated that schools have been very slow to adapt their curriculums in response to the unique needs of the most disadvantaged children. For a number

of years, schools pursued the vocational route, but this was driven by them having low aspirations for the children. This is beginning to change: schools are starting to change what they offer, have higher expectations and are increasingly seeing children pursue more difficult subjects, which has an impact on the number of children getting into good universities. But it has to be recognised that schools in the borough are typically supporting very disadvantaged children, so the challenges are significant.

- Yvonne Kelly added that part of the challenge is that there is often a limited understanding of what specific opportunities are actually out there to connect young people to, and this is partly because we have a very traditional approach in schools, in terms of information, advice and guidance for careers. This is compounded by the deep rooted structural labour market barriers that affect specific groups of people – for example the history and patterns of unemployment impacting white working class males.

### The value of vocational and technical education

Alternative forms of provision to traditional academic routes can play a key role in supporting those that may otherwise be disengaged from the labour market or not fulfilling their potential. Panellists discussed the role being played by colleges and higher education technical centres, which provide a more direct link to employment opportunities and respond to labour market and employer needs.

- Yvonne Kelly, Acting Principal and CEO of Barking and Dagenham College, described the opportunities available at the college, which is a technical professional college. Within the college there is a Technical Skills Academy (TSA), offering level 2 and 3 qualifications. Adult provision is also offered within the learning centre. Yvonne stated that everything the college does revolves around strong employer engagement to ensure learners are connected to the labour market. Some of the focus of the college includes vocational 14-16 routes, reskilling and upskilling, and in-work progression, and it is always based around a strong interface with employers. The focus is on employment opportunities within the borough but the college is also mindful of opportunities in the wider city – the aim is to give learners real opportunities, wherever these are. This also includes volunteering and placement opportunities, helping to build learners’ broader skills.

- John Dishman, Chief Executive of Coventry University College, described their experience with the development of small higher education centres (such as the one in Barking and Dagenham). The campuses in Coventry and Scarborough were included as case studies in the Social Mobility Commission’s recent report, *State of the Nation 2016: Social Mobility in Great Britain*. The higher education centres offer “life shaped learning” to create more flexible and accessible higher education (HE), with courses designed for those that may not otherwise participate (for example, those with work or caring responsibilities, or with challenging circumstances). Importantly, the centres offer these learners a more professional and technical higher education, which is strongly linked to the needs of local employers. The university experience is not like other universities: it is more flexible and commercial. The courses also go beyond academic qualifications, and include supporting students with qualifications, internships, international placements and other opportunities. This is vital because university degrees alone are unlikely to effectively support disadvantaged individuals to fulfil their potential: it is also important to ensure people that do not have the architectural support systems within their home or communities for bridging into the labour market, are effectively supported in this respect. It is about being embedded within communities and building that architecture of support. An important part of responding to the needs of communities also revolves around ensuring a fit with employer needs and helping to fill labour market gaps: for example, recognising that there is a shortage of primary school teachers, so focusing more on providing routes into that sort of employment.

### **Local businesses and employers can support an inclusive growth agenda**

Barking and Dagenham’s business formation and survival rate is higher than the national average. Panellists discussed how local businesses can be supported to thrive and create opportunities for local people.

- Mark Bass, Site Leader of Londoneast-UK and President of Barking and Dagenham Chamber of Commerce, stated that a significant number of businesses employ local people. It was also noted that despite the skills challenges facing the borough, there are still a significant number of skilled residents. He cited an example of a large pharmaceutical company (Sanofi) that he had worked for, for over 30 years. It was a major employer, with Barking and Dagenham

residents making up 50 per cent of its staff – and all were skilled jobs. Mark suggested that some of the major economic challenges facing the borough are not simply a result of skills issues or low quality output but economic restructuring – pointing to the decline of manufacturing employment and the closure of major sites from multinationals such as Sanofi and Ford.

- Mark described the work that is being led by Londoneast-UK, which is a business and technical park located on the site previously owned by Sanofi. The park comprises a 17 acre campus-style environment with a range of business space, as well as scientific, manufacturing and distribution resources and support services. The aim is to encourage start-ups and incubation companies to use the facilities. It is not expected to initially create much local employment, but the aspiration is for this to happen over the long term.

**“ Some of the major economic challenges facing the borough are not simply a result of skills issues or low quality output but economic restructuring**

- Panellists noted that to make a significant impact on local employment, start-ups and small enterprises need to be able to scale up and grow. Some of the challenges around this were discussed. It was noted that business networking was important: but that the local chamber is currently struggling to get enough people involved, and some of the benefits can be hard to sell. Another key issue identified was the issue of premises: once an enterprise grows beyond a couple of people, it needs appropriate and affordable premises. The borough has sought to support this through the Business Enterprise Centre, which is now full with a waiting list. The cost of accommodation and industrial land can also be an issue for businesses, while some of the larger and more traditional businesses want to be able to buy land rather than continually pay leases or rents.

### **Building the skills that local people need**

Panellists were asked whether supporting high-tech start-ups and incubators would really create much local employment for the significant number of young people that do not get above NVQ2 (and thus will not be able to access such high-end opportunities). They were also asked



whether offering some of the qualifications at the lower end would make a difference, as many of these (such as hairdressing) do not create net employment.

- Panellists argued that there is a balance to be struck between now and the future – the aim is to create and attract high-end opportunities and over the long term to connect residents to these. But currently courses will reflect local labour market conditions, including a significant share of lower end service jobs.
- Yvonne Kelly outlined the approach to skills in the Borough and how it relates to London-wide policies. The Greater London Authority (GLA) takes a lead role as a gatekeeper in skills policy and development, but sub-regions (such as London East) feed into this.
- Panellists were asked whether greater local or regional control of skills budgets (such as devolution of 16 to 18 budgets) was important for building the skills needed for more inclusive growth. It was argued that greater control is of great value, but even more important is to address the fragmentation and disconnect that impacts the ability to match supply with demand, create opportunities for all communities, and build skills that employers need. The changing priorities of policymakers and administrations, and the constant changes to policy, make it a difficult environment to navigate. For example, a recent review into construction found that the potential supply of workers is significant (with 25,000 learners), but the central barriers stem from the disconnect mentioned previously: such as continually shifting goal posts from policymakers, constant changes to GCSEs, and difficulties accessing apprentices across different local authority boundaries.
- The issue around skills gaps in construction was picked up. Panellists were asked about the development proposition for this area, with 42,000 new houses planned, and what that might mean in terms of construction jobs, and what sort of planning had been carried out to connect local residents to such jobs. The wider issue around skills gaps in infrastructure were also discussed.
- Yvonne Kelly argued that the issue is that there is a high supply of people that have studied construction but do not end up employed in the industry. Typically you do not get many students that drop out of college to get a job. In Barking and Dagenham, however, there are young people that leave after level 1 or 2 in college because they have found a job. Other panellists also noted it is often argued that the courses provided by FE colleges do not provide the skills needed, but actually this is not always

the major issue – there are other tensions, other demands (for example, cost of living or needing to support a family) that are important to consider when explaining skills shortages.

- The changing nature of apprenticeships was also mentioned. It was noted that forty years ago, apprenticeships would last for five years and people tended to stay in them. The dynamics are now different.
- In terms of student destinations for the secondary school she is Principal of, Yvonne Kelly noted that 93 percent of sixth form students go onto university or work, with the majority going into work.
- Panellists discussed some of the barriers disadvantaged young people face in completing college or university, with some unable to fit rigid academic routes around their circumstances. John Dishman, reflecting on the experiences of Coventry University College's higher education centres, noted that to address this issue, the colleges are highly flexible to ensure such students are able to learn effectively. For example, there is not just one single entry point into courses; it is multi-layered, with different levels and different types of degrees offered. In addition, there is a strong architecture of support, helping students that may lack organisational or adaptive skills. Coventry University College's London Campus opened in 2015, and currently has 2,500 students with very high retention and achievement rates.

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## Panel Session 3

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### Community cohesion, the changing role of the council and economic inclusion

Building on points made in the first session of the hearing, panellists discussed the community cohesion challenges in the borough and how they have changed over time, as well as how the role and leadership approach of the council has evolved.

- Rita Chadha, Chief Executive of Ramfel, reflected that there has been significant positive change in the borough since the period in which the BNP gained substantial electoral support. However, her and other panellists questioned the assumption that support for BNP and other extremists parties had disappeared: there is still an element of extremism in the borough and this does cloud political discussions. The EU referendum vote also highlighted some of the tensions: 62 percent of the borough voted Leave, one

of only five boroughs in London. There are concerns that it has also created a permissive environment for racism or xenophobia. Erika Jenkins, Chief Executive of Barking and Dagenham CVS, added that issues around community cohesion and political sensitivities need to be more effectively articulated by stakeholders in the borough.

- It is partly the aforementioned political sensitivities that have led, atypically to the council outsourcing the development and leadership of the borough's cohesion strategy to the community and voluntary sector (CVS). This partly reflects the impact of budget cuts, but frustration was expressed that the council does not provide greater input, support and interaction. Most of the initiatives around cohesion are led by the CVS.
- Pastor Ade Adesina, who has lived in the borough for 20 years, noted that the role of the council and its relationship with the CVS has changed dramatically in recent years. In the earlier period, where there was a good level of funding available, council staff were more deeply engaged and working in partnership with the sector. In more recent years, with austerity biting, the council is much more open to the idea of charities directly providing services themselves, as opposed to the local authority.
- Nevertheless, panellists stressed that there has been much broader strategic involvement since the new council leadership was formed. There is a strong local understanding in key policies and initiatives. There is strong potential for the manifesto to become a vehicle for inclusive growth in the borough – it could make a substantial impact in the borough because the targets that have been set and the approach for meeting them is convincing and addresses the key challenges the borough faces (for example housing, education, labour market inclusion).
- Panellists also indicated that the manifesto processes showed that the council was beginning to engage with residents in a deeper and more effective way. Whereas previously much of the engagement was narrowly restricted to putting council proposals out for consultation, the engagement tactics for the manifesto included going out and actually engaging with communities face-to-face, with greater reciprocity. The EU referendum vote also partly contributed to galvanising interest and energy.
- Rita Chadha stressed that for the proposed cohesion plan to avoid being perceived as “fluffy” or ineffectual, it requires the same level of commitment and ambition as the borough's Growth Plan.

## Population churn is often a useful excuse for poor strategic planning

### **Changing demographics and including migrants in inclusive growth**

Panellists discussed the significant changes to the demographic profile of the borough, and the need to more effectively support migrants and ethnic minority communities to be more actively involved in the local economy.

- It was argued that population churn is often a useful excuse for poor strategic planning – and migration patterns are affected by issues such as welfare reform, housing and policies aimed at ethnic migrants.
- Pastor Ade Adesina reflected that many people coming in from Europe will often centrally land in Barking and Dagenham as an important stop-gap, because it is accessible and housing is cheaper. However, what tends to happen is that the relatively deprived people that leave those neighbourhoods tend to be replaced by similarly disadvantaged people.
- While young white working class males was a demographic identified earlier as facing particular challenges around education, panellists also emphasised the barriers facing ethnic minorities for whom English is a second language. Erika Jenkins stressed that this is a failure of systems and policies: language would not prevent these communities from being involved in the economy if systems do not prevent them.
- Rita Chadha stated that it is likely that around two-thirds of the families in Barking and Dagenham are affected by an immigration issue. This is an area where the council has limited leverage, which affects its ability to develop a different type of relationship with local residents. A family without permanent residency that constantly has to renew their status, and is constantly on shifting sand, will not be able to root themselves further within the community and place.
- In this respect, a key issue for migrants is not only the temporary nature of their residency, but also difficulties in getting links into the local community and its social support infrastructure. Rita Chadha noted that there have been positive developments in the GLA's approach to migration, with a new focus on social integration as well as economic integration.

- There are also a range of practical issues that limit migrants' ability to benefit from and participate in the economy. For example, there will be many that are excluded because legally they are unable to work – by the time they have their papers together, they are usually in their late 20s or early 30s, and thus may have missed out on critical period of training or labour market participation. This also affects skilled migrants, given the complexity of transferring skills from one country to another. It was noted that there were very few progression routes for migrants, within the first ten years in particular. Some panellists thus stressed the importance of national state guidance in order for inclusive growth to be realistic for groups such as migrants. This may include the state legislating for some category of migrants that are currently barred from working to be able to work.
- Panellists also reflected on how welfare to work programmes can distort work and business incentives for those from ethnic minority and migrant backgrounds, whilst perceptions of racism often deter many people from setting up businesses in the borough. For the former, one example cited was how pressure from the job centre to find work or face sanctions led to job seekers receiving advice from the job centre to set up madrassa classes, even if they were not Muslim. Welfare to work policies thus steered ethnic minority business formation in particular directions, not always in a positive or productive manner.

### **Building skills to support people into employment**

Panellists discussed the importance of providing effective and appropriate educational pathways to support people into employment and in-work progression, with a particular focus on vocational education, apprenticeships and raising aspirations.

- It was emphasised that it is fundamentally important to equip young people with the appropriate type of skills to enable them to be job ready. Vocational education is a key part of this. This is partly because vocational routes are more suited to people that are unable to follow a traditional academic pathway, but also because employment-relevant (and lifelong) education and training is important in responding to how our labour markets have changed and continue to change. For example, in a decades' time a different set of skills may be important for the economy, and thus re-training is essential.
- Another key issue identified was the quality of training and education opportunities for young people, and in particular apprenticeships.

For example, apprenticeships are widely used for those that are already in long-term employment, and are thus not being used in the way they were designed to be used. The level of apprenticeships is also an issue: apprenticeships at level 2 do not equip people with the skills they need to be effective in a job. One panellist argued apprenticeships in health and care are particularly badly used. Apprenticeships used to be highly effective for bringing people into good quality work, but this is no longer the case.

## **“Nurturing cultures of aspiration and empowerment is a key part of labour market inclusion**

- Panellists argued that nurturing cultures of aspiration and empowerment is a key part of labour market inclusion. Pastor Ade Adesina mentioned programmes run by faith groups such as his, support this, including after-school initiatives and peer mentoring in schools. He also identified a business empowerment programme that runs twice a year, which helps to build self-esteem, confidence and courage; and also brings together community leaders to take collective action across the borough.
- Similarly to the point made by Mark Bass in the second session, panellists emphasised that cultures of 'aspiration' and patterns of education and skills are significantly impacted by economic restructuring. A key challenge is to encourage children from families and communities that were wedded to particular patterns of employment (for example, in skilled labour and manufacturing jobs) to explore and potentially pursue different pathways into education and employment. This might mean that rather than seeking to become skilled labourers for declining industries, they might aspire to go to university or pursue highly skilled professions, to develop a broader and more resilient base of skills. Pastor Ade Adesina cited a school programme to demonstrate this – many of the young people that were supported as part of this were drop-outs, whose parents used to work in the Ford factory or for other large employers affected that had declined or moved out of the borough.

## Social infrastructure for inclusive growth in Barking and Dagenham

Panellists were asked how they understood the term social infrastructure and its relationship to the inclusive growth agenda.

- It was noted that the borough's growth plan identified that in Dagenham in particular there has historically been a relative lack of social infrastructure.
- Erika Jenkins interpreted social infrastructure as opportunities for people to use community spaces; to develop their own work and work with other organisations in areas where it is safe for them to do so. This includes libraries, community hubs, voluntary sector buildings and a range of community facilities. She noted that due to cuts, these sorts of places are diminishing rapidly.
- The panellists identified the UK-wide Participatory Cities initiative, which supports a range of projects to make neighbourhoods more enjoyable and exciting places to live, as well as more socially, economically and environmentally sustainable. The concept of 'inclusive participation' is central to this, and is identified as building block to creating greater equality. The initiative is currently seeking to develop a 'Demonstrator Neighbourhood', a place of around 200,000 to 300,000 residents, that will be transformed over five years, through inclusive participation, collaboration and the creation of new ideas in an open source environment. Other initiatives, such as timebanking schemes, were also mentioned.
- Rita Chadha also mentioned the importance of social capital, and bridging capital in particular (social networks that bring different communities together). It is vital to identify how this can be defined locally, where the gaps are and what might be done to address them. Pastor Ade Adesina noted some of the ways in which the church and faith groups support social infrastructure, for example through one-stop-shops, community check points, food banks and other community-oriented services (some of which were previously delivered by the council).
- The council can play a key role in building social infrastructure through its spending and investment, as well as procurement. Rita Chadha, however, emphasised that councils should not seek to control or manage social processes for its own particular purposes, but should acknowledge that communities' agendas may not align with the council's, and that this should be accommodated. She cited the example of a crowd funding

platform sponsored by council, which match funds organisations that raise money towards achieving social objectives. The issue is that it is the council's interpretation of social objectives, and not "shared value" articulated in partnership with local people.

- The VCS plays a critical role in building social infrastructure, but faces some significant challenges. Erika Jenkins noted that in Barking and Dagenham, there is a high proportion of smaller volunteer-led voluntary sector organisations that turn over around £10,000 per year, but there is a lack of growth in medium sized organisations, or those turning over £50-75,000 and over. These organisations are also losing income, and are finding it difficult to grow. In addition, there are three to four organisations that have a turnover of £1 million and over. Given the size of the borough's population, there is thus a real significant gap in capacity compared to other places. In addition to funding cuts, as with other places there are also issues with how commissioning works, which tends to favour larger organisations and makes successful bidding very difficult for medium sized organisations. Panellists also noted that smaller grassroots organisations rely on grant funding, but there is a poor take up of successful grant making in the borough, as well as poor success rates for Big Lottery funding. There have been attempts to build this capacity and increase community bids through targeted work with particular groups, but there has been a lack of resources for this capacity building work.

## Business leadership and representation

Panellists emphasised the need to do more to highlight the importance of the chamber of commerce. It was recognised that if you compare the UK with other countries, it has lacked institutional business capacity at a local level. Panellists added that while doing important work, the chamber in Barking and Dagenham is not the most active, and there is a lack of involvement from some of the larger businesses. In terms of diversity and demographics, it was also noted that the chamber is representative, but not as much at the leadership level.

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## About the RSA Inclusive Growth Commission

Launched in April, 2016, the Inclusive Growth Commission is an independent, impactful inquiry designed to understand and identify practical ways to make local economies across the UK more economically inclusive and prosperous. Chaired by Stephanie Flanders, former BBC economics editor and J.P. Morgan Chief Market Strategist (UK and Europe), and building on the success of the RSA's City Growth Commission, the Commission will seek to devise new models for place-based growth, which enable the widest range of people to participate fully in, and benefit from, the growth of their local area.

The RSA City Growth Commission demonstrated how the largest UK cities can drive prosperity through place-based investment and economic policy making, enabled through devolution and new forms of governance and finance. This economic narrative has since driven policy developments, but it has become increasingly urgent to understand how we can deepen and broaden this vision, tackling the entrenched inequalities within and between neighbourhoods that act as a drag on growth, and ensuring that the benefits of this place-based approach are more widely shared.

## Find out more and get involved

To find out more about the Commission and view its latest content, visit [www.thersa.org/inclusivegrowthcommission](http://www.thersa.org/inclusivegrowthcommission) or our Twitter on @incgrowth.

To find out more about how you can get involved, contact Charlotte Alldritt, Director of the Commission, at [charlotte.alldritt@rsa.org.uk](mailto:alldritt@rsa.org.uk) or Atif Shafique, Lead Researcher, at [atif.shafique@rsa.org.uk](mailto:atif.shafique@rsa.org.uk).



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