

SOUTHWARK ECONOMIC EVIDENCE BASE

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Table of Contents

ABOUT THIS REPORT	<u>3</u>
HEADLINE ECONOMIC DATA	<u>5</u>
HOW FAIR IS SOUTHWARK'S ECONOMY?	<u>14</u>
Wages & housing costs	<u>15</u>
Access to services	<u>20</u>
Young people	<u>25</u>
HOW GREEN IS SOUTHWARK'S ECONOMY?	<u>32</u>
Economy-based emissions	<u>33</u>
Green economy & transition	<u>38</u>
HOW RESILIENT IS SOUTHWARK'S ECONOMY?	<u>44</u>
Overall economic resilience	<u>45</u>
Personal economic resilience	<u>54</u>
Climate stress & shock resilience	<u>62</u>
SUMMARY & CROSS-CUTTING THEMES	<u>68</u>



This report considers Southwark's economy through the core themes of 'fair', 'green', and 'resilient', which often have connected or overlapping issues, and require similarly connected/holistic responses.

About this report

This report provides contemporary outline evidence to support Southwark's forthcoming Economic Strategy. It draws together various pieces of publicly available data and secondary research to provide a compendium of evidence to form an economic narrative to support the next stage of Southwark's economic development and inform decision making.

As Southwark Council aims to develop a new economic strategy around the principles of inclusive growth, this economic evidence base focuses not simply on job and business growth but on how change in the economy affects Southwark's residents and workers—and how the economy can be more equitable for everyone.

Inclusive growth: Enabling as many people as possible to contribute and benefit from growth. (RSA Inclusive Growth Commission)

The evidence base begins with an overview of Southwark's overall job and business growth, sectors, and business areas (p. 4). It is then structured around three core questions/issues, each comprising its own chapter.

The chapters contain topical subchapters, each ending with a page of questions/provocations that Southwark may want to consider when developing the New Economic Strategy.

The document is structured so that readers can engage with it as much or as little as they need: those who want to know all of the detail can go through page by page; those who want just the key findings can focus on the chapter or subchapter introduction pages; those with an interest in a particular topic can jump ahead to the relevant chapter or subchapter.

The three core questions and chapters are:

How fair is Southwark's economy? (p. 14) 'Fairness' takes into account how things like the spatial distribution of income and poverty, and access to education and job opportunities (particularly among young people). This chapter considers issues such as **wages and housing** to understand living costs and income deprivation (p. 15), **access to high streets and essential services** (p. 20), and how and to what extent the borough's **young people** are gaining skills and entry to the workforce (p. 25).

How green is Southwark's economy? (p. 32) 'Green economy' encompasses many different strands. One is how much economic activity and day-to-day business operations contribute to overall emissions—in other words, **economy-based emissions** (p. 33). Another strand is the **growth in green businesses and jobs** and the upskilling required to ensure all current and prospective workers can take advantage of the

transition to a green economy (p. 38).

How resilient is Southwark's economy? (p. 44) As with other chapters, the matter of 'resilience' is multi-faceted. This section firstly reviews **overall economic resilience**, such as business survival and how exposed Southwark's sectors are to economic shocks like Covid-19 (p. 45). **Personal economic resilience** is also featured, including estimates of more precarious gig economy and zero-hours work as well as insight into community connectedness (p. 54). Last but not least, **environmental resilience**: how well-equipped businesses and residents are to cope with climate-related shocks and stresses (p. 62).

The core issues of a fair, green, and resilient economy do not exist independently from one another. There are many issues that cut across two or all themes (p. 69). Furthermore, while Covid-19 has created a host of new challenges for the borough in terms of residents' wellbeing and finances and business stability, the evidence base reveals long-standing struggles with deprivation and inequality, which are often embedded specifically around the centre of the borough.

HEADLINE ECONOMIC DATA

Headline economic data

Since emerging from the 2009 to 2011 recession, Southwark's jobs and business growth has generally been strong and steady, although Covid-19 has affected the number of jobs.

Employment in Southwark is concentrated in the north of the borough along the South Bank from London Bridge to Lambeth. This is especially true of high-growth, knowledge-intensive sectors. Central London being a global business hub means that this concentration is unlikely to change significantly in coming years. Sectors identified as focus areas in Southwark's Skills Strategy are somewhat more evenly distributed throughout the borough.

How residents experience this growth is another matter. Given the prevalence of income deprivation across parts of the borough, especially across central Southwark, not everyone has benefitted from jobs and businesses in Central London.

Southwark hosts more jobs than it has working-age residents, with 1.38 roles for every person. However, there may be a mismatch between the skills required for and locations of these jobs and residents' own skills and ability to travel.

The forthcoming economic strategy may not be as much about growing jobs and businesses—that will likely happen anyway due to Southwark's entrenched role as a core part of central London—as it is about redistributing growth and

its benefits: how can residents access these jobs and opportunities, and how a more inclusive economy can spread the benefits throughout the borough.

The council may wish to spend some time considering the relative differences and emphasis they put on the concepts of inclusive growth and inclusive economy. An 'inclusive economy' is one that delivers positive social outcomes and functions naturally to tackle inequality and help create prosperity for all. It is about growing prosperity that reduces inequality and is sustainable. It gives people access to economic necessities, tackling issues of accessibility and placed-based inequalities. It is more than just addressing the negative consequences of economic growth as would be expected from an 'inclusive growth' approach.

There are also questions and challenges around specific subsectors important to London and Southwark. For example, life sciences has momentum and institutional support from Guy's & St Thomas' Trust and King's College London, but businesses are densely concentrated in Central London and residents in other parts of the borough may be disconnected from resulting job opportunities, whether because they lack awareness the jobs exist, confidence to apply, skills to take them on, ability/finances to travel to them, or other barriers.

Hospitality (e.g. retail, hotels, restaurants) has

grown,¹ but its jobs tend to be low-paid and precarious; recent growth in hospitality businesses does not appear to have corresponded with jobs growth, which may mean some hospitality jobs have shifted towards casual or gig work, while other hospitality businesses report challenges in recruiting local people. Creative businesses are scattered throughout the borough,² but many of these are micro-businesses and may not have the scope to scale up and create jobs.

Covid-19 also put essential services in the spotlight. Southwark's 'foundational economy'³ of sectors whose operations and outputs are necessary for the day-to-day living and comfort of residents comprises just under half of the borough's jobs. Within this, it's the 'overlooked' economy—person-to-person services such as hair and beauty, maintenance, or restaurants and cafes—that has seen the greatest jobs growth over the last five years. Like hospitality, these are often jobs with low pay and low security.

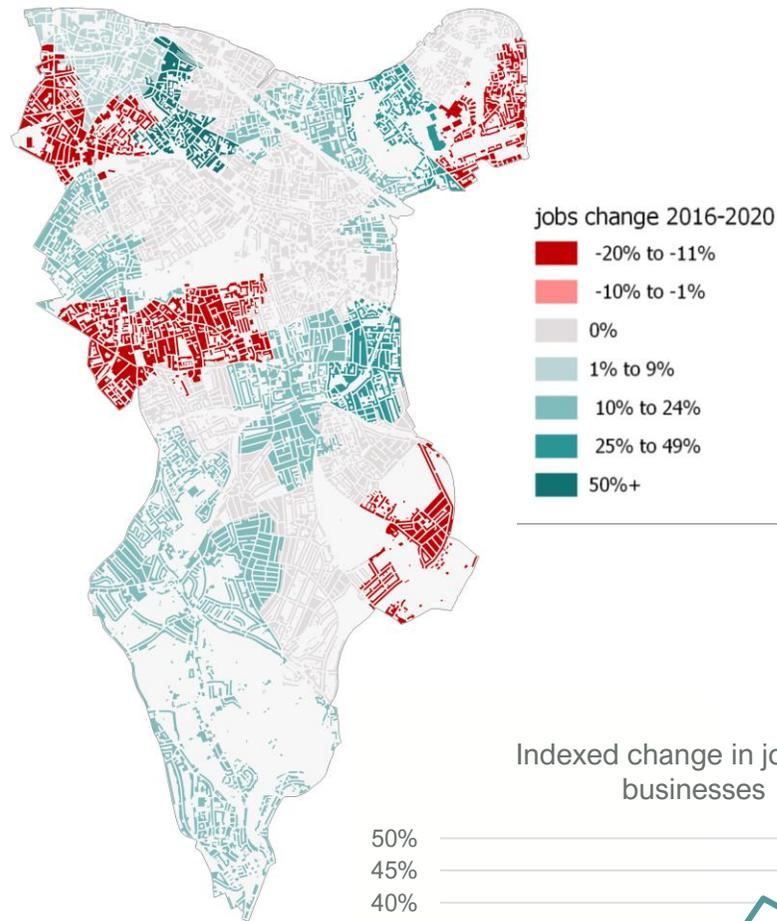
Indeed, while the 'overlooked' economy had particularly strong growth, it also appears to have been heavily affected by Covid-19, shedding 76% of jobs created between 2015 and 2020,⁴ potentially pushing workers into unemployment or untracked gig work.

Jobs & business growth

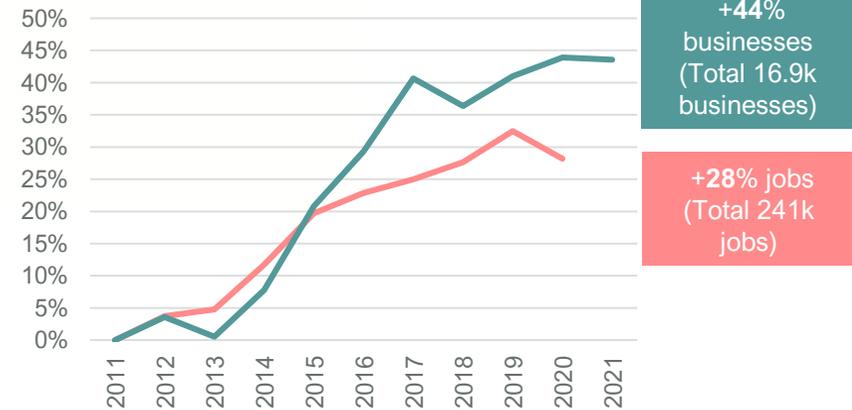
Following the recession in 2009, jobs and businesses experienced low levels of growth for two years. It is uncertain whether this pattern will be repeated once the country starts emerging from Covid-19, given the fundamental differences in the origins and effect of the two crises.

Southwark's jobs and business growth generally increased steadily from 2013. Flatlining business counts in 2020/21 and declining job counts from 2019 to 2020 coincide with Covid-19.

The spatial distribution of jobs growth is highly uneven across the borough. The London Bridge area experienced the greatest increase in jobs from 2016 to 2020, at 50% to 60%. Areas of Camberwell, Nunhead/Brockley borders, Elephant & Castle and Surrey Quays have actually experienced declines in the number of jobs. However, aside from E&C, these areas had relatively low numbers of jobs to start with.



Indexed change in jobs and businesses



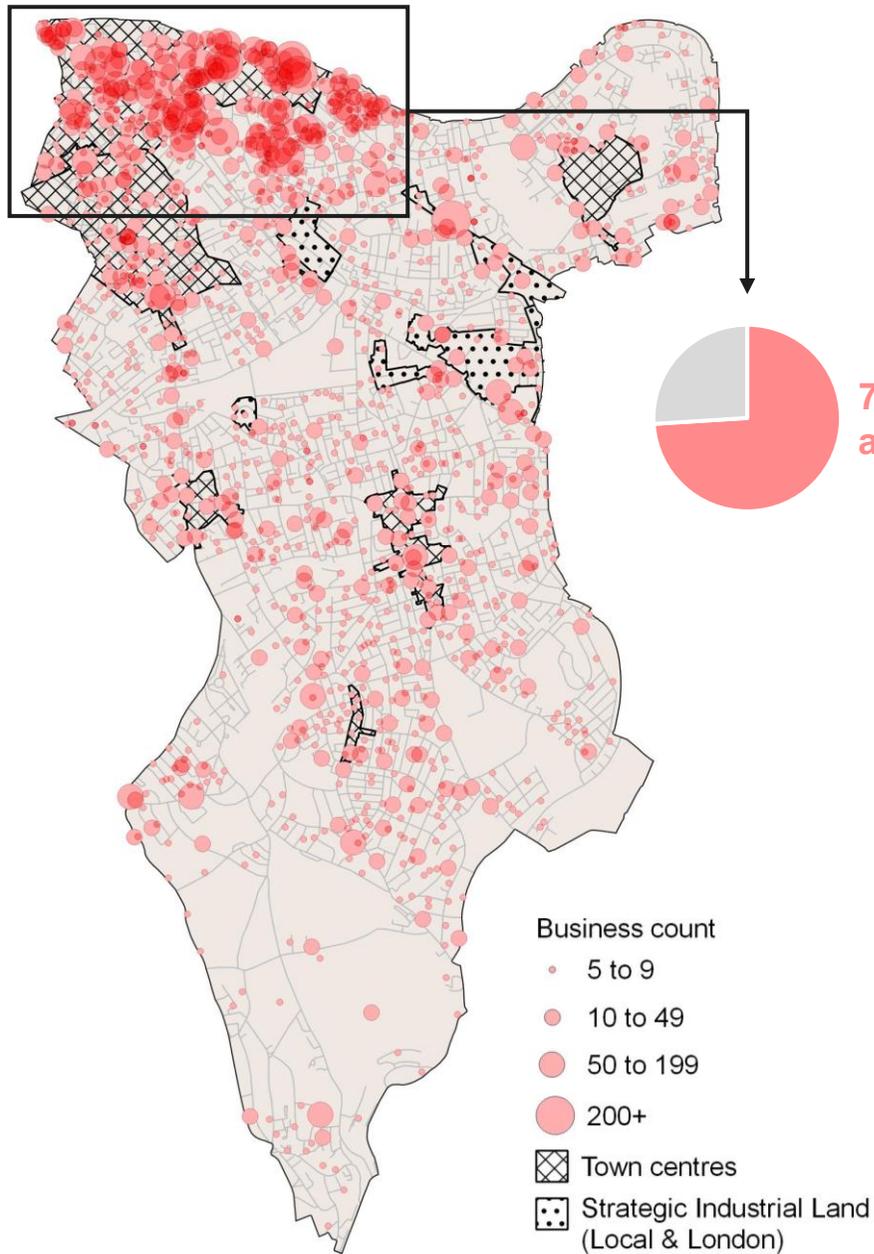
HEADLINES

Distribution of jobs & businesses

Southwark's areas within London's central activities zone are home to a significant proportion of the borough's businesses and jobs.

74% of jobs in Southwark are located in central London MSOAs, including Elephant & Castle and Southwark St George's (Southwark 002, 003, 004, 006, 009, 034).

Excluding Elephant & Castle and Southwark St George's (Southwark 002, 003, 004, 006), the CAZ parts of Southwark hold 65% of the borough's jobs.

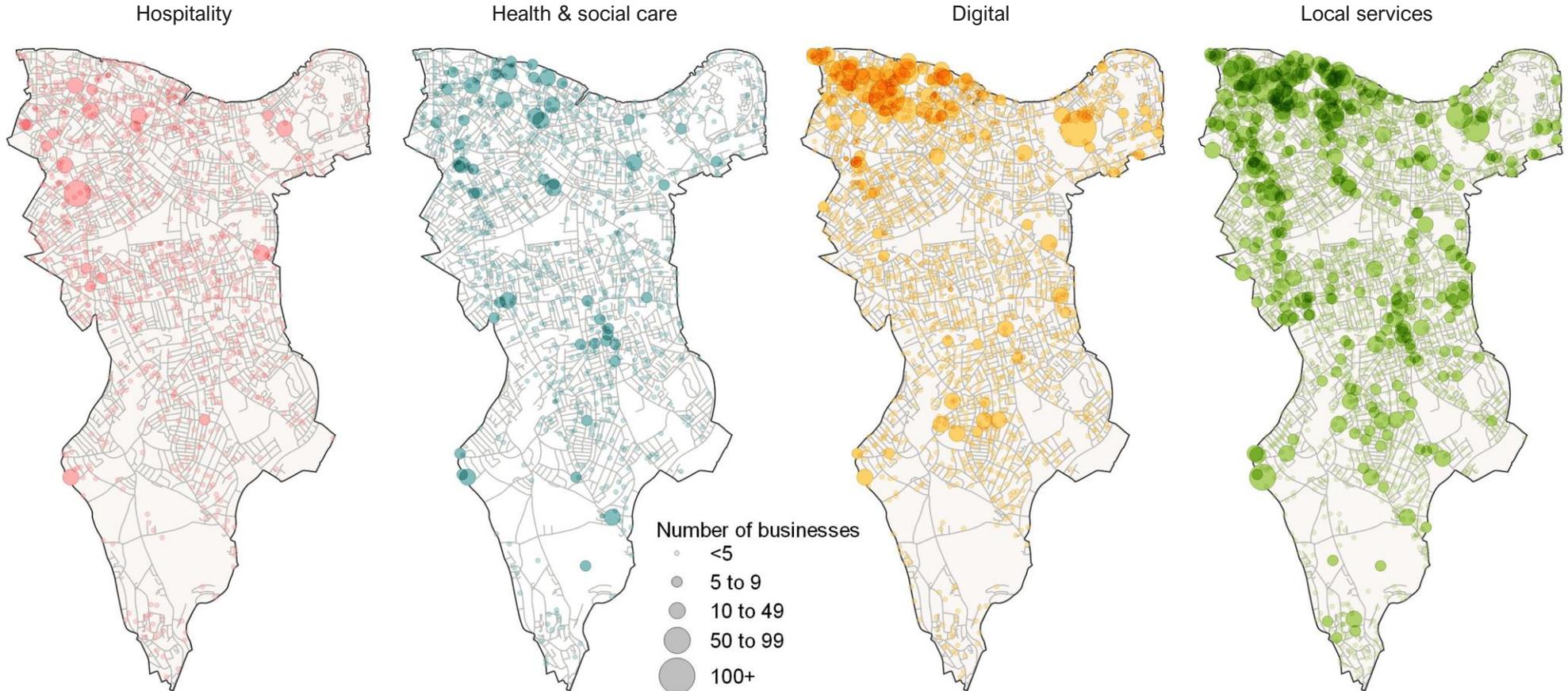


Distribution of Skills Strategy focus sectors (businesses)

Source: Companies House, Dec 2020

Most sectors identified in Southwark's skills strategy tend to have their businesses somewhat more evenly distributed throughout the borough than all registered businesses. Digital businesses are likely to cluster in the CAZ, though there appears to be secondary clusters of registrations in Rotherhithe and East Dulwich (businesses may

only be registered and not operate there, however). Hospitality, health & social care, and local services tend to cluster around high streets. Note that while health & social care appears throughout the borough, the related but more R&D focused 'life sciences' subsector is clustered in the CAZ (not pictured below).



n.b. Green activities are also a focal point, but do not have neatly corresponding SIC codes like the above sectors

HEADLINES

Subsector growth

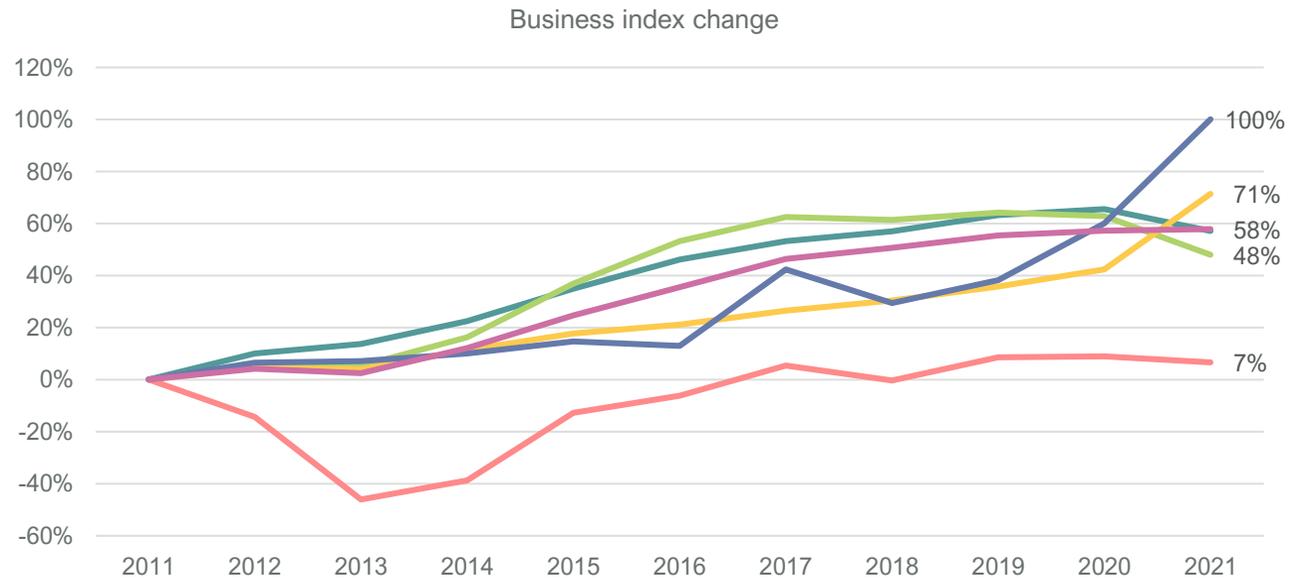
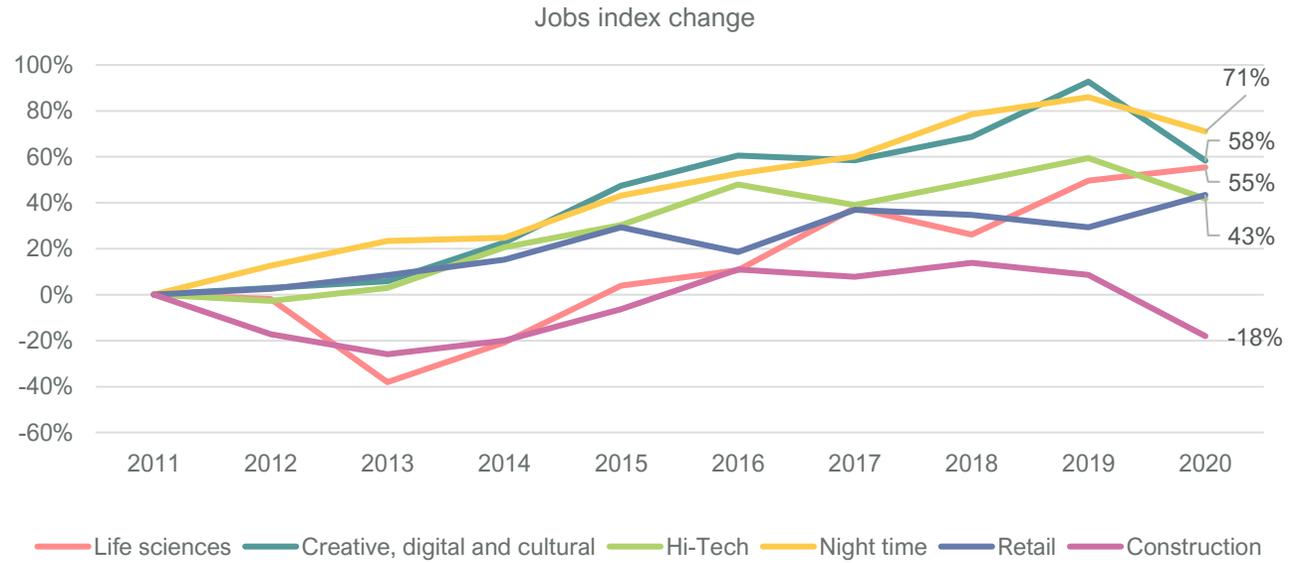
The creative, digital and cultural and the high-tech industries have followed similar growth patterns, with jobs and business numbers rising from 2011 to 2019, and then experiencing decline.

The construction sector experienced significant decrease in jobs from 2019 to 2020, which may be linked to Brexit and/or to loss of light industrial and warehousing land in the borough.

Unlike the other sectors, night-time economy and retail businesses experienced growth between 2017 and 2021, with the greatest rate of growth between 2020 and 2021. However, this has not corresponded with similarly substantial increase in jobs. The decline in jobs and increase in businesses could indicate a move toward gig economy employment in these sectors.

In the life sciences sector business numbers declined or struggled to grow for some time, though business number growth has been positive since 2018. Job numbers have increased, suggesting businesses could be expanding.

Source: Jobs Index Change from Business Register and Employment Survey 2011-2020 . Business index change from UK Business Counts 2011-2021 ONS.



Foundational economy

Focusing Southwark’s forthcoming economic strategy on growth and productivity risks skewing outcomes and benefits towards prominent locations within the borough (in particular those within the Central Activities Zone and places with significant office or industrial space). It also risks ignoring a significant proportion of day-to-day economic activity that is directly relevant to the majority of the Southwark population. This is the ‘foundational economy’.

The Foundational Economy group of researchers identifies three subsections to the overall foundational economy. The ‘**providential**’ economy includes people like construction workers, teachers, and health care workers, while the ‘**material**’ economy includes workers such as grocery store cashiers, bank tellers, waste removers, and utility providers—that is, daily essentials. ‘Material’ includes many ‘hidden’ activities which don’t necessarily interface with the general public but are critical as part of the overall foundational economy supply chain (e.g. apple growers, fruit pickers and processors, drivers transporting apple juice to shops).

A wider consideration of what constitutes an ‘inclusive economy’ would take into account all the parts of economic life necessary to meet everyday, foundational needs. Household economic resilience and foundational economy are linked. For example, personal and household debt restricts spending on services; a reduction in

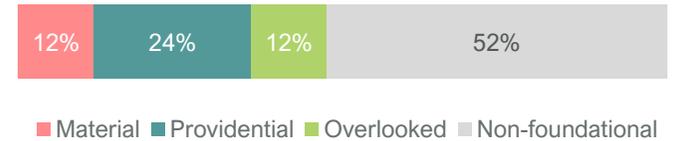
foundational economy services means households may have to pay more for services due to less choice or having to travel farther; and some residents will be/have been employed in foundational jobs (particularly the ‘overlooked’ economy) that may have been negatively affected by Covid-19 lockdowns.

Distinct but related is the ‘**overlooked**’ economy, which includes workers such as hair stylists, handypeople, or restaurant staff. These are usually low-tech and unsung, but nonetheless crucial in shaping our quality of life.

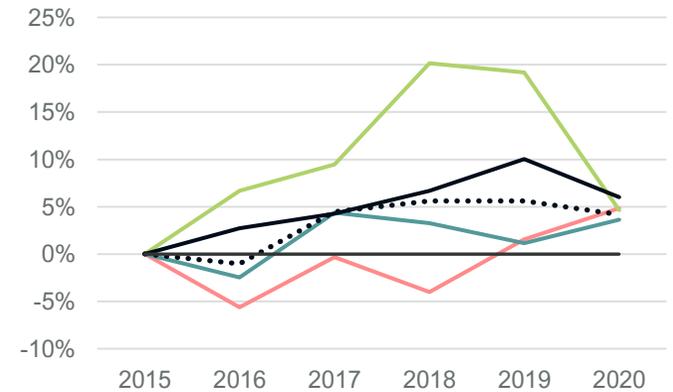
Taken together, the foundational economy, including the overlooked economy, make up nearly two-thirds of UK employment. In Southwark, foundational sectors comprise around 47.5% of all jobs as of 2020, a figure that has remained consistent (within one percentage point either side) for the last five years.

The foundational economy grew slightly less in recent years than the economy as a whole. However, the ‘overlooked’ sectors of the foundational economy had been growing at a stronger pace than others: until 2020, it was responsible for the majority of new jobs in the foundational economy, adding around 5000 jobs from 2015 to 2019 compared to around 1000 combined in the material and providential sectors. The drop in ‘overlooked’ jobs from 2019 to 2020—estimated at 3800 jobs—is likely a result of Covid-19 and lockdowns.

Southwark’s foundational vs wider economy jobs, 2020



Indexed change in foundational jobs vs wider economy



All foundational jobs: +4%
 All economy jobs: +6%

ECONOMIC STRATEGY CONSIDERATIONS: ECONOMIC TRAJECTORY

1. Is the strategy about creating more jobs in the central activities zone or encouraging enterprise throughout the borough?
2. How does the strategy recognise the value of the foundational economy to residents while addressing issues of precarious employment? What options does the council have to promote more secure contracts in these industries?
3. How do we encourage the benefits of specialist sectors to spread throughout the borough?

References

1 Business Register & Employment Survey 2020, ONS; UK Business Counts 2021, ONS

2 Companies House, DCMS sector definition for Creative, Cultural, & Digital Industries

3 See foundationaleconomy.com for a list of sectors included in this definition

4 Business Register & Employment Survey 2020, ONS; UK Business Counts 2021, ONS

HOW FAIR IS SOUTHWARK'S ECONOMY?

Overview

This section considers various facets of 'fairness' in Southwark's economy, including the spatial distribution of income and poverty, access to education and job opportunities (particularly among young people), access to core services and amenities (such as housing and high streets). In many cases, disparities in income and opportunity are long embedded and overlap with economic resilience (p. 44).

The previous section showed that the balance of Southwark's economy tips towards Central London and indicated that while jobs and business growth will likely continue, the benefits of Central London's economy may not be felt throughout the borough unless further action is taken.

Income deprivation affects many areas in Southwark, particularly from Camberwell and Walworth in the west, along Old Kent Road, and into North Peckham and Nunhead, with other pockets in Rotherhithe and Kingswood Estate. Many of these places are home to high proportions of black, Asian and other minority ethnic residents who are disproportionately experiencing low incomes.

This is not always due to lack of employment: many income-deprived households have working people. One estimate is that 17,000 Southwark residents may be experiencing in-work poverty.⁵

Although a greater proportion of Southwark jobs pay at least London Living Wage compared to London, a single-income household relying solely

on London Living Wage cannot comfortably afford a private rented one-bedroom flat anywhere in the borough. Southwark also has a large backlog of households needing affordable homes, meaning many low-income families will be in private rented or other accommodation that may not offer the security of tenure of a council or housing association home.

Housing costs have been challenging in London for a long time, but mounting inflation from global supply chain issues, Brexit, and Covid-19, combined with employment uncertainty, are putting additional pressure on low-income households.

For example, even though most Southwark residents live within a 15 minute walk of a high street with a range of essential services, food insecurity is a real issue—by one estimate, it may affect 75,000 residents.⁶ Food bank use has gone up during Covid-19 and 'e-food deserts', where residents lack access to getting fresh food from a physical shop or online, are dotted throughout the borough.⁷ This is a significant issue, as lack of access to healthy food affects people's mental and physical health, in turn affecting their ability to participate in the economy and communities.

Young people in Southwark have access to a range of good schools, universities, and training opportunities. Although only 42% of 16 to 18 year olds attend Southwark schools,⁸ those schools send 82% of disadvantaged students into higher

education or training.⁹ Southwark residents take up higher apprenticeships (NVQ4+) at a higher rate than Londoners generally, though on the whole young people aged 19 to 24 in Southwark comprise proportionally fewer apprenticeship starters than London-wide. The parliamentary constituency of Bermondsey & Old Southwark has a relatively low rate of 19 to 24 year olds in apprenticeships (1% compared to 1.8% in other Southwark PCs and 1.6% in London).¹⁰

This offers much to build on, but Covid-19 hit young adults especially hard, as they comprise a large proportion of workers in hospitality, retail, and highly affected industries. Southwark's youth unemployment gap overlaps with the borough's areas of low income,¹¹ potentially making lack of access to good jobs an entrenched, multi-generational issue, particularly among black, Asian and other minority ethnic residents who live in the most affected areas.

A fair economy for Southwark—for both young and old—will be one that redistributes benefits and opportunities for jobs and skills, whether through better access to jobs in Central London, spreading jobs throughout the borough, or encouraging business start-ups; one that works towards greater security in the foundational and essential economies; one that improves social infrastructure and support for financially precarious residents; and one that provides residents with safe, secure housing.

Wages & housing costs

Southwark is a borough with a central 'belt' of income deprivation surrounded by relatively comfortable households along the Thames and in the south of the borough. However, these areas have their own internal inequalities.

As of the most recent calculation in 2018, households in Southwark have a net median household income after housing costs (in other words, disposable income) of £28,300, around the same as London overall.¹² These household net incomes vary spatially. Households around much of Dulwich, East Dulwich, Herne Hill, Sydenham Hill, Tower Bridge, and parts of Rotherhithe have comparatively high net income and include some of London's most well-off areas in terms of disposable income. Households in Camberwell, North Peckham, and Walworth have relatively low net income after housing costs.

There is variation within all of these areas. Places that appear well-off by the net household income measure tend to hide pockets of households that may be struggling with income deprivation, particularly around the borough's housing estates (e.g. Sydenham Hill, Rotherhithe, East Dulwich). At the same time, places like Camberwell and Peckham have increasingly become home to professionals with potentially high earning power.

Encouragingly, by one measure, income inequality is declining in Southwark. Trust for London reports that Southwark's pay inequality stands at 2.34 in 2021, meaning hourly wages for the top 20% of earners in the borough are 2.34 times higher than the remaining 80%. This gives Southwark better pay equality than London (2.64)

and places it fifth most equal among London boroughs. It's also a substantial improvement from 2011, when Southwark's pay inequality ratio was 3.07 and the fifth most *unequal* in London.¹³

This is good news, but it may not be felt locally, particularly where more well-off people are moving into lower-income neighbourhoods. There is still more work to do for Southwark's low-pay workers and residents, especially black, Asian and other minority ethnic and disabled groups who have disproportionately low earnings.

Although London Living Wage (LLW) has gained a foothold among Southwark's employers—as of 2018, around 90% of the borough's jobs paid LLW or higher¹⁴—this is unlikely to help LLW earners to live comfortably in Southwark, let alone those earning below that. For a single-income household relying solely on LLW, one-bedroom private rented accommodation anywhere in the borough would consume at least 50% of their gross earnings; two bedrooms would be out of reach.¹⁵ LLW is important as part of a suite of broader activities to tackle in work poverty, but cannot transform low-income living alone.

It is not known exactly how many of Southwark's residents experience in-work poverty. One measure, the number of Universal Credit claimants who are employed, suggests around 17,000 residents (41% of claimants) may be experiencing in-work poverty as of September 2021.¹⁶ Furthermore, 16% of people approaching Southwark council as homeless in 2018/19 were working 30 hours or more.¹⁷

While social housing provides a haven for low income and struggling residents, waiting lists are extensive. Southwark has committed to building 11,000 new council homes by 2043 and is meeting its affordable housing target (which includes social as well as other 'affordable' tenancies), with 37% of net affordable homes delivered on major developments in 2019/20 against a target of 35%.¹⁸ In the last couple years, social rented units have comprised a growing proportion of overall approvals and 2020/21 saw a large amount of units permitted that will be built in coming years,¹⁹ but households on the waiting list will still need support while their new homes are under construction.

Meanwhile, affordable home ownership units (e.g. shared ownership) have come to comprise the bulk of new affordable housing, an option that may still be out of reach for the borough's poorest residents. Southwark's 2019 strategic housing market assessment counted a net annual backlog of 2077 households needing affordable housing.²⁰

Additionally, Southwark has an estimated 5,020 houses in multiple occupation (HMOs), which have some of the poorest housing conditions of any tenure, with 86% in the borough predicted to have serious hazards.²¹

Residents have expressed concern about housing costs and availability: a recent resident survey uncovered fears about rising housing costs leading to isolation and exclusion and uncertainty that new housing schemes would provide affordable housing.²²

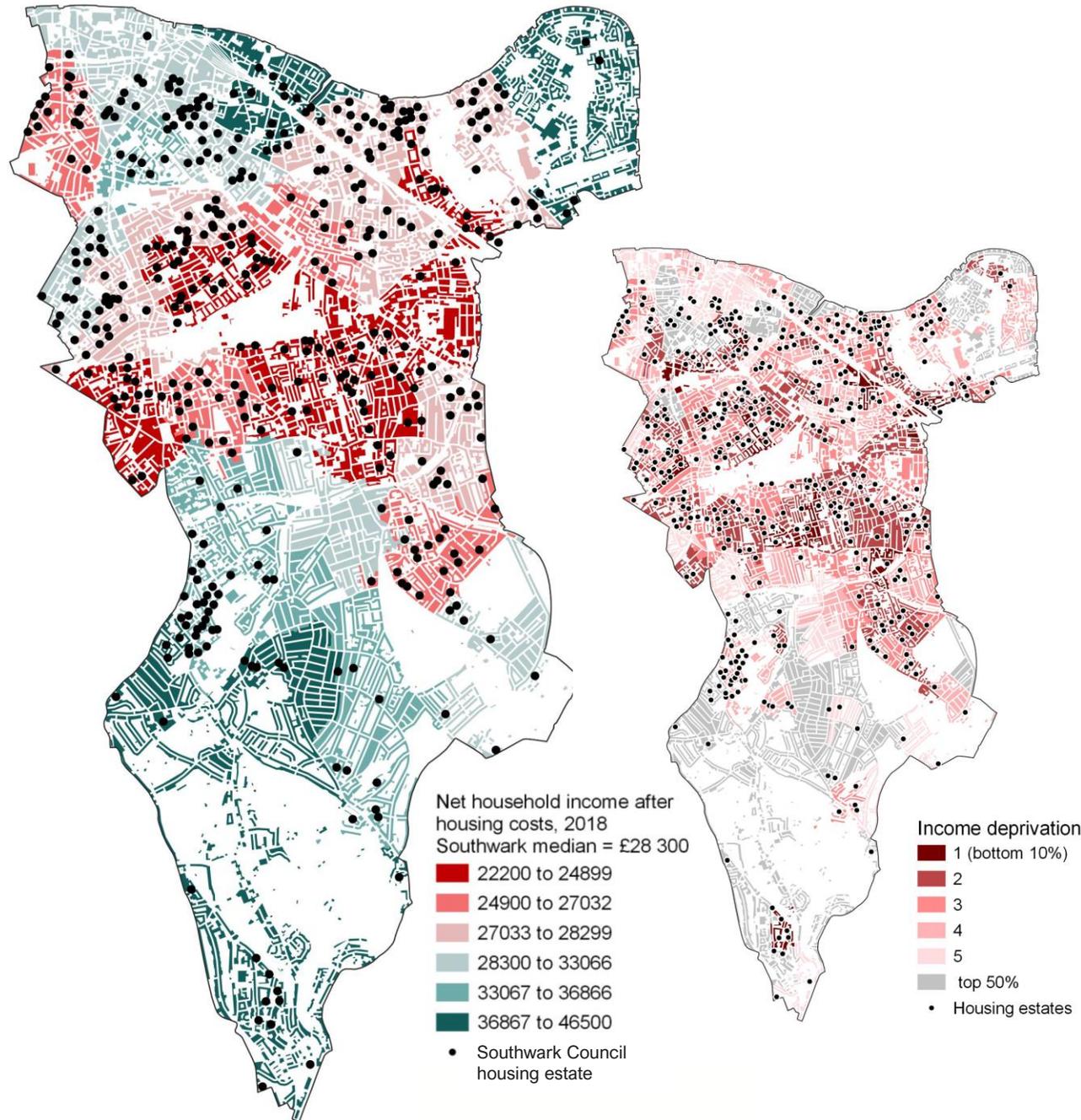
Wages & income

Areas where households earn below Southwark's net median income (after housing costs) are concentrated around Camberwell, North Peckham, Walworth, and Old Kent Road.

Reviewing deprivation data (data at LSOA instead of MSOA level) highlights additional pockets of low income around Elephant & Castle, Rotherhithe, and Kingswood Estate.

Places with low net median income have experienced an influx of young professional residents over the last decade who bring potentially higher earning power.

Increasing inequality across Southwark and among neighbours is a real possibility, particularly given how different demographics have experienced economic changes due to Covid-19.



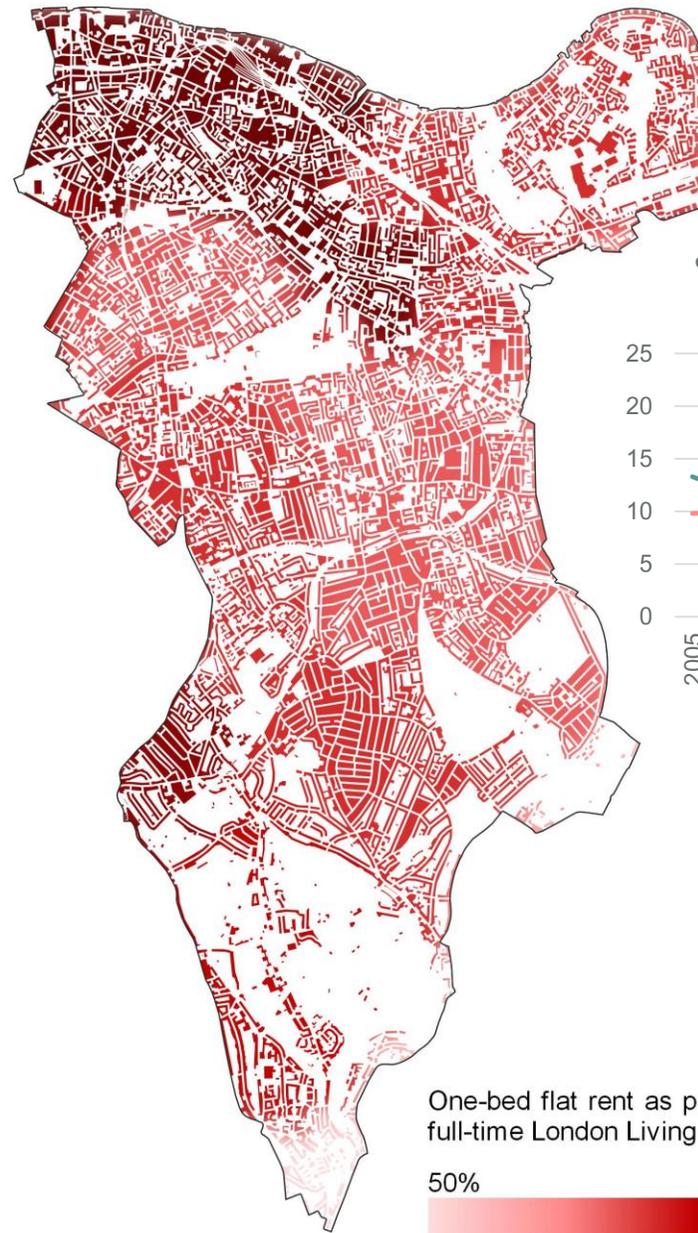
London Living Wage

Around 10% (24k) of Southwark’s jobs pay less than London Living Wage. This is better than the London average and a positive start.

While it is not known how many Southwark residents earn below LLW (the count relates only to jobs in Southwark), a single-income household relying solely on a full-time London Living Wage could not comfortably afford their own privately-rented one-bedroom flat anywhere in Southwark.

Fringe areas of the borough (near New Cross, Crystal Palace) have lower rents, but would still comprise more than 50% of gross earnings on LLW.

Extensive social rented housing waiting lists mean many low income earners and households will be in the private rented sector, whether in ‘standard’ accommodation, house shares, or houses of multiple occupation.



% of Southwark jobs earning less than the London Living Wage



One-bed flat rent as proportion of full-time London Living Wage



Source: LLW graph from Employees earning below the London Living Wage (LLW), ONS, 2021 data from [Trust for London](#); London Living Wage full-time salary calculated based on current LLW of £10.85 on a 37.5 day work week; rent price data from London rent prices, January to December 2020, ONS

Housing

Social and affordable rent could be more achievable on London Living Wage, but Southwark’s social housing waiting list is long. As of 2019, Southwark assessed its net annual backlog of affordable housing need at 2077 households.

The council has committed to building 11,000 new council homes by 2043. Over the last three years, Southwark has delivered 90% of its housing target under the Government’s Housing Delivery Test. A substantial number of units are due in the near future following approvals for large-scale schemes on Old Kent Road and at Canada Water.

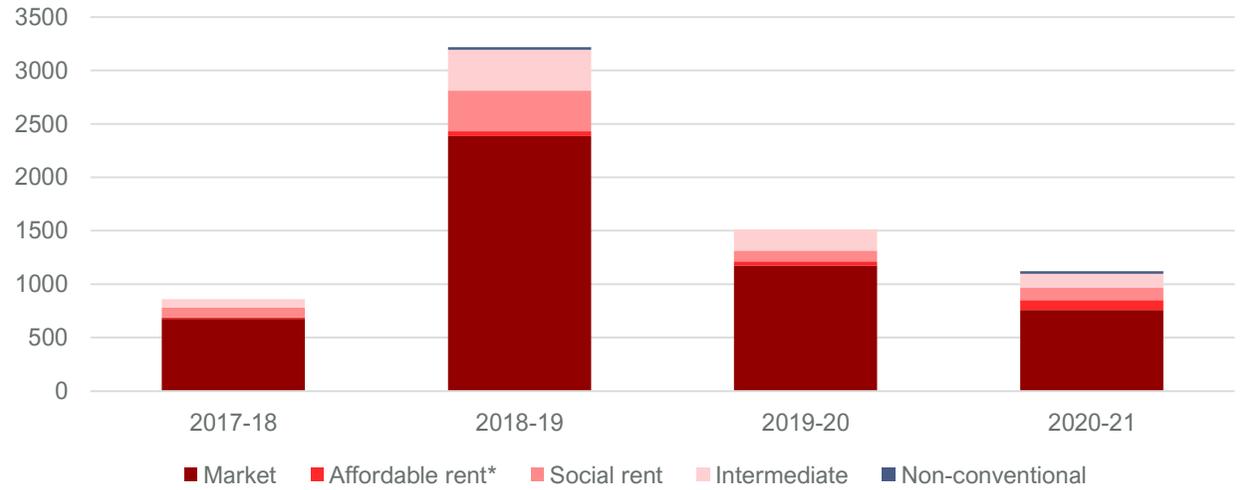
Within the last two financial years, the proportion of social rented units approved has also increased, from 17% to 18% up to 21% to 24%.

This will be positive news for households waiting for a social rented home, though residents will still need support while new homes are being built.

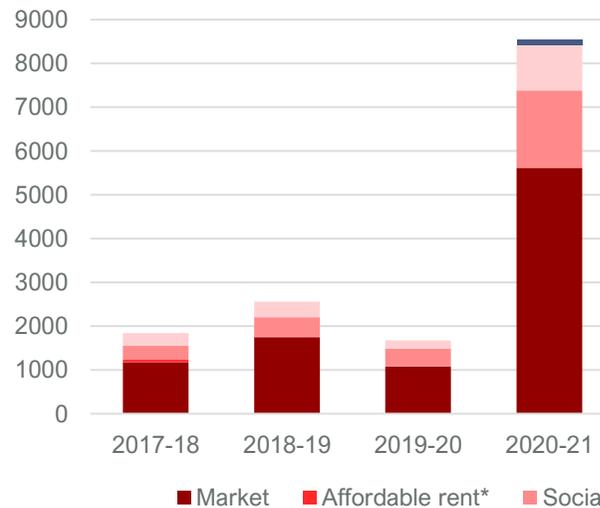
*not at LAR benchmark rents

Source: Housing delivery data from LB Southwark (internal); backlog from LB Southwark [Strategic Housing Market Assessment, 2019](#); waiting list info from [My London News](#)

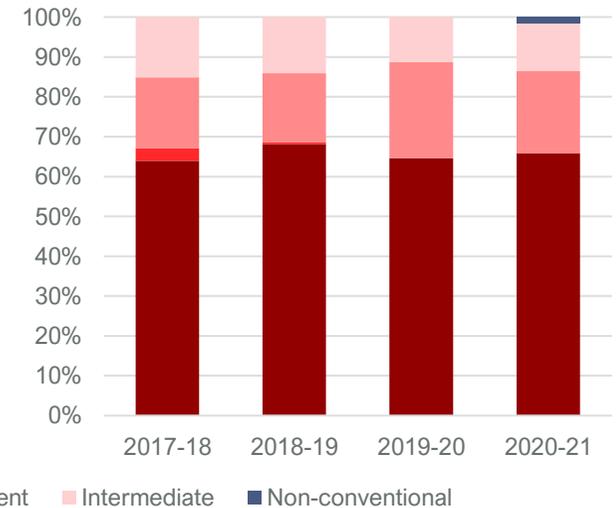
Net housing delivery (units, all tenures)



Net housing approvals (units, all tenures)



Net housing approvals (tenure units as proportion of total)



ECONOMIC STRATEGY CONSIDERATIONS: WAGES & HOUSING COSTS

1. With high inequality in the borough, should we take an inclusive economy strategy rather than an inclusive growth strategy? Should we take different approaches in different locations?
2. What level of focus should be on the central 'belt' of the borough where people are likely to be experiencing the most difficult circumstances?
3. What levers does the council have to combat low incomes and high costs of living and what is outside of its control? How might the economic strategy link with/adopt objectives from Southwark's housing strategies?
4. How can the council encourage employers to commit to London Living Wage or beyond for their employees and supply chains?

Access to services

The pandemic has made clear the importance of easy and safe access to day-to-day necessities. For many people, their local town centre or high street is the first port of call for groceries, errands, and health services.

58% of Southwark households don't own a car, and this number is higher around the centre and north of the borough (Surrey Docks excluded), where 2/3 are car-free.²³ Access by walking, cycling, or public transport is important for people to reach town centre jobs and services.

The pandemic highlighted the importance of essential services (e.g. fresh food and groceries, post offices, banks, libraries, community spaces, pubs and eateries, and so on). 'Essential services' are part of the foundational economy discussed on p. 10; however, we use the term 'essential services' in this chapter as a way of specifying services that tend to be located in high streets/town centres as opposed to the broader foundational economy which exists both in high streets/town centres and outside of them.

Most of Southwark's residents are within a 15-minute walk of a town centre²⁴ and Southwark's town centres appear to provide a choice of essential high street services.²⁵ However, there are some neighbourhoods at the borough fringes lacking access. Nunhead, Rotherhithe, and parts of Kingswood, which lack access and tend to have low median incomes, may be especially cut off from town centres.

Aside from helping these neighbourhoods, one

challenge for Southwark isn't so much about getting people into town centres but about the quality and range of services and amenities. For example, do shops cater to different budgets? Are there cafes and takeaways offering healthy choices? Are shops open at times that suit working people's schedules? Are shops accessible for people with different needs?

There is evidence that although many residents have access to town centres and services on paper, in practice they may not. For example, information from the Consumer Data Research Centre on 'e-food' deserts—places where residents lack access to fresh groceries, both in terms of physical shops and ability to order online—suggests Old Kent Road, Walworth, parts of Peckham and Nunhead, and Kingswood may have food-insecure households. These are areas that also tend to have lower median incomes.²⁶

Furthermore, even where access to services is good, people may not be able to afford to make use of them. Data from the GLA suggests that as of 2019, 1/4 of Southwark residents, or 75,000 people, experience low food security, and this number has likely increased throughout pandemic.²⁷

The Southwark Social Life Report found that food insecurity was a significant challenge for residents during the pandemic, with 6% of those interviewed receiving free food deliveries at least weekly. Albrighton Community Centre, Dulwich, reported a 25% increase in Community Fridge

usage in the second lockdown compared to the first, with nearly half of users from the Latin American community (only 1% of users during the first lockdown).²⁸

Poor access to affordable fresh food options has implications for residents' physical and mental health—for example, Southwark has a relatively high rate of child obesity²⁹—which can in turn impact on their ability to take on work, volunteering, or caring.

A second challenge for Southwark is the 'poverty premium', wherein poorer residents pay more for services. A recent briefing to parliament by Southwark's cabinet member for health and wellbeing notes that black, Asian and other minority ethnic residents and low-income families are typically more likely to live in areas with fewer supermarkets and more convenience stores (which cost more for shopping), compounding disadvantages already experienced by these groups.³⁰

The poverty premium doesn't just affect food, but also services such as utilities (e.g. prepayment meters, expensive tariffs) and goods (e.g. costly repayment plans and high-cost credit).

Finally, although there is a renewed sense of the importance of critical 'essential' services and amenities for residents' daily needs and wellbeing, there is a tension to address in the outsize economic and social function of these amenities against the low pay and low security that workers in essential services tend to experience.

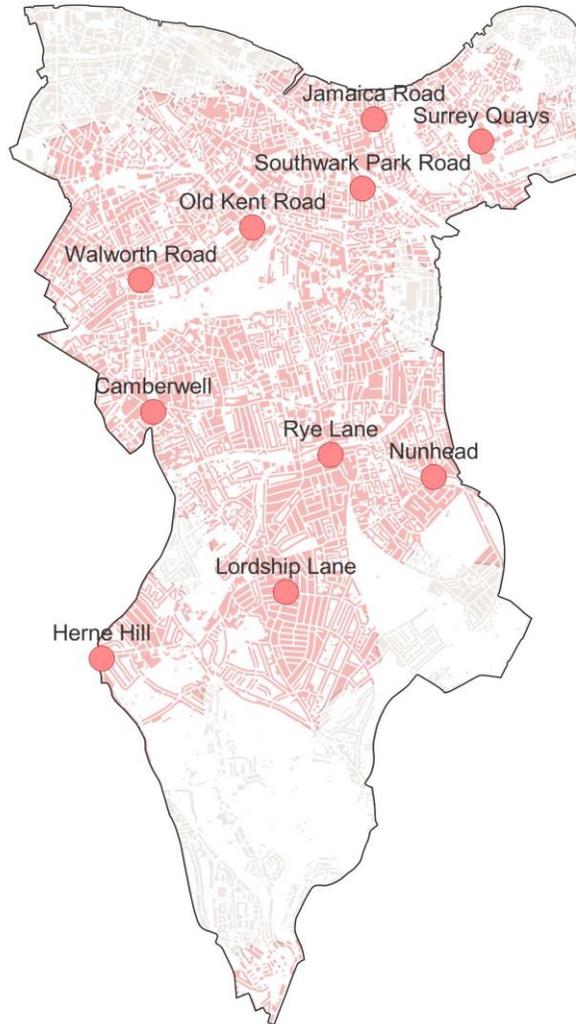
Access to high streets & essential services

Many residents have access to a high street or town centre within a 15 minute walk. Some areas in south of borough and along borough fringes lack access. These 'cut off' areas tend to rank high to middle on various deprivation indices.

Whether a high street provides daily basics is another issue. The pandemic clearly illustrated the importance of easy access to 'essential services'—day-to-day local amenities such as fresh food and chemists—but a host of other amenities contribute to residents' daily needs and wellbeing: libraries and community spaces, banks, post offices, cafes, salons, and more. 'Essential services' are part of the foundational economy discussed on p 10, but for this topic we use 'essential services' to specify those located on or very near high streets.

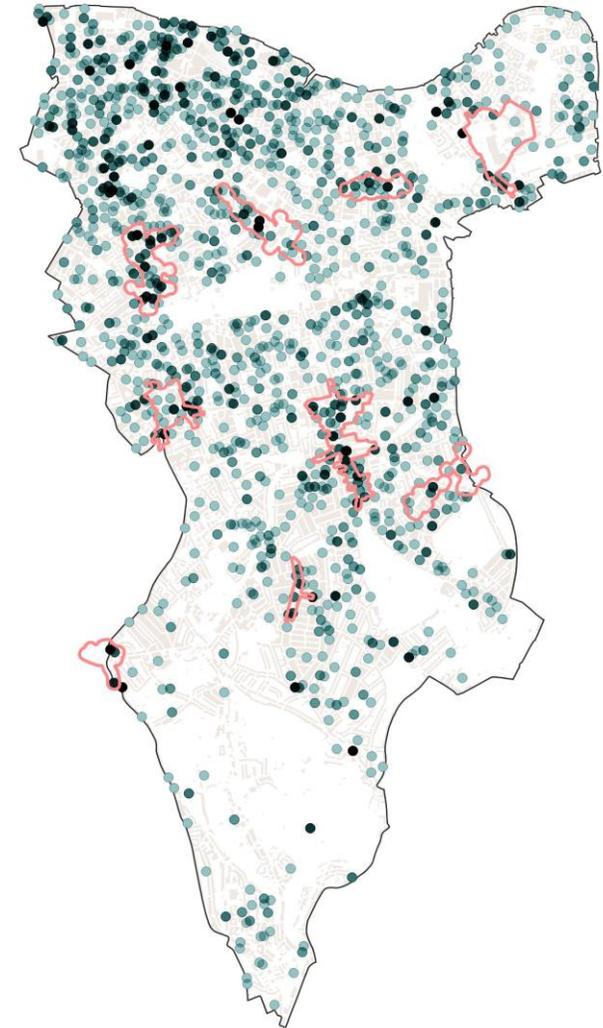
Southwark's residents need these amenities. But there is a tension to address in the outsize economic and social function of these amenities against the low pay and low security that workers in essential services tend to experience.

Areas within a 15 minute walk of a high street or town centre



■ 15-minute walk from a high street or town centre, average walking speed for able-bodied adult (15 min = 1250 m)

Foundational economy & high streets



Density of amenities
Lower Higher
 —————

Essential amenities by town centre

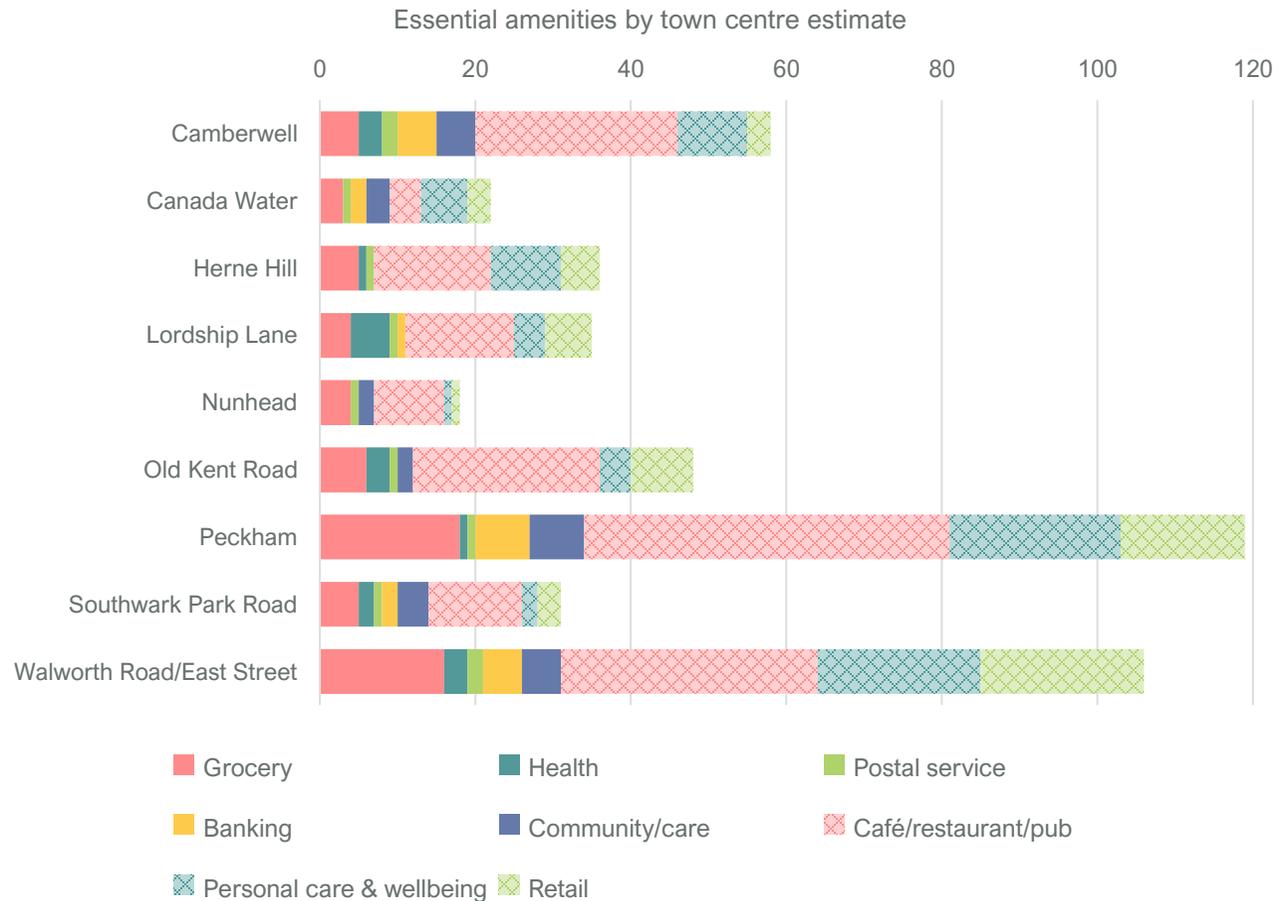
Southwark’s town centres appear to offer a range of ‘essential’ amenities, meaning most residents will have access to a selection of day-to-day basics within a 15-minute walk.

However, on top of high streets simply providing daily basics is the matter of diversity and choice among them. For example, a wide selection of high-end food stores may not cater to lower-income residents. The scope of amenities needs to meet local needs for the high street and residents to flourish.

This is partly illustrated by a recent survey of Southwark residents, which found people around Old Kent Road would like to see more amenities locally, including banks, shops, pharmacies and pubs.

Services associated with maintenance and repair (e.g. for homes, personal electronics, and household items) tend to be registered at addresses all throughout the borough rather than within high streets specifically, which may be a mix of individuals using their home as their registered address or companies operating out of non-town centre commercial units (e.g. railway arches, small industrial estates).

Source: Companies House, December 2020. Note that this is a quick estimate only; the grocery category in particular is likely undercounting as chains (e.g. Tesco) are registered to an address outside of Southwark, not within these town centres



Notes

Grocery: supermarkets, other food stores, bakeries, butchers, fishmongers

Health: dentists, GPs, chemists

Community/care: libraries, childcare, veterinarians, community centres

Personal care & wellbeing: gyms & fitness, grooming & salons

Café/pub/restaurant: licenced/unlicenced, as well as takeaways

Retail: DIY stores, clothing, footwear, opticians, market stalls, beverages, off-licences, opticians

Food security & health

Basic borough-wide health indicators find higher levels of food insecurity in Southwark than the London average. Consumer Data Research Centre information on ‘e-food’ deserts—places where residents lack access to fresh groceries, both in terms of physical shops and ability to order online—suggests Old Kent Road, Walworth, parts of Peckham and Nunhead, and Sydenham Hill may have food-insecure households. These areas also tend to have lower median incomes.

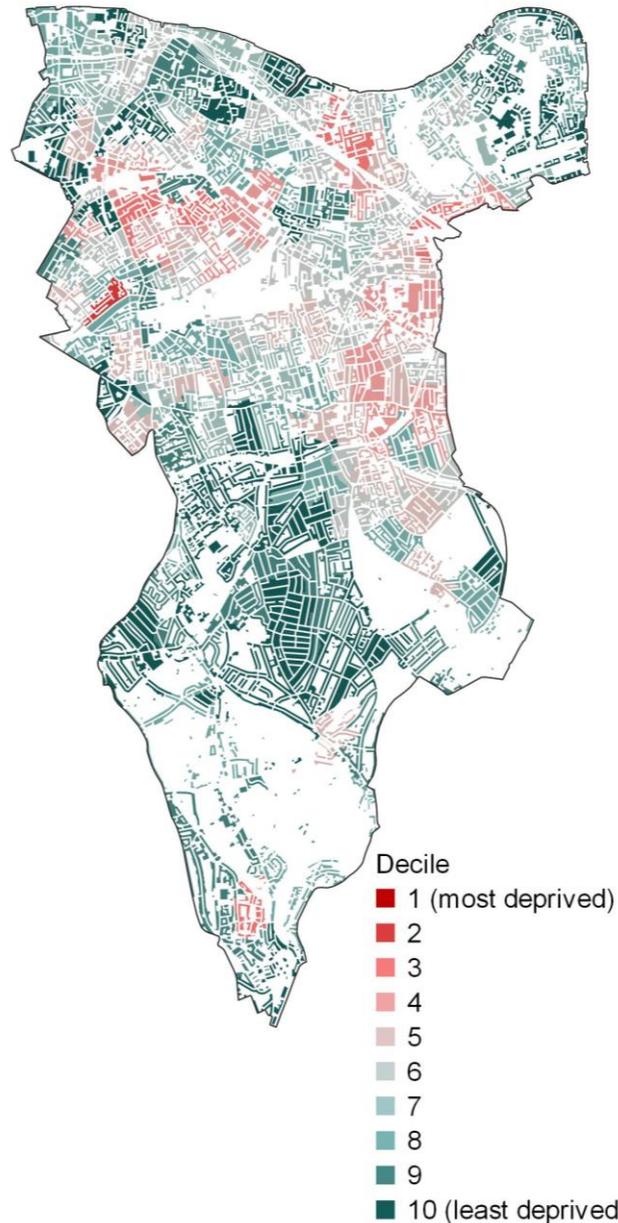
Data from the GLA suggests that as of 2019, 1/4 of Southwark residents, or 75,000 people, had low food security; this number may have increased since the pandemic.

This risks pushing residents to less healthy and more expensive but easily accessible options (e.g. takeaways). Southwark’s relatively high rate of childhood obesity may reflect such a scenario.

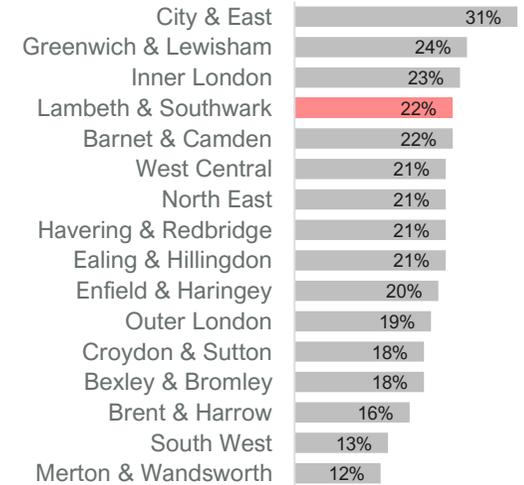
Social Life’s research found that food insecurity was a significant challenge for residents during the pandemic with 6% of interviewees receiving free food deliveries at least weekly. Albrighton Community Centre reported a 25% increase in Community Fridge usage in the second lockdown compared to the first, with nearly half of users from the Latin American community (only 1% of users during the first lockdown).

Source: E-food desert data from Consumer Data Research Centre, 2020; food security from Survey of Londoners; obesity from Public Health England; GLA data cited on [Southwark.gov.uk](https://www.southwark.gov.uk)

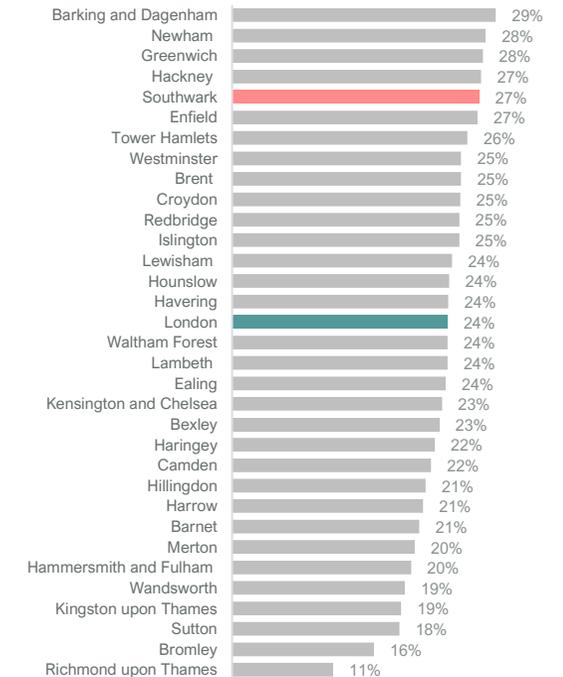
'E-food' deserts



Adults living in low or very low food security



Obese/very obese Year 6 children



ECONOMIC STRATEGY CONSIDERATIONS: ACCESS TO SERVICES

1. How can the council influence planning and uses to protect and support the foundational economy, including encouraging more secure, well-paid work?
2. What are the necessities and 'overlooked' goods and services that are needed within Southwark's high streets?
3. How can the council help residents living outside of a 15-minute access bubble or those whose health or other circumstances prevent them from easily using their high streets? Is there a role for existing community groups, and if so, what funding/support might they need?
4. How do we make food insecurity more of an economic concern?

Young people

Southwark is a relatively young borough. Its median age in 2020 was 33.9, compared to 35.8 across London and 40.2 across England. 40% of the population is under 30, compared to 39% in London and 36% in England.³¹

Despite London and Southwark's pre-Covid economic growth, 43% of the borough's children live in households in poverty after housing costs are accounted for—the sixth highest in London.³² Spatially, childhood deprivation especially impacts the north half of the borough and pockets below that (Nunhead, Kingswood Estate, Denmark Hill).

However, school performance is promising overall: all but one Southwark state or academy secondary schools with data available progresses more disadvantaged students into higher education or training than the England average (67%). In 2020/21, 82% of disadvantaged students progressed to higher education or training (most to university), on par with the figure for students across all classes.³³

Southwark's residents have also been taking up higher apprenticeships (NVQ4+ level) in particular, with take up levels almost doubling from 2018/19 to 2020/21. Across London, around 1.6% of young people aged 19 to 24 started an apprenticeship in 2019/20; in the parliamentary constituencies of Camberwell & Peckham and Dulwich & West Norwood, around 1.8% of this age group started an apprenticeship. The rate is lower in Bermondsey & Old Southwark, at 1%.³⁴

Southwark is also an attractive borough for young adults to move to. In terms of internal migration, people aged 18 to 28 move into Southwark in greater numbers than they leave—the only age group to do so (other ages have a net loss of internal migration). In the year to June 2020, a net estimated 2081 people aged 18 to 28 joined the borough.³⁵ Among young people at university or graduate age (18 to 24), there are high counts of these residents around Southwark's central London areas, which may partly be a result of nearby universities (London South Bank, University of the Arts, Kings College). Among students aged 20 or over resident in the borough, at least 57% are in the private rented sector and 15% live with their parents.³⁶

Young people appear to be making use of many available education opportunities, but there are challenges to this momentum. One is the effect of lockdowns on learning. A July 2020 survey of Southwark residents found that one in five children lacked sufficient access to technology for home schooling, especially children of black and Asian respondents (29% and 30% respectively, vs 12% of white respondents).³⁷ This raises questions about the extent to which these students could be left behind in their studies or otherwise disadvantaged in the long term, and the extent to which this compounds existing disadvantages among black and Asian residents.

Another is that Southwark is a net exporter of

students aged 16 to 18; only 42% remain in Southwark for education. More work is needed to understand this further.³⁸

A final challenge is whether there are opportunities for young people to translate their education and skills into local job opportunities. Young adults are among the groups most highly and disproportionately affected by Covid-19 related lockdowns. Comprising a large proportion of retail and hospitality workers, many have experienced furlough or unemployment. In addition, young people made up 48% of homelessness applications during the pandemic in 2020 compared to 33% a year earlier.³⁹

Reviewing where 18 to 24s are living against youth unemployment gap data from the Urban Health Index suggests that youth unemployment may be particularly prominent around the central 'belt' of Walworth-Camberwell-North Peckham-Old Kent Road-Nunhead—the same areas affected by low net household incomes after housing costs and high income deprivation.⁴⁰

There is a risk that these areas are experiencing low pay and/or irregular, insecure work across multiple generations. A recent survey found concerns among residents that lack of opportunities (particularly around Peckham) is leading young people to becoming victims of knife crime, grooming, and gang activity.⁴¹

Pathways after school

82% of disadvantaged students progressed to higher education or training from academy/maintained schools across the borough in 2020/21, where data is available.

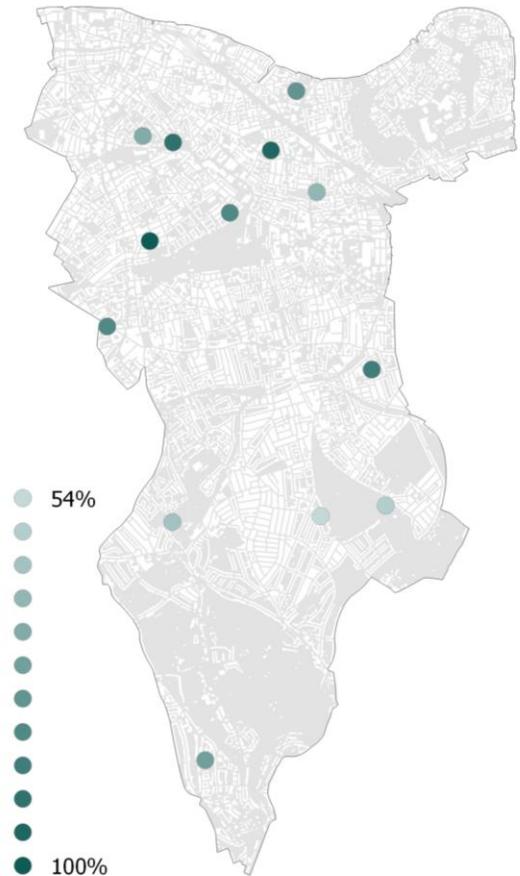
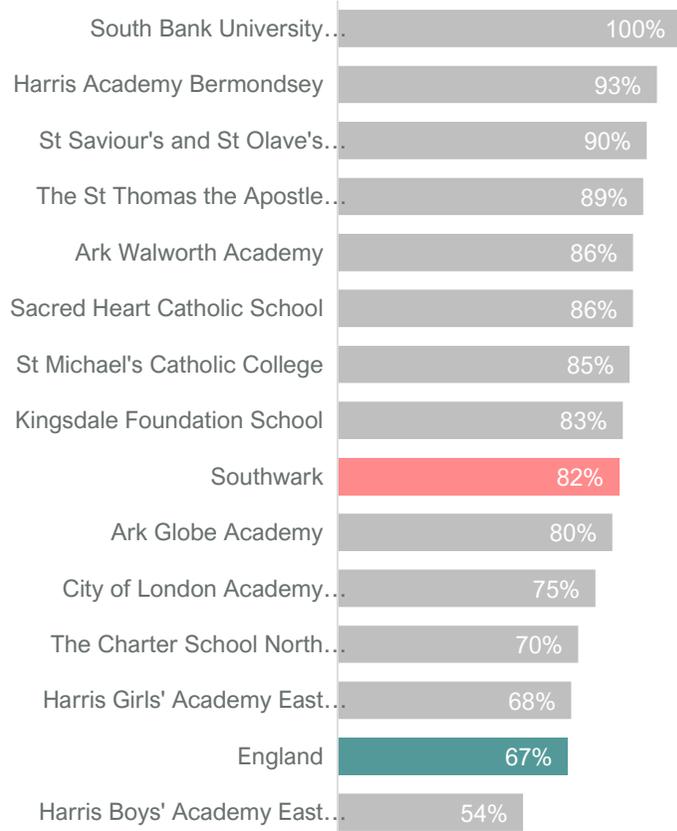
The proportion of disadvantaged students progressing to higher education specifically (81%) and top third universities (31%) is level with all students in the borough and higher than the England average (79% to higher ed; 27% to top third unis).

Outcomes are not even across schools. The three schools with the lowest progression rates are based in Dulwich and Harris Boys' Academy East Dulwich has a progression rate of 54%, lower than the England average. This school has a large number of pupils from Peckham.

Additionally, London's 2021 travel to school study found that Southwark is a net exporter of students aged 16 to 18. 42% of Southwark residents in this age group attend a Southwark school. Travel outside of the home borough is common, and arguably healthy in some ways, but data may suggest that young people in SE London boroughs have fewer opportunities (or perhaps a smaller range of opportunities) in their own borough than in some parts of London.

Source: graph and map data from Gov.UK [Compare School Performance Tool](#), Progression to Higher Education and Training 2020; LCCIS Yr12-Yr14 Travel to Study Patterns, June 2021

Progression to higher education & training for disadvantaged students 2020/21



Apprenticeships

Among all ages, in the last few years, Southwark residents have been taking up higher apprenticeships (those resulting in an NVQ4+ qualification) at a higher rate than London overall.

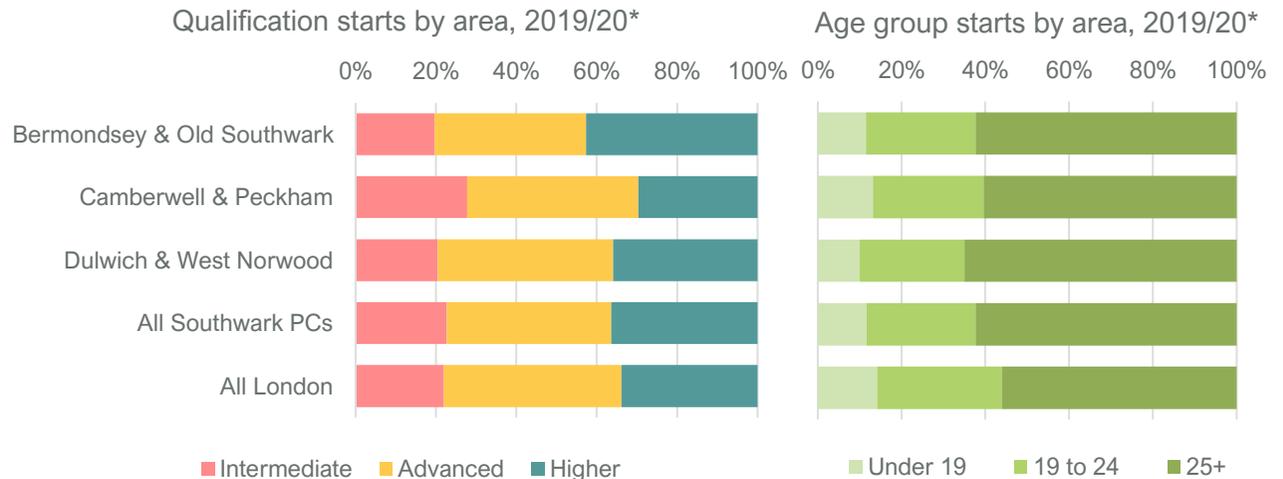
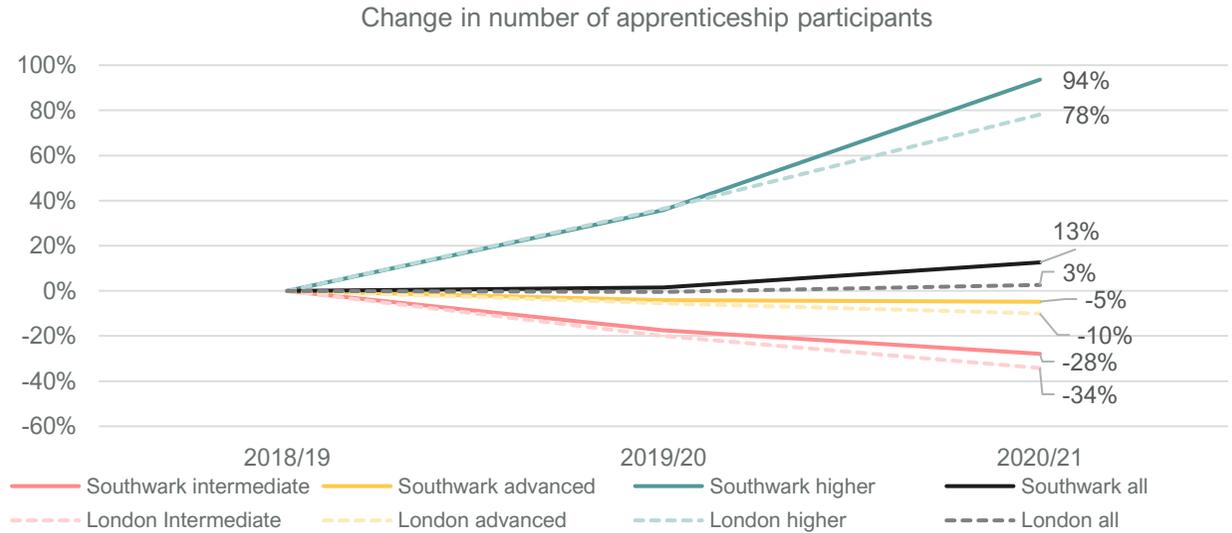
In 2019/20, 1230 Southwark residents started an apprenticeship. 1.8% of young people aged 19 to 24 in the parliamentary constituencies of Camberwell & Peckham and Dulwich & West Norwood (which includes parts of Lambeth) started apprenticeships, higher than the overall London rate of 1.6%. Bermondsey & Old Southwark has a lower rate of 1% starts for this age group. On the whole, Southwark’s apprentice starters tend to be a bit older than London-wide.

Southwark’s partnership with London South Bank University’s new High Level Technical & Professional Apprenticeship Centre is expected to deliver more than 200 apprenticeships each year.

Whilst the destination of school leavers and the take up of higher apprenticeships is positive, participants in Social Life’s resident survey expressed concerns about the lack of local hubs and youth centres which offer information about jobs and apprenticeships and mentoring to young people. The relatively low take-up of apprenticeships among young people in Bermondsey & Old Southwark (an area with a high population of young people) may also warrant attention.

Source: data for graphs from gov.uk [Explore Education Statistics](#) tool. 1230 figure from DfE Apprenticeships and Traineeships/House of Commons Library, Apprenticeship statistics for England. *Areas in these graphs, aside from All London, are based on parliamentary constituencies

	Requirements for apprenticeship	Resulting qualification
Intermediate	2+ GCSEs	NVQ2
Advanced	Intermediate or 5+ GCSEs	NVQ3
Higher	Advanced or NVQ3	NVQ4+



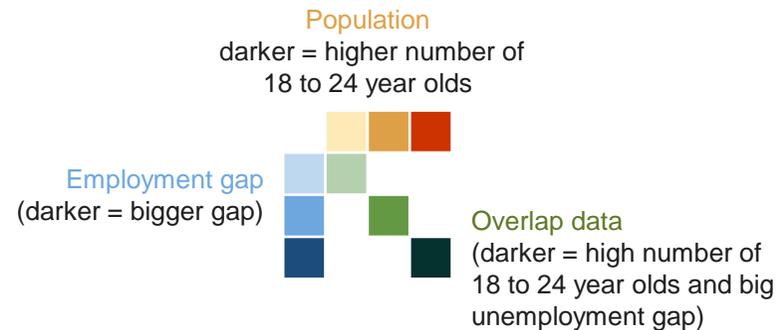
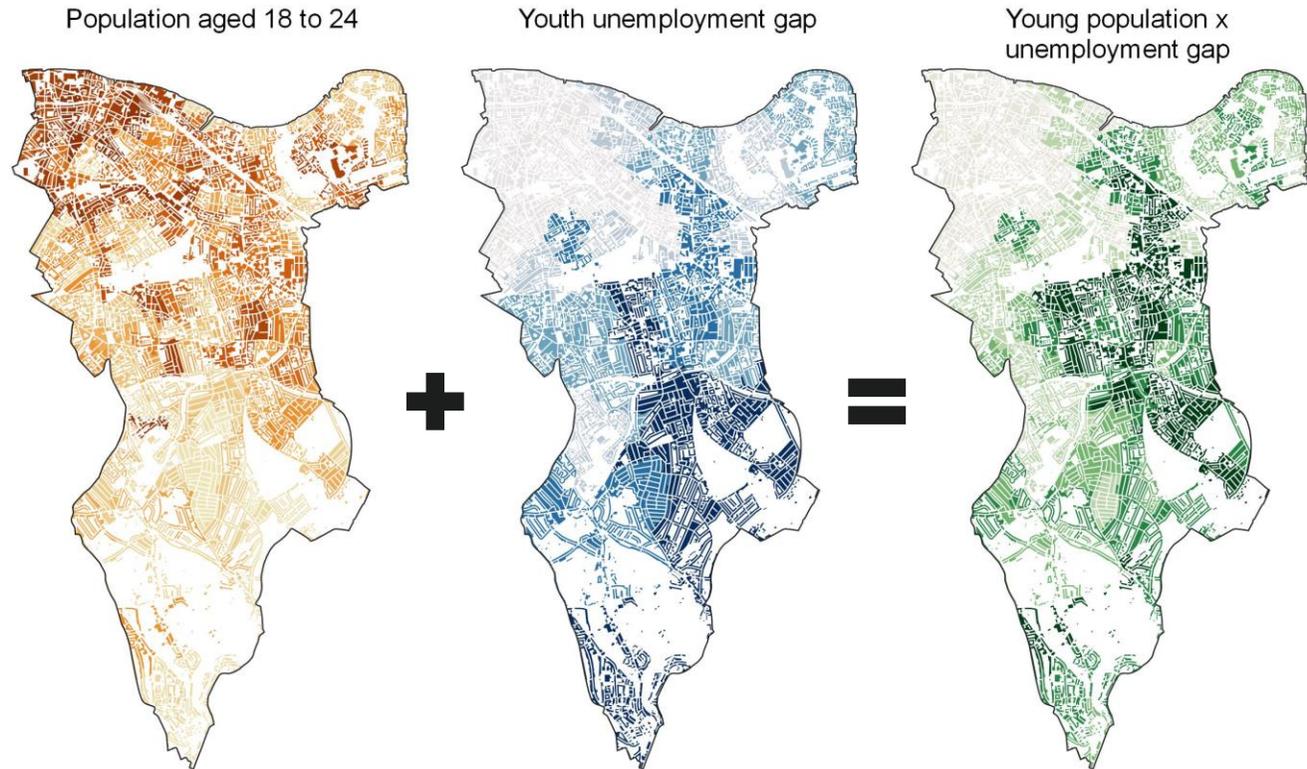
Employment opportunities

There are relatively high numbers of young people aged 18 to 24 in the north half of borough, some of whom are likely affiliated with local universities (LSBU, UAL, KCL).

Data from the Urban Health Index reveals a high 'youth unemployment gap'—the gap between the proportion of jobseeker allowance and universal credit claimants aged 18 to 24 and those aged 16 to 64—around parts of North Peckham, Peckham Rye, Nunhead, and Sydenham Hill.

The confluence of high counts of young people and a high youth unemployment gap appears to affect North Peckham and Nunhead in particular—areas that tend to have relatively low household income.

Peckham respondents to a recent survey of Southwark residents felt that a lack of opportunities for career progression for young people led to them becoming victims of knife crime, grooming and gang activity.



ECONOMIC STRATEGY CONSIDERATIONS: YOUNG PEOPLE

1. How do we best focus on the needs of young people? Do we take a cohort approach, focusing on targeted groups rather than a more general definition of 'young people'?
2. Should the council try to keep more secondary/college students at schools within the borough? What might schools need to offer to attract Southwark students? Are there opportunities for Southwark schools to provide more education that segues into knowledge/skills relevant for green jobs?
3. What factors are leading to higher youth unemployment rates in Peckham?
4. How can young people in Southwark take advantage of job opportunities in the Central Activities Zone? What role can Southwark's institutions (education, health, leisure etc) play in giving young people training and work opportunities?

References

- 5 DWP Stat-xplore, Universal Credit, Table 4 – Local Authority by Employment Status, October 2021
- 6 Data from GLA, cited in LB Southwark, ‘Tackling the Climate Emergency Together: Our strategy for a carbon neutral Southwark by 2030’, Jul 2021 ([PDF](#))
- 7 Consumer Data Research Centre, e-food deserts ([WEB](#))
- 8 LCCIS report June 2021, Year 12 to Year 14 London Travel to Study Patterns
- 9 Gov.uk Compare School Performance, Progression to Higher Education & Training 2020
- 10 Gov.uk Explore Education Statistics
- 11 Youth unemployment gap refers to the difference between the proportion of job seeker allowance and universal credit claimants age 18-24 and the proportion of all job seeker allowance and universal credit claimants aged 16-64. This data comes from Nov 2020 figures as calculated by Lambeth & Southwark Urban Health Index ([methodology](#))
- 12 Income estimates for small areas, England & Wales, 2018. Median is calculated from the data aggregated to MSOA level. IMD from MHCLG 2019.
- 13 Trust for London, ‘Pay inequality by London borough’ ([WEB](#))
- 14 Employees earning below the London Living Wage (LLW), ONS; 2021 figure from Trust for London ([WEB](#))
- 15 London Living Wage full-time salary calculated based on 2021 LLW of £10.85 on a 37.5 day work week; rent price data from London rent prices, January to December 2020, ONS
- 16 DWP Stat-xplore, Universal Credit, Table 4 – Local Authority by Employment Status, October 2021
- 17 LB Southwark, Key Housing Stats 2020 ([PDF](#))
- 18 LB Southwark, Housing facts & figures 2019/2020 ([WEB](#))
- 19 Housing delivery and approvals data supplied by LB Southwark
- 20 LB Southwark, Strategic Housing Market Assessment 2019 ([PDF](#))
- 21 LB Southwark, Key Housing Stats 2020
- 22 Social Life, Understanding Southwark, 2021 ([WEB](#))
- 23 Datashine, Housing > Car or van availability ([WEB](#)) or Census 2011
- 24 We calculated the 15-minute walk radius from the centroid of each high street or town centre, or where a high street or town centre is very long, we used a centroid at either end. The isochrone is set to 1250m, which is the distance an average able-bodied adult can walk in 15 minutes (assuming good pavements, limited steep inclines).
- 25 Data for banks and post offices comes from Open Street Map. Remaining data comes from Companies House. Note that this is a quick estimate only; the grocery category in particular is likely undercounting as chains (e.g. Tesco) are registered to an address outside of Southwark, not within these town centres.
- 26 Consumer Data Research Centre, E-food Desert Index, 2020 ([WEB](#))
- 27 Data from GLA, cited in LB Southwark, ‘Tackling the Climate Emergency Together: Our strategy for a carbon neutral Southwark by 2030’, Jul 2021 ([PDF](#))
- 28 Social Life, Understanding Southwark, 2021 ([WEB](#))
- 29 Public Health England, Fingertips data tool for Southwark, Child Health topic ([WEB](#))
- 30 Cllr Evelyn Akoto, Southwark Cabinet Member for Community Safety and Public Health, Written evidence, date unknown ([WEB](#))
- 31 Small area population estimates, mid-2020, ONS
- 32 Trust for London, London’s Poverty Profile ([WEB](#))
- 33 Gov.uk Compare School Performance, Progression to Higher Education & Training 2020
- 34 Gov.uk Explore Education Statistics
- 35 Internal migration: detailed estimates by origin and destination local authorities, age and sex, year to June 2020, ONS
- 36 LB Southwark, Strategic Housing Market Assessment 2019 ([PDF](#))
- 37 Southwark Public Health Division, Covid-19 inequalities impact assessment, Mar 2021 ([PDF](#))
- 38 LCCIS report June 2021, Year 12 to Year 14 London Travel to Study Patterns
- 39 Southwark Public Health Division
- 40 Youth unemployment gap refers to the difference between the proportion of job seeker allowance and universal credit claimants age 18-24 and the proportion of all job seeker allowance and universal credit claimants aged 16-64. This data comes from Nov 2020 figures as calculated by Lambeth & Southwark Urban Health Index ([methodology](#))
- 41 Social Life, Understanding Southwark, 2021 ([WEB](#))

HOW GREEN IS SOUTHWARK'S ECONOMY?

Headlines

There are various factors to consider about what makes an economy 'green'. One is how much economic activity and day-to-day business operations contribute to overall emissions and whether this falls within an acceptable range or is enough to meet net zero targets. Another factor is the growth in green businesses and jobs—that is, organisations whose business activities revolve around manufacturing, embodying, or supporting green initiatives, such as solar panel repair, bicycle couriers, or green finance. Related to this is the transition to green jobs and the upskilling required to bring people along. A third factor is the economy's overall resilience to climate impacts, which is dealt with in the following chapter.

On the first factor, Southwark is a net contributor to London's CO₂ emissions. For emissions generally (taking into account non-economic activities), the London Energy and Greenhouse Gas Inventory found that as of 2018, Southwark was one of London's more energy-consumptive and CO₂-productive boroughs. Nearly half of Southwark's energy demand comes from industry and commercial uses (45%), and likewise those uses are responsible for nearly 50% of CO₂ emissions.⁴²

Recent research from Anthesis for Southwark found that in terms of economy-based emissions, transport is responsible for 32% of 'territorial' emissions and 49% of 'consumption-based'

emissions (see p. 34 for definitions), even though transport comprises a very small proportion of businesses in the borough.⁴³ (Note that Anthesis used GVA to map emissions to Southwark businesses, not number of businesses).

Data from 2011 suggests that 86% of emissions are not within direct control of the council.⁴⁴ A challenge for the economic strategy will be to find those elements of the economy which can be directly influenced. One opportunity is within the council's own operations, such as pension fund divestment and council office energy efficiency improvements.

The council may be able to indirectly influence operations of institutional, public buildings (education, health, leisure, etc): the Anthesis research cited above used an alternative methodology to attribute emissions to their end use (e.g. heating and lighting a building), and found that institutional buildings are responsible for around 25% of end-use emissions.

While the proportion of Southwark's residents who live in areas exposed to very poor air quality declined from 2016 to 2019, there is still work to do to in bringing clean air to the 2.4% of the population who live in poor air quality areas—who are disproportionately black residents and/or children.⁴⁵

On the second factor, Southwark currently has a lower proportion of green jobs compared to

London (<3% compared to 4%), with an estimated 287 companies in the 'green economy', mostly in the low carbon sector. However, Central London Forward forecasts an increase in the green economy workforce of 116% across London. These jobs will mostly be in green finance, power, homes and buildings, and low carbon transport. The Local Government Association predict growth in green jobs will be concentrated centrally around the City of London. Due to Southwark's central location, it is predicted that the borough will have a large number of green jobs relative to other boroughs in 2050, and it is expected that the dominant sub-sector in the borough will be services, including finance and consulting.

Growth in green businesses and jobs is promising, but comes with caveats about ensuring transition is equitable—that people can access training to meet the needs of a green economy. Construction, transport, and manufacturing require the greatest level of reskilling, which has implications for fairness as these industries have high proportions of black and minority ethnic workers.⁴⁶ Access to appropriate training can help ensure residents and workers are not left behind and further disadvantaged in the move to net zero.

Furthermore, growth in the 'green economy' alone won't reach net zero targets; there needs to be targeted efforts to help the most polluting businesses and non-domestic buildings transition to cleaner operation.

Economy-based consumption & emissions

This section considers how much economic activity and day-to-day business operations contribute to overall energy demand and outputs—in other words, economy-based consumption and emissions.

Recent evidence from Anthesis has assessed emissions relating to Southwark's economy. Based on the SCATTER methodology that attributes emissions to their end use (e.g. heating and lighting a building), non-domestic buildings are responsible for just under half of business emissions in Southwark. 25% of end-use emissions are attributed to institutional buildings (education, health, leisure, council buildings etc), where the council may have some influence.

Another Anthesis methodology, which attributes emissions to sectors mapped against GVA, shows that nearly half of 'territorial' emissions—those arising within the borough, but not including activities from supply chains outside it—are largely produced by transport, agriculture, mining, and utilities businesses, which comprise only a small proportion (likely ~5%). 'Consumption-based' emissions, which account for supply chain/import/ export activities, are similarly produced largely by transport (and storage), which accounts for nearly half of emissions, agriculture, mining, and utilities. In other words, sectors with a relatively small share of businesses in Southwark are responsible for a very high share of business emissions.⁴⁷

For an alternative view of emissions, data from the

London Energy and Greenhouse Gas Inventory (LEGGI) found that Southwark is one of London's more energy-consumptive and CO₂-productive boroughs, although both consumption and production went down between 2011 and 2018. In this dataset, energy demand comes from industry and commercial uses (45%), and likewise those uses are responsible for nearly 50% of CO₂ emissions. Transport (all, not just economy-specific) in this dataset is responsible for 18% of emissions.⁴⁸ Like the majority of other inner London boroughs, Southwark is a net contributor to London's emissions.

It is difficult to predict whether transport emissions will have decreased since the last LEGGI data output in 2018. On the one hand, the Ultra Low Emission Zone (introduced in April 2019) will have had an impact; on the other, congestion in London reportedly increased above 2019 levels throughout the pandemic.⁴⁹ The economic strategy can support other Southwark strategies focused on reducing transport emissions.

Another aspect to consider is the impact of recent energy price rises on SMEs, which may now be experiencing a triple-whammy upset of rising energy costs, supply chain issues, and Covid-19 disruptions.⁵⁰

Equally important to Southwark's emissions is their impact on people. Although it isn't possible to determine the effects of specifically economy-based emissions, it is reasonable to propose that given the above findings, economy-based

emissions will be affecting people, and likely in areas with high transport demand and industrial and commercial uses.

Poor air quality causes a variety of respiratory and other health complications which affect people's wellbeing and ability to participate in society and economy. The Southwark Climate Change Strategy estimates that there are around 200 premature deaths each year in Southwark due to poor air quality, and as of 2019, 2.4% of Southwark residents are exposed to an annual average NO₂ concentration above the Air Quality Strategy objective of 40 µg/m³.⁵¹ NO₂ concentration tends to be particularly strong along main arterial routes, such as Old Kent Road, where populations are highly vulnerable to the effects of climate impacts such as heatwaves and flooding (see p. 64).

Children and older people disproportionately live in affected areas (2.6% and 2.1% respectively, compared to the overall borough figure of 1.9%).⁵² Furthermore Southwark's black residents are more likely to experience high pollution levels (2016 data).⁵³

Research by Health Lumen modelled substantial public health costs of this, in addition to the economic and social implications: 'by 2024 it is predicted that £8,435,292 NHS costs will be attributable to NO₂ in Southwark. Chronic obstructive pulmonary disease is the largest contributor to this with a cost of £4,794,428 expected by 2024.'⁵⁴

Economy-related emissions

Using a methodology that attributes emissions by their end use (e.g. heating and lighting), research by Antitheses recently found that non-domestic buildings are responsible for just under half of business emissions in Southwark. 25% of end-use emissions are attributed to institutional buildings (education, health, leisure, council buildings etc), suggesting scope for Southwark to influence this.

Another methodology, which attributes emissions to sectors, shows that nearly half of 'territorial' emissions—those arising within the borough, but not including activities from supply chains outside of it—are largely produced by transport, agriculture, mining, and utilities businesses, which comprise only a small proportion (likely ~5%). 'Consumption-based' emissions, which account for supply chain/import/ export activities, are similarly produced largely by transport (and storage), which accounts for nearly half of emissions, agriculture, mining, and utilities.

Source: Assessing emissions from Southwark's economic activity, Anthesis, Nov 2021

* Some business estimates in this table are not available (marked as NA in the table) as we do not have access to the sector definitions/clusters used in the Anthesis report to capture the data

	Total businesses	Territorial emissions (ktCO ₂ e)	Pct of businesses	Pct of emissions
Land, water, air transport	NA*	414	NA	32%
Agriculture, mining, utilities	120	218	3%	17%
Manufacturing (wood, petroleum, chemicals and minerals)	~35	65	<1%	5%
Rental and leasing activities	NA	64	NA	5%
Public admin	10	51	<1%	4%
Health care & social work	620	40	13%	3%
Accommodation & food services	990	33	21%	3%
Retail	2255	29	47%	2%
Warehousing, transport, couriering	NA	28	NA	2%
Education	330	27	7%	2%
Other (26)	NA	340	NA	26%

	Total businesses	Consumption-based emissions (ktCO ₂ e)	Pct of businesses	Pct of emissions
Transport & storage	350	1078	2%	49%
Agriculture, mining, utilities	120	483	1%	22%
Manufacturing	450	160	3%	7%
Construction	945	88	6%	4%
Administrative & support services	1605	74	10%	3%
Professional, scientific, technical	4255	70	25%	3%
Public admin	10	54	<1%	2%
Accommodation & food services	990	43	6%	2%
Health care & social work	620	42	4%	2%
Other	7515	103	45%	5%

Southwark's consumption & output

Southwark is a more energy demanding borough than average for London, and energy consumption increased 7% between 2011 and 2018, the most recent year of data. 47% of energy consumption is by industrial and commercial sectors.

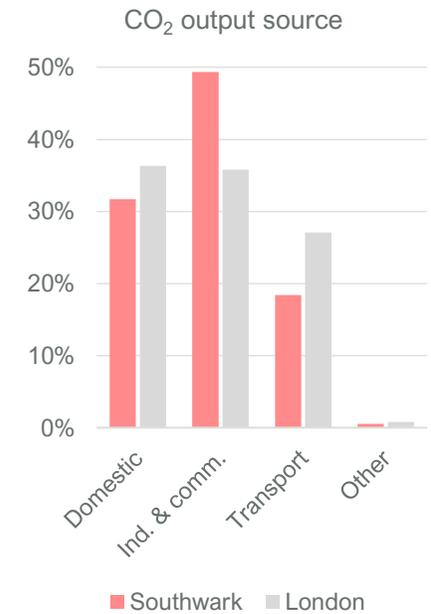
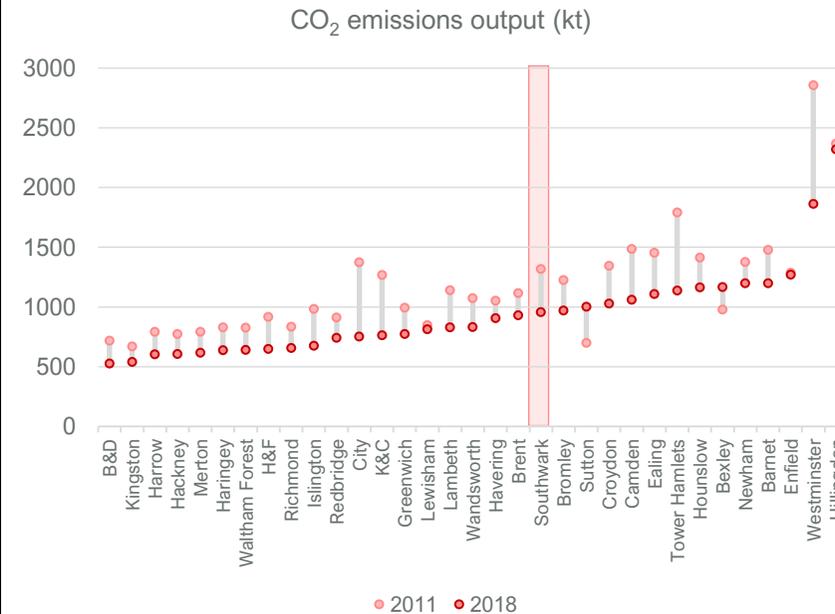
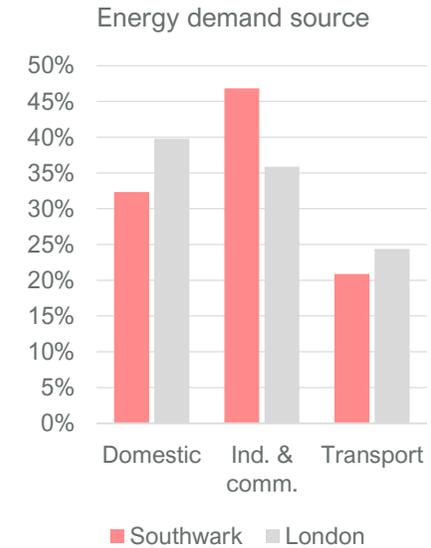
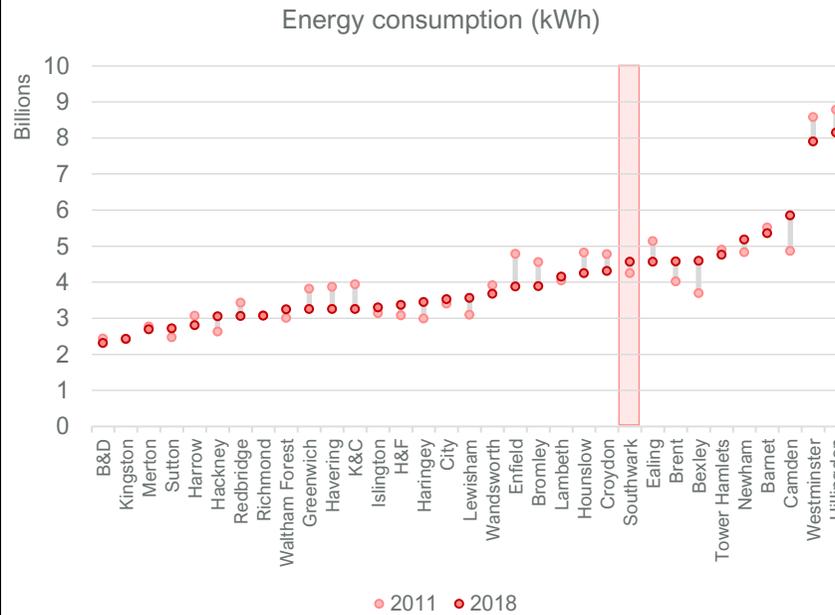
Estimates of Southwark's CO₂ emissions tend to fall around 1000kt per year, which puts it above the median emissions for London boroughs. However, CO₂ output has declined since 2011. As of 2018, nearly half of Southwark's CO₂ emissions came from industrial and commercial sectors.

As industrial and commercial sectors in Southwark appear to be responsible for above-average consumption and output, there may be scope to address this in the economic strategy.

In addition to the environmental concern over high-consumption businesses, there is now an added concern about their financial resilience given rapidly increasing energy costs.

It is difficult to predict whether transport emissions will have decreased since the most recent LEGGI data from 2018. On the one hand, the Ultra Low Emission Zone (implemented April 2019) will have had an impact; on the other, congestion in London reportedly increased above 2019 levels throughout the pandemic.

Source: London Energy and Greenhouse Gas Inventory, London Datastore (2018). Note that transport data does not appear to be split between economy-based transport and other travel (e.g. people going to visit friends/relatives)



Southwark’s environmental impact on people

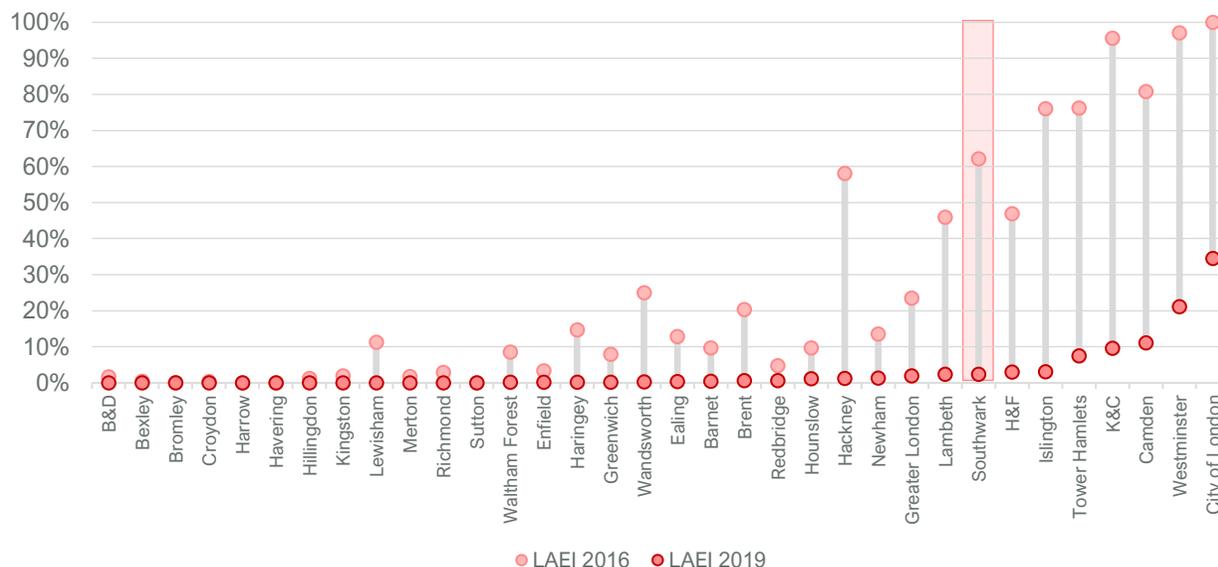
As of 2019, 2.4% of Southwark residents are exposed to an annual average NO₂ concentration above the Air Quality Strategy objective of 40 µg/m³.

This is among the highest proportion in London— however, it is worth noting that the borough has made progress since 2016, and in fact had one of the strongest decreases in residents exposed to dangerous NO₂ levels across the city.

Children and older people disproportionately live in affected areas (2.6% and 2.1% respectively, compared to all borough figure of 1.9%).

NO₂ exposure is linked to a variety of respiratory and other health complications which affect people’s wellbeing and ability to participate in society and economy. The Southwark Climate Change Strategy estimates that there are around 200 premature deaths each year in Southwark due to poor air quality.

Population living in areas where NO₂ > 40 µg/m³ (%)



Source: Graph GLA & TfL London Atmospheric Emissions Inventory (LAEI) 2019, London Datastore; 200 deaths from Southwark Climate Change Strategy

ECONOMIC STRATEGY CONSIDERATIONS: ECONOMY-BASED EMISSIONS

1. How can the council lead by example on reducing its own emissions from day-to-day council operations?
2. What levers can the economic strategy use to influence Southwark's relatively small but highly polluting sectors (e.g. transport) to green their operations?
3. How can/should the economic strategy support Southwark businesses grappling with increasing energy costs on top of the effects of ongoing supply chain issues and Covid-19?
4. Should the economic strategy seek to position businesses as a key voice on the council's climate work? How can we ensure that the voices of businesses are heard when tackling the climate emergency in Southwark? How do we engage with BIDs and can this be improved?

Green economy & transition

Currently, green jobs and businesses form a small proportion of Southwark's economy. There are an estimated 6,600 green jobs in Southwark as of 2020, or 2.7% of total employment, a lower proportion than the Central London average of 4.7%.⁵⁵ London's Low Carbon Market Snapshot estimated there were 287 companies in the green economy in Southwark.⁵⁶

These numbers are likely to grow. Research commissioned by Central London Forward predicts an increase in the green economy workforce of 116% across London. These jobs will mostly be in green finance, power, homes and buildings and low carbon transport sectors.⁵⁷ The Local Government Association predict growth in green jobs will be concentrated centrally around the City of London. Due to Southwark's central location, it is expected that the borough will have a large number of green jobs relative to other boroughs in 2050 (particularly in central London), with the dominant sub-sector in the borough will be services (e.g. finance, consulting).⁵⁸

Across London, there is currently unequal access to green jobs. Businesses with green activities have fewer female (1/3rd compared to 43% across London) and black, Asian or minority ethnic employees (23% compared to 36%) compared to the London workforce.⁵⁹

Most green jobs are either high level, managerial, professional, technical jobs or skilled craft jobs, with 75% of workers in green jobs in central London holding bachelor degrees or equivalent

qualifications. Green workers are younger on average than all workers (49% under 35, compared to 43% of all central London workers).⁶⁰

Work will be needed to ensure that the growth in green jobs will benefit all residents in Southwark. Targeted education and training, and awareness of opportunities, will need to improve to ensure equitable access. Businesses will need support to remove the existing barriers to women and black, Asian, and minority ethnic employees. Without this, the growth in green jobs may reinforce existing inequalities in the borough.

Southwark and London have targets to be net zero by 2030. While the growth in green businesses and jobs is positive, the transition to net zero requires a shift in Southwark's economy away from 'non-green' activities or to substantially reduce their impact (e.g. using low-emission freight and 'last mile' delivery). This means that employment in some industries will decline. 4% of Central London jobs are in carbon intensive sectors, including construction and transport.⁶¹

For those who lose their jobs during the transition to the green economy, their existing skills may not match new green roles, so re-skilling will be required to ensure they can re-enter the workforce. Research by the Grantham Institute estimates more than 500,000 London jobs will need access to re/upskilling and training due to moving towards a green economy.⁶² Construction, transport, manufacturing will have the greatest level of reskilling—and also have high proportions

of black, Asian, and minority ethnic workers.⁶³

Research commissioned by Central London Forward found there were 14,000 in further education and apprenticeships in courses related to green sectors, but also that the number of graduates each year with relevant skills is below the number of workers required for emerging green jobs.⁶⁴ This suggests that there is space in the green economy for people whose 'non-green' jobs are affected by transition, providing they can access the training they need. For example, construction jobs in Southwark are currently in decline. However, the transition to the green economy will see a growth in jobs in homes and buildings, focused on retrofit, building new energy-efficient homes, heat pumps and smart devices. It is expected that current employees in the construction sector will be a major source of these workers.

Employers in green businesses will need to support people already in the labour market to acquire relevant skills as well as recruit people entering the labour market with the right skills.

There may be a role for the council and some of its core institutions in helping businesses and residents with retraining opportunities. This could focus on expanding the council's green skills partnership with London South Bank University as well as working with others such as Camberwell College of Art and London College of Communication (linking to circular design and sustainable design courses).

London's green economy

Southwark has 6,600 green jobs, a lower proportion of the workforce (2.7%), than the London average (4.7%). In 2018, there were an estimated 211-324 green companies.

The City of London has the greatest concentration of green jobs due to the number of jobs in green finance.

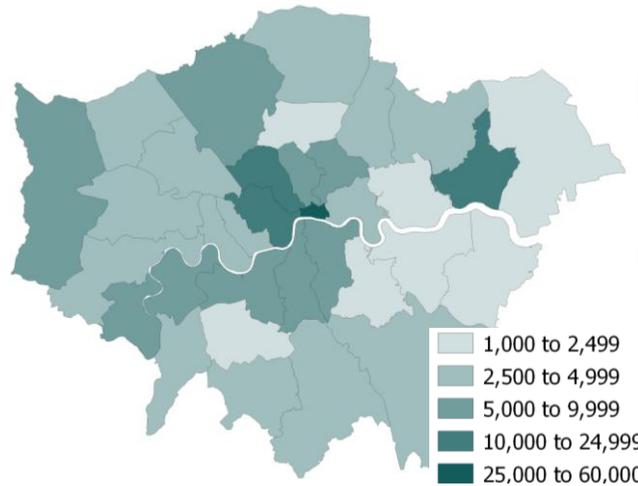
Estimated future jobs (this uses different data) will be concentrated around the City of London. Due to Southwark's proximity to the City, it is predicted to benefit from the concentration of jobs in the area, with an estimated 10,563 direct jobs in the green economy in Southwark in 2050. This is the 4th largest in London and is above the predicted mean (3941), excluding the City of London. The Local Government Association predict that the biggest low carbon employer in the borough will be 'services', such as finance and consultancy, providing 7,315 jobs.

There is no standardised definition of green jobs, so we have adopted the mission-based definition used by Central London Forward. This includes jobs with a net zero focus such as homes and buildings, low carbon transport, power, climate change research and development, and those jobs with broader environmental goals such as urban green infrastructure.

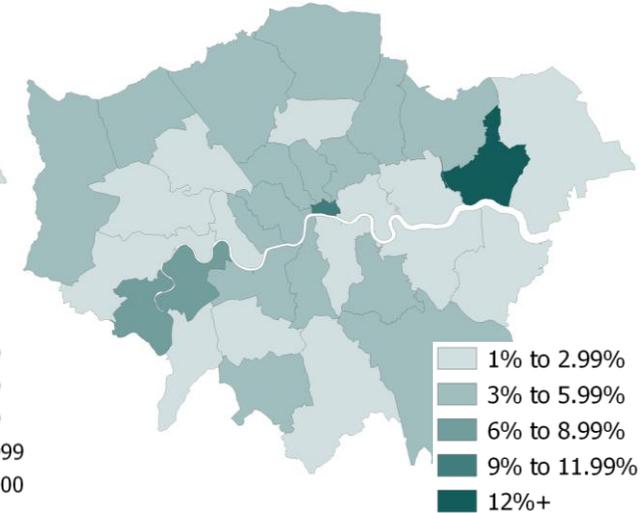
Data for upper two maps from [Green Jobs and Skills in London: cross-London report](#), bottom left from [London Low Carbon Market Snapshot](#), bottom right from [Local government Association, Local green jobs – accelerating a sustainable economic recovery](#)

Green jobs 2020

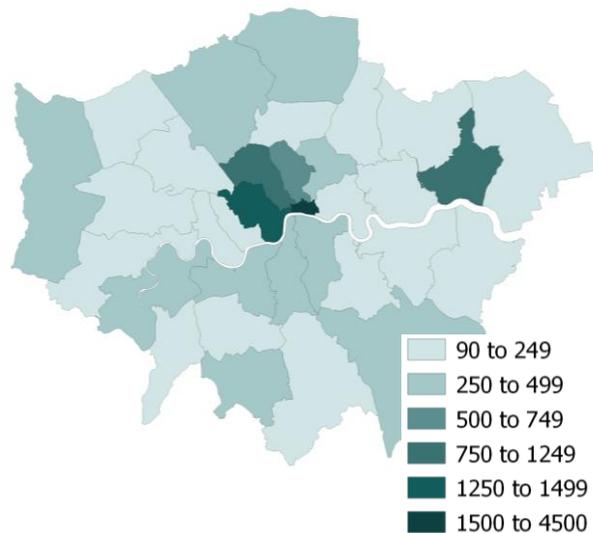
Number of green jobs



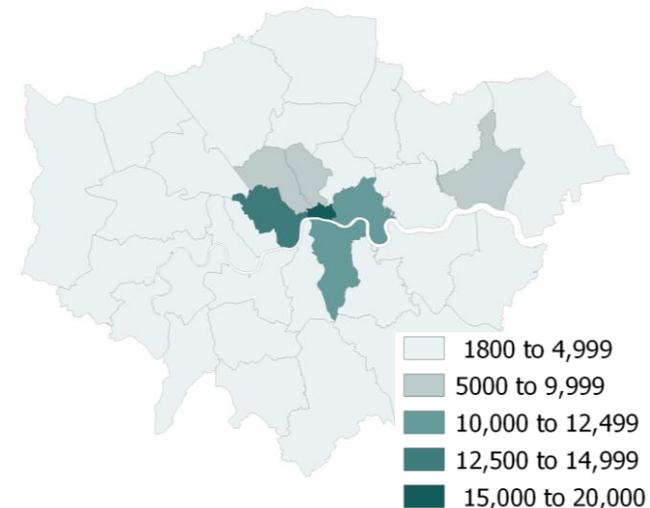
Green jobs as a proportion of all jobs



Number of green companies 2018



Green jobs estimate 2050



Southwark's low carbon growth sectors

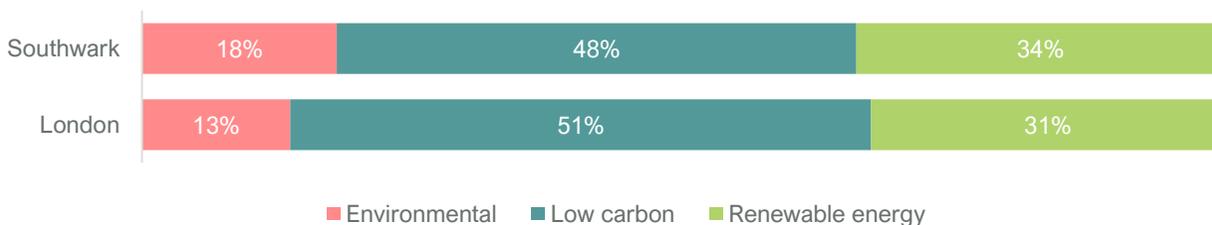
A different way of measuring the green economy has been undertaken by kMatrix. They have defined the Southwark Low Carbon economy and broken it down by sales, companies and employment. Against all of these measurements, the low carbon economy in Southwark has grown since 2015/16. Southwark's green economy is relatively small, relatively diverse and has been growing more slowly than the London average.

Low Carbon is identified as the dominant subsector for sales in Southwark.

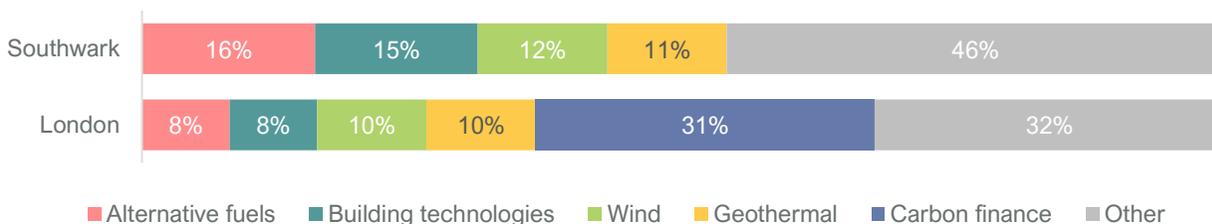
Southwark's Low Carbon Economy 2018

Sales			Companies				Employment			
Change 2015/16 - 2017/18	Growth	London growth	Companies 2017/18	Change 2015/16 - 2017/18	Growth	London growth	Jobs 2017/18	Change 2015/16 - 2017/18	Growth	London growth
+£98m	15%	20%	287	+34	13%	18%	5,542	+698	14%	19%

Sales by sector



Sub-sector sales breakdown



Source: Data from [London Low Carbon Market Snapshot](#). This uses kMatrix definitions of Low Carbon Goods and Services Markets. They look at the activities of companies and attributes those activities to different sub-sectors. Sales is an estimate of economic activity by identified companies within the supply/ value exchange for market products and services.

ECONOMIC STRATEGY CONSIDERATIONS: GREEN ECONOMY & TRANSITION

1. How can residents/workers/employers get ahead of the green transition and begin re/upskilling people as a priority? What role can/should Southwark's institutions play in preventing/tackling the inequalities that will arise from an unjust transition?
2. Can the economic strategy spread incoming green jobs throughout the borough or is it right that they will likely concentrate in the central activities zone?
3. How might Southwark's young people be primed to take on incoming green jobs, particularly among those living where youth unemployment is high? What more can schools and FE/HE institutions do?
4. What role can the council play in supporting green jobs and businesses through direct investment in green infrastructure?

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HOW RESILIENT IS SOUTHWARK'S ECONOMY?

Headlines

Understanding how resilient Southwark's economy is requires a multi-faceted review. Most broadly is how the economy generally has changed in recent years and what that means for businesses and people: overall economic resilience. The pandemic has stressed the economy immensely; based on Southwark's breakdown of jobs by sector and research estimating risk of job loss due to Covid-19, some 45,000 Southwark workers may be experiencing pandemic-related hardship, job loss, or general employment precarity.⁶⁵

Businesses too have been challenged, particularly those with a social or cultural function (restaurants, bars, venues), retail businesses, and tourism-related operations. For the most part, the borough's high streets saw an enormous drop in spending during lockdowns; while most had managed to recover their spending to 2019 levels following reopening in April 2021, central London high streets/town centre areas have continued to struggle,⁶⁶ and Omicron hitting just before Christmas likely hit all high streets hard.

Another factor in economic resilience is having a population that can take the job opportunities on offer or create new businesses themselves. Southwark's population growth comes from births and international newcomers, which will have been affected by Brexit and the pandemic. The borough also attracts a net inflow of young people aged 18 to 29.⁶⁷ The economic strategy will need

to consider whether retaining these young people and their skills longer-term should be a goal.

The economic strategy should also consider 'personal' economic resilience, that is, how well individual residents and workers can adapt to wider changes in the London, UK, and global economies as well as to Covid-19. Claimant and unemployment rates can give some insight. Both have increased because of the pandemic. However, even before this, unemployment disproportionately affected the borough's ethnic minorities; currently Southwark's overall unemployment rate is 7.6%, rising to 12.6% among ethnic minorities.⁶⁸

Another more experimental approach is to estimate the number of workers on precarious contracts—or no contracts, as is the case with gig economy work—whose economic resilience may be tenuous. An estimated 10% of Southwark-based workers and 2.5% of Southwark residents may be on zero hours contracts.⁶⁹ 2.5% is likely an underestimate given the rise of the gig economy, which see between 20,000 and 34,000 Southwark residents regularly involved in this type of work.⁷⁰ Racial disproportionality can also be seen in the types of jobs more prone to be on zero-hours contracts, which are occupied by higher proportions of black residents than other groups.⁷¹

Related to personal resilience, the economic strategy may want to consider overall 'community

resilience' in terms of the general wellbeing of the population, their connectedness to their neighbours and neighbourhoods, and their engagement in the community. Analysis from the Urban Health Index suggests higher community need and lower engagement in places like Nunhead, Old Kent Road, and Rotherhithe, while connectedness tends to be low around Elephant & Castle, Walworth, and Rotherhithe.⁷² Stronger community cohesion may help build local support networks to better weather future challenges, whether ones relating directly to economic change or those such as pandemics or climate events with an indirect economic link.

On that note, the strategy needs to address climate resilience: how the economy responds to shocks and stresses related to climate change. On this, Southwark may be highly exposed due to its extensive riverfront, which puts a large amount of the borough's built environment, businesses, and people at risk of flood, including the core employment areas of the Central Activities Zone. One attempt to quantify the economic cost of flood in London estimates £10m worth of staff time could be lost daily in a flood event.⁷³

GLA research also classes large areas of Southwark as having high climate vulnerability, being more exposed to events like floods and heatwaves—particularly around the central 'belt' of Walworth/Camberwell/North Peckham.⁷⁴

Economic resilience

In this section, economic resilience refers to the economy generally; that is, how elements of Southwark's economy (sectors, places, population) have changed in recent years and in response to Covid-19. How Southwark's residents and workers may be experiencing these changes is dealt with in the following chapter.

On the whole, business survival rates in Southwark are on par with London.⁷⁵ However, Covid-19 has put thousands of jobs in jeopardy, with some 20% of workers potentially at risk of job loss or furlough.⁷⁶ The most affected jobs tend to be those in lower-paid and young people-dominated sectors, where job losses, furlough, or wage reductions/stagnation could be particularly devastating for workers. The most affected sectors could take until 2025 to recover.

Sectors with significant growth since 2011 are a mix of those with more traditional, 'stable' contracted employment and those with more precarious arrangements for workers. For example, jobs created by the borough's increase in scientific R&D and civil engineering businesses are likely to be secure, whereas jobs associated with the increase in postal and courier, accommodation, and sports and recreation are more prone to zero hours contracts or gig economy arrangements. An estimated 13% of roles in Southwark's biggest jobs growth sectors might be zero hours, which is a slightly higher rate than the overall estimate of zero hours jobs in the borough (~10%).⁷⁷

Looking towards high street economic resilience, particularly throughout Covid-19, Southwark's central high streets (e.g. Bankside) have struggled to recover pre-pandemic retail spending levels as their resident bases aren't large enough to make up for the shortfall caused by a lack of workers and tourists. Where high streets have a wide and diverse resident catchment, the picture is brighter. Camberwell, Walworth Road, and Old Kent Road have had above-average retail spending for most of 2021, with Lordship Lane and Peckham joining them from April onwards.⁷⁸ However, not all retailers may be experiencing this above-average spending. For example, an independent retailer may still have below-average takings compared to the chain supermarket next door, with a knock-on effect for employees and wages. This is on top of longer-term trends that will continue in the future, such as moves towards online shopping and using high streets for experiences broader than spending (e.g. socialising, attending events).

There may also be a knock-on effect for high street vacancies. Across London, high street vacancies had already been climbing slightly even before Covid-19, but the pandemic appears to have exacerbated the trend.⁷⁹ It will be important to identify long-term empty properties and suitable, stable uses that can contribute to high street vitality, as well as to pinpoint high-churn properties and begin to unpick and address the reasons behind the churn (for example, businesses outgrowing a space is not worrying as long as they have suitable space to move into, but

businesses leaving because of poor public realm or rising rents is a cause for concern).

As will be discussed in more detail in the following chapter, Southwark's resident and worker population is a core element of its economic resilience. Like London, Southwark relies on newcomers from abroad and a higher number of births than deaths to keep its population growing; among internal migrants (people moving within the UK), the borough has more people moving out than in.⁸⁰ The exception is among 18 to 29 year olds, for whom Southwark is a borough of choice; a challenge for the council is whether to try to retain these young people (and their skills, and their community connections) as residents as they age into their 30s and 40s—and if so, how to do this in an era of fast-rising house prices and increasing remote working opportunities.

The number of people moving from abroad has decreased in recent years, stymied by the double-whammy of Brexit and Covid-19. In the year to June 2020, around 3% of the borough's population arrived from abroad,⁸¹ with most settling in the northern half of the borough.⁸² While some international migrants will arrive to existing networks (whether through family connections or cultural connections, e.g. Latin American communities around Old Kent Road, Nigerian communities in Peckham) and job opportunities, others may not have access to the same support. Protecting and building strong networks and support services will be useful for helping newcomers settle and integrate.

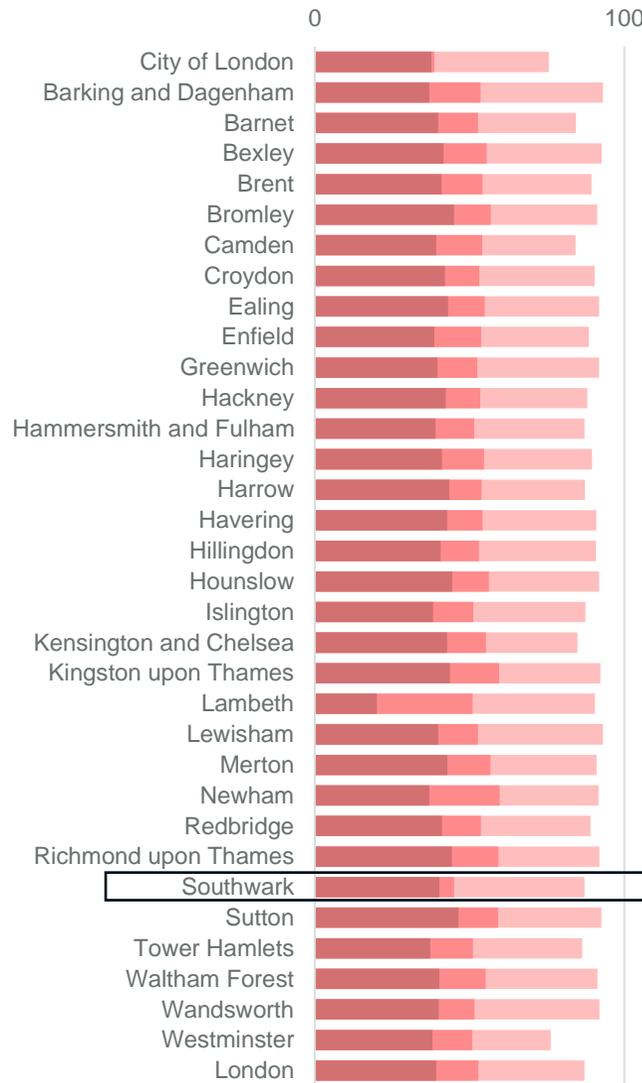
Business survival

Southwark's one-year business survival in both 2017 and 2018 was 87%, on par with the London average.

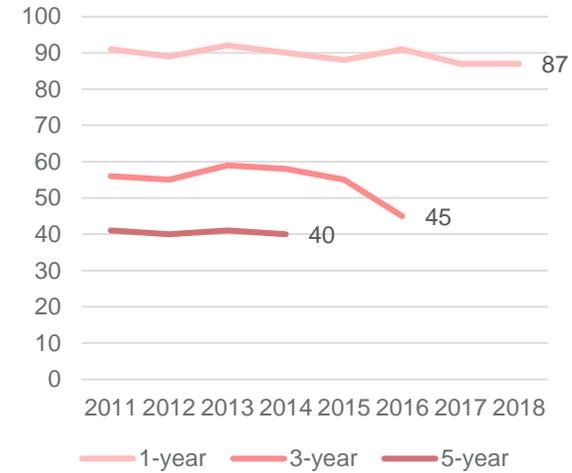
Since 2011, around 40 to 41% of Southwark businesses survive five years or more, which is 1 to 2 percentage points above the London average.

It is not known how business survival rates differ across the borough.

Business survival rates, latest data (%)



Southwark business survival rates over time (%)



- % of businesses surviving 1 year (started 2018)
- % of businesses surviving 3 years (started 2016)
- % of businesses surviving 5 years (started in 2014)

Sectors and Covid-19 exposure

Research by McKinsey at the national level, applied to Southwark, suggests that around 21% of the borough's jobs are prone to Covid-19 related furlough and job losses. This is lower than the national average of 24%, but nevertheless has major implications for Southwark's short- and long-term economic outlook.

Among the jobs most at risk are those in accommodation & food service, wholesale & retail trade/vehicle repair, and arts & recreation. These sectors tend to offer lower wage work and/or often cater to a younger labour market; job losses or wage reductions/stagnation could be devastating for these workers.

	Total jobs	Sector as proportion of total jobs	Estimated jobs at risk from Covid-19	Risk as proportion of sector
C: Manufacturing	3000	1.2%	510	17%
E: Water, waste	350	0.1%	21	6%
F: Construction	3500	1.5%	1365	39%
G: Wholesale & retail trade; vehicle repair	17000	7.1%	6970	41%
H: Transportation & storage	12000	5.0%	2160	18%
I: Accommodation & food service	15000	6.2%	10200	68%
J: Information & communication	24000	10.0%	1920	8%
M: Professional & technical industries	55000	22.9%	7150	13%
N: Admin activities	27000	11.2%	5670	21%
P: Education	17000	7.1%	2040	12%
Q: Human health & social work	27000	11.2%	2700	10%
R: Arts & recreation	4500	1.9%	2205	49%
Other sectors	35300	14.7%	6707	19%

= ~241k
workers

= ~45k
workers

Sector change (businesses)

In 2021 there were businesses in electricity, gas steam and air conditioning supply and manufacture of beverages where there were no businesses in 2011. In both industries there was also high growth across London. These businesses may align with broader trends towards craft beer/microbrewing and low-carbon activities.

Sectors with the biggest increase in businesses lean towards those that tend to offer low-wage, low-security employment: postal and courier activities, accommodation, and sports & recreation. There were also increases in the more 'knowledge'-intensive sectors of civil engineering and scientific R&D.

Like London generally, Southwark lost some businesses in recorded media. Southwark also lost residential care businesses even though London saw a growth in the number of businesses in this industry.

New sectors				
Sector	2011	2021	change	London change
35 : Electricity, gas, steam and air conditioning supply	0	120	+120	1726%
11 : Manufacture of beverages	0	30	+30	573%

Sectors with the highest proportional increase in businesses					
Sector	2011	2021	change	% change	London change
53 : Postal and courier activities	40	150	+110	275%	451%
55 : Accommodation	20	65	+45	225%	68%
42 : Civil engineering	30	90	+60	200%	105%
93 : Sports, amusement & recreation activities	70	155	+85	121%	79%
72 : Scientific research and development	25	55	+30	120%	82%

Sectors with highest proportional decrease in businesses					
Sector	2011	2021	change	% change	London change
18 : Printing and reproduction of recorded media	115	75	-40	-35%	-32%
87 : Residential care activities	40	30	-10	-25%	+11%

Sector change (jobs)

Commensurate with the arrival of businesses manufacturing beverages, this industry had the greatest proportional increase in jobs. This is expected due to the rapid increase in breweries, particularly since 2011 in London. Bermondsey is a particular hotspot for brewing.

Some of the sectors with high business growth—postal & courier, accommodation, sports & recreation—do not appear to correspond with high jobs growth. This could be because in some cases the jobs they create are more casual, gig economy, or non-PAYE work.

There was a large increase in the number of information service activities. This sector started with a high number of employees in 2011, and now has 3000.

Sectors experiencing declines in jobs are a mixed bag. Drops in buildings and specialised construction might be expected given broader trends in an aging workforce that isn't being replaced and pandemic- and Brexit-related disruption, if not for the overall jobs growth in these construction sectors across London. There are no longer any jobs in extraction of crude petroleum and natural gas, a sector on the decline in London.

Source: Business Register Employment Survey ONS 2011-2020; [The Geography of London's Recent Beer Brewing Revolution](#), Adam Dennett and Sam Page.

Sectors with the highest proportional increase in jobs

Sector	2011	2020	change	% change	London change
11 : Manufacture of beverages	10	350	340	3400%	67%
10 : Manufacture of food products	150	700	550	367%	62%
95 : Repair of computers and personal and household goods	250	1000	750	300%	13%
75 : Veterinary activities	50	175	125	250%	13%
63 : Information service activities	900	3000	2100	233%	94%
68 : Real estate activities	2500	6000	3500	140%	28%
27 : Manufacture of electrical equipment	75	175	100	133%	40%
42 : Civil engineering	350	800	450	129%	17%
49 : Land transport and transport via pipelines	3500	8000	4500	129%	49%

Sectors with the highest proportional decrease in jobs

Sector	2011	2020	change	% change	London change
92 : Gambling and betting activities	500	350	-150	-30%	-16%
96 : Other personal service activities	2500	1750	-750	-30%	13%
64 : Financial service activities, except insurance and pension funding	6000	4000	-2000	-33%	7%
41 : Construction of buildings	2000	1250	-750	-38%	49%
80 : Security and investigation activities	4500	2000	-2500	-56%	-11%
43 : Specialised construction activities	4000	1500	-2500	-63%	31%
06 : Extraction of crude petroleum and natural gas	200	0	-200	-100%	-33%

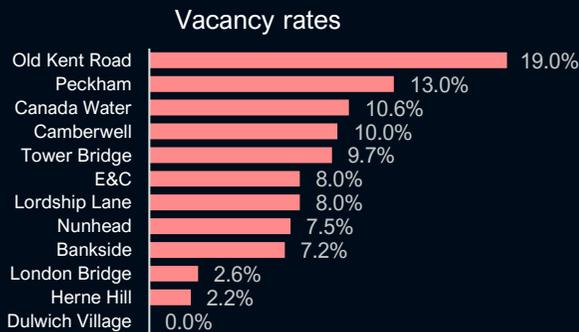
RESILIENT

High streets

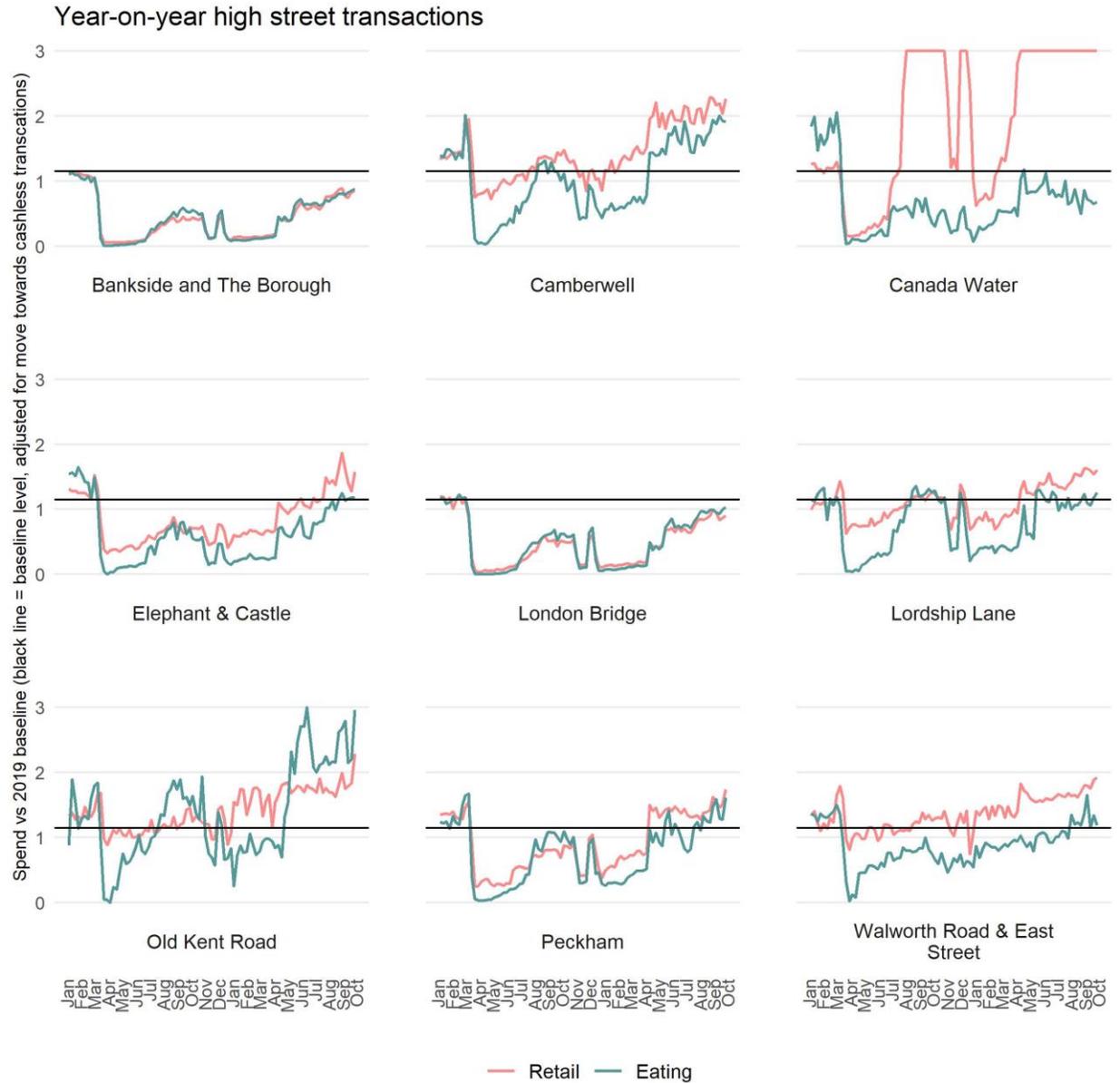
Commercial areas within the Central Activities Zone have been harder hit by and slower to recover from Covid-19 lockdowns (this is the case in non-Southwark CAZ areas as well.).

Camberwell, Walworth, and Old Kent Road had broadly resilient retail spending throughout lockdowns, which could indicate a relatively high presence of essential services allowed to stay open during lockdowns. However, this may not be captured equally among businesses. For example, in the Southwark Social Life Survey, traders in Camberwell reported they were still struggling with the effects of lockdown in 2021, despite above-average spending in the area.

Beyond Covid-19, persistent vacancies may affect vibrancy and diversity of offer, while ongoing moves towards online shopping and high streets as places for socialising and activities other than spending will mean high streets need to adapt to changing use levels and patterns.



Source: GLA Datastore, Mastercard Retail Location Insights; vacancy data provided by LB Southwark



Population change

Like London, Southwark has a net internal migration loss each year across the population as a whole (i.e. more people already in the UK move out of Southwark than move into it).

The age group bucking this trend is 18 to 28 year olds, who move into the borough in greater numbers than leave (reasons could be attending university, returning from university, attending other training, starting jobs in London, etc).

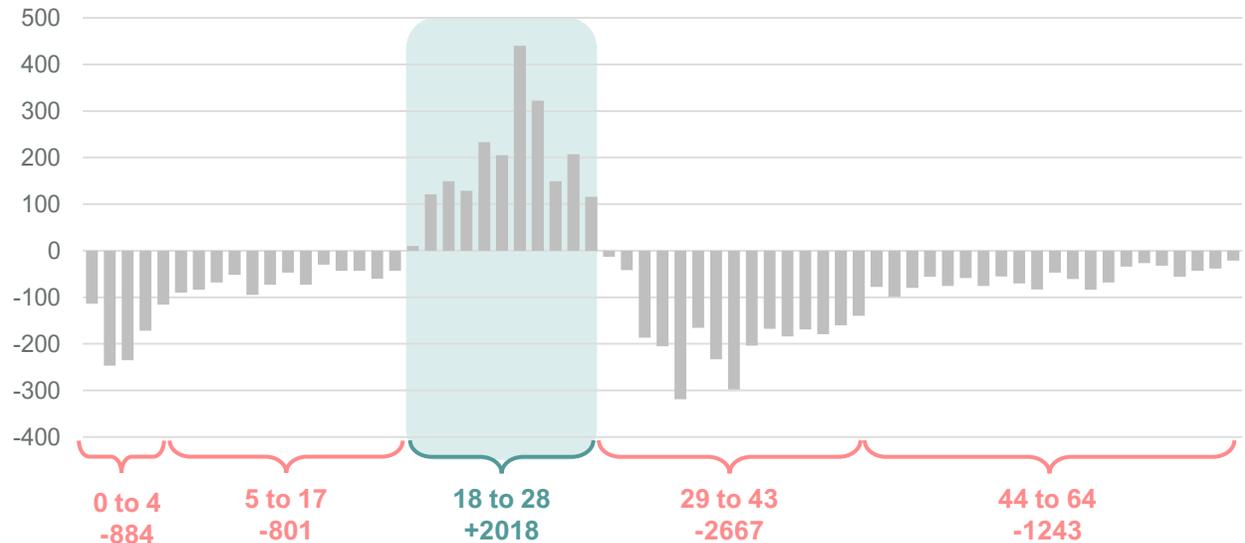
62% of people leaving Southwark for another part of the UK in the year to June 2020 moved to another London borough. Of these, 30% moved to neighbouring Lambeth or Lewisham.

Age groups experiencing large net losses are those that are likely part of family households with young kids, a group that may be moving out of Southwark in search of more affordable housing, more space, both, or for other reasons.

To retain the skills and maintain community connections of young people moving in, they may need more incentives or options to stay in the borough as they grow older.

Source: Internal migration: detailed estimates by origin and destination local authorities, age and sex (ONS); Internal migration: matrices of moves by local authority and region (countries of the UK) (ONS)

Southwark net internal migration by age, year to June 2020



Where people go when they move out of Southwark



Southwark's newcomers from abroad

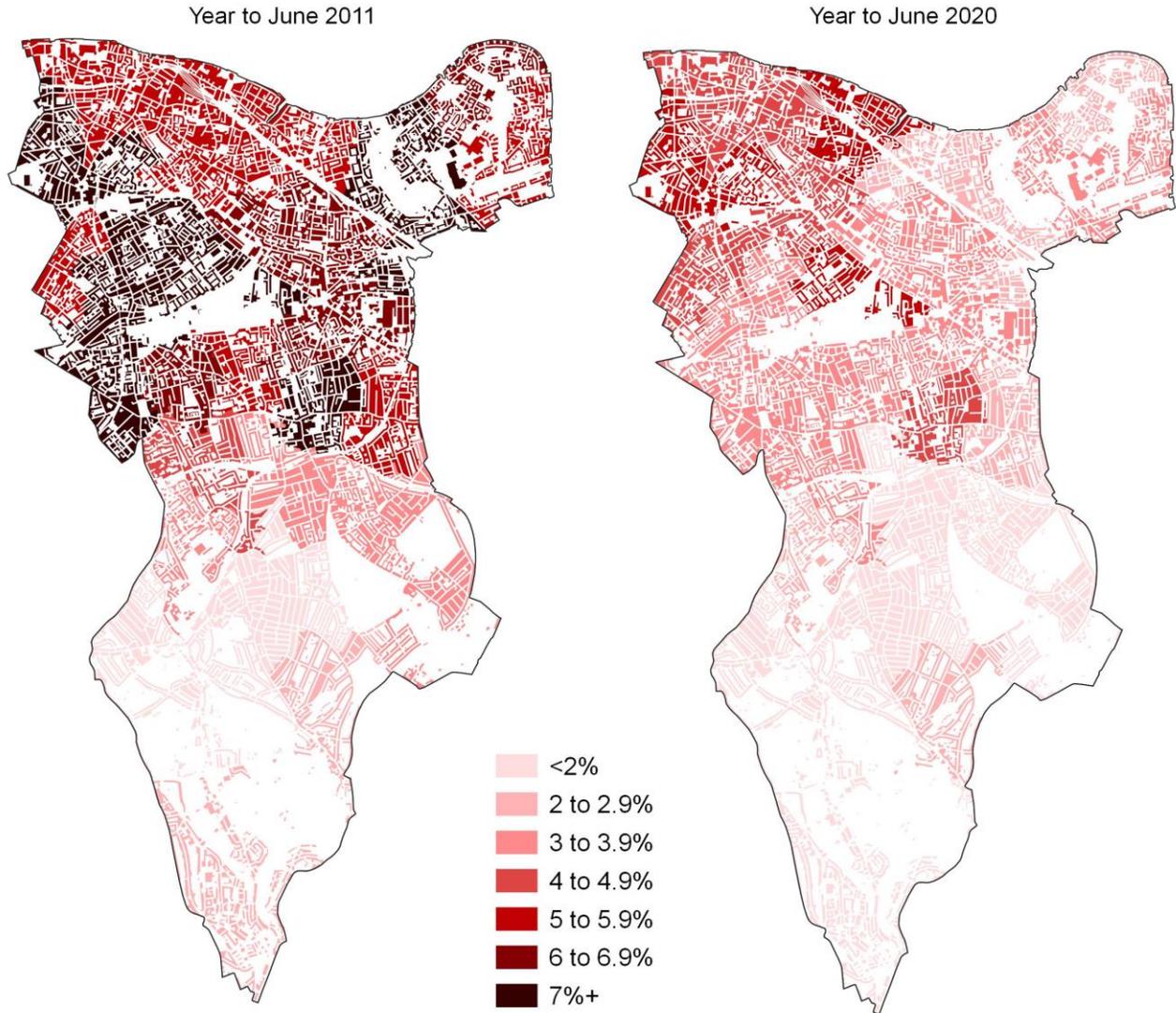
Much of Southwark's population maintenance and growth comes from there being more births than deaths alongside international migration. In the year to June 2020, recently arrived adult international migrants comprised 3% of Southwark's overall adult population. This data includes both international students and workers.

This is lower than a decade ago, which may be in part due to Brexit bringing fewer EU residents. Only Bermondsey North and Elephant & Castle had more international migrants in the year to June 2020 than to June 2011.

Areas with higher proportions of international newcomers to resident population are found in the north half of the borough, especially throughout Central London, Elephant & Castle, and Walworth. This pattern has changed slightly since 2011, when areas with relatively high proportions of international newcomers included Camberwell, north Peckham, Rotherhithe, and Old Kent Road.

While some people will arrive with jobs and networks in place, others may need additional support to access work opportunities, housing, and other resources.

International adult migrants as a proportion of all adult residents



ECONOMIC STRATEGY CONSIDERATIONS: ECONOMIC RESILIENCE

1. How can the council make sure that growing sectors are providing well-paid, secure jobs—and that people affected by declining sectors are supported?
2. What interventions might businesses need to weather shocks and stresses associated with Brexit, supply chain issues, and Covid-19? How can these interventions include or be linked to ensuring businesses offer secure and well-paid jobs?
3. Does it matter that the young people moving into Southwark tend to leave in their 30s, or should the economic strategy try to retain these residents? If so, what can the Strategy do to keep the borough attractive compared to neighbours?
4. What services and amenities are needed to equip non-student newcomers with the tools they need to participate in Southwark or London's economy? Should these services focus on particular neighbourhoods or groups of new arrivals?

Personal economic resilience

In this section, personal economic resilience refers to how well individual residents and workers can adapt to changes in the London, UK, and global economies as well as to Covid-19.

Ways of understanding personal economic resilience include analysing income (see p. 16) and analysing the stability of employment. 10% of Southwark-based workers and 2.5% of Southwark residents may be on zero hours contracts, with implied unstable employment and income.⁸³

However, given the meteoric rise of gig work in recent years, the 2.5% figure is likely an underestimate. Applying national research on the gig economy to Southwark suggests anywhere between 20,000 and 34,000 residents may be regularly involved in these types of work.⁸⁴

Not all gig/platform work is problematic. Few people rely on gig work for their entire income, and for some, it is used to generate 'nice to have' rather than necessary extra income. This type of work is worrying when it is used as a sole income or a 'top up' where main income does not cover basic living costs.

It isn't possible to determine the number of residents falling into these categories, but it's clear from other sources that people have been struggling. Social Life research participants raised concerns about the precariousness of work,⁸⁵ and p. 28 highlighted areas of low income and high youth unemployment. Unemployment and economic inactivity disproportionately affects ethnic minorities and racial groups other than white. As of June 2021, Southwark's overall

unemployment rate is 7.6%, rising to 12.6% among ethnic minorities.⁸⁶ This disparity has been in play for several years, making it an entrenched challenge for the borough.

Racial disproportionality can also be seen in the sectors most prone to zero hours contracts, which tend to have relatively high proportions of black workers. Around 65% of Southwark residents in work are white and 24% are black, but 45% jobs in the distribution, hotel, and restaurant sectors—which have a relatively high propensity for zero hours jobs as well as Covid-19 furlough or job loss risk—are taken by black residents compared to 42% white. By contrast, 80% of residents working in the biggest and more secure employment sectors (professional, financial, and technical) are white compared to 10% black.⁸⁷ In other words, Southwark's black residents appear to be more at risk of precarious work.

The pandemic has also had a significant impact on personal economic resilience. The claimant rate as of September 2021 is the highest since 2008.⁸⁸ A July 2020 telephone survey with Southwark residents found 1/3 had a decrease in income and 1/3 struggled to pay for basics (rent, food, utilities) during the pandemic. Black residents were more likely to struggle (44% compared to 17% of white residents).⁸⁹ In the Southwark Social Life Survey 21% of respondents said they would be worse off in six months.⁹⁰

Aside from the health effects of having Covid-19, the pandemic may also generate secondary health impacts arising from ongoing social

isolation and uncertainty about the future. The ONS reports that around 1 in 5 adults experienced some form of depression in early 2021, more than double than pre-pandemic, with particular struggles among those with pre-existing mental or physical health conditions, young adults and women, and people in more deprived areas.⁹¹

Prior to the pandemic, residents' wellbeing was mixed, with an above-average rate of new psychosis cases and common mental health disorders but average or just below rates of anxiety and depression.⁹² However, this has likely increased because of Covid-19; participants in Social Life's study expressed concern about mental health conditions and their impacts becoming worse and more prevalent, and 82% rated mental health and wellbeing as a high priority for the borough.⁹³

This matters because mental and physical health issues can seriously affect an individual's ability to participate in family life, social activities, local communities, and the economy. Long-term health issues also have implications for council services, already under relentless strain before Covid-19.

Finally, on the matter of community connectedness, by one measure Southwark is one of the stronger-performing boroughs for overall levels of 'democratic engagement'.⁹⁴ However, this may not be felt equally throughout the borough, with some areas more prone to lower connectedness, higher community needs, and lower community engagement than others.⁹⁵

Worker job security

More than one third of Southwark's jobs are in professional and technical industries.

Applying national ONS estimates of zero-hours contracts by sector to Southwark suggests 21 000 workers (10%) in the borough may be on zero-hours contracts. The most affected sectors are accommodation & food service (23% of sector workers) and human health & social work (21% of sector workers).

Although a relatively small proportion of workers in professional and technical industries may be on zero hours, the sheer size of this sector in Southwark means there could be upwards of 3000 zero hours workers in professional and technical industries, nearly as many as in accommodation & food services.

	Total jobs	Sector as proportion of total jobs	Estimated # jobs on zero hours	Zero hours jobs as a proportion of sector
ABCDE: Primary resources, manufacturing & utilities	4650	1.9%	270	5.8%
F: Construction	3500	1.5%	98	2.8%
G: Trade; vehicle repair	17000	7.1%	1683	9.9%
H: Transportation & storage	12000	5.0%	1680	14%
I: Accommodation & food service	15000	6.2%	3495	23.3%
JKLM: Professional & technical industries	92000	38.2%	3128	3.4%
N: Admin activities	27000	11.2%	1809	6.7%
O: Public admin	14000	5.8%	588	4.2%
P: Education	17000	7.1%	1479	8.7%
Q: Human health & social work	27000	11.2%	5616	20.8%
R: Arts & recreation	4500	1.9%	630	14%
S: Other service activities	7000	2.9%	980	14%

= ~241k
workers

= ~21k
workers

RESILIENT

Resident job security & gig economy

Nearly two thirds of Southwark residents work in managerial/directorial, professional, or technical occupations.

Applying national ONS estimates of zero-hours contract by occupation types suggests around 4700 Southwark residents (2.5%) may be on zero-hours contracts. The most affected roles are in caring, leisure, service, and elementary occupations. This is likely an under-estimate. Furthermore, sectors at greater risk from Covid-19 and zero hours contracts appear to have disproportionate numbers of black workers.

ONS does not provide ongoing estimates of gig economy work, but applying estimates from national studies to Southwark suggests anywhere from 20k to 34k of its working-age residents may be regularly engaged in gig economy work. The variation is due to different timescales, definitions, and methodologies.

Respondents to Social Life's recent research in Southwark raised concerns about the precariousness of work.

Source: Occupation and zero hours from Labour Force Survey, April to June 2021; Racial groups and sectors from Annual Population Survey, ONS; TUC & Herts 'Seven ways platform workers are fighting back', Nov 2021 (platform work is associated with apps and online services such as Uber, Upwork); BEIS 'The characteristics of those in the gig economy', Feb 2018 (gig economy in this report appears to include people working freelance)

Zero hours likelihood by occupational class	Total residents	Occupation class proportion of residents	Estimated zero hours jobs	Zero hours jobs as a proportion of occupation class
Managers/directors	24000	13.4%	144	0.6%
Professional	56800	31.7%	682	1.2%
Associate professional & technical	36100	20.2%	578	1.6%
Admin & secretarial	17300	9.7%	242	1.4%
Skilled trades	6100	3.4%	98	1.6%
Caring, leisure, service occupations	14000	7.8%	966	6.9%
Sales & customer service	7400	4.1%	252	3.4%
Elementary occupations	17200	9.6%	1720	10.0%

= ~188k residents

= ~4700 residents

Racial groups within sectors	Covid-19 risk		White	Black	Other groups
Job security: low medium high	Zero hours risk				
ABCDE: Agriculture, utilities, manufacturing			N/A	N/A	N/A
F: Construction	●	●	82%	N/A	0%
GI: Retail, distribution, accommodation, food services	●	●	42%	45%	8%
HJ: Transport & communication	●	●	76%	16%	0%
KLMN: Professional, financial, technical	●	●	80%	10%	3%
OPQ: Public admin, education & health	●	●	58%	34%	5%
RSTU: Arts & recreation, other services	●	●	42%	30%	26%
All sectors (where data is available)			65%	24%	9%

n.b. 'other groups' includes Indian, Pakistani, and 'other'

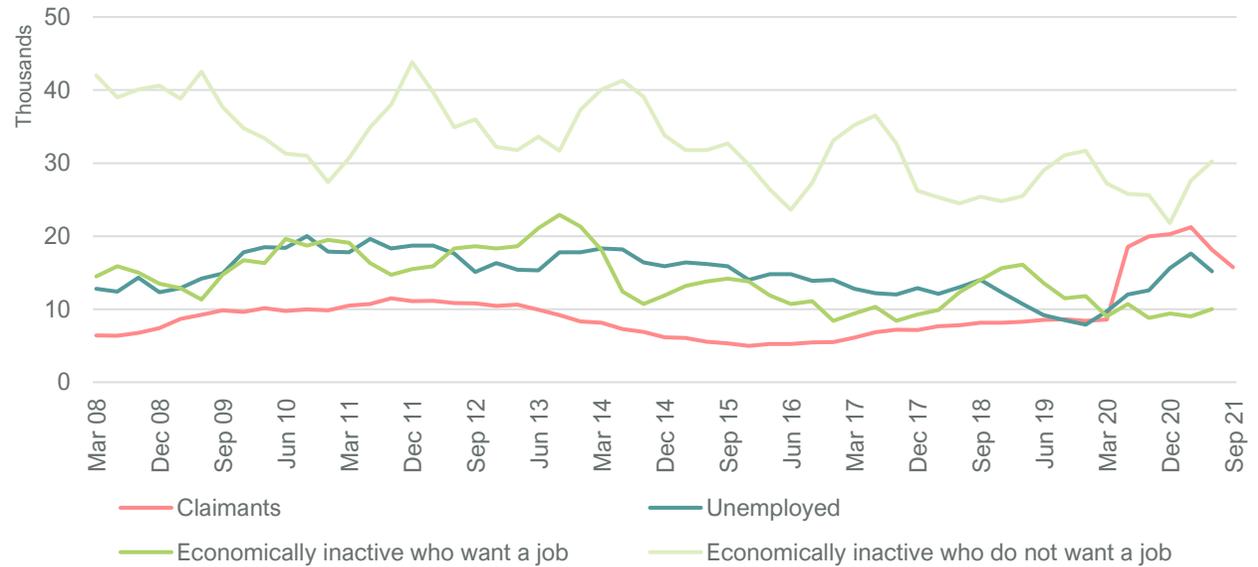
Economic inactivity & unemployment

In 2020, 12% of households in the borough were classified as workless. This is comparable to the inner London average of 11.9%, but much greater than the UK average of 13.7%.

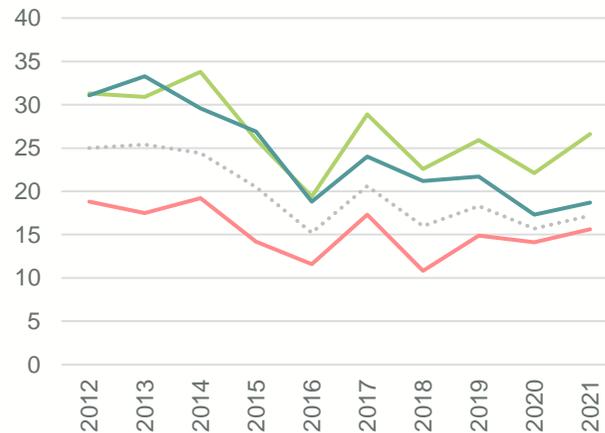
Southwark’s ethnic and racial minorities are more affected by economic inactivity and unemployment than other groups—and have been for some time, making this an entrenched and long-standing issue to tackle. In the year to June 2021 the overall unemployment rate was 7.8%, but for ethnic minorities it was 12.6%.

In the Southwark Social Life Survey 27% of businesses said they had made staff redundant during lockdown. These were more likely to be full time professionals than unskilled employees. For those who are made redundant, the institute of Fiscal studies report that nationally the outlook is positive with a high proportion returning to work in 6 months. However, for Londoners the outlook is less positive, with only 44% returning to employment.

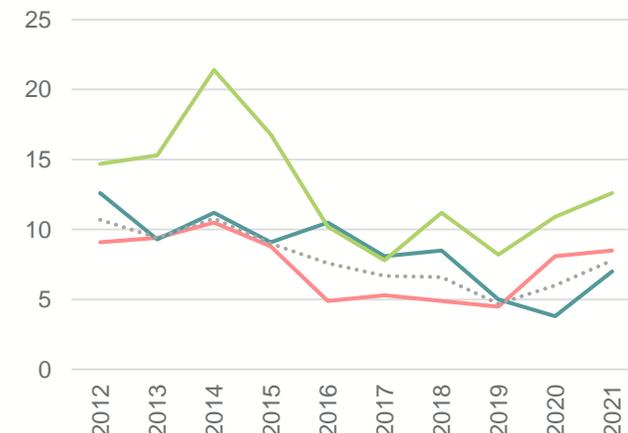
Claimant count, unemployed, & economically inactive (16+)



Economic inactivity (16 to 64) (%)



Unemployment rate (16+) (%)



All population Males Females Ethnic minorities

Source: Claimant Count by Sex and Age, ONS; Workless Households, ONS; Annual Population Survey, ONS; Unemployment by local authority, gov.uk

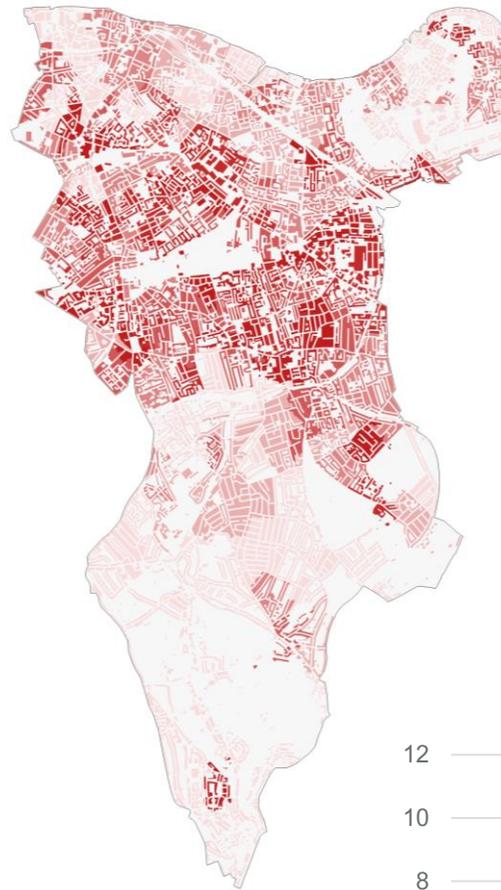
Covid-19 impact & claimant rates

As in London, the Southwark claimant rate spiked during the pandemic, peaking at 9% in March 2021. Areas with relatively high claimant rates tend to be located around the centre-north of the borough, plus pockets elsewhere (e.g. Kingswood Estate, Dawson Heights & Lordship Lane Estate).

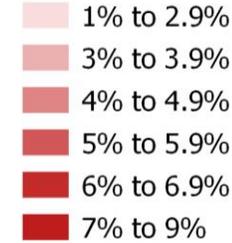
A July 2020 telephone survey with Southwark residents found 1/3 had a decrease in income and 1/3 struggled to pay for basics (rent, food, utilities) during the pandemic. Black residents were more likely to struggle (44% compared to 17% of white residents). In the Southwark Social Life Survey 21% of respondents said they would be worse off in six months.

The July telephone survey also found 1/5 of young people (and 29-30% of black and Asian children) lacked sufficient access to technology for homeschooling, which may have long-term implications for skills and education.

48% of council homelessness applications came from people aged 35 or under in 2020 compared to 1/3 of applications in 2019.



claimants as a proportion of estimated population



Claimants as a proportion of economically active residents aged 16+ (%)



Source: Small area population estimates as of June 2021, ONS; Claimant count by age and sex, ONS; Southwark Covid-19 Inequalities Impact Assessment

Mental Health

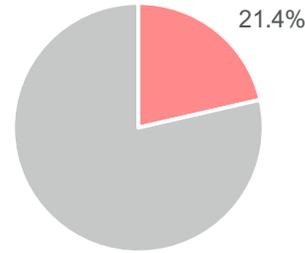
In 2019/20, Southwark was in the worst 25% nationally for the proportion of population experiencing common mental health disorders and new cases of psychosis. There are an estimated 50.6 new cases of psychosis per 100,000 residents aged 16 to 24 compared to 40.6 across London.

21.4% of residents over 16 have a common mental disorder compared to 16.9% across England. However, instances of depression and anxiety are around or just below national averages. The spatial spread of mental health disorders by GP surgery does not appear to correlate to other spatial data such as claimant rates and low-income areas.

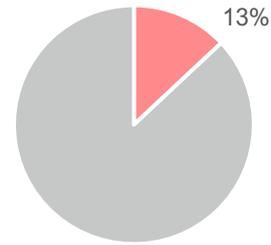
The real numbers for 2021 may be worse as a result of the pandemic, with many in the Social Life research expressing concern about those experiencing mental health disorders. There was a fear that they may have and will become more prevalent due to increasing social isolation caused by COVID-19, a lack of local community hubs, and rising housing costs. 82% of respondents in the rated health and mental wellbeing as an area of concern.

Mental health issues prevalence in Southwark

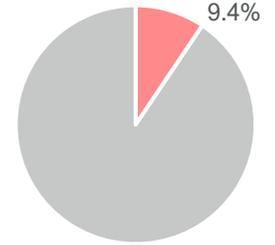
Common mental disorder 16+ (estimated 2017)



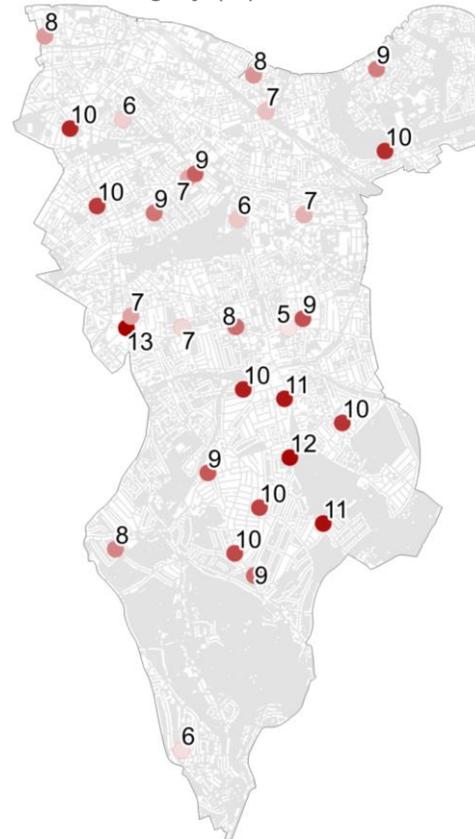
Depression & anxiety 18+ (2016/17)



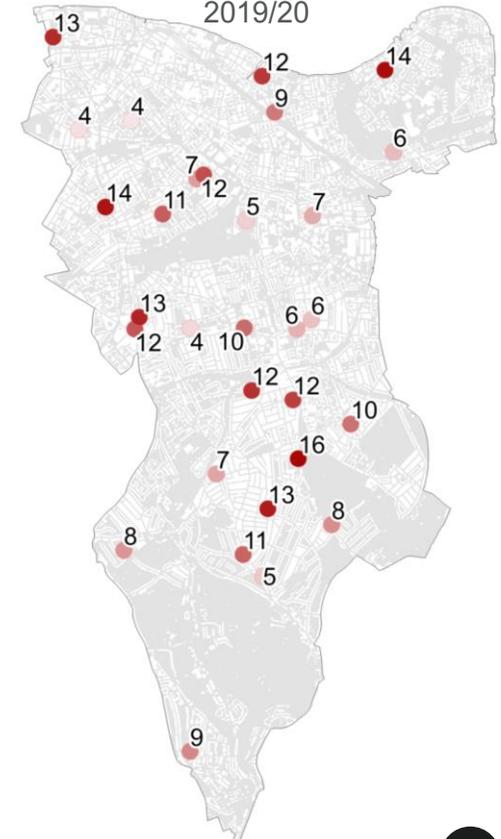
Depression 18+ (2020/21)



Patients with depression by GP surgery (%) 2019/20



Patients with long-term mental health issues by GP surgery (%) 2019/20



Participation & connectedness

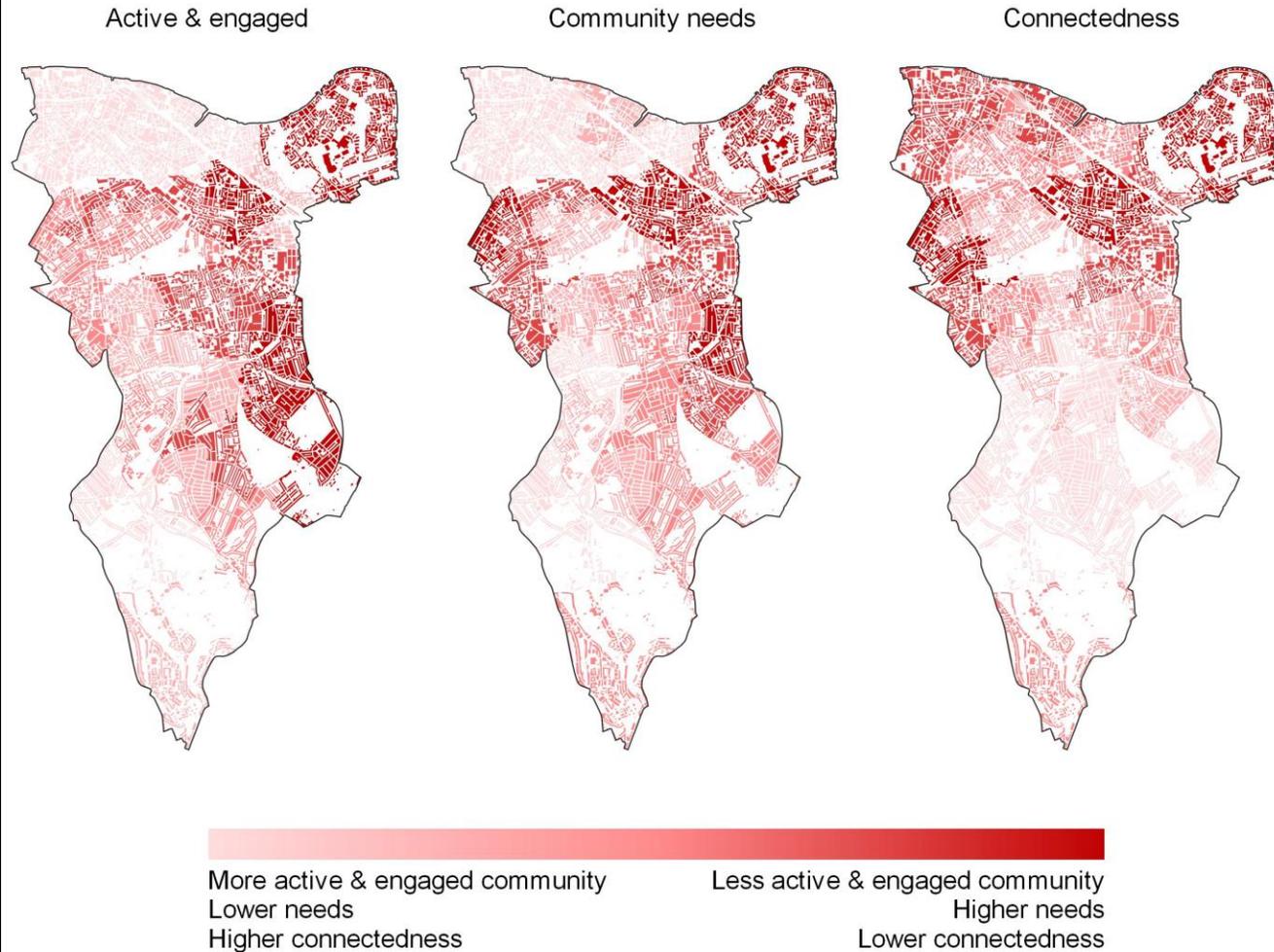
Southwark is one of the stronger-performing boroughs within the London Civic Strength index, indicating relatively high overall levels of 'democratic engagement'.

However, this may not be felt or experienced equally throughout the borough. Data from the Urban Health Index, covering Southwark and Lambeth, finds areas within Southwark where inclusiveness may be lower.

The areas with less active and engaged communities and with higher community needs tend to track with areas of higher deprivation.

Lack of connectedness is felt most strongly in the north of the borough.

Urban Health Index inclusiveness data



ECONOMIC STRATEGY CONSIDERATIONS: PERSONAL ECONOMIC RESILIENCE

1. As the gig economy grows, how can the council better support people who depend on gig work to pay for basic living costs? How might the council identify who/where these people are?
2. What can the council do to reduce zero-hours contracts among its employers and institutions?
3. What can Southwark do to address the racial imbalance across low, medium and high job security sectors?
4. What is needed to address the convergence of existing racial inequality in income, employment, and job security and the impact of Covid-19 on Southwark's young, black, Asian, and minority ethnic residents in particular?
5. How can the council lead by example in its own practices? (e.g. insourcing, hiring among residents, hiring demographics (age, gender, ethnicity, sexuality, disability, class) that represent the population, permanent contracts, favouring local suppliers that use London Living Wage as a minimum) What targets does Southwark have elsewhere that can be incorporated into the economic strategy?
6. What support might civic society/community groups need to strengthen community connections and democratic engagement—and overall community resilience—across the borough? What can the council do to improve civic engagement directly?

Climate stress & shock resilience

Linking to the previous chapter as well as resilience is the matter of how Southwark's economy might be affected by climate shocks and stresses. Research from Lloyds estimates that 18% of London's GDP is at risk from flooding, putting the city 10th globally out of 301 cities on this metric—twice as high as its estimate of GDP at risk from human pandemic.⁹⁶ SMEs are particularly exposed to the effects of climate change,⁹⁷ and an estimated £200bn worth of London property is at risk of tidal flooding.⁹⁸

Much of the borough above Peckham Road/Queen's Road—including its core employment areas—falls within a high flood risk zone (3a) from sea and river flooding. Surface-level groundwater flood risk is present around Walworth and Elephant & Castle, adding further risk. Throughout the borough, but especially around Camberwell, North Peckham, and Herne Hill, surface water flooding could be a problem.⁹⁹

This puts a large proportion of the borough's businesses at risk of disrupted operations and potentially substantial costs to emerge from a flood event. For example, insured losses from London's July 2021 flooding (for businesses and households) are expected to exceed £100m.¹⁰⁰ Grantham Institute research from 2016 estimates that staff time lost to flooding in London could amount to £10m per day.¹⁰¹

For Southwark residents, recent GLA research indicates that Southwark's climate vulnerability is

especially high in its central 'belt' of Walworth/Camberwell/North Peckham. In these places, people are likely to have 'exposure to climate impacts like flooding or heatwaves, and to personal and social factors that affect their ability to cope with and respond to extreme events'.¹⁰² Research from 2013 identified Southwark as 'particularly sensitive to heat', largely in its Central Activities Zone areas.¹⁰³ Such events present potential triggers for health and wellbeing, in turn reducing people's opportunity to participate in the community and economy.

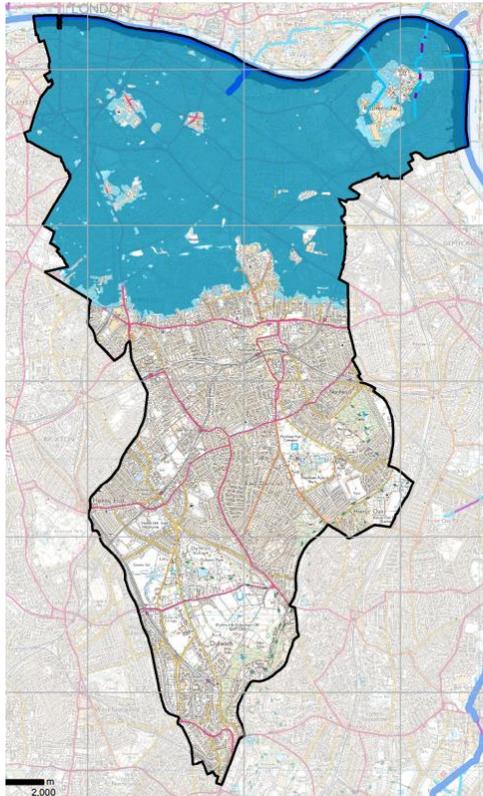
Climate & business resilience

Source: [Southwark Strategic Flood Risk Assessment](#)

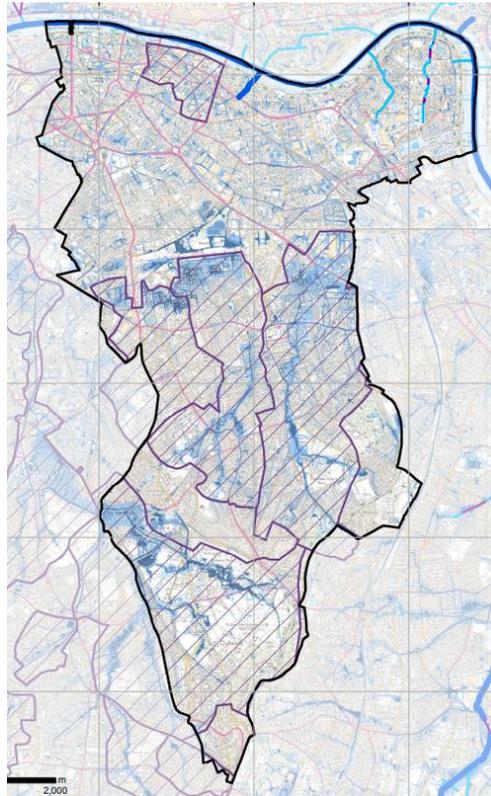
Parts of Southwark are at risk of different types of flooding. Camberwell, North Peckham, and Herne Hill are at risk of surface water flooding, while the north half of the borough, where the is at risk of groundwater and fluvial flooding. This puts a large proportion of the borough's businesses at risk of disrupted operations and potentially substantial

costs to emerging from a flood event. One estimate is that around £200bn worth of property in London is at risk from tidal flooding; given Southwark's extensive river edge, the financial implications of a flood could be significant.

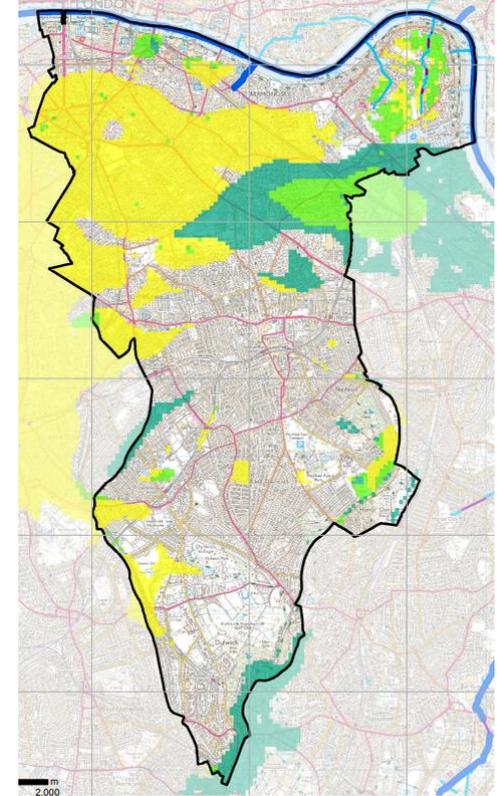
River/sea flood risk (blue areas)



Surface water flood risk (blue areas)



Groundwater flood risk at surface (yellow areas)

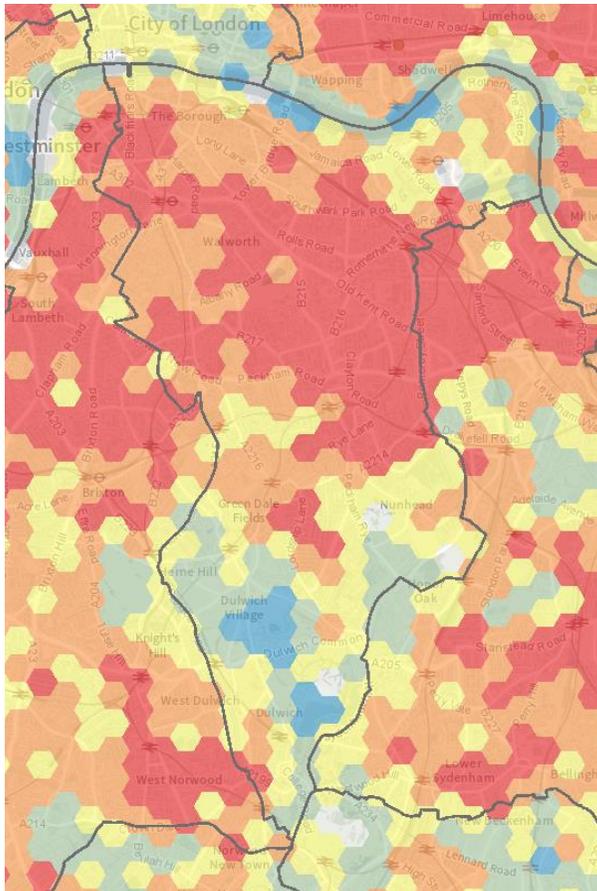


Climate & community resilience

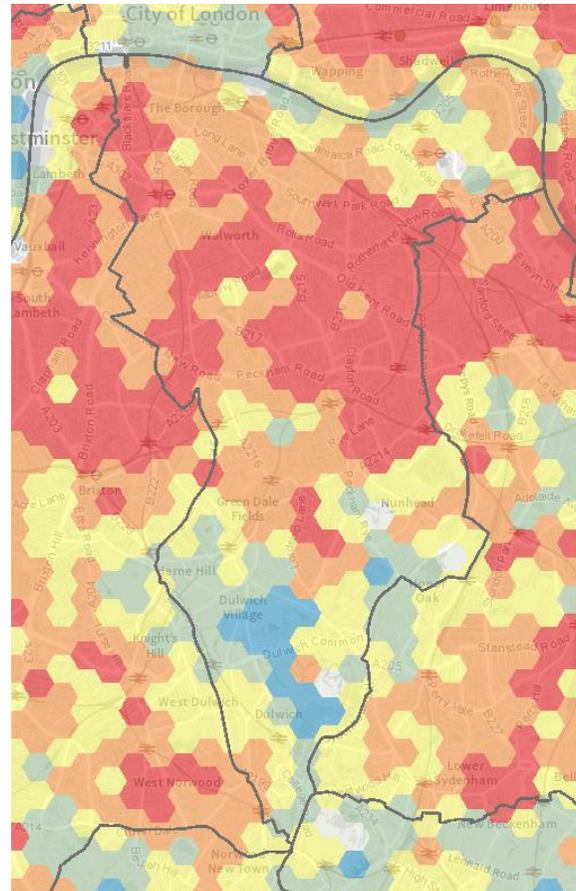
Source: [GLA Climate Risk Metrics](#)

GLA research indicates that Southwark's climate vulnerability is especially high in its 'central belt' (red areas on maps). In these places, people are likely to have 'exposure to climate impacts like flooding or heatwaves, and to personal and social factors that affect their ability to cope with and respond to extreme events'.

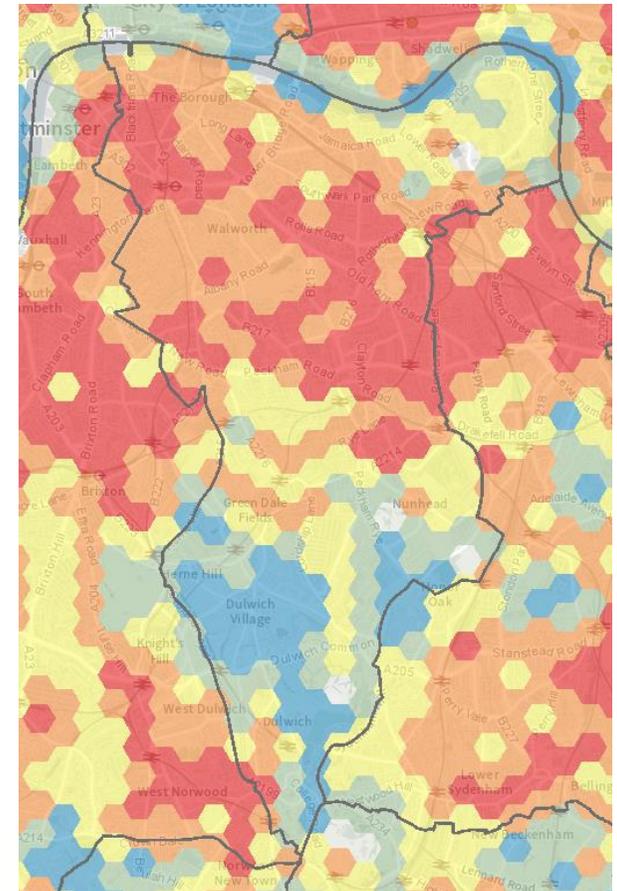
Overall climate risk



Heat risk



Flood risk



References

- 65 McKinsey, 'Covid-19 in the UK: assessing jobs at risk and the impact on people and places', May 2020 ([WEB](#)). We used the sector proportions cited in the first article and applied them to Southwark data to calculate the proportion of Southwark's jobs at risk from Covid-19.
- 66 Mastercard Retail Location Insights, Nov 2021, London Datastore
- 67 Internal migration: detailed estimates by origin and destination local authorities, age and sex, year to June 2020, ONS
- 68 Annual Population Survey, ONS, year to June 2021
- 69 See note #65
- 70 There are two key pieces of research on the gig economy that inform these estimates. The first is the TUC's 'Platformisation and the Pandemic: Changes in Workers' Experiences of Platform Work in England and Wales, 2016-2021', Nov 2021 ([WEB](#)) which estimates that 14.7% of working age adults do 'platform work' (e.g. through Uber, RatedPeople, and other web- or app-based systems) weekly. We applied this 14.7% figure to Southwark's working age adult population to get a figure of ~34k. The second is BEIS' 'The characteristics of those in the gig economy', Feb 2018 ([PDF](#)), which estimates 2.8m people in Great Britain have done 'gig economy' work in the previous year, which in this research includes work outside of web/app platforms; this same report estimates 24% of gig economy workers are based in London, which of 2.8m people is 672k. If those 672k are distributed evenly across boroughs, Southwark might have ~20k gig economy workers.
- 71 Annual Population Survey, year to June 2021, ONS
- 72 Urban Health Index, 'Inclusiveness' dataset ([WEB](#))
- 73 Grantham Institute, Before the Flood Comes – Protecting London's Future, Apr 2016 ([WEB](#))
- 74 Greater London Authority & Bloomberg Associates, Climate Risk Mapping ([WEB](#))
- 75 Business Demographics & Survival Rates, ONS via London Datastore ([WEB](#))
- 76 See note #65
- 77 The Labour Force Survey (April to June 2021) contains estimates of the proportion of jobs in various sectors that are on zero hours contracts nationally. We applied these proportions to Southwark's own data to estimate zero hours contracts among the borough's workers and residents.
- 78 Mastercard Retail Location Insights via London Datastore (subscription only)
- 79 Local Data Company, 2012 to 2020 (internally held data, no public link/document)
- 80 Internal migration: detailed estimates by origin and destination local authorities, age and sex, year to June 2020, ONS
- 81 Local area migration indicators, year to June 2020, ONS
- 82 DWP Stat-xplore, National Insurance number allocations to adult overseas nationals entering the UK, year to June 2021
- 83 See note #77
- 84 See note #70
- 85 Social Life, Understanding Southwark, 2021 ([WEB](#))
- 86 Annual Population Survey, year to June 2021, ONS; Unemployment by local authority, Apr 2021, gov.uk
- 87 Annual Population Survey, year to June 2021, ONS
- 88 Claimant Count by Sex and Age, Sep 2021, ONS
- 89 Southwark Public Health Division, Covid-19 inequalities impact assessment, Mar 2021 ([PDF](#))
- 90 Social Life
- 91 ONS, 'Coronavirus and depression in adults, Great Britain: January to March 2021' ([WEB](#))
- 92 Public health England, Fingertips data tool for Southwark, Mental health and wellbeing topic ([WEB](#))
- 93 Social Life
- 94 Young Foundation, London Civic Strength Index, Oct 2021 ([WEB](#))
- 95 Urban Health Index, 'Inclusiveness' dataset ([WEB](#))
- 96 Lloyds, City Risk Index 2015-2025 ([WEB](#))
- 97 London Assembly, 'Weathering the Storm: the impact of climate change on London's economy', 2015 ([PDF](#))
- 98 Environment Agency, 'Thames Estuary 2100 Plan', Aug 2011 ([WEB](#))
- 99 LB Southwark, Strategic Flood Risk Assessment, Mar 2017 ([WEB](#))
- 100 JBA Risk Management, 'A retrospective look at London surface water flash floods', date unknown (circa late 2021) ([WEB](#))
- 101 Grantham Institute, Before the Flood Comes – Protecting London's Future, Apr 2016 ([WEB](#))
- 102 Greater London Authority & Bloomberg Associates, Climate Risk Mapping ([WEB](#))
- 103 Cited in Zero Carbon Hub, 'Overheating risk mapping: evidence review', 2015 ([PDF](#))

ECONOMIC STRATEGY CONSIDERATIONS: CLIMATE STRESS & SHOCK RESILIENCE

1. How can the economic strategy link with climate change strategies to mitigate climate risks and adapt to climate change? Can the council quantify potential impacts at the borough level?
2. What should businesses and landowners, particularly in the central activities zone, be doing to prepare for climate shocks and stresses—especially flooding?
3. What can the council do to increase environmental resilience among residents, particularly in the worst-affected areas? How might this link with other issues like income security or civic engagement?

SUMMARY

Southwark's economy has had strong growth over the last 10 years. Sectors such as life sciences along the South Bank, creative around Peckham, and brewing in Bermondsey have grown to become among London's core areas for their respective specialisms.

The green economy is on the march in London and Southwark is predicted to become one of its main encampments. Economy-based emissions have been declining, with significantly fewer residents living in areas exposed to dangerous levels of NO₂ than even five years ago.

Southwark has a high proportion of sectors that tend to offer secure and well-paid jobs—and the borough has more jobs than it does residents. Business survival rates are on par with London, and Southwark has a high proportion of skilled residents and others who have taken up education and training opportunities. Encouraging higher education, apprenticeships, and training, with a focus on young people and ethnic minorities, will equip people for the current and emerging economies as well as help tackle inequality.

Residents also tend to have good access to high streets with a broad range of essential services for day-to-day living.

Many aspects of Southwark's economy are working well. Southwark Council must look to build on the successes while seizing opportunities to address the its challenges and develop an economy that is more inclusive. Nevertheless, the borough faces many challenges. Some of these challenges are long-standing, some recent, and many cut across the core themes of fair, green, and resilient. All will need attention in the New Economic Strategy.

The economy is still heavily weighted towards central London. Despite job and business numbers growth and take-up of education and training, income deprivation is long-standing in central Southwark and other areas such as Rotherhithe and Sydenham Hill, predating the 2008-2011 recession. Economic gains do not appear to have been fairly distributed throughout the borough. Further economic growth in the Southwark Central Activities Zone could be more accessible and new businesses encouraged throughout the rest of the borough.

Southwark has jobs to offer but may not align with resident skills, capacity, or access requirements. As examples of how fairness and resilience intersect, youth unemployment appears to be acute in central Southwark, risking further deprivation entrenchment, particularly as Covid-19 has especially affected sectors that draw young people (e.g. hospitality, retail). Among ethnic minorities, unemployment has been higher than other groups for many years.

Furthermore, of the new sectors and jobs arriving in Southwark in the last decade, an above borough average proportion are susceptible to precarious zero-hours or gig work. Precarious jobs, as well as those more at risk of job or income loss during Covid-19, are disproportionately held by black residents, with implications for fairness and resident resilience. Similarly, black and minority ethnic workers have an above-average presence in roles that will require significant upskilling during the transition to green economy—an issue sitting across fair, resilient, and green.

Another issue across all three themes is that residents in central Southwark are more likely to

experience high climate vulnerability. And at the intersection of 'green' and 'fair', there are still residents affected by poor air quality, which disproportionately affects children and the elderly.

As in London, living costs in Southwark are rising fast: years of rent and house price increases are combining with recent inflation and astronomical energy prices, putting pressure on household finances and resilience. Covid-19 has also taken a toll, affecting household incomes, individual health, small businesses, and more.

Economic growth may be set back somewhat by Covid-19, but more importantly is the extent to which residents have been set back in terms of aspects such as income, health, community strength, access to education and training, and access to essential services and amenities.

The New Economic Strategy may want to address as priority the economic needs of people most affected by Covid-19: low-income and ill-health residents, young people, residents/workers in essential but often low-paid jobs, and small businesses whose trade and employees took a hit. The Strategy will also need to look to the future: helping established residents/workers learn green skills and businesses to green their operations; connecting residents with the mass of employment opportunities in the north of the borough and central London; encouraging enterprise and networks among residents; and providing options for more affordable living.

The following page outlines additional cross-theme challenges and opportunities to consider in the New Economic Strategy.

Challenges

● Fair

- Economy heavily skewed towards CAZ
- Disproportionately low earnings among black, Asian, ethnic minority, and disabled groups
- Potential 17k residents experiencing in-work poverty
- Not all residents may be able to access or afford high street services/shops
- Estimated 43% of children in households in poverty after housing costs accounted for
- Relatively high proportions of black and Asian children lacked sufficient access for home schooling/online learning
- High youth unemployment gap in central 'belt'

● Fair × Green

- Black residents more likely to be exposed to unhealthy air
- Children & older people disproportionately live in areas of dangerous NO2 emissions
- Southwark a net contributor to London emissions
- Unequal uptake of green jobs (fewer women and ethnic minorities than average)
- Sectors most in need of green upskilling have high proportions of black, Asian, or minority ethnic workers

● Green

- Relatively small sectors are responsible for high proportions of emissions
- 1/4 of end-use emissions attributed to institutional buildings



● Green × Resilient

- Rising energy costs adding to existing business stress (Covid-19, Brexit)
- Bulk of Southwark's businesses located in flood risk areas
- Residents in areas with higher deprivation more likely to experience climate vulnerability
- Workers at risk of job loss in green economy transition without adequate re/upskilling

● Resilient × Fair

- Central 'belt' more likely to experience economic hardship
- LLW may not be enough in high-cost borough
- Estimated 1/4 of residents experience low food security
- Young people especially hard-hit by pandemic
- Jobs most affected by Covid-19 tend to be in low-paid sectors, including the 'overlooked economy', and those dominated by young people
- Unemployment rate higher among ethnic minorities (and has been for some time)
- Black residents more likely to work in sectors prone to zero-hours contracts/precarious work
- Black residents more likely to report struggling financially during pandemic
- Civic engagement weaker in deprived central 'belt'

● Resilient

- Some growing sectors are those prone to offering zero-hours/insecure work
- CAZ retail not recovered to pre-pandemic levels
- Net internal population loss and declining international migration
- 20% of workers potentially at risk of job loss or furlough during Covid-19
- Possible that between 20k and 34k residents are involved in gig economy work
- Potential 10% of workers on zero-hours contracts
- 1/3 of residents had a decrease in income and 1/3 struggled to pay for basics (rent, food, utilities) during the pandemic

Opportunities

● Fair

- Academic progression rates from state schools are encouraging, which Southwark can build on by working to ensure consistency across the borough.
- Southwark has been experiencing economic growth, and should ensure future growth spreads into local centres, attracts high-quality and well-paid jobs, and is accessible to residents, particularly young people and ethnic minorities who have been suffering higher levels of unemployment.

● Fair × Green

- London has a growing presence of green businesses and Southwark can seek to address disproportionality in who has access to green jobs by helping more women and ethnic minorities into the industry.
- Air quality is improving, and further initiatives to reduce economy-based emissions where possible will play a role in reducing the number of residents living in very poor air quality areas.

● Green

- Green businesses are coming and Southwark should help people make the most of any new green jobs, such as by working with further and higher education institutions and ensuring residents and workers have access to training and upskilling.
- Initiatives like the Ultra-Low Emissions Zone have helped reduce road-based emissions, and Southwark can encourage more sustainable options for logistics and last-mile deliveries.
- Southwark can try to work with public institutions to reduce operational emissions.



● Green × Resilient

- There is more corporate awareness than ever about climate impacts, but businesses (particularly SMEs) may need support to safeguard operations against climate shocks and stresses.
- The green economy needs a skilled workforce, and Southwark should ensure residents and workers whose jobs may be lost or require new skills have the opportunity to retrain or upskill so they aren't left behind.

● Resilient × Fair

- An increasing proportion of jobs are paying London Living Wage and income inequality is reducing, but Southwark should be mindful of how to assist those reliant on gig economy work, the need to provide affordable housing, and helping people affected by cost of living increases.
- Southwark is one of the country's most ethnically diverse areas and ensuring ethnic minorities have access to training and jobs will help reduce the long-term disproportionality they have experienced in terms of relatively high unemployment and improve financial resilience.

● Resilient

- Most residents have access to a high street, and Southwark Council should encourage a range of amenities (e.g. price points, mix of shops, social spaces) so that all residents can access and afford what they need locally.
- Southwark's high streets provide a good range of services for residents, but businesses may need support to adapt to long-term trends such as online shopping and more social/experiential high street uses (i.e. less focus on retail) and the immediate stresses of Covid-19, rising energy costs, and supply chain issues.
- Southwark's population has grown and attracts a net gain of young people aged 18 to 28, but may want to do more to retain these residents and their skills and local connections as they age.
- Southwark has relatively high overall democratic engagement, but there are opportunities to improve this in central neighbourhoods and to improve connectedness in the north of the borough, building more resilient communities.

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