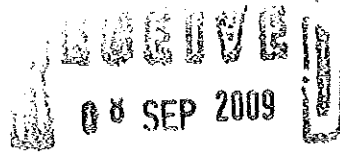


GREATER LONDON AUTHORITY

Mayor's Office

Dee Doocey AM
City Hall
The Queen's Walk
More London
London SE1 2AA



City Hall
The Queen's Walk
More London
London SE1 2AA
Switchboard: 020 7983 4000
Minicom: 020 7983 4458
Web: www.london.gov.uk
Our ref: MGLA160709-5478

Date:

07 SEP 2009

Dear Dee

Credit crunched: Support for business start-ups in London

Thank you for your letter of 13 July about the Assembly scrutiny into business start-ups in London and for the Assembly's work on this topic, which will help inform the development of the LDA's activity in this area. The London Development Agency has already responded to you directly.

I agree that small businesses, including start-ups, play a vital role in the London economy, and you will be aware that my Economic Recovery Action Plan includes a wide range of actions to support small business. I note the Assembly report's recommendation that additional resources should be targeted specifically at start-ups. This will be taken into account by the LDA as they review their strategy on business support. However, as the report states, resources should be concentrated where they will do the most good, and it may be that the relatively high failure rate of SMEs shortly after start-up means that any available additional public resources would better be focussed on those small businesses which have demonstrated their viability by continuing to operate for say one or two years after start-up.

I am far from complacent about business failures in London, particularly in the current difficult economic circumstances, and welcome your consideration of this issue. However, it is important to note that as well as having a high failure rate for business start ups, London also has a high start up rate, and that its net start up rate (after allowing for failures) has generally been higher than that of the UK as a whole.

The LDA has responded to the specific recommendations in your report. I would add that I share the concern you raise regarding bringing empty properties back into use, and my officers are exploring ways in which this could be encouraged, including through discussions with Capital Enterprise.

Yours ever,

Boris Johnson
Mayor of London