

**Written submissions received for the London Assembly's
Business Start-ups investigation**

June 2009

Croydon Business Venture

Tade Adepoyibi
Assistant Scrutiny Manager
Secretariat (PPI 0)
The London Assembly
City Hall
The Queens Walk
London
SE1 2AA

Dear Tade,

Croydon Business Venture

Further to the E mail from Natalie Arthur please find enclosed information as requested.

Croydon Business Venture provides support covering all areas of Business Start Up, including; Access to Finance, Business Advice and Managed Accommodation.

We operate arguably the most successful business centre in Croydon and South London, supporting entrepreneurs with affordable business premises in two locations, with a third in the process of being built. Our innovative three day intensive business workshop receives candidates from across the UK.

We have strong ties with other support organisations and I chair the Croydon Business Support Network.

There is a duplication of Start Up support with many companies coming from outside the area to provide a short introduction seminar, claim the money and not continue the support needed to ensure success, because there is no money in it for them.

CBV are unique that we do not drawdown monies to fund our Business support Programme, we fund it ourselves out of rental income and small amounts of sponsorship.

All of our support is free of charge and we continue to help all companies whatever their status.

If there was the opportunity to fund additional advisors at no cost to us we would be interested in discussing this.

Yours sincerely,

Chief Executive

London Borough of Tower Hamlets

Development & Renewal Directorate
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Tade Adepoyibi
Scrutiny Team
London Assembly
Economic Development, Culture,
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SE1 2AA

Dear Tade,
Further to your enquiry I outline below the activities of the London Borough of Tower Hamlets with regard to business start up.

In Tower Hamlets we have a relatively high figure of business start ups, the latest information accessed (2006) indicates that Tower Hamlets experienced twice the number of new businesses created in that year than the figure for London. This equates to almost 1200 new businesses.

Hence the Council has not taken specific steps to influence the business activity in the area. There are several local agencies, notably East London Small Business Centre, who offer a full start up service to residents wishing to start a business. This includes one to one discussion and mentoring, relevant training, access to loan funds and premises. The support continues for up to 5 years.

There are several other third sector and not for profit agencies providing services for specific groups such as Ethnic Minority Enterprise Project, Spitalfields Small Business Association and Cultural Industries Development Agency and of course Business Link for London.

The Council works in partnership with these agencies through its Enterprise Task Group, a sub group of the Local Strategic Partnership.

A publication entitled 'Business Matters' is available on the Council

SB002

website with hard copies available throughout the borough and this provides a comprehensive list of agencies that can assist with business start up and growth. An enterprise strategy is currently being drafted outlining the strategic and local context affecting the economy in respect of business support with priority objectives and an action plan to promote business growth. In view of the strength of the economy in the borough one of the priorities will be to consider enterprise activity in the context of reducing worklessness. To this end we are likely to continue our support for social enterprise and self-employment.

In view of the substantial number of business start ups and the opportunities available within the borough for assistance on business start ups the Council has no plans to increase its support in the near future apart from the areas highlighted in the previous paragraph.

Yours sincerely,

Corporate Director, Development and Renewal

Michelson Diagnostics Ltd

Dear Tade,

1. What support, particularly in relation to access to finance, business advice and accommodation, should be provided to new businesses starting during the recession?

- a. Grants for R&D should continue to be made available or increased. Note that the recession is a good time to do R&D, because the selling opportunities are reduced, and therefore capital should be diverted to the research and development of innovative products that will be ready when the upturn comes.
- b. Training, rather than 'business advice' as such. I would like to see schemes such as 'Growth2Investment' supported with more funding, to help senior management of early stage companies position their companies for investment and for accessing other forms of finance.

2. What, if any, support did you receive when starting your business including any private or public sector support? How useful was this support?

We received £116k Grant for R&D from LDA, also a £10k prize from NESTA in a business plan competition. The Grant for R&D was crucial to our early start-up stage. I was disappointed to hear that Gary Hellen and others at the LDA who ran the Grant for R&D competitions were recently made redundant. Does this mean the scheme is going to be scaled down or phased out? We used the grant to match £200k of friends & family and business angel funding.

One point I would like to make is that the best way to make Grant for R&D effective is to run the 'calls' as competitions, and market these aggressively, so that you attract a lot of entries and can pick the best. Historically, a big problem with the old 'SMART' awards was that poor marketing resulted in poor quality entries and therefore a low successful outcome rate.

3. Are there any particular sectors of London's economy where public bodies should focus any support to encourage business start-ups?

Healthcare/life sciences. London has a high concentration of teaching hospitals and leading-edge medical research university departments. It is therefore a good place for a medical products start-ups.

Hope this helps,
Regards

Chief Executive Officer
Michelson Diagnostics Ltd

SB004

SB005

Duplicate - See SB012

Wandsworth Youth Enterprise Centre

Response to London Assembly investigation into the support for business start-ups

1. What support does your organisation offer to business start-ups in terms of access to finance, business advice & accommodation?

Wandsworth Youth Enterprise Centre (WEC) provides enterprise support to young people under the age of 30. WEC provides a fully holistic incubation service, which encompasses a community outreach service, business training, seminars and courses, business counselling on a one to one basis, mentoring by business community champions and subsidised business accommodation.

WEC's business counselling, training and incubation programme has supported over 5,000 young people and helped 700 successfully set up and develop their own business. Because the model provides life as well as business counselling and an additional two years of support after setting up a business, clients experience high business survival rates of 85 - 90%. Business Launchpad, WYEC's community outreach service, has increased Black Asian Minority Ethnic (BAME) reach and participation in business start-up by 50% over a 3 year period.

2. What support for business start-ups do you think the Mayor and the LDA should provide?

Access to finance

Financial support needs to be easier to access and understood for young people. This age group may not fully understand finance and need to learn about it in a supportive environment. They need business behaviour support and personal development before they become self-employed. There needs to be accessible grants with business support added to it i.e. market research grant followed by small chunks of £1k pots of funding. Funding also needs to be attached to business training workshops and business support. Job Seekers Allowance should formally recognise the value of an individual seeking and accessing business start-up support. Support should also focus on multi-ethnic sectors which do not bank traditionally or seek finance from known sources i.e. Muslim banks and ethical and moral lending.

Business advice

WEC is unique in that we provide business counselling, addressing personal circumstances, age and social environment all of which can have an affect on setting up a business. There needs to be provision for holistic business advice. All too often prospective entrepreneurs can feel compelled to start up a business with a number of external and personal factors influencing their decision making, which will have a crucial impact on whether the business survives or not. The provision of business counselling, particularly within a business incubation setting is crucial to the survival rate of new businesses. Particularly for vulnerable groups i.e. ethnic minority groups, long term unemployed, NEETs and people with learning difficulties or low literacy and numeracy levels.

Accommodation

Accommodation and business advice should be intrinsic. Business incubation is an integrated, proven tool for the development and growth of sustainable businesses and innovation. Business incubation provides a nurturing, instructive and supportive environment for entrepreneurs during the critical stages of starting up a new business. The goal of business incubation is to increase the chance that a business will succeed, shorten the time and reduce the cost of establishing and growing a business. In addition these environments provide events, sign posting and networking opportunities. It's essential that the Mayor supports existing Centres and the development and growth of new ones, particularly those that are community focussed, targeting groups and individuals who would most benefit from the service. Incubators are potential 'anchors' for communities, securing valuable skills and knowledge that can help that community gain a competitive advantage.

3. How effective do you think Business Link is in specifically encouraging and providing support to business start-ups in London?

Business Link is a well branded and recognisable name, it's accessible and well known among the more able entrepreneur and mainstream businesses, who can tap into services offered, afford to pay for networking and business workshops and understand them to enable practical implementation in their own businesses.

However, for individuals and less able groups, Business Link is not an accessible service. It does not mobilise the community, it is not locally focussed. Those who need business start-up services and support the most do not benefit from Business Link. It is locally focussed organisations such as WYEC which have existing momentum, local expertise and trust who are able to deliver at the heart of communities i.e. faith groups, BAME groups, young people, educational institutions etc. It is organisations like ours that offer value for money, by bringing additionality such as partnership links, community cohesion, the delivery of early intervention services, capacity building at pre-entry level and the ability to work informally and flexibly. This is where the Mayor and the LDA should be focussing their support, particularly now when starting a business is more popular than before due to the recession.

4. Are there any particular sectors the Mayor and LDA should focus on in their support to small businesses starting up in London? Why?

1. Support should be focussed on community based initiatives, a bottom up approach. Limited funding has a huge impact on smaller community based enterprise organisations. It allows bigger agencies to dominate larger geographical areas, cherry picking more able 'budding entrepreneurs' who can be fast tracked into starting up a business and therefore yield quick outputs for that agency. WYEC places importance on the developmental learning within the process for the individual. So that should they decide that starting up a business is not the vocation for them, they walk away with a number of transferable skills which can be applied to the wider world of work and further education.

2. Support for youth enterprise is under-represented. Organisations like Business Link and GLE One London do not cater for 16 - 19 year olds. 'This age group represents our future business men and women.'

Business Focus at Bromley College

1. Business Focus @ Bromley College deliver the LDA Business London Start-Up programme principally within the Boroughs of Bromley and Sutton. This programme includes the provision of business advice, guidance and information for Pre-starts, Starts and Micro businesses. Part of the service also includes attendance at business workshops and a review of the business. Part of the process is to see that a business looking for finance is 'finance ready' before approaching a funder.

In the past we have delivered the Access to Finance programme and are in fact awaiting the outcome of a tender submitted in January. Currently we are engaging clients with Banks, the Croydon Loan Fund, London Growth fund. As part of the College we are able to provide a wide range of supportive business workshops plus vocational workforce/skill development programmes, apprenticeships, Train 2 Gain, Work Placements plus regulatory workshops.

As far as accommodation is concerned we provide clients with the contact details of the serviced facilities within the Borough(s) plus the Local Authorities' and South London Business's web sites, both of which maintain property registers plus links to local chartered surveyors.

2. Subject to funding constraints we need a continuing Access to Finance programme to work with businesses, not only to become 'finance ready' but also to prepare their financial structure as they emerge from the current economic climate. Direct business support needs to be more reflective of the needs of business, and mentoring/coaching should form an integral part of any service delivery. There are limitations within the current programmes which mean that the client journey is too short to be truly effective and to add value to the business. This has proved particularly relevant in South London where in the past, access to other programmes has been limited.

Accommodation is a problem vis a vis a business transferring from 'the home' to an office etc. Concern is in terms of the level of rentals in some instances, availability in

others. The conversion of shops to offices/small workshops could assist, subject to planning permission for change of use and providing landlords agree and are sensible as regards rental levels in the current climate. Council owned properties could be utilised in this way and perhaps there needs to be some limitation of conversion of offices and other premises to flats or other residential accommodation. This may benefit both business retention and inward investment in some areas.

3. Business Link's website, events and workshops are very good, as is the STARTQUEST programme for certain clients. The referral system appears to work efficiently from their central enquiry centre in Enfield. However, Business Link do not really provide direct support to start-ups; these are referred to the various borough business support agencies throughout London. Without doubt the level of information that Business Link can provide is very good but there does need to be a re-defining of the IDB service. If Business Link undertake diagnostics then this brings them into conflict with the likes of ourselves who are targeted to undertake diagnostics with clients under the Business London, plus other programmes. This can also have a negative effect on existing business relationships. Added to this is the total lack of referrals to local providers after Business Link have provided a diagnostic. Business Link state that their advisers should only be identifying issues with business and then passing the leads on – a subtle difference in words and actions.

That said, as an organisation, Business Focus is seeking to work much closer with Business Link and intend running joint events, workshops and promoting each other's services. Business Link are also to run surgeries on the college premises on a bi weekly basis. The needs and demands of business must take priority over such issues, which can and will be resolved.

4. Consideration needs to be given to the re-introduction of the mentoring/coaching service that was available prior to October 2006. Even with only 3 days of support, valuable assistance was provided to business to increase sustainable potential, develop future strategies etc.

As far as business sectors are concerned, manufacturing (including print), construction and retail appear to be principal areas being affected BUT Business Service companies may well follow as businesses seek to reduce costs on services. Debt turn is rapidly becoming more of a problem as payment terms are ignored, thereby adding cash flow pressures. This is a time when Banks and others should be promoting alternative funding streams such as leasing and invoice finance to help address this problem.

Wandsworth Council

Dear Dee,

London Assembly investigation into support for business start-ups in London

Thank you for your letter of 27th February 2009 and I am happy to reply on behalf of Wandsworth. This council has consistently been proactive in supporting business and my comments hereunder seek to explain our ongoing support for business whilst incorporating our current response to the economic downturn.

OVERVIEW

Wandsworth is considered to have many strengths which should enable it to be resilient to the

current down turn, albeit not immune to its effects. The Council has the lowest Council Tax in the UK for a Band D property and in terms of its services has been rated a four star authority by the Audit Commission for the last six years.

The Council's Economic Development Office (EDO) has long been considered to be dynamic and business friendly, offering greater support to incoming and existing enterprise. The borough has a diverse economy and its business community and workforce is not dependant on a single sector of the economy. This means the sharp fall in some segments of the economy should have limited affect.

In terms of direct support for start-up businesses, our role is primarily one of signposting to Business Link and funded business support (much of this funding has been from the London Development Agency), and providing a supportive environment for business development. We have in the past funded direct provision to support business advice but discontinued funding because of the then stated role of the Government and LDA to provide this support. In any event the source of our funds for this support came from regeneration funding from the LDA which has since come to an end. We have nevertheless established a strong business support network in Wandsworth.

FINANCIAL ASSISTANCE

The Council has targeted loan and grant schemes focussed on town centres and older industrial estates and New Covent Garden Market. Start-up businesses are eligible for this support but most of this funding is for existing businesses moving or developing. Our budget for this direct support is £400,000 pa. I can provide a recent evaluation of this work if you are interested. Details of these schemes are as follows:-

Town Centre Improvement Scheme (TCIS). The Council has expanded its TCIS to offer more small grants and interest-free loans to help small businesses improve their premises. The TCIS was launched in 1994 and has supported more than 600 local businesses, ensured higher commercial occupancy rates and has made shopping more attractive for local people. In the last two financial years, 61 local businesses have benefited from the council's support, and this has led to the creation of 138 new jobs. Cash support from the Council of just under £600,000 under the TCIS scheme has sparked additional private sector investment of almost £2.4m. The web link for more information on the TCIS is:

<http://wandsworth.gov.uk/home/communityservices/Businesssupport/Towncentregsr.htm>

Business Improvement Scheme (BIS). The Council promotes this scheme to support businesses in 3 specific business / industrial areas with grants and interest free loans from to assist the development of business networks to improve the areas, to help create more business space (through redevelopment and conversion opportunities), to assist individual business to expand and create more jobs and to encourage private sector investment. The eligible areas are Garratt Business Park SW17; nr; Wimbledon Stadium; Stewarts Road area SW8 (bounded by Wandsworth Road, Stewarts Road, Battersea Park Road, Queenstown Road and Silverthorne Road) and New Covent Garden Market (NCGM). The BIS web link is: <http://www.wandsworth.gov.uk/home/CommunityServices/Businesssupport/ImprovingOuterIndustrialAreas.htm>

PROPERTY

We subscribe to the South London Business Vacant property website giving access to information on property across South London.

BUSINESS INFORMATION, SUPPORT AND ADVICE

We run a number of events which provide direct business advice and support including quarterly business forums attracting about 70-80 businesses at each meeting. The Council also has two significant contracts with the London Development Agency (LDA) which have enabled us to provide support for over 600 businesses, including start-ups, over a period of 3 years. The 'Cluster Action Team' has provided support for over 400 businesses in the business services, print and business tourism sectors. With a budget of over £545,000, the London South Central Enterprise Strand has provided support for over 200 businesses in the priority areas of Roehampton, Tooting and Battersea. Both of these projects end on 31" March 2009 in spite of requests to the LDA to consider re-profiling or extending the funding.

However, the we are in the final throes of agreeing a contract with the LDA to deliver a programme of support to help small firms to reduce their carbon footprint.

The EDO also co-ordinates the Wandsworth Business Support Network (WBSN) whose members include business support organisations, Wandsworth Chamber of Commerce, Roehampton University, local colleges, BLiL and the LSC. The members meet bi-monthly to promote and maintain co-operation and mutual support in working to help new and established businesses. The EDO maintains a business support website on which all WBSN members are listed with a synopsis of their services and in particular with hyperlinks to their own websites. The website also retains information and hyperlinks to a wider network of organisations and information. The EDO's link is:

<http://wandsworth.gov.uk/Home/CommunityServices/Businesssupport/default.htm>

GLE OneLondon and Wandsworth Youth Enterprise Centre, together with a range of business support provider members of the Network together provide a coherent and customer focused package of support for businesses.

TOWN CENTRE MANAGEMENT

Wandsworth Council has 5 specific Town Centres (Putney, Wandsworth, Clapham Junction, Tooting and Balham). The EDO employs 5 Town Centre Managers who continue to work closely with the Town Centre Partnership Boards to promote the interests of local

businesses, the local economy generally, attract new businesses and enhance the vitality of these unique districts whilst providing a link between business and the council. The Town Centres web link is: <http://www.wandsworth.gov.uk/Towncentres>

RESPONSE TO THE RECESSION

The Council has recently launched a package of recession-fighting measures to help residents and businesses through the economic downturn, including:-

Business Advice: A programme of free business events on how to cope with the challenges thrown up by the credit crunch is running throughout 2009. These fora and seminars provide valuable networking opportunities and bring the relevant experts into Wandsworth's business centres. Hundreds of local businesses have already taken advantage of these free consultations. For example, the Wandsworth Businesses Forum recently included a speaker from the banking industry who gave advice on how to maintain access to credit - a key challenge facing many businesses this year.

Local Suppliers: The council is ensuring that local firms are given the opportunity to compete for council contracts. As departments review their approved lists of suppliers they are ensuring Wandsworth based businesses know how to be considered for inclusion. The web link to the council's preferred lists and procurement processes is: www.wandsworth.gov.uk/Home/CouncilandGovernment/Contracting/preferred.htm

Business Rate Relief: The council is encouraging eligible traders to claim business rate relief from the Government. Over 1900 businesses have already benefited to the tune of £1.1 million from this scheme.

Spreading Business Rate Payments: The council is helping small business cash flow by extending direct debit facilities for business rates from 10 to 12 months.

Faster Supplier Payments: Another way the council is helping local business cash flow is through paying local suppliers within shorter timeframes. Wandsworth has one of the best records amongst all London boroughs for prompt invoice settlement but all departments are investigating new ways of streamlining the process further.

Tackling vacant shops: The Council is currently formulating a response to vacant properties to try and ensure that they do not become unsightly and derelict and a pilot scheme is being launched to reduce their impact on the appearance of the borough's town centers.

Attracting New Investment: The council is launching a campaign to attract new investment to the borough - Wandsworth Best Buys. Built on the low tax platform it will stress all the advantages of living, working and investing in Wandsworth. The borough has several major investment and regeneration zones with excellent potential for development and new enterprise. The East Battersea / Nine Elms area has been commented on above as have 3 industrial areas. Wandsworth Town Centre boasts seven major investment sites within a few minutes walk of the High Street. Planned regeneration schemes have a combined value in excess of £1bn - a scale of investment rarely found in any other part of London.

Business Improvement District: The council is assisting the Garratt Business Park business community to establish a BID - 90 per cent of the local businesses have voted in favour. The arrangement will last for 5 years and will generate £240,000 for infrastructure and marketing. The Council will continue to explore other areas where BIDS may be

possible. For more information visit

<http://www.wandsworth.gov.uk/Home/CommunityServices/Businesssupport/bid>

Recruitment through Battersea Power Station Job Shop: The Job Shop next to Battersea Power Station is a key route to help developers and local firms to employ local people and help local people find work. This is a unique partnership between the Council, Jobcentre Plus and the site's developers and has been running since June 2005. Over 2,000 people have received valuable assistance and numbers are expected to rise during 2009.

MAYOR'S SUPPORT FOR BUSINESS START UPS

I am not sure that the Mayor's own plans are enough to meet the expected growth in number of new businesses being set up by people losing their jobs during the current recessions and help existing SMEs to survive the recession. The LDA's draft Investment Strategy failed to prioritise an enhanced offer for start-up businesses and micro firms across London. Outreach support is also required since more businesses and expanding businesses are necessary to help address worklessness in London's deprived neighbourhoods. At a time when London's economy and its businesses are under huge pressure, it is surprising that more emphasis has not been given by the LDA to provide more support to help London's SMEs to be more productive and profitable and to help more people to set up in business at a time when people with appropriate business skills are being made redundant. There is a risk that the increase in spend on SME business finance may be wasted unless it is supported by more business support and advice.

Yours sincerely

Economic Development Officer

London borough of Havering

Dear Ms Doocey,

London Assembly investigation in to the support for business start-ups in London

Thank you for your letter of 27th February addressed to the Chief Executive; I would like to inform you of the initiatives the London Borough of Havering (LBH) have in place.

Experienced Business Development Officers located in Havering's Regeneration Service are responsible for providing a wide range of business support for 'start ups' and existing businesses including accommodation.

These Officers use a diagnostic approach when engaging with potential 'start LIPS' enabling them to decide where or whom they need to be signposted to.

As a borough we are mindful of the Business Support Simplification programme and work very closely with Business Link, the East London Small Business Centre (ELSBC), local support agencies such as Gateway to Business and numerous government funded organisations who provide 'specific' business support, to obtain the best possible advice for our businesses.

Our partnership with the ELSBC, through the HELP consortium funded by the LDA, enables our potential 'start ups' to a comprehensive four day business start up course. This includes help with preparing a business plan, raising finance and help with accounting and legal issues.

In addition we have a contract with a leading independent on-line provider of practical information for LIK small businesses including home based business and 'start ups'. This provides amongst other things initiatives for 'start ups' and existing businesses, legal requirements for particular sectors i.e. Childcare and fact sheets on numerous business sectors including statistical area based information. This is useful information that we can email or post direct. We have an annual contract with this company at a cost of £1800.

We hold a variety of regular networking events, sponsored by local business to which new 'start ups' are invited. We have found this forum to be a great mentoring opportunity not just for 'start ups' but for smaller businesses in general.

Moving on to our future plans, we are currently in the process of negotiating an enhanced contract with the ELSBC where, as one of the additional services to the current provision for 'start ups', they will create a formal referral system to record & track all referrals that we pass to them. This information will enable the Regeneration Officers to engage and build relationships with the new businesses to ensure they continue to be mentored and supported.

We will be holding a Business Summit in April 2009 where approximately 30 business support organisations will be exhibiting. This will be a great opportunity for people considering starting their own business to have access to the help available, all under one roof.

I look forward to reading the published report and the results of this investigation, in the meantime should you wish to discuss this matter further please contact our Business Development Officer.

SB009

Yours sincerely,

Group Director

School for Start Ups

London Assembly Investigation into Support for Business Startups in London

What support does your organisation offer to business start-ups in terms of access to finance, business advice and accommodation? (Please include any recorded measurable impacts/results of this work)

The inspiration of serial entrepreneur and angel investor Doug Richard, School for Startups is the UK's leading provider of specialist business training for entrepreneurs. Through a highly focused curriculum of seminars, School for Startups provides expert business advice on the fundamental issues that entrepreneurs need to understand in order to succeed, including guidance on: how to start a new business, how to access investment, how to secure funding, product management, how to manage people and low-cost marketing. We do not directly help startups to access business accommodation.

We focus on ensuring that seminar participants understand entrepreneurial economics because, put simply: we believe that the fastest way to fail in business is to get the finances wrong. By understanding the basic rules of startup economics, entrepreneurs can radically increase their chances of success. In our seminar entitled **"Startup Funding and Economics: Business Models and Investment"**, we explain the pros and cons of the most popular business models and examine a wide range of proven, profitable revenue models. We focus on the two most critical questions: "How will I fund my business?" and "How will my business make money?" providing a detailed analysis of investor motivation and piecing together the ingredients for "The Perfect Investor Pitch".

During 2008 School for Startups helped more than 1000 budding entrepreneurs in the UK. Our 1-day courses proved a huge success with over 90% of participants rating the seminars "Very good or excellent". We aim to help a further 4,000 entrepreneurs and small businesses during 2009. So far we have four seminars booked in Scotland and are currently planning a series of events in London.

A flavour of the feedback we have received from past seminar participants:

"I have been on other business courses, but have never done one so specific, that has made so much sense and so much difference to my business in such a short space of time. Within a week of attending it has already made an impact. From interacting with Doug, I realised I needed to change a couple of things - to focus on profit not turnover, to focus on conquering one market".

The Tasty Pastry Company

"I found the advice gained from Doug Richard invaluable. You don't get this type of opportunity very often. It was also a chance to expose my business to the other delegates present and I received some great feedback from them afterwards. The exhibition area also revealed how much business support is available. I also had no idea that grant funding is so widely available to organisations such as ours and as a

result, our business is likely to pursue these opportunities through EEDA. "
Heirtrace Ltd

"Our business is pre-start start-up, and with this course it was a case of both perfect timing and content. It really helped us address all the questions we had to answer at exactly the right time - who is our market, how do we segment and reach it. Taking part in the interactive session with Doug was invaluable in terms of getting great feedback from him and exposure to a wider audience. I ended up meeting with lots of people in the networking breaks who wanted to discuss our idea further and I got some really interesting advice. "

Island Hamlet Brewing Company

What support for business start-ups (in terms of the three main areas outlined above) do you think the Mayor and the London Development Agency (LDA) should provide?

We believe there are two ways that the London Development Agency should be supporting business startups:

Training for Entrepreneurs by Entrepreneurs

In our experience, entrepreneurs tend to be busy, energetic people who often do not spare the time to read books on business models or startup financing. They do, however, respond extremely well to live seminars hosted by experienced entrepreneurs. Our seminar participants soak up the information imparted by our expert speakers and this often has a dramatic effect on their businesses. This is not by accident. Our method of teaching is based on the Socratic dialogue that invites participants to think through their problems and answer their own questions. This, combined with the inspiration they derive from case studies delivered by successful entrepreneurs, ensures they leave each seminar with the knowledge and motivation they need to drive their business forward.

We believe the London Assembly should provide an on-going series of master-classes for entrepreneurs, created by and run by entrepreneurs. We also believe it is essential that these courses are not run by corporate training organisations since, in our view, they generally do not have the knowledge, entrepreneurial outlook or experience to inspire the next generation of innovative new businesses.

Online Video Courses and Entrepreneurs Network

Entrepreneurs are, by nature and necessity, connected individuals. While there are many websites and services available for entrepreneurs online, currently none offer the kind of interactive training courses that we know succeed. The next batch of London's entrepreneurs will come from "The YouTube Generation". People in their teens and twenties are used to receiving much of their news and information in "memes", i.e. easily digestible bite-sized snippets of information, be they on video (e.g. YouTube, the BBC), micro-blog (e.g. Twitter) or articles (e.g. blog comments). In order to succeed, training initiatives in the 21st century need to adapt to this changing environment by integrating their curricula into these media formats and tools.

By providing a rich curriculum of video-led training materials and exercises, we believe the London Assembly could create an invaluable resource for London's startups. 'The

creation of a diverse range of multi-media business "channels", to which entrepreneurs could not only tune in anytime for information and guidance, but also provide their own insights, feedback and resources, would radically improve on the current range of online resources, which are sometimes dry and uninspiring. Resources like Venture Navigator (<http://venturenavigator.co.uk>) have gone part-way towards this goal by providing short, interactive assessments, enabling entrepreneurs to, for example, test their business viability, but a lot more should be done in this direction.

Alongside these interactive online materials, it would be extremely beneficial to enable participants to meet, assist and support each other. Some of the most visible value-added benefits of School for Startups have been the connections made between participants. The chance meeting of like-minds is often the catalyst for new businesses; by creating an online network of entrepreneurs, the London Assembly could greatly enhance the likelihood of such meetings and build up a network of active, experienced individuals who can support and mentor each other. Given the tremendous appetite we see for this service every day, we believe success could be achieved with minimal marketing spend by using the immensely viral properties of existing social media services, such as Facebook, blogging, Twitter and LinkedIn.

How effective do you think Business Link is in specifically encouraging and providing support to businesses start-ups in London?

Business Link is often the first place entrepreneurs go for information and advice. The service offers a huge array of useful resources, both online and via their network of Advisors. We feel, though, that Business Link does not provide the personal, expert guidance that most entrepreneurs need, nor does the service seek to motivate and energise entrepreneurs to overcome the difficulties they encounter. To our mind, Business Link provides a baseline service, much like the NHS does for patients. We believe that many startups need specialist advice from experienced entrepreneurs and that's where organisations like School for Startups excel.

Are there any particular sectors the Mayor and LDA should focus on in their support to small businesses starting up in London? Why?

While all entrepreneurs share many of the same needs and requirements, there are specific groups, if not sectors, that have particular needs. We have identified and are working with three groups of people for whom we believe specialist training and support would be immensely valuable. These are:

- Older people who may have been made redundant, but are still keen to work;
- Mothers who have been out of the workforce for several years; and
- Students, who may never have had a job and are now facing a rapidly diminishing job market.

Each of these groups has immense untapped potential, both in terms of skills, abilities and sheer motivation. By offering a series of tailored courses, backed up with targeted materials and support from other interested organisations, we believe the London Assembly could have a significant impact on improving success rates of business startups from among these groups.

Submitted by Managing Director, School for Startups

SB011

Presafe

[Presentation available on request.]

Archival Research Services

Small Business Research

Dear Laura Warren,

Since our previous correspondence regarding my experiences in setting up my small archive research service I have made some progress and will provide a brief update on this and Business Link below before addressing the specific questions that have been suggested by your office. I hope my experiences are of some value in informing the work of the committee.

Business Development to Date

Since beginning the process of setting up my own business I have created a website advertising the service that recently went live. I have worked on this myself and have now begun the process of registering the site with search engines to raise the profile. I have explored free business listings and advertising and utilised existing contacts to gain both feedback and to ask that details can be passed on by word of mouth.

After a delay (see below the section below) in receiving official start-up information I have utilised the web to read up on first steps to take. There are some useful resources on the Business Link website.

I have found my bank to be very helpful, perhaps in part because I am not looking to borrow money or set up a business with a large initial outlay. They have some useful web-based tools including a kit for developing a business plan. This I intend to complete as a next step. I have, however, created a small business account which is fee-free for eighteen months.

Because the outlay for my business is rather modest, involves only myself and is a service rather than a business requiring the acquisition of stock, I have found the self-help available on the internet to have been of adequate detail. I also have the option of speaking to a bank business adviser at a future date.

Update on Business Link

After contacting Business Link on the 25th February 2009 I was informed that an information pack would be dispatched to me. By the 17th March 2009 I had not received any information and I therefore telephoned Business Link. After getting through to an adviser the phone was cut off. I decided to explore information available on line via the Business Link website and requested that an adviser telephoned me. On the 24th March I received a telephone call back from Business Link. I was told that a record of my request for an information pack had been lodged but it had not been dispatched. I was assured the pack would now be sent to me.

Despite the frustration with using the service the website does have some useful information. I registered for the online business benefits section that has a number of self-help assessments. These have proved to be of interest and I intend to work my way through these.

Specific Questions**1. What support, particularly in relation to access to finance, business advice and accommodation, should be provided to new businesses starting during the recession?**

I cannot comment on accommodation. As a sole trader dealing in a service that requires access to public archives I have not needed to look for business accommodation. I am using my home address for all correspondence.

Support that I have experienced from my bank and through self-help has been adequate. I realise that because I am not seeking to borrow money my risk is relatively low. I was keen to ensure that I was not tied into a business account with fees and long-term obligations. The support I gained from my bank was very clear on this.

Business Link did offer me the opportunity to speak with a local business face to face. I did not use this service. I would rather have the opportunity to speak to a Business Link adviser in person than another business.

2. What, if any, support did you receive when starting your business including any private or public sector support? How useful was this support?

My bank and to some degree Business Link have provided some support. I have been happy to conduct my own research and when I have approached, for example the bank for further information, this has been useful and forthcoming. At this stage I have sought to utilise my own friends, family and former colleagues who best know me and the work I can do. This informal approach has sufficed to date.

3. Are there any particular sectors of London's economy where public bodies should focus any support to encourage business start-ups?

Businesses that can create jobs for other people are of course a high priority. However, and I am somewhat biased by my own experience, there could perhaps be more analysis of people who a) are educated to a high level and b) could set up a small sole business that requires little help from Government.

It would be interesting to know, and I am sure the figure is low, how many people with PhDs, for example, actually go on to work in academia. Of those that do not how many set up their own business and how many simply slip into another job not utilising their skills. With ever-expanding participation in higher education are these skills developed at university being exploited successfully in London? People selling expertise and a service should require less capital input to get started and possibly there could be some encouragement to those people to set up in business.

BUSSINESS LINK

Overview of Business Proposal

My background is that of an academic historian. After completing my PhD in 2004 I worked as a

Research Associate at the University of Kent for two-and-a-half years. Since then I have worked

for the Liberal Democrats and then for a firm of Solicitors representing Atomic Test Veterans.

However, due to the current economic climate and a delay in judgement for this case my contract

has now ended and I have decided to set myself up in business.

During this last self-employed role I became increasingly aware of the need for historical research

for clients other than academics, including political parties, think tanks, law firms, other commercial businesses and individuals. I believe there is a gap in the market for a suitably qualified person to provide an archival research service. For example, academics outside of London and internationally may find it cheaper to instruct me to search archives, provide copies

of documents and prepare reports than paying for travel, accommodation and subsistence to

carry out the work themselves. As such I intend to set up a one-man business to provide such

services. By way of a starting point I contacted Business Link for support and advice on starting

my own business and have laid out my experience below.

First Contact with Business Link

I telephoned Business Link on the morning of Wednesday 25th February 2009. The Business Link

website gave no obvious indication as to when the telephone line was open (and I forgot to ask

when I got through to them) but I would hope that they were open outside of working hours for

people still in employment looking to start up a business. I took the morning off work to call

despite it being my last week of work.

Preparation

I had prepared a number of questions that I wanted to ask the representative:

1. Could they tell me who they were and who they represented, especially were they independent and qualified?
2. What can they do and what advice are they able to provide?
3. How far developed should I be before seeking advice?
4. On the issue of finance what advice was available on tax, banking and loans?
5. With regards to accommodation who could advise me on the benefits/necessity to have my own premises as opposed to working from home (would there be implications for my lease/tax?). Who could advise me about this?
6. Would my business be best suited to self-employment of as a company?

7. I do not have any experience with regards to recruiting staff, who could advise me?
8. Are there sources of free advice for setting up a website?
9. What general ongoing support does Business Link provide or who else can I contact with on-going queries?
10. What other things should I consider that perhaps I have not covered?

Experience

I got through to a representative very quickly and after giving my postcode we spoke about what it

was I was enquiring about, I was not transferred to a local centre or another representative. Thus

I was pleased with not having to wait or be transferred.

After explaining that I was starting out I was told I would be sent out an information pack containing material covering practically all the areas in my questions above. I was told the representative would also look through the specific guides to see if anything matched my particular field.

At this stage I was pleased that my obvious questions appeared to be along the lines of what it is

I should be looking at. However, it was slightly disappointing as I now felt 'disarmed' insomuch as

I did not feel I could ask further questions until I had read the pack. In fact the representative then

said as much that I should read through the information first and then return with more specific

enquiries when I had a better idea of what I wanted. However, I do not feel I had the opportunity

to explain the stage my plans had reached at this point. On the other hand I understand that

resources wise it is an eminently sensible idea to require new enquirers to read the literature first

and do some groundwork.

I then tried to ask some more specific issues, I started with asking who Business Link was. I was

told they were independent and would point me towards free advice. At this point the representative told me of a scheme whereby I could speak face-to-face with a business in my

area for further advice. He gave me the number of a company (Harrow in Business) in my area and said I could call them to arrange a meeting.

I looked through my questions again and found it difficult to think of a genuine enquiry that was

not about to be covered in the literature dispatched. I was then told again that I could call back

when I had a better idea of more specific needs. The telephone call ended after a little over five minutes.

Summary

I was pleased with the friendly manner of the service and cannot cast any judgement until receiving the literature. It would probably have been just as useful for the website of a recorded message to suggest new starters request the pack before telephoning as I did not receive specific advice. However, I feel confident that when I do have more specific questions I can call again. I am looking forward to receiving the material.

Postscript

As of the 2nd March I had not received the material from Business Link and as such it was not possible to follow up on information contained in the pack or comment further on the service provided. Rather than simply waiting for information I have pursued my own avenues for starting my business. I have sought advice from a former colleague on setting up a website for my business and intend to purchase a domain and create the website myself. I have written to a number of companies that employ freelance researchers in this country and abroad and I have registered on three websites that host freelance projects.

Capital Enterprise

Capital Enterprise response to the London Assembly Investigation into the Support for Business Start-ups in London.

Capital Enterprise is a membership organisation for Business Support Organisation in London. Presently we have 29 members that fall in to the following categories:

1. Not for Profit Enterprise Agencies – the majority of which are presently engaged in delivering the LDA commissioned Business London service for start-up businesses in London.
2. Charitable Trusts engaged in providing support services to new and trading entrepreneurs who are predominately from disadvantaged backgrounds. The most well known of these organisations is the Prince's Trust.
3. Private sector Business Support Organisations that specialise in delivering publicly funded enterprise support services in London.
4. Universities and Academic Institutions that provide enterprise support services to London entrepreneurs.

All members are quality assured, employ qualified advisers and for the most part have been delivering services to SME's in London for over 25 years. I have attached a spreadsheet listing all our members contact details.

Capital Enterprise is funded through membership subscriptions and through paid member services. Capital Enterprise in turn is commissioned by members to provide the following:

- Representation of members' interests to national, regional and local funding authorities and representative groups.
- Research and development of new or improved service offers that meet the ever changing needs of both London's entrepreneurs, and the requirements of public and private sector funders and sponsors.
- Facilitation of the sharing of best practice and the provision of support to capacity build individual members range and quality of services.
- Facilitation of joint working between members and between members and third parties.
- Fund-raising including assisting members in sponsorship drives and collaborative bids for funding.

In preparation of this response to the London Assembly investigation into support for business start-up in London, Capital Enterprise consulted widely with its members, its partner organisations such as the major banks and carried out desk research to collate facts pertinent to the questions asked by the London Assembly. These facts will be appropriately cited in the response but for the record they are as follows:

A: 55,000 new businesses opened in London in 2008-9. (Source Barclays Bank). This figure is expected to fall by 20% in 2009-10 before increasing in future years.

B: New Businesses on average create 3 new net jobs within a two year period. (Source: SBA 2008). Unlike other activities such as incentivising large firms to relocate it has no or little job displacement effect.

C: The London Economy is very reliant of a high rate of business start-ups. A fall in business start-ups by 20% will have an effect of losing 30-40,000 jobs per year.

D: In the last recession, 1991-1993 London lost 5.2% of its VAT registered firms (equivalent today of approximately 16,000 businesses). It was not until 1997, that the number of VAT registered businesses in London reached the 1990 level.

E: The British Household Panel Survey found that in the last recession 8% of all people that left out of work related benefits did so by either going self-employed or by starting their own business.

F: 24% of all those that contact Business Link 4 London through their website or by phone are from people enquiring about help to start a business. The most popular request is for financial support and for advice. All such enquiries are directly referred to a Business London service provider.

G: The Business London service uses the expertise of Capital Enterprise members to provide training, advice and mentoring services for those wanting to start a business and for trading businesses with less than 5 employees. The total budget in 2008-9 was £3.3m. The total budget provided by the LDA in 2009-10 will be £1.6m- a more than 50% cut.

H: All other RDA are presently providing more and better funded services to encourage and enable more people to start a business. For instance One North East boasts that (through a combination of core funding and ERDF) it will be providing £134 million to enable people to start-up a business over the next 4 years. North West RDA announced in January that they will commit £35m over 5 years to support start-up businesses and East Midlands Development Agency provides one Capital Enterprise member £3m per year to assist young people to start a business.

I: Job Centre Plus does provide very limited funding to CE providers to provide an advice, training and work trail programme for those that wish to leave benefits through self-employment. At present this is not a mandatory provision and therefore the support service to go self-employed is only on offer to the unemployed in a minority of London boroughs. From October 2009, help to go self-employed will only be available (through the flexible new deal programme) to people who have been registered unemployed for over 12 months.

This Capital Enterprise response to the specific questions asked by the London Assembly:

1. What support offer does your organisation offer to Business Start-ups in terms of finance, business advice and accommodation?

Capital Enterprise does not presently offer any front-line services to start-up businesses but our members certainly do. Attached you will find a spreadsheet detailing the collective 2008 statistics from CE members. In brief you will find that Capital Enterprise members provided the following:

- Finance: £4.2 million of soft loans from 7 CE members who are presently operating soft loan schemes that are for the most part funded by deposits provided by the LDA through the Small Firms Loan wholesale fund. A further £26million was directly raised for clients through other sources such as high street banks. Not all of this funding was for new or start-up firms but Capital Enterprise estimates that at least 30% would have been raised to help people start a business.
- Business Advice: Capital Enterprise members collectively helped to deliver over 15,000 advice sessions to London residents seeking to start-up their business. Through this advice CE members helped to start approximately 4800 new businesses in 2008.
- Accommodation: CE members manage and operate 32 business or incubator centres that provide specialist or subsidised accommodation to over 450 SME's.

2. What support for start ups do you think the Mayor and London Development Agency should provide?

Capital Enterprise believes there is an overwhelming case for the LDA and London Mayor to massively increase funding to measures that will increase the number and quality of new business start-ups in London. The case is based on 4 principles:

1. **Rising Demand**- Whilst LDA funding for advisory services (Business London) has been halved, the expected numbers of business start ups will only fall by at most 20% (Source Barclays Bank). There will be a gap in provision. Just as importantly in the period of the last recession 1991-94 approximately 8% of all those unemployed re-entered employment by either starting a business or going self-employed. All forecasters expect as job vacancies continue to fall (and the type of people unemployed reflects the broader society) the numbers who decide to start a business or go self-employed will increase exponentially in 2010 and beyond. (Based on a forecast unemployment figure in London of 650,000 people in 2010 that will be equivalent to up to 50,000+ people going self-employed or starting a business between 2010-2011). Funding needs to keep pace with demand as London residents will expect that the government will support them to get back on their feet and start making a positive economic contribution to society by leaving benefits to start their own business. Consequently, ***the LDA should immediately increase the funding for Business London to pre-2009 levels. It should learn from the experience of other RDA's such as One North East and approach Capital Enterprise*** (and through Capital Enterprise its partners in London Councils and in the high street banks) ***to ask potential partners to provide match funding so that they can use the significant amounts of ERDF under-spend to fund an extended advice and mentoring service for individuals who wish to start a business in London.*** We at Capital Enterprise

are ready to respond but initial approaches to the LDA have been re-buffed. Can the GLA help?

2. **Market Failure-** Both HSBC and Barclays bank have informed Capital Enterprise that they are in the process of radically changing the way they award loans to SME's, away from an asset based model (where the banks lent money to companies and individuals on the basis of their ability to provide sufficient security/collateral to cover the loan in case of default) towards a proposition based model (where banks lend on the basis of the likely risk of payment default). In a proposition based lending model, bank managers will assess the past track record of the business and the accuracy of their future income forecast. Already Business Link reports that their number one enquiry from all businesses is for help with developing the business plans and cash flow forecasts necessary so that clients can meet these more stringent bank requirements.

In principle the move to a proposition based model is welcomed even though it means that it is very hard at present for SME's to get a lending decision because all SME bank managers are, according to HSBC, undergoing intensive re-training. However, this new lending requirement will be prejudicial to people needing money to start up a business. They do not have a business track record for bank managers to assess and the accuracy of their forecasts is much more open to question. Consequently, in private, the banks are telling Capital Enterprise that it will prove more difficult to acquire finance to start a business than in the past. This factor, combined with the traditional inability of new businesses to get favourable trade terms from suppliers and the lack of specialist lease finance for capital items like equipment and cars, will mean there will be a significant shortage of available capital to start a business in London. This lack of available finance will be a significant drag effect on the number of start-ups in London. ***LDA could address this gap in market provision by increasing the amount of funds its gives to the small business wholesale loan fund and by changing the terms so that existing funds can become open and suitable to a new business. The LDA could also open up its planned Access to Finance business planning service to start-up businesses.*** The LDA will certainly have a much bigger economic impact on the London economy by directing its small amount of funds to address this gap in financial provision, than using its funds to try to address the financial sectors failure to provide equity funding to a very small number of early stage businesses.

3. **Economic Impact.** London will need to start planning on how it can replace all the jobs that will be lost through this recession. Apart from seeking to support the growth of businesses who do survive the recession, and providing more support to encourage business to re-locate to London, the best means of growing jobs is by helping to accelerate the number of individuals who start a business in London. ***The quality of new businesses, their survivability and ability to create jobs would be increased (especially in present economic conditions) by funding intensive post start-up mentoring so that new entrepreneurs are able to acquire the knowledge and skills necessary to identify and capitalise upon the opportunities of a re-bounding economy.*** New businesses create on average 3 net new jobs. There is also strong academic peer reviewed evidence that states that new businesses do not displace jobs (i.e. cause job losses amongst the regions existing firms) unlike when governments misguidedly give encouragements

and incentives to large businesses to relocate into an area for the purpose of creating new net job opportunities. From the experience of the UK in the 1990's, there is also strong evidence that new and small businesses are much quicker at creating new jobs in an upturn from a recession than large businesses. The LDA and the Mayors office could ride this wave, by providing not only more and better targeted advice and finance to small businesses but also if they helped to address one of the major barriers to starting a business in London- the cost of accommodation. At present there is an overabundance of commercial property lying idle in London as much due to the cost as due to demand. Affordability not availability of property is the major issue and therefore Capital Enterprise is working with London's major landlords' to develop an "Empty Property scheme" that will incentivise Landlords to let there empty London property on affordable and flexible terms to new and new to market SME's. ***The LDA should join and support Capital Enterprise in these efforts to develop and publicise a programme that will help fill London's empty shops, industrial estates and tertiary office blocks with new and vibrant businesses.***

4. **Leveraging increased investment.** The most frustrating problem at both the Mayors office and the LDA is that there is no official commitment or mechanism for both organisations to work in partnership with external parties to develop and co-fund programmes that will help with the Economic Recovery of London. Capital Enterprise has 4 University members who are all committed to varying degree to providing resources to help London's economy grow. If the LDA, in particular, had a mechanism to facilitate partnership working the University sector would be able to draw down more funding from both Whitehall and Brussels to fund activities that will have an impact on the number and quality of start-ups in London. Another member, a specialist national enterprise charity, has a private sector sponsor willing to provide hundreds of thousands of pounds to help businesses start up in the UK. This member biggest demand from people wishing to start a business is from London but at present it is likely that they will use the kind offer of private sector funds to match fund a start-up programme funded by an RDA outside London. The same message is coming from other potential private sector funders of start-up services. The LDA could also work with Job Centre Plus and the London Councils to develop a programme for London that will help the unemployed leave benefits by going self-employed or starting a business. The lack of joint working between these organisations means that there is not such a service on offer at present. ***Therefore, Capital Enterprise major message to both the LDA and the Mayors Office is to establish a mechanism within their organisation so external interested parties such as Capital Enterprise, its members and partners can openly discuss and jointly develop (and perhaps co- fund) plans and programmes that will help London's economy and business base recover from this increasingly terrible recession.***

3. How effective is Business Link in encouraging and providing support to start-ups in London.

Business Link primary role (assigned by BERR and the LDA) is to provide an information, diagnostic and brokerage service to businesses in London. Approximately 24% of all enquiries to Business Link in London relate to starting a business. Uniquely in the case of

start-up enquiries, Business Link restricts its role to providing information factsheets (mainly downloadable from their excellent website) and subsequently automatically referring start up enquiries directly to the appropriate or nearest Business London contract provider. Capital Enterprise members deliver the Business London contract. Capital Enterprise major gripe is that Business Link gets about 8-10 times as much money from the LDA as all Business London providers put together in order to provide an information and referral service. The bulk of the heavy lifting- training, advice and mentoring of an entrepreneur-is carried out by Business London contract holders at a fraction of the cost of the service provided by Business Link.

In recent months the referral relationship between Capital Enterprise members and Business Link has improved, however both parties are concerned that demand is easily exceeding the funds to pay for a proper and effective start-up advice and mentoring service.

4. Is there any specific sectors the Mayor and the LDA should focus on in their support to start up businesses in London?.

Capital Enterprise would like to make two suggestions that would improve the quality and efficacy of start-up services in London.

One would be to fund a separate high growth start-up service that will provide a high quality mentor service to new businesses that demonstrate that they have the ability to create a minimum of 3 jobs within there first year of trading.

At present, all LDA enterprise support programmes give priority to businesses managed or owned by BAME, Women or disabled individuals. It is important that those from disadvantage backgrounds, who will encounter higher barriers to starting a business, are supported. The majority of our members such as Prince's Trust specialise in providing support to these client groups and Capital Enterprise members would like this emphasis to be continued. But it is at least equally important that the minority of members able to tailor support to high growth start ups are also given backing.

A new scheme that funds CE members to provide tailored mentoring support to potential high growth start ups (who are able to create jobs regardless of race, gender or disability) is required. Jobs not just equalities should be given priority.

My second point is a plea, on behalf of Capital Enterprise University members, is for the LDA to work with our members to develop a comprehensive support package to early stage Science, Technology, Engineering and Medical (STEM) businesses. By working with the knowledge base within these institutions, and by the judicious use of incentives and support mechanism, LDA could use the Universities such as UCL to help London to diversify its business base. Collaborative schemes pioneered through a CE member led partnership called Innovation Central have had great success in starting and growing high growth innovative new businesses. A similar model of partnership between universities and business support groups in the creative sector would also be very useful. The LDA should open themselves up to work with CE members such as Universities etc in order to develop a

sector specific approach to the start up of new businesses and the diversification of London's economy.

Finally, many Capital Enterprise members are off their own backs developing and delivering on a small scale and localised specialist sector specific support services around sectors such as Green Environmental Services, Fashion, Food Retailing, Arts & Media etc. They are opened to discussions with the LDA and Mayor's Office about establishing centres of Excellence in these specialist areas so that they are able to serve all of London.

The Mayor's office and the LDA should consult with Capital Enterprise, members and partners prior to determining any sector specific strategy and most importantly it should build upon existing levels of expertise and not ignore it.

Croydon Council

**London Assembly investigation into the support for business start-ups in London:
Croydon Response**

Business Support in Croydon 2009

1a. See below details of what Croydon currently offers to business wishing to start in the area.

Many of the projects listed below have been funded through LEG1 from 2006 -2009 and will receive funding to continue 2009-2011.

*(*the information provided is for projects that are focussed solely on Croydon. Other provision which has a Pan-London focus or a Sub-Regional focus that have not been listed here)*

[To view table, see PDF version or request hard copy].

1b. See below for the most up to date analysis of the results impact of the LEG1 funded activity **only** from 2006 to the first part of this financial year 2008-09.

[To view table, see PDF version or request hard copy].

- From the starting of the LEG1 programme to the end of quarter 2 this financial year a total of 5965 businesses to improve their performance. 76 businesses have demonstrated growth during quarters one and two of this financial year as a result of this assistance (this is the first year this has been a specific Croydon Enterprise indicator - previously it was in the LAA as a borough wide target and we have been measuring performance using Betamodel data).
- A total of 383 businesses have started as a result of this programme during the same time period, and over two thirds of these were in the deprived areas of the borough.
- The programme also has a combined outcome of creating jobs and increasing the number of clients entering training and employment the combined total for this outcome is 969.

2. With regards to what the Borough plans for the future, this is dependent on future funding. The above projects will be ongoing until 2011. They will be adapted as we go forward to respond to changes in the economic climate and will consist of the following activities:

- The new 'Croydon Crunch' website will continue to be developed as a portal for local people and businesses affected by the recession. This includes services provided by Business Link in London, Croydon Council, the Croydon Enterprise programme and Job Centre Plus.

- The Croydon Enterprise programme web site - www.croydonenterprise.com - will be developed to include help and support for individuals and businesses affected by the recession.
- Advice for SMEs: - a hotline for businesses to access confidential support and advice. This will be accompanied by free one to one assistance, business health checks and a programme of seminars and events on surviving the recession.
- Access to Finance:- Assistance to SME to access the loan fund and other sources of finance
- Management of finance - advice and assistance will be available to help businesses to manage cash flow and to address reduced access to debt finance
- Local purchasing - Croydon Enterprise will support businesses to identify and use local suppliers and also work with local firms to access public sector contract opportunities.
- Shop Local Croydon Enterprise will also lead a 'shop local' campaign working with traders in the districts and town centre.
- Business Rates Support:- SMEs will be able to spread the cost of business rates over 12months
- Payment to local SMEs -All Public sector organizations commit themselves to payment to local SMEs within 10 days
- Affordable premises - Croydon Enterprise will make vacant units available in the Enterprise Centres across the borough to provide accommodation for businesses struggling to meet their current rents. This will be alongside support and advice negotiating with commercial landlords
- Increase availability of business start up services - Tailored advice and support to new enterprises to exploit new markets and to successfully establish themselves in Croydon.
- Training for people in work -Tailored advice for business is available along with flexible delivery of courses.
- Apprenticeships and trainee places for young people -Croydon partners have committed to increase the numbers of young apprentices recruited and to supporting local firms to take on trainees and interns.
- Market Croydon nationally and internationally - working with local businesses and with London agencies to position Croydon to attract business investment.

Social Enterprise London

Dear Tade,

Please find below our response to the London Assembly investigation into support for business start-ups in London.

1. What support does your organisation offer to business start-ups in terms of access to finance, business advice and accommodation

SEL is the strategic agency for the development of social enterprise in the London. Working in partnership with agencies such as the Cabinet Office, London Development Agency, London Councils and Government Office for London, we provide enterprising solutions to social and environmental challenges and to create new ways of doing business and delivering public services.

For social enterprise start-ups we organise an Open Surgery every two weeks. This is a space to learn more about social enterprise – ask questions, get advice and meet others starting-up or growing social enterprises. Attendance to our Open Surgeries is free.

We work in partnership other social enterprise support organisations to assist social enterprise, including start-ups. Through projects that we run in partnership with others, start-ups can get 1-to-1 support, free trainings, financial advice, assistance to develop a business plan, environmental awareness as well as access to small loans.

We also hold regular Networking Events to help social enterprises share best practice, learn from each other and explore potential business opportunities.

2. What support for business start-ups (in terms of the three main areas outlined above) do you think the Mayor and the London Development Agency (LDA) should provide?

Access to finance: The Mayor and the LDA should support organisations who provide loan finance and financial advice targeted at social enterprises. Examples include the London Rebuilding Society and FairFinance. They understand the challenges and realities faced by social enterprise start-ups, and can have good reach to start-ups who would benefit the most from their services and products.

Business advice: Our experience shows that 1-to-1 mentoring is very helpful to social enterprise start-ups. Those who are mentored usually survive to become sustainable businesses.

Accommodation: The Mayor and the LDA should work with local authorities to identify unused assets (ie: premises) that can be turned into shared workspace for social enterprise start-ups. Once a list has been developed, these can be promoted to social enterprise support agencies who in turn can provide their beneficiaries with the relevant information.

3. How effective do you think Business Link is in specifically encouraging and providing support to businesses start-ups in London?

Business Link has improved its performance and it now has dedicated advisors for social enterprise. SEL has been working closely with Business Link in order to ensure social enterprises across London can access the services provided by both. We have developed a good two-way referral protocol and regular meet to discuss how to improve our joint-working. We hope that as social enterprise sector grows, Business Link will also have an increased capacity to catch up with demand for their services.

4. Are there any particular sectors the Mayor and LDA should focus on in their support to small businesses starting up in London? Why?

We believe that in terms of business advice for start ups, the focus should be on survivability and not number of beneficiaries receiving support. This should be offered as a detailed programme of events/activities that cover all aspects of running a business. The programme should be designed to also show all the downsides and challenges. In this way those that are less committed to running their own business will be discouraged from starting and survivability rates over 3-5 years will be much improved.

Regards,

Policy & Information Officer
Social Enterprise London

Enterprise Enfield

This document was passed to us by our colleagues at North London Business, as the Enterprise Agency covering north London Business Link. The Chief Executive of North London Business, has seen our response and fully endorses it.

Enterprise Enfield (EE), a BERR registered Enterprise Agency, a member of the National Federation of Enterprise Agencies, and the London based Capital Enterprise has been providing business support for 24 years, primarily in north London, on some programmes pan-London. EE are used to working on LDA programmes, those funded by ERDF, ESF, LSC, local authorities and private sector. Of the clients 80% are BAME, 60% are Women, and the latter because of the women only programmes delivered. The agency holds lip, Customer First, Matrix, Prowess Centre of Excellence (women) and Green Mark (environmental). The support provided by EE is to existing business, start ups and pre-start, through advice guidance and training.

1. What support does your organisation offer to business start-ups in terms of access to finance, business advice and accommodation? (Please include any recorded measurable impacts/results of this work)

The agency offers a wide range of support to those starting up in business.

Normally this commences with a one day seminar for those thinking about selfemployment - "Start-Right" an introduction to working for yourself, which is also delivered for women only.

The next stage is for those who are expecting to start in the near future, and the seminars provided for them are:

- Effective Business Planning and Raising Finance
- Smart Marketing for Smaller Businesses
- Keeping Financial Records and Accounting

There are a series of seminars, which whilst designed for those already in business are frequently attended by those still in the planning stage, and these are:

- Getting the best deal - Successful Selling and Negotiating
- Personal Development - Time Management and Effective Communication Skills
- Quickbooks (small business accounting software)
- Understanding HM Revenue and Customs
- Employment Law

Alongside these one-to many seminars, the clients can access one to one support through specialist, qualified, business advisors, and also a pool of experts. This individual support can cover finance, marketing, HR issues, Health and Safety, web design and all aspects of on line trading.

Over the last 25 years, the agency has 12,000 entries on the database, and support 1600 clients each year. More information in relation to specific services is detailed

below.

2. What support for business start-ups (in terms of the three main areas outlined above) do you think the Mayor and the London Development Agency (LDA) should provide?

Access to Finance

Enterprise Enfield have been a deliverer of each of the four rounds of Access to Finance that have been supported by initially by Business Link, currently the LDA. On each of these contracts the agencies has over-delivered (on the latest contract, ended September 2008, to 200°/0), and always to a high quality.

The research both by the LDA and within the lblayors ERAP clearly supports the needs for such a programme.

However, in the past these have always been restrictive in terms of the target markets, the funding to be raised, and the levels of support. To achieve a wider penetration base there needs to be more flexibility in each of these (for example 2.5 days support being provided to a business seeking to raise finance of, say, £6,000). It would need to be ensured that in every case the funder was getting VFM, and that the end result was that finance was raised.

Business Support

The various kinds of support offered by the agency are identified above in the response to question 1, and this has been tested, developed, and extended over many years, always ensuring that it is current and up to date.

For simplicity, funding for the above training and the one to one support could be channelled as an extension to the existing Business London programme, albeit on a more extensive I intensive basis.

Premises

Whilst premises support (incubators - especially easy in I easy out and with stepped rental arrangements; manufacturing; retail; small office) would be admirable, the funding requirements of this would be unrealistic to expect the support to be within the MayorsILDA budget.

This element of support should be passed back to the local authorities who should have an LAA target to achieve this. At the present time, they should be able to access all kinds of premises at very realistic rates, which also has the benefit of putting money into the local economy.

3. How effective do you think Business Link is in specifically encouraging and providing support to businesses start-ups in London?

Business Link ostensibly has a role in IDB (informing, diagnosing, brokerage), but they themselves appear to be confused about what they should be offering, to whom and how.

They have little or no profile within the target groups suggested, and where there is any recognition, there is a very poor perception of their quality and value.

Regrettably this view of Business Link extends to their delivery partners and the subregional-strategic partners.

4. Are there any particular sectors the Mayor and LDA should focus on in their support to small businesses starting up in London? Why?

Previously support has been focussed on "hard to reach" communities including BAME, women, disabled, and sub groups such as lone parents, ex-offenders.

In the past there have been sectors which have been excluded from some elements of support depending upon the origins of the funding, and for example these have been such as wholesale and retail.

Given that there is always going to be a limit to the funding that is available, the support does need to be focussed on key sectors that have the greatest growth opportunities, and also have the ability to support the needs of the Employment and Skills boards. As examples, support should be provided into the construction sector, business services, health and care, and the support limited into food, print, hospitality and leisure, new media and culture.

As an aside, at the present time all sectors within London are struggling, and whilst business start ups are essential, if only because of natural "churn" support does needs to be focussed on those business that have already started, gone through their initial survival, identified their clients, products/services, routes to market, suppliers etc. These businesses now need additional support to move them forward, and have less "risk" than those in the start up situation.

A major problem that we face is the demand for match funding on all the European contracts. The LDA make the assumption that the match will be provided by the local authorities, but that is rarely the case. This can result in services not being provided where they are most needed.

London South Bank University

London South Bank University support to entrepreneurs and business start-ups - what do we provide?

Access to business support at London South Bank University is through a number of interfaces.

1. Enterprise Associate Scheme (EAS)

entrepreneurial graduates (currently from LSBU) who have an commercialise.

The scheme offers:

- 2 years bursary of £14000 per year
- £3000 start-up grant
- Fully serviced office
- Business mentoring
- Intellectual Property advice and protection
- Fees covered for a Masters in Enterprise course at London South Bank University
- Support to apply for Proof of Concept funding
-

Now in its 4th year, the current annual intake is 4 entrepreneurs, increasing to 5 in September 2009.

Outcomes to date are: 6 spin out businesses, one of which, About Time Design, has £800K leveraged funding. A second, Square Edge Design, is now breaking even and is forecast to make a profit in 2009. Three others are about to launch their products.

2. General Advice to Start-ups and SMEs

The University has a number of enquiry points for businesses including start-ups depending on the business sector.

- All businesses can make initial contact through the **Research and Business Development Office (RBDO)** which acts as the 'hub' for all University faculties and departments. The RBDO will then direct the business to an expert, a business development manager link or a specific business area or unit within the University.
- Specific business sector units include The London Food Centre, The Human Performance Centre, Construction, Engineering Product Design and the Energy Centre.
- The London Food Centre advises many food business start-ups on food technology, safety, accreditation, shelf life etc. Start up businesses have access to a **Focus meeting** where they can discuss their idea in confidence with at least 2 experts and the Business Development Manager. They frequently receive advice that can move their activities forward. There is a charge for the meeting. For example Moma Foods first came to the Centre for advice when starting up and now has several outlets. The London Food Centre

also has product development facilities that start-up businesses can use.

- The Design Centre has particularly helped individuals develop their ideas through 'brainstorming' sessions with designers and prototype development.
- Some start-ups (1 year previous finances) were supported under the Jumpstart Connect scheme -for example Unique Tastes of Africa Cafe and Think 5. Equally, some early stage businesses have been supported by the SME Innovation scheme, such as Vida Verde - now a company with a small manufacturing unit and supplying several distributors. A small number of startups are able to finance the early development but many more could be helped with additional funding.

3. London Knowledge Innovation Centre - LKIC

LKIC has been established as a joint venture between the University and Business Extra, the Southwark Enterprise Agency. LKIC, based at South Bank Technopark at the Elephant and Castle supports hi-tech and knowledge based start-ups by offering serviced incubation space including hot desks as well as business advice including business analysis, business planning, identifying markets, and fostering partnerships and networks.

4. Spin-In Companies

Start-up companies that need LSBU expertise, have, in return for equity, received accommodation and expertise from the University.

What support do we think should be provided for business start-ups in London by public bodies

1. Proof of concept Fund

A managed PoC scheme directed towards start-ups with innovations would support the growth of innovative businesses. This could be particularly directed towards solving some of London's problems such as health, diet, transport, exercise and carbon footprint.

It has been shown that managed schemes combined with funds have a high probability of yielding positive outcomes. Examples are the Scottish Enterprise Fund and the Bioscience Yorkshire Enterprise Fellowships. The BYEF provides courses and mentoring alongside the PoC funds.

We therefore propose a fund that incorporates expert support with the PoC. Universities and Industry could provide expert support, product development and small scale facilities.

2. Further investment in PoC funds for universities in London.

Emerald, Park, Dash and Heptagon are LDA funded PoC funds for London Universities and Colleges. Funded projects have led to a number of spin-outs and start-ups. These PoC funds should be continued.

3. General support for start-ups

A fund to cover focus interviews and one or more follow-up sessions would allow startup businesses to test their ideas.

4. Training support for start-ups

London South Bank University has previously offered training in food hygiene and safety. Training for start-ups could be extended to a number of sectors in technological development and prototyping.

Business support and training is already provided through LKIC and therefore continued support of this partnership is important in Southwark.

London Borough of Newham

Tade Adepayibi
Scrutiny Team
City Hall
The Queens Walk
London SE1 2AA

Dear Tade Adepayibi,

RE: London Assembly investigation into the support for business start ups in London

Thank you for giving us an opportunity to feed into the above investigation. Newham Council's vision is "to make Newham a major business location and a place where people choose to live, work and stay". A key part of delivering on this agenda is to provide assistance to residents who are looking to start their own enterprises and to attract inward investment - including start ups - to grow Newham's economy. The Council provides this assistance by direct delivery, commissioning services and supporting partners working on the same agenda.

Direct Delivery

Regeneration Staff - Through the Council's Regeneration Service, support is given to those interested in starting up businesses by Business Development Officers. They provide a service which includes: maintaining a property database to give information about available premises within the Borough; signposting people to intensive advice services both by phone and online; delivering an annual Business Forum and chairing a network of business advice providers to ensure optimum service delivery via a co-ordinated approach. This network also works in partnership with local banks to ensure that all possible routes to finance are explored.

Town Centre Managers - New businesses located within town centre areas can also benefit from support from staff providing a Town Centre Management Service.

Capital Investment - The Council also uses its Section 106 processes to secure more subsidised space for incubator units. For example Beckton Gasworks (the Knowledge Dock at University of East London) and Stratford City. This is because a current lack of start up space inhibits development of the entrepreneurial culture already present within our local community. The Authority has also provided support for such developments as Business Place incubator space in Stratford.

Commissioning

The Council commissions delivery of specific business start up advice in Newham. The current contract delivers around 60 new businesses a year.

Newham Council's Recession Package

The Council is concerned that the economic downturn will impact negatively on its businesses and has been swift to acknowledge the anxiety currently being expressed by the new and existing business community. It has already published the first phase

of its Recession Support Package with a second phase currently in development. Phase 1 includes the following support for businesses:

- Extension of Business Rates payment terms from 10 months to 12 months.
- Widespread communication about opportunities for local businesses to access contracts from the council's procurement processes and from local developments.
- Promotion of the borough's shopping districts such as Stratford and Green Street
- Signposting service to business and financial advice for Newham's existing businesses and those looking to start a business.

Supply Chain Support

In addition, London Borough of Newham is committed to ensuring that its entire business sector - including start-ups - is able to maximise the unprecedented opportunities that developments such as Stratford City, The Olympics, and Canning Town and Custom House will bring. The Authority employs a dedicated Supply Chain Officer participating in the East London Business Place initiative taking place across 10 East London Boroughs which supports local businesses in securing new contracts.

Future Start-Up Business Support

The Borough's commitment to start-up support is demonstrated by the fact we are acting as a pilot authority for the Department of Business, Enterprise and Regulatory Reform (BERR) and the London Development Agency (LDA) for the roll out of the Business Support Simplification Programme (BSSP).

Newham is one of two pilot areas within London (of 7 nationwide) to focus on how the BSSP actually relates to the pre-start up and start-up business agenda and how the proposed 'Solutions for Business' products and services set to be rolled out shortly will practically interface with grassroots delivery.

I hope you find the above information useful for the purposes of your enquiry.

**Yours sincerely,
Chief Executive**

SB0

[Information pack: available on request].

SB020

[Not available for public viewing.]

British Business Angels Association

Dee Doocey AM

Chair, Economic Development, Culture, Sport & Tourism Committee
London Assembly
Greater London Authority
City Hall, The Queen's Walk
London
SE1 2AA

25 March 2009

Response to the London Assembly Consultation

Financing London Early Stage Businesses: Response from **British Business Angels Association**

1. What we do:

The BBAA is the only trade association dedicated to promoting angel investing and supporting early stage investment in the UK. Each year private investor's account for between £800 million and £1 billion of early stage investment in the UK: the single largest source of early stage capital in the country.

The BBAA works to create an eco-system to promote and support the early stage investment market, providing a forum for these groups to integrate and share good practice on new developments and trends in early stage investing, development of new services and tools to support the investment process. BBAA also acts as a voice to Government, stakeholders, business and the media to promote the interests and needs of the angel and early stage investment industry.

The BBAA was created in 2004 and receives some support from the UK Government as well as a number of sponsors from the early stage industry. It has a growing membership consisting of 22 Business Angel networks, 20 Early Stage Venture Capital funds, and over 30 professional advisory businesses, policymakers and academia.

The BBAA is driven by a Board of high calibre individuals from within the industry and supported by a network of 4 Committees whose membership comes from within BBAA, meaning that members have not only a voice in the direction of the association, but also help drive forward and shape BBAA policy.

The BBAA exists to represent UK early stage investment and has a number of roles which include:

- *Promoting angel finance as the primary mechanism for new and high growth potential businesses to fund their growth requirements.*
- *Encouraging contact and the exchange of experience and ideas between angel groups and other sources of funding – most notably VCs through networking events and regular communication with its membership.*

- *Creating links with other UK and international associations and organisations.*
- *Engaging in regular dialogue with government and other opinion formers at a national level to help shape policy for the benefit of the industry.*
- *Having an agreed code of conduct for all Members to promote best practice and transparency across the industry.*

To learn more about the BBAA please visit www.bbbaa.org.uk.

2. Background and current challenges of the Economic financial crisis on SMEs seeking seed and early stage equity finance

- British Business Angels has reported from its networks a 50% increase in demand from SMEs in London seeking equity finance.
- There has been an overall 30% decrease in the level of Business Angels investment in early stage businesses during the last year (This is reported by all BA networks in London through the British Business Angels Association) This is due to the reduction in overall liquidity among the high net worth investors (business angels) and their need to prioritise their available capital towards existing investments in their portfolio. Thus there is an overall diminution of the amount of new angel investment for start ups/ early stage businesses in London at this time.
- There has also been an overall decrease of late in the supply of early stage Venture Capital investing in London's SMEs. This includes the £46m Capital Fund which is now fully invested and the £4.65 London Seed Capital Early growth Fund, also fully invested. Both Funds ceased making new investments from 2008.
- Many of the remaining London based Venture Capital funds which are not publicly supported are also focusing on their portfolios and are making considerably fewer investments in early stage business e.g. investments made are 50% down in the last year (BVCA 2008 Winter Quarter report). Furthermore, 75% of the membership of BVCA VC funds think the amount and number of early stage investments will decrease in 2009
- Two of the LDA supported funds: the £15m London Technology Fund and the £6.65m Creative Capital Fund, which are both co-investment funds and nearing the end of their investment period. In addition the current downturn means that there is now potentially less available private matched funding to maintain their previous levels of investment
- At the same time we are aware of the extensive level of new Regional early stage funds being provided through other regions where for example in the North West a £200m fund of funds is being launched and a £125m Fund of funds in the Yorkshire & Humber region. Both of these funds are scheduled to be launched this year.
- In the North West there are 450,000 businesses with 50% of these being small i.e. 225,000 small firms therefore having the potential to take advantage of this new

£200m fund (BERR July 2008).

- Whilst by contrast London having more enterprises than any other region in the UK with 750,000 businesses in total. 39% of these are categorised as being small 1-50 employees i.e. 300,000 small firms. In contrast to Regions in Northern England where substantial new Regional Funds are emerging, The London Mayor is proposing only £7.5m of additional equity funding for the whole of the London region.
- Clearly in the current climate this cannot possibly address the needs of early stage businesses in London in view of the lack of other alternative sources of equity as detailed. There is thus an urgent need for the London region to have access to a much larger amount of seed/early equity funds to serve the needs of its small businesses

3. Proposed Measures that could be taken by the Mayor:

It is proposed therefore that the following measures should be provided:

New Angel Co-investment Fund for London

We propose that a new circa £15-20m Angel Co-investment fund for London should be urgently established. This would act as a stimulant to the early stage investment market place and specifically encourage business angels/other private investment to co-invest on a parri passu basis alongside the fund (N.B. London Seed Capital Fund which had £4.5 m public funding between 2003/2008 leveraged £30m of additional co-investment funding of which £22m was Business Angel funding). This type of new fund would provide an important incentive to encourage new business angels and the syndication of the angel community

The Angel Co-investment Fund could operate in a similar way to the new ASPIRE fund recently established by Capital for Enterprise Ltd. It could serve all the established and accredited Business Angel networks in London (currently 5 BANs operating). Any Business Angel network able to identify at least half of the finance required for the London based entrepreneur could apply to the Fund for matched co-investment

Consideration might also be given to joining with the SEEDA and EEDA to support a larger Greater South East Fund since all of these regions combined have the largest number of Businesses in the whole of the UK, whilst they have the lowest level of new equity funds being made available through these RDAs.

Increasing the Pool of Business Angel Investors for London

The British Business Angels Association is carrying out a national campaign during 2009 on behalf of BBAA with the support of BERR to raise awareness about business angel investing. This will have the aim of promoting the recruitment of a new pool of Angels to supplement the existing business angels and to meet the current increased level of demand for early stage investing. This programme will operate in all 9 regions of England and Wales and provide an important focus in each region for awareness raising, recruitment and capacity building. The RDAs are supporting this campaign throughout the regions.

The LDA should capitalise on this opportunity to support the BBAA and to work alongside all the Angel Networks in London in order to create a highly targeted and effective campaign for London through awareness raising events and capacity building workshops in the capital over the coming months. This would enable the recruitment of an extensive new pool of business angels and build their capacity to become more effective investors in early stage businesses in London.

4. Business Link

In relation to the services of Business Link, Business Angel networks do receive referrals from BL to access angel equity funds and could play an important role in identifying suitable businesses. Business Angel networks are keen to work alongside BL to support advice on investment readiness and access to finance. The involvement of Business angels in delivery of access to finance and investment readiness is important since many bring mentoring capability to support this preparation of the business and support in attracting investment. BBAA would be pleased to have more opportunity to engage with BL.

5. Key Sectors

Business Angels invest in all sectors of start up companies in London. However companies that can most successfully make use of business angel finance are generally scalable, with a good business model and generally those from ICT, creative industries, MedTech. Angels are also particularly keen to support companies focused on issues of global climate change and clean technologies.

Yours sincerely,

BBAA Chairman

Greater London Enterprise

Dee Doocey, AM
Chair, Economic Development, Culture, Sport and Tourism Committee
London Assembly
Greater London Authority
City Hall
The Queen's Walk
London SE12AA

25th March 2009

Dear Ms Doocey,

London Assembly investigation into the support for business start-ups in London

Thank you for inviting GLE to submit a view on the London Assembly's investigation into business start-up support in London. As a provider of a range of business support services, we have a keen interest in the support available and the support required by small businesses starting up in the capital. I have addressed your specific questions in this letter and would of course be more than happy to expand on any of these points, either in person or in writing.

1. Support provided by GLE to business start-ups

Access to finance

GLE provides support to help 200 new businesses start ups access to finance each year. We directly finance 100 start-ups achieving a 70% business survival rate after 12 months. Both our Access to Finance services and loan fund activities receive funding from the London Development Agency. Our loan funds are specifically designed to help businesses that have been turned down by recognised mainstream lenders. In addition, we operate a business angels network introducing 60 high growth start-ups and early stage businesses to private individuals willing to make equity investments, annually.

The Greater London start-up loan fund provides up to £7,500 for a maximum of three years.

Applicants are given support and advice to prepare for their presentation to a loan fund panel and a free mentoring service is also provided.

Business support and advice

GLE OneLondon provides a wide range of **business support and advice** to 4000 potential startups each year. For example, we manage the Business London start-up and micro business support programme in the central region, funded by the London Development Agency. This provides advice to businesses on start-up; management, recruitment and people development; business operations and efficiency; product development; and sales and marketing development. The programme also promotes franchising, providing access to

information, resources and tools to support individuals considering franchise, together with a dedicated mentor to advise throughout the process.

We have a particular focus on outreach support to social groups not engaged by mainstream

business support to raise awareness of enterprise and make referrals to mainstream start-up services including Business Link.

Business accommodation

GLE is an active developer and investor involved in the provision of good quality, well-managed and affordable small business units for SMEs, particularly in North and East London. The company's portfolio consists of more than 300,000 square feet of space in 12 locations with some 250 tenants. In recent years we have completed schemes in Croydon, Enfield, Greenwich, Hackney, Haringey, Hounslow, Lambeth, Lewisham, Kingston, Merton and Newham.

GLE is a partner in a joint venture with the London Development Agency in the development of small unit schemes across London. This has included the Riverwalk Business Park in Enfield –the first in Enfield's Brimsdown area for many years and designed to meet the needs of the borough's local small businesses.

2. What support for business start-ups should the Mayor and the London Development Agency provide?

Access to finance is a core issue for pre-start and existing businesses, particularly among disadvantaged groups. Indeed, for many of the projects we have run, lack of financial support has been cited as the biggest impediment to start-up. This is particularly the case in the current recession. Access to loans from mainstream banks has become considerably more difficult, and this particularly applies to less advantaged groups in London.

The LDA's access to finance programme is about to be renewed for twelve months, providing advice, mentoring and practical support to prepare a successful case for finance from any source. Access to finance is a key barrier to start-ups and the main reason why businesses fail to start or indeed to sustain themselves. This is particularly true for less advantaged communities with no track record and therefore potentially higher risk, and at the high-growth, high risk technology sectors.

In our view the access to finance service should be expanded to meet the high levels of demand that are being experienced as the result of the credit crunch. 'The current uncertainty of funding the access to finance programme means that effectively a twelve-month programme is operational for six months only, since three months are needed to start and publicise the programme and the last recruitment needs to be three months from programme end, to allow for delivery of the service.

Loan capital for start-ups is particularly scarce. There is no publicly provided loan capital for start-up funds in London (although many millions has been allocated to equity funds). Start-ups are traditionally regarded as the highest risk area by banks and the recession has therefore impacted more on start-ups than in any other area. Even in less economically

restrained times, support for start ups in the banking sector is based on credit scoring, thus excluding large sections of the London population and new entrepreneurs.

We would suggest that the Mayor and LDA consider establishing a London start-up loan fund

and invest in building capacity in the small network of London's small community development finance institutions to enable these to make successful loan investment in new SMEs.

In terms of business support we believe that, in order to reach less disadvantaged communities for whom enterprise is a route out of poverty and social exclusion, we believe London needs a business programme that:

- is comprehensive, focusing on one to one advice, support and skills including a number of best practice models to support skills and growth in target communities
- provides access to additional support and advice, enabling the growth of priority sectors across London including the creative industries, construction, hospitality and tourism, food and retail.
- effectively integrates skills and business support packages with direct links to Train to Gain and access to London's Knowledge base and HE1 Networks
- provides strong linkages with the London Boroughs, supporting local Economic Development Strategies and supporting Local Area Agreement targets

In terms of accommodation for start-ups GLE already has a joint venture agreement with the

LDA. We would be interested in discussing how this could be developed with the Mayor's office also, to develop innovative ways of supporting start-up and growing businesses in London by bringing forward sites or buildings for development or refurbishment to provide affordable and good quality.

3. The role of Business Link in London

Business Link has a high rate of success in attracting a high volume of enquiries and requests for help from those starting in business. However, because the service provides only a light touch information and signposting service it would benefit from a more formal integration of referrals from those enquiries to London's start-up services. This would enable Business Link to become a more effective marketing tool and gateway to London's intensive start-up support services funded by the LDA and the London boroughs. We would suggest that BL work more closely in partnership with organisations that do work with and have access to minority groups to improve its penetration in this area.

4. Sectors

In our view the food and creative industries are particularly important for London's BAME communities. Offering a rich ground for competitive and innovative product and service offerings and constitute a special strength of London.

We would also suggest that environmental services and products are crucial to the capital's longer-term competitive edge and economic strength.

Yours sincerely,

SB022

Group Chief Executive

London Borough of Bexley

Ms T Adeyoyibi
Scrutiny Team
City Hall
The Queen's Walk
London
SE1 2AA

Dear Tade

London Assembly Investigation into the support for business start-ups in London

Thank you for your invitation to respond to the above matter. The answers to the questions posed are as follows:

1. What support does your Borough currently offer businesses wishing to start in its area in terms of access to finance, business advice and accommodation?

Enterprise and innovation services in the Borough are delivered through Thames Innovation Centre Ltd based at Thames Innovation Centre, Veridion Park, 2 Veridion Way, Erith, Kent, DA18 4AL. Thames Innovation Centre is a new 5,000 s.m. building providing 58 units to accommodate new enterprises in a supportive environment for start-ups.

Direct services provided by experienced business advisers and trainers include:

- Business information
- Training courses, workshops and seminars
- Business planning advice
- Financial health checks
- Marketing and sales training
- Guidance on business loans and grants
- Counselling
- Mentoring
- Events and networking
- ICT resources
- Small business units on "easy in, easy out" terms.

Other services are provided through the Centre becoming the focal point for enterprise support and, as a result, attracting other organisations to use its facilities (eg. conference and meeting rooms) or seconding staff into the "hub" to deliver services. This provides support for enterprises such as :

- Tendering for contracts (through a secondment from East London Business Place project)
- Innovation services (through links to Universities, Design London, British Library, etc)
- Olympic opportunities (through Competefor)
- Location for other business support organisations eg. Federation for Small Business, South-East London Chamber, etc
- Referrals and subsequent follow-up by Business Link

In addition to the services provided by Thames Innovation Centre Ltd, the Council also supports small businesses through:

- Information on all commercial premises available for rent and sale in the Borough
- Recruitment and training through Resources Plus
- Prompt payment of invoices
- Promoting availability of small business rate relief
- Accessible advice on regulatory requirements (Beacon Council for reducing red tape)

The Centre was established in consultation with the LDA to become a hub for enterprise support in the Borough and deliver a innovation programme across the London part of Thames Gateway. This created a partnership of equals in terms of the contribution to creating a co-ordinated service for start-ups and smaller businesses. However, over the last 12 months, this equal partnership has now become LB of Bexley continuing at about £200,000 pa and LDA reducing to some £40-50k pa and, as a result, the offer for business start-ups being scaled back significantly in the Centre's formative years.

2. What plans does the Borough have to increase its support for business start-ups in the future?

- develop a more formal arrangement with Business Link about delivering practical support more locally (offer is currently one day a month);
- introduce a grant scheme (maximum £5000 grant) to assist start-ups take up business premises for a limited period;
- introduce a business loan scheme (maximum loan of £25000) to be managed by Greater London Enterprise for a limited period; and
- seek to have meaningful discussion with the LDA on extending and developing services as part of the national Business Support Simplification Programme.

Please let me know if you would like further detail on the above.

Yours sincerely

Head of Economic Development

SB024

[Not available for public viewing].

British Libraries

Business & IP Centre submission to London Assembly investigation into support for business start-ups in London

Introduction

The British Library's Business & IP Centre, which opened in March 2006 with the help of London Development Agency funding, supports small and medium-sized enterprises (SMEs) and entrepreneurs from the first spark of inspiration to successfully launching and developing a business. Over 30,000 people a year come to the Centre to take advantage of free and highly subsidised resources, expertise and events, helping to turn their creative inspiration into economic reality.

Adam Pritchard had an ingenious idea for tapping into the health food industry by developing a juice drink from the 'superfood' pomegranates: "I had no background in food and drink, so I spent six months in the Library researching the market, including using the science collection to find out about the health properties of pomegranates and how they could be processed to make juice." During this scientific research phase Adam also decided to investigate the potential of the UK juice market, to assess the viability of the business idea, and was directed to the Business & IP Centre. His "Pomegreat" juice is now sold throughout the UK and his company has an annual turnover of £5 million.

Since its opening, the Business & IP Centre has delivered, together with its partners, more than 1,000 workshops and events (either free or highly subsidised), as well as over 500 one-to-one advice and mentoring sessions. Moreover, an independent esurvey – conducted as part of an evaluation of Phase 1 in 2007 – showed that within the sample of 230 users, the Centre had helped to create 47 new businesses and 115 new jobs within the London economy, as well as assisting 64 businesses to start-up phase. The Centre is due to conduct another evaluation in Q1 2009/10 and, as part of this, a much larger survey will be commissioned to measure the Centre's impact on London's economy.

With its track record in supporting entrepreneurs, the British Library is in a strong position to comment on the support and advice available to new businesses – not just to get them started – but also to ensure they are well-equipped to survive the often challenging first few years of operation, particularly in light of the current economic downturn. This submission also details how the Mayor of London, the London Development Agency (LDA) and other public bodies can help business start-ups in the capital, focusing on areas where new businesses may need support – in particular access to finance and business advice services.

1. What support does your organisation offer to business start-ups in terms of access to finance, business advice and accommodation? (Please include any recorded measurable impacts/results of this work)

The Business & IP Centre aims to support the backbone of London's business community – its entrepreneurs and small and medium-sized enterprises – including those from minority groups and disadvantaged backgrounds. It does this, in part, by

offering free access to business and intellectual property information in one place, with impartial experts to guide users to the information they need. It is estimated that the value of the information held in the Centre is over £5 million, therefore providing entrepreneurs with access to the same or better information than that held by a multinational company. The Centre's resources are complemented by a wide variety of business partners and marketing associates who help users make the most of this information through relevant workshops, advice clinics, events and referrals.

During Enterprise Week, in November 2008, the Library asked respondents about the support that they would like to receive in the current economic climate. It is perhaps not surprising that 57% were interested in sourcing finance and, while the Centre is not in a position to provide loans, it runs workshops, together with its partners on, for example: business planning and how to prepare to apply for a bank loan; the basics of finance and how to manage cash flow; and how to get access to Islamic finance. In addition, the Centre staff are able to refer entrepreneurs and businesses to partner organisations who can give direct assistance; these include Business Link in London, GLE oneLondon, GK Partners and the London Technology Network. The Centre also provides free access to the Grant Net & Grant Finder databases.

Having access to support in terms of market research was ranked almost as highly as help in sourcing finance – entrepreneurs are clearly aware of the need to understand their markets and their customers. Overall, respondents thought that sourcing finance, market research, business planning, networking, marketing and PR were the areas of support they would benefit from the most in the current economic climate. As a result of these findings the Business & IP Centre has responded by increasing its support in these areas.

[image]

Since the 'Credit Crunch' in the autumn of 2008, the Centre has regularly surveyed users about the impact of the recession and the resulting support they need. 872 have taken part to date.

The Business & IP Centre is addressing the needs of London businesses during the recession by: offering workshops and advice sessions; helping unemployed people to develop business skills; supporting students to become entrepreneurs; providing networking opportunities; opening the tendering process at the Library to users and conducting a major campaign to raise awareness of the Centre.

A regular series of free 'hands on' practical workshops, such as A Beginner's Guide to Intellectual Property and Knowing Your Market, are designed to teach people the skills they need to carry out their own effective business and intellectual property research. Not surprisingly in the current climate, many of the Centre's users are unable to afford commercial prices and the Library has been able to agree highly discounted rates with its partners in order to run these events.

The figure below demonstrates that the level of use of the Centre by unemployed people more than doubled between April 2008 and January 2009. To meet the

growing needs of unemployed users, the Centre has worked with many organisations, including the leading outplacement firms (Drake Beam Morin, Penna Consulting, Right Management and Rialto) and JobCentre Plus to promote our resources to unemployed people, including those who have recently been made redundant. According to the outplacement firms, over a quarter of their clients are considering self-employment or starting up their own businesses.

[image]

2. What support for business start-ups (in terms of the three main areas out lined above) do you think the Mayor and the London Development Agency (LDA) should provide?

1. Access to Finance:

As previously mentioned, a survey of 127 users conducted by the Centre during Enterprise Week in November 2008, revealed that 57% of respondents were interested in receiving support in sourcing finance in the current economic climate. In order to support our business users, the Centre runs workshops and refers people to its partner organisations to give correct and clear advice on access to finance. For example, a new series of events, Financial Fridays, will run from April 2009. These jargon-busting sessions will help to explain terms including 'profit and loss', 'cash flow' and 'return on investment' and give them the tools to run their business finances. We welcome the Mayor's pledge to address this key area concerning access to finance and would be pleased to act as a vehicle for future plans in this regard.

2. Business Advice

a) Promoting 'best practice'

In May 2008, Shadow Business and Enterprise Minister, Mark Prisk MP, described the Centre and its work as "an exemplar of how we should move forward." Given our track record, we would appreciate the Mayor's support in promoting the Centre as a resource which supports London's entrepreneurs, business support agencies and, therefore, its economy, particularly during the current financial downturn. The Centre is in a position to provide advice and information on intellectual property to support entrepreneurial ambition, as well as assess whether specific business ideas are viable. We welcome the Mayor's Economic Recovery Action Plan which states that the London Development Agency (LDA) will run a major publicity campaign to ensure that small businesses are aware of the wide range of support and advice services on offer and we look forward to working with the LDA in the delivery of that campaign.

b) Support for Mentoring

User demand and focus group research at the Centre indicate that aspiring business people value experienced mentors to both help build their confidence and successfully develop viable businesses. Moreover, several of the Centre's mentors have provided 'seed funding' to their mentees. We urge the Mayor to adopt a strategic approach to this crucial area of business support and would be pleased to assist in developing a related strategy.

c) Intellectual Property

London is a world leader in the creative economy. Businesses of various sizes and sectors play a role in maintaining this position and, as such, business owners are becoming more aware of issues surrounding intellectual property and how to exploit it. Smaller firms in particular are considering IP of increasing importance.

For example – Mark Sheahan, founder and MD, Compgen Ltd, and ‘Inventor in Residence’ at the British Library – visited the Centre when developing his ‘Squeezeopen’ containers, a major breakthrough in packaging design. He was able to check on existing patents for packaging and his product has been taken up by major producers in the USA, Japan and the UK: “It’s vital to do thorough searches. Otherwise you can waste so much time, and companies can spend thousands of pounds, developing an idea, only to find that a patent already exists.” Mandy Haberman, inventor of the “Anywayup Cup”, which has revolutionised the infant feeding cup market, used the Centre’s intellectual property information and expertise to research and protect her patent: “As an independent inventor and entrepreneur, I know how essential it is to research and protect your patent. The British Library’s Business & IP Centre houses intellectual property information and expertise which can demystify the patenting process and save you thousands of pounds on lawyers’ fees.”

Further evidence that users are becoming more aware of the importance of intellectual property can be seen in recent Business & IP Centre events such as Making it by Design, in which Mandy Haberman (mentioned above) and Sebastian Conran demonstrated how entrepreneurs and inventors can add value to their intellectual property through collaborating with designers. Over 100 people attended the event and existing users of the Centre were twice as likely to have taken action to protect their intellectual property as non-users.

We urge the Mayor to recognise the importance of intellectual property to smaller firms – as part of this investigation into support for business start-ups in London – as a key component in helping to underpin London’s creative sector and related position on the world stage.

d) Business models for delivering business support

We believe that our business model enables successful delivery of business support in the capital. One of the key ways in which this can be demonstrated is through the cost savings that we have made through our Partner Programme. We are able to offer complementary workshops and valuable advice for free or at highly subsidised rates. We estimate that, together with our business partners, we are subsidising workshops, events and one-on-one advice to our users by over £500,000 pa.

As previously referenced, the following business experts give free one-hour one-on-one advice and basic mentoring as part of the Centre’s Ask an Expert programme. Their charge-out rate or fees would be at least £1,000 per day in the commercial market:

- Rachel Elnaugh, entrepreneur, former dragon from BBC2’s Dragons’ Den, business speaker and mentor;
- Mark Sheahan, entrepreneur and inventor, the Centre’s Inventor In Residence;

- Kresse Wesling, social entrepreneur, government social enterprise ambassador and founder of Babaloo and EAKO;
- Helen Parkins, legal expert, specialising in SMEs;
- London Business Support Services team of business advisors.

Several government-funded partners, such as Business Link in London and Ideas21, also give free one-on-one advice sessions in the Centre. We would like to offer the Mayor our assistance in terms of developing effective business models for delivering support to London's business start-ups during the current economic climate.

3. How effective do you think Business Link is in specifically encouraging and providing support to business start-ups in London?

The Business & IP Centre has spent three years building a relationship with Business Link in London, to ensure best practice and encourage referrals from both organisations. Business Link is invited to exhibit at all of the Centre's large-scale events, to increase awareness of the service it provides entrepreneurs. Business Link is also invited to hold one-on-one 'Innovation Surgeries' at the Centre twice a month, which also enables a greater number of people to benefit from the resources it offers.

Quarterly meetings are held to maintain effective communications, especially regarding referrals, and we regularly visit the Business Link Central Call Centre, to ensure all staff are aware of what is offered by the Centre and vice versa. All Business Link delivery teams and partnership teams are invited to come in for tours and presentations in order to learn what each other's organisation is offering to London's entrepreneurs and SMEs.

Business Link have developed a business link gateway – <http://www.businesslinkgateway.co.uk> – which has the potential to help support business start-ups in London and ensure a 'joined-up' approach between Business Link's relevant stakeholders and partners. However, it is felt that Business Link should be more active in encouraging collaboration between partners and key stakeholders and in cross-referring services. It should also play a more active role in helping to cross-promote partners through its website, exhibitions, events, advertising and other promotional materials. This would minimise customer confusion, increase awareness of business support services and ultimately provide better value for money.

4. Are there any particular sectors the Mayor and LDA should focus on in their support to small businesses starting up in London? Why?

The Centre's top three sectors in terms of usage are the creative industries, retail/wholesale and professional services/consulting. The Centre is also particularly strong in the area of design-led manufacturing and has many case studies to support this. Since we have never focused on a specific sector, but are open to all businesses, we do not feel that we are in a position to comment. However, it is of interest to note that the Centre is seeing a rise in the number of social and green enterprises starting up over the past year, albeit from a small base.

[image]

Conclusion

This submission has aimed to demonstrate the role that the British Library's Business & IP Centre plays in supporting business start-ups in London, particularly during the economic downturn, and also to help identify the role and potential role of the Mayor of London, the London Development Agency (LDA) and other public bodies in helping businesses to start-up and grow in the capital. It has highlighted the Centre as a 'best practice' model for business support, a status which is underpinned by high-profile support from politicians and business leaders alike:

"If we can replicate what the British Library has done here that would be a great step forward on business support."

Shadow Chancellor , George Osborne MP, May 2008

"The British Library is truly a model of innovation for the public and the private sector."

Richard Lambert , Director General of the CBI

Additional information can be found in the Appendix to this submission, a report detailing the Centre's support for users during the recession and outlining the activities we are pursuing in support of the Mayor's Economic Recovery Plan (December 2008).

SB026

[Not available for public viewing].

SB027

[Not available for public viewing].

Heathrow City Partnership Ltd

Evidence to the GLA Economic Development, Culture, Sport and Tourism Committee

This submission follows the oral evidence given to the Scrutiny Panel by Mr. Ash Verma, Chief Executive of Heathrow City Partnership Ltd (HCP), on 3rd March 2009.

It addresses the following four questions that we have been invited to comment upon:

1 What support does your organisation offer to business start-ups in terms of access to finance, business advice and accommodation? (Please include any recorded measurable impacts/results of this work)

Heathrow City Partnership Limited and its predecessor company Southall Regeneration Partnership Ltd have been providing Enterprise and Entrepreneurship advice, guidance and training for over 8 years.

The organisation assists clients from a wide cross section of the community, many of whom are from disadvantaged backgrounds and looking to improve their lives by starting up new businesses. We also provide support to SMEs who are looking to innovate and grow and trade overseas.

This support is provided through business start-up seminars, one to one advice sessions, on-going coaching and mentoring and specialist training events covering a range of related subjects such as Business Planning, Cash Flow Management, Marketing, Branding, Procurement and International Trade through a team of highly qualified, experienced and SFEDI accredited business advisers.

The key elements of business support services provided are:

- i) Southall Business Centre – This provides 20 incubation units coupled with meeting and seminar facilities. The centre offers a holistic and integrated one stop support environment to local entrepreneurs and SMEs where they can access business support and workforce development services.
- ii) The range of Business Support Services include:
 - a. Business Start-up Workshops.
 - b. Business Planning Support.
 - c. Support for Access to Finance.
 - d. Coaching and Mentoring.
 - e. Support with International Trade Activities.
 - f. Self employment opportunities for Lone Parents
 - g. Work Opportunities for Women, including support into self employment.
- iii) Other specialist projects:
 - a. Actor Prepares – An acting school for UK residents to train for acting opportunities in Bollywood films.

- b. Workshop Force Development – including training for Health and Safety and Food Hygiene certificates.
- c. Employment Support.

Each year around 300 beneficiaries attend our Business Start-up Seminars. One in three of those who attend the seminars go on to start an enterprise with support from an HCP Business Advisor. One in ten of these business starts-ups have required access to additional funding to get their business off the ground.

Between 2005 and 2009 HCP has:

- Provided training and support to approximately 2000 beneficiaries seeking to start a business
- Supported the creation of approximately 500 new businesses and a related number of jobs
- Supported a range of SMEs as a direct consequence of which around 500 jobs were created and/or safeguarded.

In the main, our Business Advisors work with beneficiaries from the start and help them evaluate their idea, develop their Business Plan and produce a supporting cash flow forecast.

It is a measure of the quality of support provided that local banks frequently refer individuals who approach them for a loan to HCP for assistance with the development of their Business Plan and Cash Flow Forecasts prior to considering their case.

One bank HSBC, is particularly supportive of clients who apply for a loan if they demonstrate that they are receiving support from HCP Business Advisors.

Other agencies in West London report that they too have noticed that banks are more willing to provide banking facilities to new business starts when they are known to have access to support from their business advisors.

HCP has also responded to a demand for affordable office facilities by the provision of both virtual and physical office space. The virtual office includes a business address, mail collection facility and access to meeting rooms and conference facilities. This enables the new/young businesses portray a creditable image of their enterprise, which has a substantial impact on their chances of securing orders.

In addition to the above, HCP has a run a number of Business Support events in conjunction with local banks, Thames Valley University, Local Authorities (particularly Ealing and Hillingdon Councils) and major local businesses.

Our clients are told at the outset that they once they sign up to the HCP business support program it is in their interest to stay in touch with the organisation on a regular basis and that our business advisors are always available for telephone or one to one meetings.

In our experience the clients who have had the greatest success in turning their business idea into a thriving enterprise have been those individuals who have taken us at our word and kept in regular contact. We are able to provide some notable examples if needed.

The areas of business advice that are called on most frequently are:

1. Business Planning and Financial Forecasting.
2. Market Research and Sales Forecasting.
3. Developing and implementing Marketing Plans. Increasingly this includes the use of Internet Marketing techniques.
4. Assistance with raising finance.

2 What support for business start-ups (in terms of the three main areas outlined above) do you think the Mayor and the London Development Agency (LDA) should provide?

Based on our regular customer feedback reports and information gained from the ongoing dialogue with our business start and coaching and mentoring clients, we believe that the Mayor and the LDA should continue to invest in; Business Advice; Access to Finance and Accommodation – in that order.

Our clients tell us that the service they value most is the access to free business advice. They regularly comment that the ability to call on their advisor for continuing advice and guidance in the early phase of their business proves to be extremely beneficial and is the what most enables them to drive their enterprise forward with confidence. This view is supported by studies in the subject which show that new businesses that have access to support have a 50% greater chance of success.

The second key area that the Mayor and the LDA should invest in is facilitating Access to Finance.

Accessing funds for business starts has always proved difficult particularly if the individuals have little or no collateral to secure any loans against.

In the face of the current economic climate this has become even more of a challenge for business start-up clients.

The LDA backed GLE Access to Finance program does provide a useful source of last resort. However there are three major factors which devalue this facility:

- Firstly the upper limit of £7500 for Business Starts is often much lower than the sum required to start any serious enterprise.

- Secondly the fact that the payback period starts immediately is not helpful. Most new enterprises need at least three months to get established before they start to generate the anticipated cash flows.
- Thirdly the fee charged for the loan is quite high. This is justified by the lender on the basis that the applicants are high risk. Nonetheless the high rate that places an additional financial burden on new enterprises just at the time when they are under the greatest financial pressures.

There is also significant merit in the Mayor and the LDA supporting the creation of affordable and supported accommodation for new and young businesses. It is acknowledged that access to accommodation is often not the most important factor for new start up businesses as most can be run from home during the initial phase. However this situation soon changes because businesses find that it is often not always practical to hold these meetings or transact business on residential premises. Running a business from home also does not portray the enterprise in a good/ professional light.

One option is for the Mayor and the LDA to provide support to enterprise agencies to provide virtual office facilities for Start-up businesses. The virtual office should constitute a business address, facilities for meetings, a service for handling mail addressed to the businesses, facility to take personal messages and book meetings for clients. This would give the new business a professional image from the outset.

The Mayor and the LDA should continue to provide subsidised accommodation to new SMEs for the first 2 years. This is the critical period in the life of new businesses and is a period during which few of them can afford the commercial rent and rates.

The units funded by the Mayor and the LDA at our Southall Business Centre and Hayes Business Studios, is a good example of the type of accommodation that should be provided.

However to gain maximum value out of the significant capital invested in these projects the Mayor and the LDA need to provide revenue funding to ensure the physical space is used to the optimum benefit of the tenants. Thus as a minimum the Mayor and the LDA should fund two posts in such incubation centres – a Centre Manager to market and manage the facility and an administrative officer to provide support for the tenants.

Our tenants tell us that in addition to the cost savings that incubation units provide, they also value the fact that they have access to business support on site.

Another benefit quoted by the tenants is the fact that they are able to network with other small businesses on an ongoing basis. This has on occasions led to collaborations between tenant businesses and helped both increase their productivity and profitability.

3. How effective do you think Business Link is in specifically encouraging and providing support to businesses start-ups in London?

The Business Link brand is well established and recognised. It provides a gateway for a range of business support funded by Government. HCP has an excellent working relationship with Business Link for London.

We believe the Business Link for London's current role is not designed to provide the type of support that start-up businesses need, especially in the current recession.

We also believe that Business Link is not the ideal organisation to provide direct support to individuals from disadvantaged communities.

This is one of the reasons why organisations such as HCP are able to work in effective partnership with Business Link and provide a joined up and coherent offer to the target beneficiaries. We believe that added value for the provision of business support services comes from local knowledge, relevant expertise and relationships with big and small businesses and organisations in the very areas where many start-up companies and SMEs operate.

4. Are there any particular sectors the Mayor and LDA should focus on in their support to small businesses starting up in London? Why?

From our extensive research into sectors and cluster, and our long established experience of supporting enterprise and entrepreneurship projects, we believe that the following sectors / clusters should be targeted for public investment:

- Food – Restaurants as well as manufacture and supply of products.
- Creative Industries – particularly new media based companies.
- Tourism and Hospitality.
- ICT
- Professional Services.
- Social Enterprise projects.

The above list is not exhaustive. They are chosen because not only are they all acknowledged to be within the current growth sectors in terms of employment and sustainability, but some of them also have the potential to reach new and emerging markets overseas.

Food and Creative Businesses have a good history of success in the West London area.

There is also a growing trend amongst the younger entrepreneurs to embark on businesses in the new technologies arena, such as internet based enterprises.

In addition to focussing on specific business sectors such as those suggested above, the Mayor and the LDA should provide support to individuals from groups such as the over 50s, Lone Parents and individuals on Incapacity Benefits who find it difficult to obtain employment but have skills which could be deployed to start home based enterprises. This could perhaps be linked to the Social Enterprise projects suggested above.

The Mayor and the LDA should also provide particular introduce programs for:

- Business start-ups that support the Mayors environmental agenda, by making grants rather than loans available.
- New product development projects as this could be a source of revenue generation for London and indeed the UK through export sales.

Ends

26th. March 2009

Ealing Council

Ms Tade Adepoyibi
Scrutiny Team
City Hall
The Queen's Walk
London SE1 2AA

**Ealing Council
Perceval House
14-16 Uxbridge Road
Ealing
London
W5 2HL**

25March 2009

Dear Ms Adepoyibi

Re: London Assembly investigation into the support for business start-ups in London

I am writing in response to Dee Doocey's letter of 27th February 2009 regarding the above matter, and to address the following specific questions asked:

1. What support does your borough currently offer businesses wishing to start in its area in terms of access to finance, business advice and accommodation?
2. What, if any, plans does the borough have to increase its support for business startups in the future?
- 3.

Ealing Council does not deliver direct business support to start-ups, but works with and through various partners who do. These organisations include Action Acton (AAL), Park Royal Partnership, Heathrow City Partnership (HCP), Business Link and West London Business. A summary of their activities is attached in an appendix to this letter, although it should be noted that the future of some of these organisations is uncertain due to uncertainty regarding their funding.

The Council's involvement ranges ,from board membership to running joint events (with the partners above and others) and direct cash funding for specific initiatives. For example, we secured £100,000 of section 106 money towards the development of affordable business incubation units at Southall Business Centre (formerly Southall Town Hall) - managed by HCP and we are currently involved in discussions with AAL and Shepherds Bush Housing Association on the provision of 61 units in W3.

While the Council does not provide direct business support, of the nature you describe for start-ups, it is involved in a number of projects targeting SMEs and local independent traders. These include;

GLE One London loan fund workshops: A successful joint workshop was facilitated by the Council working with One London and other partners to provide "access to finance" and other business advice - late last year. Planning is underway to hold 3-4 further sessions this year.

Heathrow Area Supply Chain: Building on the success of an annual Heathrow Meet the Buyers event, the three boroughs of Hillingdon (lead), Hounslow and Ealing have submitted a joint ERDF I ESF bid for a three year supply chain programme aimed at helping SMEs and BAME owned businesses to secure public sector and Airport related contracts.

Let's Talk Business: Joint business support events to provide advice, support and networking opportunities to local businesses - working with the National Black Women's Network and others.

Shop Front Improvement Grants: As part of the Council's investment in its town center regeneration programmes, funds have been allocated to develop a shop front improvement grant scheme to be delivered over the next two years - largely aimed at independent traders.

Visual Merchandising and Customer Care Training: As with shop front grants, this project is part of the town centres' regeneration programmes. It is due to be Commissioned by May/June 2009 and delivered over an eighteen months period.

I hope this information is useful. If you have any queries on the detail I would suggest you contact Economic Regeneration.

Yours sincerely

Chief Executive

Haringey Council

Tade Adepoyibi
Economic Devpt, Culture, Sport and Tourism Committee
City Hall
Queen's Walk
London
SE12AA

Dear Ms Adepoyibi

Re: London Assembly investigation into the support for business start-ups in London

I am writing in response to the letter dated 27 February from Dee Doocey, Chair of the Economic Development, Culture, Sport and Tourism Committee.

Haringey's strategy for business support is outlined in our Regeneration Strategy, People, Places and Prosperity. The strategy's vision is to put People, Places and Prosperity at the heart of regeneration in Haringey, and this focus will have a positive impact on all major developments in the borough.

Our key priorities are:

- To unlock the potential of Haringey residents through increasing skill levels and raising employment so that they can contribute to and benefit from being part of one of the most successful cities in the world.
- To transform Haringey into a place in which more people want to live and invest by using the opportunity of major sites and key locations to create positive change.
- To develop a 21st century business economy that offers opportunities for sustainable employment and enterprise, to help make Haringey a place people want to work, visit and invest in.

We aim to build upon a culture of entrepreneurship and business growth in the borough. The borough's stock of VAT registered enterprises has steadily risen year on year, from 5,150 in 1994 to 7,140 in 1998. With the release of the combined dataset of VAT and PAYE registrations - the dataset for **NI** 171 in our basket of **LAA** indicators - the trends show that the registration rate has increased from 66 (newly registered businesses per 10,000 population) in 2002 to 83.1 in 2007.

We have proposed a challenging target to raise our performance relative to the London wide average. As a result of this, we will expect business support provision that we commission to further develop the spirit of enterprise in the borough, and to promote equality by encouraging groups in the Black, Asian and Minority Ethnic (BAME) communities, amongst women and those with disabilities.

We supported the Haringey City Growth programme, which since 2006 has been managed by North London Business, and which has just reached completion. Support was focussed on 5 business clusters: Business & Professional Services, Creative Industries, Food and Drink, Retail and Sport, Leisure and Tourism. A total of 240 businesses spread across the

clusters were supported in this time, at an approximate cost of f20k per cluster. A full evaluation of this programme is currently being undertaken by the LDA. Haringey Council offers some direct business support to start ups via the Business Lounge in Wood Green library, which is supported by Business Link, and over the last 12 months 225 businesses have been supported of which 80 were start ups. Our Area based grant allocation for 08/09 supported over 150 businesses via partnership work with 9 external organisations, and also helped promote economic prosperity through funding a number of business events. We are also developing a town centre based approach to economic development, which will give the local authority a direct line to the private sector business communities across the borough. At present we have robust traders' associations in Crouch End and Tottenham, and are in the process of formalising a business forum in Wood Green, and have also started a similar process in Muswell Hill. These discrete traders' associations and business forums will link into the Haringey Business Board, a private sector led business board, which will be private sector led.

Area Based Grant funding for 09/10 and 10/11 will also be directed at business support initiatives; we have E600k over two years and we will be supporting local businesses, including support around supply chain and procurement, new VAT registrations, the economic downturn, franchising, access to finance and social enterprise. The commissioning document has just been released in the public domain and is available on the Haringey website: www.haringey.gov.uk/enterprise-funding

The closing date is 03 April and we expect delivery to commence by early June.

Yours sincerely

Chief Executive

Lloyds Banking Group

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SE1 2AA

Lloyds Banking Group plc
25 Gresham Street
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25 MARCH 2009

Dear Ms Adepoyibi,

London Assembly investigation into the support for business start-ups in London

Thank you for your letter to our Group Chief Executive, Eric Daniels, inviting views as part of the Committee's investigation into support for business start-ups in London. I am pleased to be able to provide the Committee with the following information, which I hope will be useful in informing the Committee's views.

The Lloyds Banking Group has relationships with over 800,000 SMEs in the UK through the Lloyds TSB Commercial and Bank of Scotland brands. We serve business customers across London, from one-person start-ups to larger, established enterprises with a turnover of up to £15 million.

Supporting small business start-ups

We understand how daunting starting a business can be. At Lloyds TSB Commercial, we provide businesses with a named manager and start-up businesses enjoy 18 months free day-to-day banking. We also provide a range of free guidance services to help businesses get started, including:

- Free Sage Planning for Business software to help businesses set out their plans.
- 90 day free trial of Sage Start-up-day-to-day accounts package, with up to 50% discount thereafter.
- Free guidance book 'Getting started in business' which outlines the many aspects that need to be considered when starting a business.
- Free business opportunity profiles, covering over 500 different types of enterprise.
- Free business guides which complement the 'Getting started in business' book and cover a range of situations businesses could encounter.
- We are also running a series of events throughout London on helping businesses manage through these more demanding economic times.

In 2008, we supported over 7,000 new start-up businesses in London. Inevitably, in 2009, we expect this number to slightly fall, but we continue to expect to work with many new businesses over the course of the year.

Supporting small businesses

Relationship banking is at the heart of our small business strategy. That means working with and understanding the financial and non-financial needs of our customers, building a relationship with them to help them grow and prosper.

Given the current economic challenges, there is understandably political, media and public concern about banks' lending policies and particularly how this impacts SMEs. Lloyds TSB Commercial has a through the economic cycle approach, which means that we aim to maintain our credit standards through the good times and the more economically challenging times. For that reason, we have made no significant changes to our lending criteria.

In 2008, Lloyds TSB Commercial grew its small business lending by almost 20 per cent on a national basis. Unfortunately we do not have a breakdown of this figure for London. We expect our lending to continue to grow in 2009 and we are already taking advantage of new Government schemes, such as the Enterprise Finance Guarantee.

The Lloyds Banking Group is committed to supporting its customers through the economic downturn and in December, both Lloyds TSB Commercial and Bank of Scotland separately launched customer support packages. The Lloyds TSB Commercial SME Charter commits to:

- Pass on, in full, all reductions in the Base Rate throughout 2009.
- Not to change the price or availability of overdrafts during the period of a customer's agreement as long as their accounts are maintained within agreed terms and limits.
- Agree to any reasonable request for short term finance and do what we can to support any viable business through temporary difficulties.
- On renewal of an overdraft facility, we will only change the limit or the price if the risks associated with the customer have changed materially.
- Small business borrowing will not be switched from Base Rate to LIBOR.
- We are hosting a series of 120 business advice seminars across the UK to provide expert guidance and support for small firms and to strengthen local networks of business.

I hope that this information is useful to the Committee's investigation and should you require any further details, please do not hesitate to contact me.

Yours sincerely,

Senior Manager. Public Policy & Regulation

London borough of Hillingdon

Dee Doocey
Chair Economic Development, Culture, Sport and Tourism Committee
London Assembly
City Hall
The Queen's Walk
London
SE1 2AA

Ref:

24t March 2009

Dear Dee Doocey

London Assembly investigation into the support for business start-ups in London

Thank you for the opportunity to contribute to the investigation.
In Hillingdon support to small businesses and advice on business start-ups is primarily the responsibility of the Business Link service. The contract in Hillingdon and Ealing is managed by West London Business and delivered by Heathrow City Partnership under its City Enterprise Programme. This programme funded by the London Development Agency and will run until March 2010.

The Council is not resourced to provide support to individuals or small companies but continues to play a key role in forging partnerships, which support the growth of small businesses within the borough.

For the last two years the Council has supported Brunel University to deliver the Hillingdon Women in Business programme. This programme has supported some eighty women. Growing out of the success of the initiative Brunel has secured funding to establish an Enterprising Attitudes Programme.

The Programme, which has recently started provides those with an aspiration to set up their own business with all the skills and support that are required.

The flagship in the Council's support to business start-ups is the creation of Hillingdon business studios. A partnership, which saw the Council working with the LDA and Uxbridge College, delivered a purpose built business centre, which provides 10 self-contained studios. The studios built in the grounds of Hayes College Campus provide a business environment primarily for young people (under the age of 30) to pursue the goal of establishing and managing their own businesses.

SB032

In addition to be providing quality accommodation at a below market rent for up to two years the centre boasts its own manager who is available to provide advice and practical support.

The Council will continue to work with its partners to support the growth of small business within the borough and would urge the Economic Development Culture and Tourism Committee to recommend to the Mayor for London Councils to be given a much wider role with corresponding resources in supporting business start ups.

Yours sincerely

Partnerships, Business and Community Engagement Manager

Greenwich Council

Dear

RE: London Assembly investigation into the support for business start ups in London

Thank you for the opportunity to contribute to the London Assembly's investigation

The response to the information you have requested is set out below. Please contact me should you require any further information.

**1) What support does your borough currently offer businesses wishing to start in its area in terms of access to finance, business advice and accommodation?
(Please include details of the cost of this support, any specific sectors supported and any recorded impacts/ results of this work)**

a)

Business start up support in Greenwich is primarily delivered by the borough's enterprise agency, South East Enterprise (SEE).

SEE is part of the HELP Consortium delivering the "Business London: Start-Up and Micro Business Support and Skills" programme. The Helping East London Prosper (HELP) consortium has the contract for delivering the programme in the eastern sub-region.

The service is delivered via a combination of one to one advice and workshops. The start up workshops cover a range of topics such as introduction to running a business, marketing, finance and business planning.

The service delivered by SEE is complemented by the activity of other agencies such as Business Link in London and the Princes Trust.

b)

In 2008/09, neither SEE or the Council provided finance to start up businesses. Businesses secure funding from mainstream sources, or from publicly funded access to finance projects that are administered by agencies such One London or the East London Small Business Centre. We are currently developing a programme linked to the Working Neighbourhood Fund which may result in a targeted start up programme in 2009/10

c)

The costs of the service are commercially confidential between ELSBC and SEE. However, the funding covers the cost of one full time business adviser, marketing and training workshops. The gross cost of a business adviser is approximately £42,000 per year. Additional costs such as marketing, management, premises, room hire, training materials and administration would bring the total cost of the service to approximately £55,000 per year.

d)

One business adviser is expected to start up at least 30 businesses per year.

e)

The business start up service in Greenwich is not restricted to any specific sector.

f) At this time, the Council does not provide specific accommodation, such as incubation space for start up businesses. The Council's Business Support team maintains a premises database of available premises. The database also includes details of council owned business premises and can be accessed via the internet. The Council's Business Support team actively works with agents, the planning department, developers, landlords and other business support partners to help companies move into premises in the borough.

2) What, if any, plans does the borough have to increase its support for business start ups in the future?

Greenwich Council is reviewing the need to secure support for business start up services in view of the following issues:

- The planned reduction of the LDA budget for start up funding
- The uncertainty of future funding for start up services
- The increased needs of the business community resulting from the recession

Yours sincerely,

Business Support Services Manager

SB034

[Not available for public viewing]

Ummah Foods Ltd

Telephone conversation to use as formal submission

Conversation took place 30 March 2009

Khalid mainly works in the food manufacturing sector however has worked for over 5 years- helping and running his own other start ups and micro businesses.

- Khalid takes care of many entrepreneurs micro businesses looking for grants. Khalid has found there is a lack of understanding by government of micro businesses and start-ups. Most finance available is offered by enterprises is for business with 10 or plus employers- which rules out micro businesses industry.
- A lot of support for ethnic minority businesses is about ticking the right boxes-. That is, paid consultants and agencies are 'ticking boxes' stating they have assisted ethnic businesses, but they have no real idea of how to actually advise minority business- 'I advise ethnic businesses to not go to agencies for support'.
- There is grants available out there but they seem to be going to well established giant corporations. There are loans out there but they are not easy to access for micro businesses.
- Lack of networking or office facilities- most effective support for minority ethnic business have been from fellow business people.
- I help a lot of young mothers who are trying to start up business- but there is no childcare facilities in accommodation hubs provided by boroughs
- Local boroughs have no knowledge of business—I'm based in Redbridge- some people I help out are better off moving out of Redbridge and into a neighbouring borough to set up their business (particularly young mothers).
- London assembly- London is so complex. RDAs have huge amounts of funding and are able to focus on specific business areas to improve. Similar amount of money that is applied to other RDAs should not be applied to London. In many senses each borough in London itself could represent a different RDA. London is unique, it should not be treated as another RDA- it is much more complex than that.
- I have worked with York forward.
- Minority business- more support is required. Large private public sector organisations involved in procurement etc and talking about diversity- when they as an organisation are not diverse themselves.
- Business networks are the most effective way of developing contacts etc.

- London has the potential to become Islamic goods and services centre/'start-up hub' of the world for micro businesses in this sector and for minority entrepreneurs wishing to start up is simply not there.
- LDA – I don't really know what support is out there in terms –lack of advertising support that is out there-marketing to bring awareness is needed.
- Possibly the LDA could consider having a micro business start-up champion- or panel, or taskforce advisory group- made up of micro businesses- so they have a voice.
- Once you start a micro business- you will find it impossible to get a mortgage and you are too unlikely to get another job- the Mayor should try and assist in this area
- Businesslink- needs to be standardised.
- Thames gateway project- where has that money gone. The Mayor should put pressure on local authorities- they are not looking at enterprises or start-ups- they are looking at keeping new business afloat.
- Premises/accommodation scheme in Redbridge (valentines mansion) scheme to support young artists. They are required to pay £150 rent required per month- good example. There is so much unused accommodation across London- if the Mayor could open this up across London it would be beneficial.

Prime

London Assembly: investigation into the support for business start-ups in London

Evidence submitted to the Economic Development, Culture, Sport and Tourism Committee by PRIME

PRIME is an initiative founded by HRH The Prince of Wales to provide a self-employment service to people aged 50+ across the UK. It is the only national organisation dedicated to helping people over 50 to start their own business or enterprise.

PRIME complements the work of Business Link by providing a concentrated pre-enterprise service geared to the specific needs of the over 50s, and enabling them, when “enterprise ready”, to benefit from the mainstream services of Business Link. PRIME also provides the Zopa-PRIME olderpreneur micro-loan scheme for those who cannot raise funds through the traditional banking system.

PRIME has been frustrated at both the lack of awareness of the need for tailored pre-enterprise support for the over 50s in London, and, as a consequence the lack of funding for a service geared towards the needs of the potential “olderpreneur”.

The statistical base

A PRIME analysis of those aged between fifty and state pension age (SPA) across the UK is appended. These data are pre-recession and therefore do not reflect difficulties that those over 50 might be experiencing in current labour market conditions. Recession data is not yet available.

Superficially it appears that the over 50s in London might be doing marginally better in the labour market than in most regions and nations of the UK. However this might appear to be the case because those aged between 16 and 49 in London are doing worse in the labour market than anywhere else in the UK. This means that, in the London labour market, those aged over 50 are doing no worse nor any better than those aged 16-49.

Percentages can also mask magnitude. In London there are more people aged over 50 who are workless than anywhere else in the UK apart from the North West region and the South-East. In the South East there are some 400,000 more people aged 50 – SPA than in London, and yet in the South East there are only 3,000 more workless people in this age cohort.

There is very little data on what the workless are doing. The best estimates are those made in “*Winning the Generation Game*” (Cabinet Office 2000), see table below. There is no reason to assume there has been an increase in the number of people retiring with an adequate pension. In fact there is good reason to assume the numbers falling into

this category will have reduced since the ability to retire at 50 has been very severely curtailed.

	% estimate in "Winning the Generation Game" of activity of the workless
Incapacity Benefit (now ESA)	49%
Retired on adequate pension	9%
Retired on inadequate pension	18%
Caring	17%
Registered unemployed	7%
	100%

From Smallwood & Obiamiwe *"Improving the Employment Prospects for the over 50s"*
PRIME 2008

The key question is whether people over 50 are likely to find "employment" i.e. find financial self-sufficiency as an employee. There has been no proper study or research of which PRIME is aware. The Centre for Research into the Older Workforce (McNair et al, 2006 *"Older Workers in the South East" CROW*) showed that within six months of registering as unemployed, 8 people out of 10 aged under 50 had found work, whereas only 2 people out of 10 aged 50+ succeeded in finding employment. There is no reason to assume that these statistics have improved, and every reason in the current recession to assume they have worsened. Data from PRIME's report *"Generations Forgotten"* to be published shortly on PRIME's website, demonstrates that the majority of people aged 50+ believe they are unable to find "employment" because of the ageist attitudes of employers.

The data appended shows that 22.4 per cent of those aged 50 – SPA in London who are in work are self-employed. Obviously many of these became self-employed prior to reaching their 50th birthday. PRIME is working with the Global Entrepreneurship Monitor (GEM) to gain a more accurate picture of the over 50s and self-employment. About 4 per cent of those aged over 50 start their own businesses per annum. This is over one-third of a million new businesses in the UK each year. Assuming there are 4.3 million businesses in the UK, this means each year at least 8 per cent of these are new businesses started by people over the age of fifty.

It is clear from these data that since people aged over 50 find it difficult to gain "employment", there could be much to be gained by seeking to assist this group into self-employment to start their own businesses.

Is it worth investing in self-employment for the over 50s as a special group in London?

PRIME has attempted to engage the London Development Agency in a dialogue about self-employment and the over 50s on a number of occasions and feels that the LDA does not appear to see any virtue in special funding for self-employment for the over 50s.

PRIME's Report "Generations Forgotten" demonstrates that many more people aged over 50 would be interested in considering self-employment if they felt that the attitude of society encouraged this and if they felt there was help specifically tailored for their age group.

PRIME would argue that three things are necessary to generate more entrepreneurialism amongst the over 50s, namely:

- (i) an **attitude** in society that suggests that olderpreneurship – enterprise amongst the over 50s – is generally seen as an appropriate response to unemployment:

The PRIME Report "Generations Forgotten" shows that we are in a society that appears to believe that enterprise is for the young. Clearly there is an attitude in society that enterprise is not appropriate for the over 50s. PRIME is endeavouring to change this and would welcome help from the London Assembly and LDA.

- (ii) the **aspiration** by people over 50 to set up their own businesses:

It is an oft repeated nostrum that the over 50s are not interested in enterprise. Data in the PRIME Report "Generations Forgotten" shows that just under 40 per cent of the over 50s age cohort were engaged in enterprise, actively considering setting up a business, or would be inclined to consider self-employment if tailored help was available. Clearly the aspiration is there, contrary to common belief.

- (iii) there is **activity** which encourages or provides help for potential olderpreneurs:

There is very little specialist business support activity for the over 50s in London. Where there has been activity (e.g. the London Met University ran a special course for women aged over 50) it has been very successful. PRIME has a tried and tested pre-enterprise programme and would welcome the opportunity to put it into practice in London.

This is not to argue that there should be provision running parallel to that offered by Business Link. It is to argue that there needs to be pre-enterprise provision aimed at the over 50s which enables them to develop so that they can in due course make best use of the provision available through Business Link.

Many of the over 50s will never have considered self-employment before. Their concept of an entrepreneur will be that portrayed in the media by Dragon's Den or the Apprentice. This does not mean they are anti-enterprise. It means they need to understand what enterprise is, to be afforded the assistance to help consider whether it is relevant to them, and to understand how they can orienteer on the enterprise journey where previously they had no route map. They will need help in their personal development so that they are ready to approach Business Link. Finally they need the space and provision tailored to their needs which gives them the confidence to move forward,

What is the PRIME programme?

In other parts of the UK PRIME has been offered the funding to:

- (i) undertake recruitment and awareness raising activities so that the over 50s can become aware of the opportunities for enterprise:
- (ii) train and co-ordinate mentors to help the over 50s who are considering enterprise to work through the issues with someone to help them. This is not business advice but mentoring in the context of moving on to self-employment:
- (iii) provide personal development activities. These can range from helping someone to find an appropriate business idea, understanding concepts like marketing that have been “professionalised”, to helping them consider their IT needs (1 in 3 of those seeking help from PRIME have no or very limited IT skills and knowledge):
- (iv) deliver one-to-one help in areas of deprivation where unemployment and worklessness are endemic:
- (vi) complement the work of Business Link by providing a business adviser alongside the provision offered by Business Link:
- (vii) access a micro-loan through the Zopa-PRIME Olderpreneurs Loan Scheme. This is a peer to peer lending scheme for those whom the banks do not consider credit-worthy and requires a guarantee from PRIME of fifty per cent of the outstanding capital:
- (viii) create a business club which provides an environment for new olderpreneurs to meet, whether this be an actual meeting place or a virtual meeting place through www.primebusinessclub.com
- (ix) offer advice on exit from the business. PRIME has been horrified to find that many olderpreneurs work until they are in their 70s and then run down or abandon their businesses which, with timely advice, they could have sold a going concern.

PRIME has not been able to develop a strong presence in London because of lack of funding. However through PRIME’s key strategic partnership with Bank of America, PRIME has been able offer the following in London:

- (i) a universal pack of guides and work-books which helps some clients through the pre-enterprise phase:
- (ii) some awareness raising seminars and workshops
- (iii) access to the Zopa-PRIME Olderpreneurs Micro-loan

PRIME is aware that its offer in London fails to meet the weight of need for pre-enterprise help and support for the over 50s in the capital city. It is even more aware that though it is unable to provide the specialist help that is made available elsewhere because of a lack of funding, no other body has the funding or expertise to fill the vacuum. PRIME is optimistic that the investigation will highlight the lack of pre-enterprise and enterprise provision for the over 50s in London

Chief Executive

PRIME

April 2009

Federation of Small Businesses

The London Policy Unit of the Federation of Small Businesses welcomes the opportunity to respond to the questions posed by the London Assembly Economic Development, Culture, Sport and Tourism Committee as part of its investigation into the support for business start-ups in London.

We would respond to the specific questions as follows:

1. What support does your organisation offer to business start-ups in terms of access to finance, business advice and accommodation?

None.

The FSB does not offer such support either to its members or to the small business community as a whole.

2. What support for business start-ups (in terms of the three main area outlined above) do you think the Mayor and the LDA should provide?

The FSB believes that the Mayor and the GLA have a key role in supporting start-ups. However, we believe that certain factors need to be considered:

- Bank of England figures show that 64% of all new jobs in the UK are created by self employment¹
- The failure rate of new businesses is higher in London than in other parts of the UK².
- 50% of business owners do not feel they have the advice or information they need³.
- 33% of business owners say they would not now chose to set up their current business in London.⁴

A series of workshops run by the FSB and attended by the owners / managers of a range of microbusinesses resolved that the following measures needed to be addressed:

- There needs to be recognition of the difference between business advice and business support. At present, those two issues are confused.
- The FSB believes that business advice provision should be focussed on potential entrepreneurs and start-ups, and that business support provision should be concentrated on those businesses which are established and which are preparing for the first stages of growth (“teenage businesses”).

Any attempt to encourage start-up should be accompanied by:

- A major and regular programme of business advice seminars, designed for potential entrepreneurs prior to start-up to give them the chance to learn more about the realities of starting and running a business. The FSB has suggested

¹ Labour Market statistics First Release ONS April 2007

² Government statistics Oct 2007

³ FSB Credit Crunch survey Jan 2009

⁴ FSB London Members survey March 2008

that there should take place every week, be free to attend and should be centred on the Business and IP section of the British Library.

- A single initial source for all aspects of business advice – whether acting directly as an advice provider or as a signposting agency. After consultation with businesses, the FSB are of the view that this, too, should be based at the Business and IP section at the British Library, with satellite offices around outer London.
- A programme to ensure that potential business owners do not just have a business plan (there is no shortage of people who are prepared to help entrepreneurs create one), but also a business model, demonstrating a range of other issues such as indicators of value proposition, potential demand, competitive strategy, identification of competitors, market research to demonstrate need etc, and a range of other issues which need to be addressed to maximize the chances of a new business succeeding.
- The end of performance targets based on the number of start-ups created. In the words of one business owner, “Any idiot can set-up a business, and any idiot can advise someone to do so. What is important is whether that business can survive – that’s what any target should be based on!” Targets should be based on the percentage of start-ups which survive for, say, three years.
- An implicit understanding that, once a business had started trading, public resources (whether financial or not) should not be targeted to those “lifestyle” businesses which have no growth aspirations.

In other words, publicly-funded business advice and support programmes should not, after the initial start-up phase, target those businesses whose objective is only to provide employment for the business owner.

3. How effective do you think Business Link is in specifically encouraging and providing support to business start-ups in London?

As outlined above, the FSB believes that having a target for start-ups does not result in the most advantageous service to Londoners. Furthermore, we do not believe it should be the role of Business Link to encourage start-ups. Indeed, it could be argued that it is not appropriate for them (or other publicly-funded bodies) to be advocating entrepreneurship but should instead concentrate on ensure that those who wish to go down the path of starting a business do so aware of all the implications for their personal lives, finances, relationships etc.

4. Are there any particular sectors the Mayor and the LDA should focus on in their support to small businesses starting up in London? Why?

The FSB believes that historically since the creation of the GLA, too much emphasis has been placed on support for the financial services sector to the detriment of other business sectors. We consistently questioned whether the financial services sector was capable of delivering the growth in sustainable jobs outlined in the London Plan and in other Mayoral strategies. We hate to say we told you so, but...

SB037

We believe that the Mayor and the LDA should seek a broader base for employment in London and should also focus more on creating entrepreneurship in all parts of London. For too long, an excessive emphasis has been placed on the CAZ.

Camden Council

London Assembly

Economic Development, Culture, Sport and Tourism Committee
City Hall
The Queen's Walk
London
SE1 2AA

Dear Ms Adeyibi

London Assembly investigation into the support for business start-ups in London

Thank you for your letter dated 27 February sent to Moira Gibb, Chief Executive in reference to business start-ups in London.

I will address the two points you raised in turn.

1. What support does your borough currently offer businesses wishing to start in its area in terms of finance, business advice and accommodation?

Camden's enterprise support offer is currently delivered through the LDA funded Kings Cross and Finsbury Park Area Programme and also through Camden's LAA budget in meeting local enterprise growth priorities. There are also additional services delivered outside of the London Borough of Camden offer. Up until now the LDA and LAA programmes have funded a number of projects that offer support to start-ups all of which funding is due to end for on the 31st March 2009:

1. CENTA Business Service (CLEC)

The Central London Enterprise Consortium (CLEC) was formed to deliver a co-ordinated and high quality approach to the delivery of support to pre-start, start-up and micro businesses (1-9 employees) across the central sub-region in response to the current tender from the LDA. The aim is to support collaboration between key agencies, combining best practice, moving away from the previous model which was focused on individual borough based programmes.

The core delivery partners comprise: GLE oneLondon (lead Partner); CENTA; Portobello Business Centre; Islington Enterprise Agency and Prevista. CENTA is LBC's Local Enterprise Agency providing advice to Camden's residents.

CENTA's core service offered advice to start-up businesses (up to 18 months trading) comprised of initial awareness and support with development of ideas, business planning and business set up aspects, including improving performance, customer and market development, use of ICT. CENTA's work with micro businesses (0-9 employees)

The Consortium focused on support to entrepreneurs from key target disadvantaged groups across the Central sub-region including BAME, women, disabled people, older and younger entrepreneurs, as well as core priority sectors including creative industries, hospitality and food, ICT, construction, retail, environmental sustainability.

CENTA also provides subsidised accommodation through its workspace provisions in nearby King's Cross at Birkenhead Street, No 1 Euston Road and Argyle House.

Non LBC funded

LDA Funding Ends March 2009

Accommodation offer will continue

2. British Library - Business and Intellectual Property Centre

Based in King's Cross the B&IPC offers a comprehensive range of start-up support for everyone. It provides:

- Access the UK's largest collection of **business and intellectual property information**
- **Workshops and events for start-up and established businesses**
- One to one advice through its **business & IP information clinic** with a British Library expert or experience entrepreneur
- Three hours of free research from their **Research Service** for London-based businesses

Funding until 2011

London Borough of Camden is a Partner providing support

3. Community Based Business Advice Project Description

This project is to be delivered in partnership with the Association of Community Based Business Advisors (ACBBA) who specialise in delivering a new and fresh community based business advice approach that penetrates hard to reach communities in the most disadvantaged areas. The project funded business advisers based in a wide-ranging network of community organisations whose specialist knowledge and links into these diverse communities supported, encouraged and increased entrepreneurship in the most deprived wards of Camden. Target Beneficiaries were BAME Communities living in wards which contain the 10% most deprived super out put areas in Camden and enterprises generated by residents in these areas, unemployed who wish to consider self-employment and existing BAME enterprises.

The project had a particular emphasis on BAME women and will also target individuals and organisations from the Turkish and Kurdish, Eritrean, Ethiopian, Algerian, Somali, Bangladeshi, Greek & Cypriot, Iranian, Afghan, Vietnamese and Chinese communities, and those from the Caribbean and Latin American, as they are the most significant communities in the 10% most deprived areas with established community organisations in the borough.

Project Cost (across Islington and Camden)

£320,000

LDA Funding ends March 2009

Impact / Results (Headlines)

Local businesses associations started representative of BAME communities

- 56 business started
- 55 jobs created

4. Innovation Central Project Description

Innovation Central was set up by the London Borough of Camden in 2005 to capitalise on its unique position in being able to provide a bridge between the wealth of knowledge based organisations

(KBO's) in the borough and potentially high growth business start-ups. The knowledge base includes organisations such as Central Saint Martins College of Arts & Design (University of the Arts London), University College London, Birkbeck, the British Library and the Centre for Scientific Enterprise.

The Innovation Central project includes: a website (innovationcentral.co.uk); funding for events to support the development of high growth innovative businesses; and a bursary scheme for start-up innovation-driven businesses.

Impact / Results (Headlines)

- The 33 bursary winners surveyed have collectively employed 103 people and have a collective turnover of approximately £3,800,000.
- 58 innovative new businesses were started at the time of writing which have created over 130 jobs
- As a result of the project KBO's have informally networked with each other that in turn have led to further collaborations outside the project.

Project Cost

The total project value amounted to £100,000 revenue and £50, 000 capital (for bursaries) per annum

LDA Funding ends March 2009

5. Social Enterprise Project Description

The Social Enterprise Programme assists individuals, voluntary and community sector organisations and social entrepreneurs to evolve their ideas into social enterprises. The programme trains and develops participants developing entrepreneurial skills and competencies so that they are able to develop business plans and obtain commercial and sustainable revenue streams. This is achieved through one to one support, workshops, business planning consultancy and grants up to £5,000 in value.

The project aims to:

- Involve individuals from groups traditionally disadvantaged from the labour market and enterprise opportunities including disabled people, black and minority groups and women.
- Support individuals to develop ideas that will benefit local communities and contribute to alleviating social and economic problems through undertaking socially entrepreneurial activity.
- To inform and encourage community groups and charities at different levels of development to utilise the social enterprise approach to become more sustainable and less reliant on grants.
- Improve procurement opportunities and readiness to engage in the design of services so that organisations can bid for local government, health authority and other contracts.

Impact / Results (Headlines)

- 18 businesses started
- 29 jobs created

Project Cost

The total project value amounted to £55,000 revenue and £40, 000 capital (for bursaries) per annum

LDA Funding ends March 2009

6. Change Act Share

Change Act Share is the central communications project for the jewellery sector investment plan. The project coordinates communications to ensure that jewellery and silversmithing businesses are aware of support opportunities across London through its website, newsletters, on line directory and events. In addition to developing a portfolio of workspace the programme has also helped to negotiate workspace through planning agreements with developers, which includes the building in which it is housed – Langdales. This facility also houses start up studios and Holts Training Academy.

Current projects include launching new premises, assisting with the development of a Visitor Information Centre in Hatton Garden and local business engagement programmes in Hatton Garden for Coutts London Jewellery Week in June 2009.

In addition to the above the programme also provides a holistic service for start-up jewellery/manufacturing businesses which, to date, has included grants, subsidised premises and bespoke business advice.

Impact / Results (Headlines)

8 Business Start-ups (start up Langdales tenants)

153 Business Support

Project Costs

The total Value of the project is valued at £190,000

2. What, if any, plans does the borough have to increase its support for business start-ups in the future?

Below is an overview of business start-up provision for 2009/10 that will be funded by Camden Council beyond March 2009. The projects listed will replace or extend existing activity and will be funded through Camden's 'Recovery Fund'. The fund will help to fill the financial gap resulting from the London Development Agency (LDA) review of its spending priorities. However, the level of funding available will not be able to replace the level of provision delivered prior to the end of March 31st 2009

1. Community Based Business Advice (as above)

(At a reduced level of provision)

2. Integrated Camden Working Support for New Starts

As part of the wider Camden Working offer for residents, Camden will be launching its In Business In Camden Business Start up programme. Applicants will be sourced and recommended through Camden Working our Employment brokerage project.

The proposed programme will provide support to local people wanting to establish a business. Key disadvantaged priority groups will be targeted (e.g. BAME, women, disabled people, older and young entrepreneurs, as well as core priority sectors.

Support should impart a comprehensive package of support that ensures individual are fully aware of the mechanics of starting a business and what is required to sustain growth and will include:

Information

Answers to simple requests for information e.g. telephone calls, e-mails, letters, personal visits and one-to-one sessions with business advisers and information specialists.

Advice

Advice provided to the client to assist in immediate decision making. Usually provided in response to a one-off request for assistance on a single issue

Training

The provision of a range of training activities designed to transfer essential business skills to the client. Workshops include specialist business introductory sessions, business planning, financial awareness and marketing.

Counselling/Mentoring

Longer term assistance, typically coaching and mentoring, covering a range of issues over an extended time period to assist the client to start and grow a business

Specialist services

Some clients require specialist knowledge/skills to develop their businesses, for which neither they nor their adviser has the necessary expertise and is therefore brokered by one of CENTA's preferred suppliers including Legal, Accounting, Insurance, Property and IT.

This programme along with ACBBA support service for BAMES will be part of the Camden Working Offer providing support for local unemployed residents. The Start up offer will comprise of an intense training programme with a follow up service of support.

3. Change Act Share (As Above)

At a reduced level of funding

I hope that we have answered your points sufficiently. If you require further information please do not hesitate to contact us.

Yours sincerely

Assistant Director for Regeneration and Partnerships

Merton Chamber of Commerce

1. What support does your organisation offer to business start-ups in terms of access to finance, business advice and accommodation?

southlondon.biz is the enterprise arm of Merton Chamber of Commerce and we are members of the National Federation of Enterprise Agencies and Capital Enterprise as the London regional body.

We offer services to both start ups and existing businesses and deliver the LDA funded Business London programme in Richmond, Kingston and Merton. In 2008/9 we have supported 155 starts ups, safeguarded/created 62 jobs and 60 businesses have started as a result of this support. For micros we have supported 126 businesses and helped create/safeguard 47 jobs.

We also run a LDA funded programme - Go Green - where we have worked with 850 "hard to reach" businesses in 6 South London boroughs over a 2.5 year period to help them re-use, reduce and recycle. Our evaluation shows an average of £700 savings per annum for each business supported.

We work with other agencies in helping businesses access finance and in skills training and over the year as a whole over 500 people have attended workshops on business development issues.

2. What support for business start-ups (in terms of the three main areas outlined above) do you think the Mayor and the London Development Agency (LDA) should provide?

In this recession businesses are asking for face to face support at the grass roots level and have an expectation that this is available because of the messages government is sending out to support businesses.

As a grass roots agency we believe help should be available locally and that the priority needs to be information and advice and access to finance.

3. How effective do you think Business Link is in specifically encouraging and providing support to businesses start-ups in London?

Business Link provide a very comprehensive and informative service to those who can help themselves. Many start ups needs hand holding throughout the key stages of setting up and developing and this is not available through Business Link.

4. Are there any particular sectors the Mayor and LDA should focus on in their support to small businesses starting up in London? Why?

Following on from above, mentoring and on-going support is critical in order to support small businesses and reduce the number of businesses that are going under - early intervention by grass roots agencies could impact on business survival.

Chief Executive

SB040

[Not for public viewing]

Make Your Mark

Actions for an enterprising London

Introduction

1. This is Enterprise Insight's contribution to the investigation currently being carried out by the Economic Development, Culture, Sport and Tourism Committee into public sector support for business start-ups in London.

2. Enterprise Insight exists to increase entrepreneurial behaviour in the UK. We campaign to unlock the UK's enterprise potential which we believe can drive economic and social prosperity. We run the Make Your Mark campaign to equip and inspire the next generation of enterprising young Brits, coordinate Global Entrepreneurship Week (formerly Enterprise Week) to place UK enterprise at the heart of the global economy, and on behalf of BERR coordinate activity around Enterprising Britain including a major national competition to identify enterprising places and encourage the sharing of best practice.

3. Enterprise Insight was founded by the British Chambers of Commerce, the CBI, Institute of Directors and Federation of Small Businesses. We are backed by funding from Department for Business, Enterprise and Regulatory Reform. We work in partnership with the Enterprise Campaign Coalition - a coalition of national organisations with a common interest in promoting enterprise. Initially focusing our attention on young people aged 14 – 30, last year the Government asked Enterprise Insight to help inspire other target audiences to turn their entrepreneurial aspirations into reality – to become 'doers' not just 'thinkers'. Target groups included women of all ages, specific black and minority ethnic (BAME) groups and the over-50s.

4. This paper draws on knowledge, experience and research gained from our intensive work in the field of youth enterprise. We believe this investigation offers a major opportunity to build on the notable successes of the past decade and continue to foster an enterprising London for the 21st century in the current climate. We have identified three issues that we believe hold back enterprise in London and we make a recommendation associated with each regarding potential actions that should be taken to address these:

- a. Encouraging entrepreneurship extends beyond promoting start up to involve creating a culture of enterprise
- b. Promoting and supporting entrepreneurship should be built on an understanding of the different attitudes and motivations behind enterprise
- c. The Enterprising Places Network and Enterprising Britain competition provide ways to learn from effective practice in stimulating entrepreneurship

5. We would be happy to share the additional thinking and evidence that lies behind this contribution and to help to develop any of the ideas further.

a) Encouraging entrepreneurship extends beyond promoting start up to involve creating a culture of enterprise

6. Enterprise activity – the seizing of new business opportunities by both existing firms and start-ups – is identified by HM Treasury as one of the five drivers of productivity. The climate for entrepreneurship and enterprising behaviour then is crucial to the successful delivery of Public Service Agreement 1 – raising the productivity of the UK economy. We believe that now more than ever as a response to the economic downturn, we need fresh thinkers who spot opportunities, apply their entrepreneurial talents and overcome the obstacles to make their ideas happen.

7. Developing enterprising places though should encompass more than expanding ‘access to finance, business advice and accommodation’. Encouraging entrepreneurship requires stimulating an enterprise culture by raising the level of demand for enterprise and equipping people with the appetite, attitudes, skills and self-confidence to be enterprising. An enterprise culture supports the creation of new businesses, encourages existing businesses to grow and utilises the contribution of entrepreneurial activity in the third sector. This focus on enterprise culture is set out in more detail in three places – Understanding The National Mission¹ (a paper written by Enterprise Insight in 2004), Creating An Enterprise Culture² (HMT, 2004) and the chart ‘Five enablers of enterprise’ on page 17 of the Government’s Enterprise Strategy³ (HMT/BERR, 2008).

8. One good illustration of this strategic approach being adopted by a region is observed in the North West Development Agency (NWDA) Enterprise Strategy⁴. While the enterprise landscape will of course differ in London, work in specific cities, such as Manchester and Liverpool, could provide useful models of good practice. Closer to home, the Croydon LEGL bid also illustrates an approach attempting to join up these various elements of enterprise culture⁵.

9. To make a focus on enterprise culture work in practice involves joining up activity related to economic regeneration, schools, universities, FE colleges and third sector organisations, which all play a part in creating an enterprise culture. This point is expanded upon in our work Mind The Gap – in which we emphasise the importance of connecting up enterprise education activity with mainstream business support. The summary report and full report, as well as a link to a mapping study we did on enterprise providers can be found on our website⁶.

¹ http://www.makeyourmark.org.uk/sites/default/files/ideas/enterprise_culture_position_paper_final.pdf

² http://www.hm-treasury.gov.uk/d/ent_paper_0104.pdf

³ http://www.hm-treasury.gov.uk/d/ent_paper_0104.pdf

⁴ <http://www.nwda.co.uk/pdf/NorthwestEnterpriseStrategy.pdf>

⁵

⁶ www.croydonenterprise.com/documents/080612%20Croydon%20Enterprise%20Strategy%20v%204%205%20-%20Final.pdf

Recommendation:

10. We recommend that the Committee's investigation expresses firm commitment to promoting enterprise culture across London as the fundamental part of encouraging more businesses to start up. This commitment can be achieved in practice by aligning the various strategies beyond business support which include enterprise education, regeneration and economic development, and different priority industry sectors.

b) Promoting and supporting entrepreneurship should be built on an understanding of the different attitudes and motivations behind enterprise

11. People are entrepreneurial in different ways and for different reasons. Our report Mind The Gap, in 2007, demonstrated that different people engaged with the idea of enterprise and entrepreneurialism in very different ways. Some people feel comfortable with the label 'entrepreneur' and are very willing to access mainstream business support. Others, however, may have aspirations to be entrepreneurial, but are intimidated by, or uninterested in, the language around business and entrepreneurship and therefore will be less inclined to seek formal or mainstream business support.

12. It is for this reason that we use the brand name 'Make Your Mark' for our work with young people because research showed that this was more effective when targeting those young people who had high enterprising attitudes, but were not acting on their entrepreneurial ambitions. The language of 'enterprise' and 'business' was not attractive for these young people - but the idea of changing the world around them was.

13. Following the Government's request that the campaign focuses on older audiences, we commissioned research to assess how these audiences engage with enterprise. The results of this research were similar – suggesting that different population segments have different motivations for being entrepreneurial and different attitudes to enterprise.

14. Our initial qualitative research identified six different drivers which inspire connection to enterprise and entrepreneurship.

- i. Some entrepreneurs are driven by success, 'self-starters' who are full of entrepreneurial spirit.
- ii. Others are driven by the idea they have developed and may need support taking the innovation further.
- iii. There are those for whom the passion of what they are interested in acts as the primary driver
- iv. And others for whom freedom, independence and being one's own boss

spurs them on. These last two groups often will not see themselves as entrepreneurs or the hobby they are involved with as a potential business.

- v. Others may feel entitled to have a crack of the entrepreneurial whip, but perhaps have fewer skills and experiences to back this up.
- vi. Finally, there is a proportion of people who may be driven to entrepreneurship through necessity, clearly a major issue in the current downturn.

15. These six drivers offer a radically different opportunity for the promotion of enterprise activity and support and are reflected across various audience groups – i.e. enterprise characteristics cut across gender, ethnicity and age.

Furthermore, audiences reacted strongly against demographics-based marketing such as campaigns targeted at the over-50s or BME-groups.

16. This does not mean that demographics are irrelevant in campaigning communications or the marketing of specific business support services; rather that they may be less fundamental than the individuals own relationship to enterprise and, more specifically, individual enterprise support needs.

17. This qualitative research has informed us about the drivers which inspire connection to enterprise and entrepreneurship. The missing piece of the puzzle is knowledge of what drivers inspire which people and where. This information will play a major role in accurately targeting appropriate communications and support, among others. Enterprise Insight has commissioned quantitative research which will provide a picture at national level of the importance of these drivers for various demographic groups, including young people, those aged over fifty, ethnic minorities and women. The research will also provide information on the size of groups inspired by each of the six drivers. We are intending to use this to inform communications activity over the next financial year and beyond to inspire and catalyse more people into seeking enterprise support.

18. Evidence suggests that the two groups who most engage with mainstream business support are 'self-starters' (success-driven individuals) and 'determined novices' (those who believe that they have an entitlement to be entrepreneurial). Whilst these two groups may be the most likely to use business support services, they may not be the ones who need the most help, or will become the most successful entrepreneurs.

19. Based on our research, we believe that the two older audience segments that we will be targeting over the next three years are 'hesitant creatives' (who are driven by their passions) and 'freedom seekers' (who are driven by their desire for independence) – because these groups have very positive attitudes to entrepreneurship, but may need more encouragement to set up sustainable businesses based around their motivations.

Recommendation:

20. We recommend that the Review team adopt a segmented approach to communicate enterprise among key target audiences across London. It is our view that this may have more impact among those who are not taking advantage of support available than a communications approach based solely on demographics alone. We would be happy to follow this up with further detail.

c) The Enterprising Places Network and Enterprising Britain competition provide ways to learn from effective practice in stimulating entrepreneurship

21. To support our efforts to promote enterprise, we have analysed effective regional and local approaches to developing an enterprise culture in our forthcoming, 'Creating Enterprising Places', report (attached – please note that this document is in draft form), is based on the experience of our work across the UK.

22. We draw your attention to the recommendations made in this report and the case studies set out offer examples of where some of this is happening across the UK.;

- i. Local organisations and enterprise champions should join forces to drive change in communities
- ii. A joined-up approach should be applied to regional and local activity
- iii. Communities need to nurture an enterprise culture, increasing the entrepreneurial motivations, confidence and capability of local people
- iv. Young people should be supported in their enterprise journey, from primary schools onwards
- v. Communities should be encouraged to share ideas and celebrate local enterprise champions and success stories

23. We are planning further work around this area of activity in 09/10 – in particular around the competition Enterprising Britain. To date, London has not been proactive in terms of involvement and promotion of the competition and has had an underwhelming level of entries to the competition despite its role as a global capital and city region.

24. We would be delighted to discuss how we could work with existing partners in and around London to ensure a higher profile is given to this work and other headline activities such as Global Entrepreneurship Week, 16-22 November 2009. The week offers a fantastic global platform to demonstrate the wealth of entrepreneurial talents on offer in London. Last year 77 countries took part including an estimated 3 million participants worldwide.

Recommendation

25. Build the Enterprising Britain competition and the Enterprising Places Network into strategic plans around business and enterprise to ensure higher profile is given to innovative approaches already being adopted in the Capital around

entrepreneurship. The Committee should organise major high-profile platform events in London to represent the regional wealth of talent during the forthcoming Global Entrepreneurship Week in November 2009.

26. If you would like to discuss any of this further with us, please contact Head of Policy and Research. We look forward to hearing the findings from the investigation.

Office of the City of Remembrance

COMMITTEE INQUIRY INTO LONDON'S NEW BUSINESSES

This letter responds to the Committee's call for evidence as part of the inquiry into London's new businesses.

The City of London Corporation understands the huge importance of promoting the interests of new businesses in the capital particularly in the current economic downturn and, while it is not able to respond to all areas of the inquiry, it welcomes the opportunity to bring to the Committee's attention some of the work being done in this area by the City Corporation's Economic Development Office (EDO).

The Corporation runs a City Property Advisory Team (CPAT) which sits within the EDO and helps to identify and fulfil the office space requirements for businesses in both the Square Mile and the City Fringe. CPAT works free of charge acting as a facilitator between Corporation departments, the property industry and City businesses to provide information on all property and development-related opportunities in the City as well as advice and support in overcoming problems in the process of finding suitable accommodation. CPAT typically carry out 30 property searches per quarter, mostly for smaller businesses which have less in-house or external resources to undertake this sort of preliminary work. They are also responsible for the distribution of advisory literature to SMEs such as the City Surveyor's flexible workspace information, vacant property list and advice on sustainable energy management. In 2007-08 CPAT conducted a total of 121 searches for businesses with requirements of between 100sq ft and 20000 sq ft of office space. Potential property is targeted via a number of channels, including the property press and subscription intelligence services.

CPAT are currently undertaking work to identify the most common areas of advice required by the businesses they have successfully made contact with in 2008-09 and these figures will be available later this year. A survey of 111 businesses conducted in 2007-08, however, showed that there had been a reduction in the proportion of small businesses choosing to move to new premises when compared to the percentage of moves from previous years. Instead many businesses decided to renegotiate their leases, use current space in a more efficient way, or simply "wait and see" how the financial turbulence of quarters 3 and 4 of last year played out. However, it is of interest to note that those SMEs who did move premises expressed a strong preference for the Square Mile, as opposed to the cheaper "fringe" areas.

More widely, the City Corporation seeks to help new businesses and SNIEs both when starting up and in the early years of operation. To this end, the Corporation has introduced or extended a number of key policies to be implemented across the organization in order to minimize the impact of the downturn. This includes:

- Ensuring payment is provided to SMEs and new businesses **within 10 days**
- Developing an **e-application procurement system** to make our contract more accessible
- Commissioning a new **City supply chain related business support programme**

- Developing a **Local Procurement project** to provide greater assistance to struggling
- SMEs to help them win business. This will focus particularly on encouraging large buyers to open the supply chain to allow for purchasing from local SMEs and new businesses.
- Stepping up the **SME contact programme** to identify problems facing business in their early stages
- Assisting businesses in the City and City fringes to integrate **corporate responsibility** into their business practice using expertise and resources from larger firms
- **Monthly rental payments** allowed on individual lettings
-

The Corporation recognises however, that more can be done to assist new businesses in these challenging economic times. EDO has recently published a number of policies to be implemented to add to the measures set out above and ease the burden on business start-ups and SMEs. These include reviewing the financial criteria applied to City of London contractors to increase accessibility to contracts, the publication of the results of a review of the Corporation's hardship policy in respect to rent concessions, actively supporting Capital Enterprise which provides targeted advice to businesses on coping with the downturn, increasing the promotion of the small business rate relief (SBRR) and ensuring more information is provided on hardship provision in leaflets distributed to businesses in the City.

The Corporation wishes to do all it can to ease the burden of new and small businesses in the capital and looks forward to seeing the recommendations made by the Committee as part of this investigation.

If you have any further queries in connection with the City's work in relation to this topic, please do not hesitate to contact my office [deleted] who has been responsible for the preparation of this submission.

Remembrancer

Parliamentary Agent to the City of London

Shell LiveWire

1. What, if any, support does your organisation provide to entrepreneurs or business start-ups particularly in relation to access to finance, business advice and accommodation? Please provide details of any specific schemes, the funding allocated to these and any measurable outcomes.

Shell Livewire provides one of the UK's biggest online meeting places for young entrepreneurs m.shell-livewire.org Shell Livewire Young Entrepreneur Award
Shell Livewire Grand Ideas competition offer monthly awards of £1,000 to up to five of the best businesses.

2. What, if any, support, do you think the Mayor, the London Development Agency and other public bodies should provide for business start-ups in London?

Business support is available, much of it free at the point of delivery however individuals struggle to find appropriate advice and information. The Mayor could look at ways to promote and signpost individuals to the support available. Access to funding to assist with start up and growth is seen as a barrier the LDA could bring business and investors together to address this.

Westminster City Council

London Assembly investigation into the support for business start-ups in London

Westminster City Council response: April 2009

Westminster City Council welcomes the opportunity to respond to the London Assembly investigation into the support for business start-ups in London.

We believe there is an opportunity for the Mayor of London and the London Development Agency to work with boroughs to provide better support to businesses seeking to start in London. In particular, we would welcome:

- the Mayor's support for freezing business rates in view of the current economic situation;
- further consideration of the impact of a Supplementary Business Rate on small businesses in London before a final decision on the Crossrail SBR is made;
- resources to increase the level of more intensive one to one support to businesses and start-ups;
- the opportunity to discuss the LDA's commissioning strategy for 2009-10 to ensure that it accurately reflects the importance of business start-ups in central London to the whole London economy.

Current support: finance, business advice and accommodation

Westminster's Civic Enterprise Fund

Westminster has ring fenced much of its Local Authority Business Growth Incentive resources to fund economic development projects. Most of the projects described below have been funded through the Civic Enterprise Fund.

Neighbourhood Enterprise

Westminster City Council has commissioned two major neighbourhood enterprise projects to provide enterprise support, loans and businesses services to residents seeking to become sole-traders. The council has allocated £210K to Neighbourhood Enterprise and will be developing referral mechanisms to and from Business Link London, Job Centre Plus, and local enterprise agencies.

These are community based projects, providing intensive support to residents who want to become self-employed, many of whom are unemployed and face a number of barriers such as childcare, language, or lack of track record in business. Since launching recently, demand for these services has been high and 127 people have engaged with the programmes to date.

The first project is delivered through a Neighbourhood Enterprise Centre managed by Paddington Development Trust, a community-led local regeneration organisation. The Neighbourhood Enterprise Centre provides free one-to-one support about starting up a

business; low-cost space, desks and meeting rooms for hire; and start-up loans and grants to promising businesses.

A similar project called the Community Venture Fund is in operation in South Westminster, supported by the Council and Cross River Partnership. A trained business coach and entrepreneur provides coaching to local residents, operating from the local Healthy Living Centre. As the next stage in this project, an innovative loan fund is being developed in partnership with GLE oneLondon. Two loan products will be available from the end of April, targeted at individuals who have developed strong business plans but who have been unable to secure mainstream finance (e.g. due to lack of track record). One of the loan products will be Sharia-compliant and there is considerable interest in this pilot project from mainstream banks and the Islamic Development Bank.

Markets

The City Council supports six thriving markets in Westminster and will be launching a new market in Harrow Road in May. Links will be made with the Neighbourhood Enterprise Centre to provide local entrepreneurs with opportunities to test-trade by securing pitches at the market.

City Recovery – Business Advisory Service

We have recently launched a business advisory service, providing up to two days one to one support to businesses experiencing difficulty during the economic downturn. The service is delivered by business advisers from Portobello Business Centre, one of London's leading enterprise agencies. Outreach is a feature of the scheme, and business advisers target specific areas and provide support at the business owner's place of work. The Council and Capital Enterprise are in discussions with banks such as HSBC and Barclays who are keen to offer funded secondments to the service.

Westminster Small and Minority Business Council (WSMBC)

In Westminster, many small businesses are started by entrepreneurs from minority communities. To support these small businesses in accessing funding, mentoring and contracting opportunities from major corporates, the council has funded (£300K over 3 years) the establishment of WSMBC as a company limited by guarantee. WSMBC is working towards self-sustainability and has 35 paying major corporate members. The Council is working with the LDA on CompeteFor and is keen to develop linkages between the two projects.

Youth Enterprise

Westminster City Council has allocated £140,000 to support a youth enterprise programme delivered from the Stowe Centre, a youth and community facility in north Westminster. Activities include a young business club; The Cut, a youth magazine with a circulation of 20,000 copies, put together by a team of 25 young people; and a bursary programme to support youth enterprise through a Paddington Dragon's Den. Excellent links with the private sector have been made and masterclass events are provided by industry leaders.

Business Information Point

Westminster Reference Library provides a dedicated Business Information Point. This provides excellent on line business intelligence resources, reference books on economics

and business, photocopying and faxing, free internet access, and low-cost expert research. It is based near Leicester Square and was established with £35,000 of Council funding.

Affordable Workspace Projects

Encouraging the provision of more affordable business space for small businesses is a priority within Westminster City Council's Economic Development Strategy 2008-11. The council has already secured 4,000 sq ft of affordable business space through the s106 process on Building D at Merchant Square which is now under construction (due for completion in summer 2010).

The council is also in advanced negotiations with Crossrail to secure a new development site for Great Western Studios, a 50,000 sq ft creative industries hub in Westbourne Park which will be demolished under the current plans. Westminster will be making grant and loan funding on commercial terms to ensure the success of the redevelopment project. It will deliver a range of rental security benefits for creative industry businesses and will be pre-let between 90-100%, demonstrating the continuing demand for creative workspace in central London. Around 140 small creative industries are expected to be helped through the scheme.

Communications

The council has worked hard to publicise the financial and support services available to small businesses. In early 2009, a letter was sent to all small businesses in Westminster to encourage them to apply for Small Business Rate Relief. As a result SBRR has been awarded to 1,000 additional businesses resulting in reduced Business Rate (NNDR) bills of over £264,000. All businesses in Westminster were also recently sent a Business A-Z guide with their business rate bill, outlining useful support services available to them.

Plans for future support

City Recovery Programme

As part of its City Recovery Programme, a package of measures launched in October 2008 to help local residents and businesses during the recession, Westminster City Council is considering additional support for business start-ups, including:

- Increased provision of affordable workspace;
- Generic and sector-specific advice;
- Micro finance.

The Council will be engaging the LDA, Business Link and other key stakeholders in the development of new programmes to ensure they are complementary and add value to existing provision.

The council is also working closely with the LDA to expand the CompeteFor system beyond London 2012 contracts to better support new businesses. CompeteFor will allow SMEs to register their details and create a business profile which, once accepted, will provide them with automatic e-alerts notifying them of any tendering opportunities with the council.

Lobbying on Business Rates

Westminster City Council believes that the link between business ratepayers' contributions and the service improvements or investments that they perceive in their areas has been weakened significantly in the present national business rates redistribution system. Westminster receives only 13p in the pound from the business rates it collects.

This problem is exacerbated by

- the Government's planned increase in the rate which was based on a record high September 2008 Retail Price Index rate and is no longer justified given the worsening economic situation;
- the fact that from April 2010 it is likely that businesses in London will have to pay a Supplementary Business Rate to help fund Crossrail.

We think that the current business rate system, the planned increase, and the prospect of a SBR will act as deterrents to business start-ups (even taking into account the fact that businesses with a rateable value of £50,000 or less will be exempt from paying an SBR). We are therefore considering a lobbying campaign against the increase, working in conjunction with business groups and other local authorities.

For further information

Policy Manager (Strategic Development)

Lambeth Council

Current offer:

Approx. 15 agencies are currently providing a range of business start up services to individuals interested in starting their own businesses. This suite of services is co-ordinated through the Lambeth Business Support Network, which is managed by the Council's Business and Enterprise Unit (Contact Phil Langslow). Specialist advice is available for women, people with disabilities, minority ethnic groups and people with mental health issues. Specialist advice is also available for setting up social enterprises.

A specialist property database is provided by South London Business.

Specialist financial advice is provided by c. 15 business support organisations in the borough, and GLE oneLondon (see below) provide a range of loan finance for different types of business, including a designated fund part financed through WhTF for young entrepreneurs.

A range of specialist services are provided including environmental efficiency, product development, sales and marketing, operations and efficiency, HR and staff management.

The Council's recently opened Business Desk provides a comprehensive advice and signposting service for all businesses, including start ups.

Plans:

1. The recently established annual Business Awards, attended by over 300 business leaders from across the Borough have a category for best new business
2. We are in discussions with GLE oneLondon to strengthen Loan finance to start ups in response to the drying up of commercial loan finance
3. We are in the process of establishing a more business-friendly approach to the private sector as part of the Council's Open for Business agenda, which includes the setting up of an influential business led Enterprise Board that is part of the award-winning Lambeth LSP, with business-led Town Centre management structures in Brixton and Streatham with strong representation from start ups and micro businesses

Impact and results: based on extrapolation of 08/09 results to date:

- C. 850 businesses supported
- 88 pre-starts supported
- 70 jobs created
- 180 qualifications produced

Head of Business Growth and Enterprise, March 2009

Mayor's Office

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The Queen's Walk
More London
London SE1 2AA
Switchboard: 020 7983 4000
Minicom: 020 7983 4458
Web: www.london.gov.uk

Dee Doocey AM

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

Date: 03 Apr 2009

Dear Dee

Re: London Assembly investigation into the support of business start-ups in London

Thank you for your letter of 27 February regarding the above investigation being carried out by the Economic Development, Culture, Sport and Tourism Committee.

I very much welcome this investigation into this important subject, particularly vital for the economy in this time of downturn. I tasked the London Development Agency, which leads on business support on my behalf, to respond to you directly to you on this matter and I understand they have done so. I hope that the information they have provided will assist you, but do let me know if you require any further information from them, or from the Greater London Authority.

I look forward to reading the recommendations of the Assembly in this matter.

Yours ever,

Boris Johnson
Mayor of London

London Borough of Barking & Dagenham

1. What support does your borough currently offer businesses wishing to start in its area in terms of access to finance, business advice and accommodation? (Please include details of the cost of this support, any specific sectors supported and any recorded impacts/results of this work)

Through the LEGL programme , the borough supported business start-ups in 2008-09 at a cost of £600k; this included £100k as start-up grant to 100 small businesses; this year, again using LEGL money, the borough is supporting 50 start-ups with a grant element of £1000 per business started by a resident of the borough. The plan for this financial year is to offer more support to businesses that have been started in the last 18 months as research shows that the 18 month period is a critical one for new businesses.

In addition to start-up support, there have been training sessions in order to help individuals decide whether starting a business is for them.

2. What, if any, plans does the borough have to increase its support for business start-ups in the future?

The borough is reviewing its economic activity function currently. The only plan at the moment is that as the LDA review their start-up assistance, so the borough will seek to co-commission start-up programmes. No decisions for the next financial year (2010-11) have been taken.

Regeneration Manager,

Learning, Skills and Enterprise

Southwark Council

To: Tade Adepoyibi

Business Start Up Support - Southwark Council

Dear Tade,

We are responding to the recent letter from Dee Doocey, Chair of the Economic Development, Culture, Sport and Tourism Committee asking for London Boroughs input into the London Assembly Investigation into support for business start-ups. Many thanks for extending your deadline so that we could respond.

I response to the specific questions -

What support does your borough currently offer businesses wishing to start in its' area in terms of access to finance, business advice and accommodation? (please include details of the cost of this support, any specific sectors supported and any recorded impacts/results of this work)

What, if any plans does the borough have to increase its' support for business start-ups in the future

Southwark Council funds a range of business support services, commissioned via an annual bidding round. A key objective of the Southwark Enterprise Strategy is to build an entrepreneurial culture, including encouraging new entrepreneurship from groups and communities that are traditionally under represented in business. This includes young people, women and ethnic minority communities. In 2008/09 we had a budget of £400,000 to fund specific Enterprise projects which included focusing on startup support to women, young people and providing outreach support to community groups. A total of 85 new businesses were created in 2008/09, as a result of this funding with a breakdown of 36 BME, 26 Women-owned and 3 owned by people with disabilities.

The Council has increased funding for Enterprise support by 75% to £700,000 for 2009/10 largely to focus more heavily on sustaining existing business in response to the recession, although we will continue to support new business start-ups in recognition that maintaining Southwark's above average start-up rate will be a critical factor in our economic recovery. Of the £700,000 we are investing in 2009/10, approximately £300,000 will support new business growth.

We also operate a Southwark Business Desk which provides a one-stop shop for any business related enquiry. This service directs businesses or individuals looking to set up a business in Southwark to all services available in the borough offered by either the Council or partners such as Business Link and GLE Loan Finance. The business desk also provides a premises search facility using a database of Council and commercially owned properties which is updated on a quarterly basis.

SB048

We will also be reviewing the Southwark Enterprise Strategy this year with regional and local partners through the Local Strategic Partnership. This will provide us with the opportunity to assess the impact of all partners efforts to support new businesses, and review the future direction of travel.

I hope the above information is helpful. Please get back to me if you need any further details.

Regards

Enterprise Project Development Manager
Economic Development and Strategic Partnerships
Regeneration and Neighbourhoods Department

Hounslow for Business

Hounslow for Business is a division of Hounslow Chamber of Commerce, which is an independent body and not part of the local authority. I have, however, forwarded your email to Peter Thomson, the Leader at Hounslow Council, and he will be arranging for a response from the local authority

Hounslow Chamber (HCC) and Hounslow for Business (HfB) provide support and advice to both start-ups and existing businesses within the the borough in the following ways:

1) HfB is part of the West London consortium that delivers advice and support under the LDA's Business London contract. This is achieved by one to one meetings with potential start-ups and also by running seminars - some in conjunction with Business Link for London. In the two and a half years of the contract, 97 jobs have been created in the borough and 52 business starts have still been trading after 12 months. Throughout the contract HfB has received the support of the Economic Development Team at Hounslow Council: regular articles have appeared in the Council's Hounslow Matters magazine and, on a daily basis, meeting facilities have been made available.

In 2009-10 the funding under the contract has been halved and therefore we have had to make reductions in the service and we are already finding that demand is exceeding the services that we can afford.

2) Starting in May 2009, HfB will be running free workshops for all potential start-ups. These will be hosted by Hounslow Council at the Civic Centre

3) HfB outreach sessions, on a one-to-one basis, will continue to be held at the Civic Centre, Hounslow, the Southville Centre, Bedfont and at St Mary's University, Twickenham.

4) In February 2009, a seminar for residents wishing to start-up in business was organised by the Economic Development Team at Hounslow Council in conjunction with HfB and Business Link London. Discussions are under way to repeat the seminar.

5) HCC holds three well attended business networking meetings each month. These are held in Chiswick, Hounslow and Feltham. They are FREE to all including non-Chamber members. Through HfB, start-ups are particularly encouraged to attend in order to make contact with potential suppliers and customers.

6) Raising of finance: introductions are made to local contacts within Accountants and Banks. However, we are finding that the banks have not yet changed their stance and finance is particularly difficult to obtain. GLE One London seem more able to assist start-ups, and existing businesses, and several applications are presently being processed.

Whilst there are many serviced offices within the borough these are too expensive for the majority of start-up operations. What is lacking in the borough is the provision of incubation units that would assist start-ups through the first two years in business.

Royal Borough of Kingston

Please find answers to questions below re the Royal Borough of Kingston's position.

1. We have referred business start ups onto the Business London start up programme delivered locally by southlondonbiz. (There is now some uncertainty about whether this service is continuing into 2009/10 because of the LDA contract not being renewed?) We do .provide information on premises sometimes directly and refer enquirers to the premises database on our web site that is run by South London Business.

2. We have provided some £95k matched funding into a £900k HEFCE ECIF programme that we have successfully bid for (in partnership with Kingston University, Kingston Chamber of Commerce and Kingston college) aimed at providing additional economic development support to Higher Education Institutions to respond to the economic downturn for students and other residents and businesses. This will involve tailored support for redundant Managers and Professionals including business start up advice, workshops, seminars etc. It will also involve a Graduate into Self employment programme.

Kind Regards,

Economic Development and Regeneration Co-ordinator

Transport for London

14 April 2009

Dear Dee,

London Assembly investigation into the support for business start-ups in London

Thank you for your letter on 27 February regarding the Economic Development, Culture, Sport and Tourism Committee investigation into support for business start-ups in London, and for providing TfL with the opportunity to contribute.

TfL supports London's small businesses both through its transport policies and procurement processes.

In February 2009 the Mayor announced his intention to suspend the third phase of the Low Emission Zone, which was due to affect vans and minibuses from October 2010, because of the detrimental impact it would have on London's small businesses.

The results of last year's consultation on the future of the Western Extension of the Congestion Charge made it clear that businesses, including small businesses, strongly supported the removal of the Western Extension. The Mayor promised to abide by the results of the consultation and on 27 November 2008, he announced he will begin the legal process to remove the Western Extension. The earliest the Extension could be removed is Spring 2010.

It is important that businesses are able to make their deliveries easily, without wasting time and money stuck in road congestion. TfL is therefore working on a range of measures to ease traffic flow and reduce congestion in London.

As part of the Mayor's Economic Recovery Plan, published in December 2008, TfL has introduced a number of measures internally to support small businesses including:

- allowing tenants to pay rents monthly rather than quarterly to help their cash flow; and
- halving the standard time for payment of invoices from SMEs to 10 working days.
-

In addition, TfL launched its 10-year Skills and Employment Strategy in March 2009. The Strategy will ensure TfL's suppliers offer employment, training and skills opportunities to local communities, support small and medium-sized enterprises (SMEs) and black, asian and minority ethnic (BAME) suppliers, ensuring a level playing field with other larger suppliers.

You asked that we provide a list of all TfL commercial property opportunities including all its commercial properties that are currently vacant.

TfL offers its properties on the open market either as available leases or as development opportunities. The nature of its leasehold portfolio means the significant majority of its tenants are already SMEs. The current vacancy list for leasehold properties is available at <http://www.tfl.gov.uk/property>. This site covers all properties for lease, including retail, arches and residential. Internet search engines will take an enquirer straight to this page.

All rents from the TfL property portfolio are used to support the provision of public transport in London. TfL is obliged to seek open market value rates as to forego the income would reduce funding for London's transport system, which is for the benefit of all Londoners.

In terms of development opportunities, TfL's current estate is virtually all operational. The vast majority of properties or land which can be declared surplus to operational requirements have already been so declared and disposed of. Work continues on an ongoing basis to identify property interests which become or are likely to become surplus to operational need, to enable the potential benefits of these to be maximised.

If you have any further queries, please contact the Assembly Liaison Manager at TfL.

Yours sincerely

Peter Hendy

London borough of Enfield

Response to London Assembly from LB Enfield into the support for business start-ups

- 1. What support does your borough currently offer businesses wishing to start in its area in terms of access to finance, business advice and accommodation?** (Please include details of the cost of this support, any specific sectors supported and any recorded impacts/results of this work)

The Council supports Enterprise Enfield, the borough's highly successful enterprise agency, to advise people who may be considering setting up an enterprise, to assist business start-ups and to sustain micro-businesses. Enterprise Enfield is the only enterprise agency in London to gain the Prowess Award in respect of its outstanding support to women entrepreneurs.

Over the last 3 years we have provided grant funding of £180k to Enterprise Enfield to deliver specific outputs to attain 2 of the 12 stretch targets within our initial Local Area Agreement -

181 start-up businesses created and surviving in operation for a period of 12 months;

313 micro-businesses assisted and sustained in operation for a period of 12 months.

Enterprise Enfield also offer 'easy in, easy out' low-cost managed units and offices in Ponders End. 57 units here house 35 thriving businesses (employing over 400 staff) from nursing agencies, caterers, fashion designers, marketing, security and cleaning companies.

The Council provides a range of business /workspace units to rent, including modern managed workspace at the Business Innovation Centre, Innova Business Park and refurbished units at Claverings Business Park.

The Council launched the Enfield Innovators Awards in 2008 - a Dragon's Den style competition to encourage enterprise and innovation, carrying on the traditions of technological advancement in the Upper Valley. Funding was derived from Section 106 community benefit monies. It is intended to re-run the event in 2009, with separate categories for residents, businesses and students.

The Council set up and runs the Enfield Business Centre, a unique one-stop shop for business advice, where most of the main business support agencies co-locate, thereby facilitating a closely co-ordinated approach to addressing the needs of a particular client. The Council's Business Initiatives team aims to fill the gaps that the other business support agencies do not cover.

As part of our programme to tackle Worklessness in the borough, we have established Enfield JobsNet, a job brokerage service. One element is to engage with businesses and assist them to recruit local staff with the requisite abilities. This enables the business to fill vacancies quickly and avoid advertising costs.

The Council provides funding support to North London Business, the inward investment and business support agency for the N London subregion.

We also support Enfield Business and Retailers Association to provide town centre management activities across all our town centres, as well as business support to retailers.

We provide grant funding to North London Chamber of Commerce, with whom we collaborate on our engagement with businesses on our industrial estates to promote a partnership approach to rejuvenate the physical fabric and improve operational conditions.

2. What, if any, plans does the borough have to increase its support for business start-ups in the future?

We shall continue to collaborate with our partner agencies to provide business start-up support and to manage the Enfield Business Centre.

We shall utilise part of our recently allocated Working Neighbourhoods Fund monies to pursue a range of initiatives to support new enterprise, eg

- Access to Finance[working with Enterprise Enfield].
- Edmonton Green Business Incubation Centre
- Women into Business
- Business to business knowledge transfer
- Green technologies and new enterprise
- Social enterprise in the social care sector
- Bright Sparks- to encourage young people into enterprise
- Enfield Innovators competition [post 2009]

Merton Council

Merton Council response to London Assembly investigation into support for business start-ups in London – April 2009

The council is developing an Economic Development Strategy in order to provide a strategic framework for the development and growth of employment opportunities in Merton.

Part 1 was recently approved and is of particular importance in relation to the economic recession.

There will be significant investment in town centre management across the borough, and a package of business support to assist with advice, finance and accommodation.

Part 2 of the Economic Development Strategy will be produced later in the year and will focus on measures to strengthen the local economy and address the skills needs of the local population.

1. What support does your borough currently offer businesses wishing to start in its area in terms of access to finance, business advice and accommodation? (Please include details of the cost of this support, any specific sectors supported and any recorded impacts/results of this work)

Business Accommodation

- a) The Mitcham Business Generator has been set up to nurture business ideas and offer support to entrepreneurs particularly in the first three years of the start up phase and relieve entrepreneurs of the day-to-day management of their premises, allowing them to focus entirely on developing and delivering their product and services. Hot desking and virtual tenancies (to provide a mailbox) are available. Discounted rents are currently being offered for accommodation at the Generator.
- b) Canterbury Studios provide 4 small units for creative industry businesses
- c) We are continuing to promote the South London Commercial Property Database to help businesses find space - £6k per annum

Business Support - £30k to September 2009

a) The successful Mitcham Means Business project is being transformed into a borough-wide service "Merton Means Business" following the ending of London Development Agency (LDA) funding in March.

On an interim basis Merton Chamber of Commerce will provide

- A structured programme of support using Learndirect materials and intensive support with one-to-one meetings with a business adviser.
- An enterprise group peer learning network with themed sessions including business planning, marketing etc

b) An information pack is being prepared for local entrepreneurs to advise them of the support available to assist with recovery

Procurement - arrangements have been made to ensure prompt payment of local suppliers.

2. What, if any, plans does the borough have to increase its support for business start-ups in the future?

a) Further investigation in preparation for Part 2 of the EDS will provide more information about business sectors and clusters in the borough, to ensure that we support those which can most benefit the local economy in providing higher value added and higher pay jobs, and promote opportunities for those sectors likely to be resilient in the future. Some resources are available to initiate additional projects (yet to be identified) for which we will be seeking to lever in additional funding.

Business Support

b) The Merton Means Business enterprise support package will be developed within the (Government) Solutions for Business guidelines with possibly three business advisers and funding for accommodation and events. Delivery arrangements have yet to be finalised.

c) A business retention and development grant fund is to be developed

d) We are examining the scope for a business channel of a credit union to provide loans to start-ups and growing businesses.

Business accommodation

e) The Mitcham Business Generator and the Canterbury Studios will continue to provide business accommodation.

f) The council plans to continue to subscribe to the South London Commercial Property Database or arrange a similar service.

Procurement

g) Workshops are planned to assist businesses to supply to the public sector following the launch of a "Supplying to the Council" guide in 2008

h) We will also be encouraging partners to arrange prompt payment of suppliers and promote local procurement opportunities.

Smarta

What support does your organisation offer to business start-ups in terms of access to finance, business advice and accommodation? (Please include any recorded measurable impacts/results of this work)

Smarta.com is a business support and advice network for small business owners and entrepreneurs, providing access to real business advice from established entrepreneurs and allowing budding entrepreneurs to network with other people starting and running their businesses. The site offers practical business guides, news, features, business tools, video interviews with top entrepreneurs, wikis, live Q&A and free professional legal advice. It also offers easier access to finance through partnerships with NatWest and RBS. The site was launched in January 2009, so as yet it is difficult to gauge results; however, it has already received over 250,000 pageviews.

What support for business start-ups (in terms of the three main areas outlined above) do you think the Mayor and the London Development Agency (LDA) should provide?

Access to Finance

- Publicise the Enterprise Finance Guarantee better to high-risk businesses, make it easy to apply and understand, and make sure the criteria are clear
- Make grants more readily accessible, easier to find and quicker to process, speeding up both the application procedure and the time between being awarded the grant and being paid the money; introduce new grants that can be awarded more quickly than current ones where possible.
- Lower capital gains tax to encourage entrepreneurs to reinvest back into other businesses

Accommodation

- *Use section 106 of the Town and Country Planning Act to force more developers to retain affordable leases for small retail businesses on all high streets*
- *Force landlords to offer more flexible leases for small retailers*
- Introduce enterprise hubs and clinics where business owners can access support but also the facilities and services available in many private members clubs, enabling them to have a central London business base free of charge. People should be able to use it as their registered business address too, get post delivered there etc.
- Make London completely wifi enabled free of charge.

- *Make consistent and lower or drop waste disposal charges for small businesses*
- *Suspend the congestion charge for small business owners*

Business Advice

The Richard Report recommends a single web-based information platform for business advice – we would heartily concur with that J.

- How effective do you think Business Link is in specifically encouraging and providing support to businesses start-ups in London?

In terms of support, the whole problem with Business Link is that you're connecting with advisors, rather than real mentors or other entrepreneurs. Sharing problems with people who are going through the same thing tends to be far more useful and relevant than getting advice from someone who's learnt it from a textbook but has no real-life experience of what they're talking about.

Another limitation of Business Link is that because it's so bound by its own legality, it can't offer business-owners a lot of the slightly sneakier, real advice they need – how to pay as little tax as possible, how to out-do your competitors, etc – the slightly more hard-nosed side of things. It also seems to lack references to enough useful external commercial sites, probably for the same reason. (e.g. it doesn't recommend certain business angel networks over others, certain web domain hosts over others, etc.) But those recommendations are vital for business-owners who haven't yet built up a network of other startups.

Other ways to help small businesses

- Postpone the 5% increase in business rates that's due to come in in March (the CBI also urges this), or better yet, lower business rates for small business owners.
- Bring in stricter regulations about payments to small businesses coming in on time, and create a system that offers business owners struggling with overdue invoices a way of getting them paid that doesn't involve the small claims court. (Late payments to SMEs have gone up 40% from last year, with total amount now owed to them at £25.9 bn compared to last year's £18.6bn, according to research carried out by Bacs Payment Schemes Ltd)

SB055

[Not for public viewing]

London borough of Richmond

1. What support does your borough currently offer businesses wishing to start in its area in terms of access to finance, business advice and accommodation?

(Please include details of the cost of this support, any specific sectors supported and any recorded impacts/results of this work)

Financial support is not available

Office space is provided to Richmond Chamber of Commerce. Provision of a small meeting room on an ad hoc basis to Merton Chamber for 1: 1 meetings for a half day per week.

All advice for start-ups and new business has been provided by Provista, sub-contracted to Merton Chamber of Commerce, trading as southlondonbiz.com

Partner organizations, such as Richmond Adult and Community College, Richmond upon Thames College and Hawk Training provide some sector-related training.

2. What, if any, plans does the borough have to increase its support for business start-ups in the future?

We do not have resources to provide direct services to start-ups and are keen to know how the LDA contract will be handled in the future. We have good contacts with Business Link and ensure that the "business" webpages on the Council's website are up-to-date and signpost visitors easily to the correct provider.

SB057

[not available for public viewing]

London Borough of Bromley

Re: London Assembly Investigation into the support for business startups in London

Further to your email of 8 April 2009, I have been asked to provide a response to you regarding the above investigation. I have set out our response under the two headings suggested:

1. What support does the London Borough of Bromley currently offer businesses wishing to start in its area in terms of access to finance, business advice and accommodation?

Access to finance

In recent years and at the current time the Council has no programmes which provide funding (either grants or loans) to start up businesses. The only exception to this was during the 2007/08 financial year when we provided a grant of £ 5000 to Bromley Mencap to assist with a pilot project to set up of micro-enterprises by people with learning difficulties. Some of this money was used to purchase tools and equipment to assist with the establishment of the businesses. This project resulted in the formation of 3 micro-enterprises by people with complex support needs. Two of these businesses have been sustained. Bromley Mencap has successfully found LSC funding to continue this work alongside an established employment programme.

The Council does provide information and referral to other sources of potential funding - for example links from the Business section of the website to the LDA funding pages and to the GLE One London loan fund. Where local partner organisations (E.g. Business Focus) are able to provide assistance through programmes such as Access to Finance we will refer potential start ups to them.

We do not have sufficient funding to assist start up businesses with any direct grants or loans and would expect business owners to use the usual channels (i.e. high street banks or private investors) for most funding needs.

Business advice

The Council does not provide advice directly to businesses. However we do maintain a number of links to sources of advice (e.g. Business Link) on our website. The Business pages of the website are frequently updated and have seen a steady increase in hits during the past 4 years.

We publish an A to Z guide to local services for business and a business directory, both of which provide contact details for business-relevant services in the Council (e.g. Planning) and partner organisations providing business support and advice. The Council also subscribes to the Cobra online service which provides a range of fact sheets about business issues and profiles of different kinds of businesses. This service is made available free of charge at the borough's libraries.

In addition we refer enquirers about business start up to Business Focus who have been delivering the LDA Business London programme in this borough - but we understand that the funding (and the targets) for Bromley are comparatively modest.

Accommodation

Bromley Council owns a number of commercial properties across the borough (mostly small retail units) and also owns the Anerley Business Centre -which is a serviced office designed for new and smaller businesses. Although commercial rents are charged for both the traditional leasehold properties and for space in Anerley Business Centre -these are competitive in the current marketplace and designed to be affordable. The Anerley Business Centre was converted from disused civic offices with capital funding from the Council and from a Single Regeneration Budget grant in 2004 and has consistently seen occupancy levels of 70% and above during the past 3 years.

2. What, if any, plans does the borough have to increase its support for business start ups in the future?

As a borough we anticipate maintaining the existing level of support - including information and signposting to support services. However, we would hope to do more with partners to encourage the formation of sustainable businesses - particularly during the current economic downturn, when significant numbers of our residents are losing their jobs. Bromley is one of the areas being most affected by the recession due to substantial restructuring of the financial sector, and is forecast to lose more. Many of these people could have the skills and motivation to start their own businesses. Support required could include:

- Start up training and surgeries aimed particularly at those recently unemployed (could link in with and supplement the LSC's Responding to Redundancy programme).
- One-off day event to encourage business start up -to link in with Enterprise Week
- Development of business incubation space in parts of the borough with potential for commercial development (e.g. Biggin Hill/Crays).
- Assistance (e.g. in the form of free advice and micro-grants / loans) for those on long term benefits looking to go self-employed.

These potential projects are beyond the current scope of Bromley's Business Support Fund and we would welcome and encourage the Mayor and the LDA to consider providing or arranging support for the above activities.

Yours sincerely

Head of Local Economy & Regeneration

SB059

[Available on request]