

# MINUTES OF THE SUSTAINABLE DEVELOPMENT SELECT COMMITTEE

Tuesday, 11 December 2012 at 7.00 pm

PRESENT: Councillors Liam Curran (Chair), Obajimi Adefiranye, Julia Fletcher, Ingleby, Marion Nisbet, Sam Owolabi-Oluyole and Eva Stamirowski and

ALSO PRESENT: Paul Aladenika (Head of Policy and Partnership), Timothy Andrew (Scrutiny Manager), Paul Hadfield (Enterprise Development Manager), John Miller (Head of Planning), Simon Moss (Policy and Development Manager, Transport), Kevin Turner (Economic Development Manager), Marian Cattanach (Rhubarb and Custard Cafe), Michael Giessler (CEO, Mo-Sys), Louisa Gillespie (Rhubarb and Custard Cafe), Tracey Kilty (Greater London Enterprise Group) and Jordana Malik (Renewal)

## 1. Minutes of the meeting held on 1 November

Resolved: that the minutes of the meeting held on 1 November 2012 be accepted as an accurate record.

## 2. Declarations of interest

None declared

## 3. Response from Mayor and Cabinet on the Bakerloo line extension review

Simon Moss (Transport Policy and Development Manager) introduced the response. The key points to note were:

- The Council believed that plans for the extension of the Bakerloo line should be included in the plans for the upgrade of the line proposed for the early 2020s.
- Transport for London's draft 10 year business plan did not include plans to extend the line, which sent a mixed message about the likelihood of the extension going ahead.
- The Mayor of London had responded to the joint letter from the Mayor of Lewisham and the Leader of Southwark Council stating that the extension of the line remained a long-term aspiration, though it was presently unfunded.
- The Mayor of London had agreed to support the commission of a detailed study into the economic benefits of the proposed extension; however, his priorities remained the delivery of Crossrail and HS2.

In response to questions from the Committee, Simon Moss advised:

- Discussions were ongoing with Bromley Council at an informal level about the ambition to extend the line. There was some concern that the appropriation of the Hayes line for the service would sever South East London's direct link with London Cannon Street.

- Bromley Council were focused on lobbying the Mayor of London to extend the Docklands Light Railway, which would give Bromley residents better access to Canary Wharf.
- Officers would work with the office of the Mayor of London to develop the next stage of the business case for the Bakerloo line extension.
- An informal working group had started meeting to discuss how stakeholders might continue to lobby for the extension to go ahead.

Resolved: that further information about the Council's communication with the Mayor of London be circulated to members.

#### **4. Response from Mayor and Cabinet to the financial exclusion review**

Paul Aladenika (Head of the Policy and Partnerships Unit) introduced the response. The key points to note were:

- The response was informed by the current financial climate.
- Officers believed it was important to ensure that resources continued to be targeted effectively and fairly.
- The response acknowledged the importance of responsible customer engagement and the proportionate application of Council policy.
- The Council was working with partners on the potential impact of welfare reform, which included consideration of the issues raised in the Committee's review.

In response to questions, Paul Aladenika advised:

- The welfare reform group chaired by the Executive Director of Customer Services examined the issues raised by the financial exclusion review as part of its work. In future, it would look to adapt its terms of reference to take on more of the work set out in the Committee's review.
- More information about changes to the community sector grants programme would be made available to Committee members.
- Budgets from across a number of areas would be considered as part of ongoing work to respond to welfare changes.

Resolved: that the Committee's views on the response be referred to Mayor and Cabinet.

The Committee felt satisfied that the majority of its recommendations had been properly considered. However, the Committee was not content that one of its most important recommendations, proposing the creation of a financial inclusion partnership, had been adequately addressed. The Committee requested that further information be provided about the recommendation.

The Committee believed that, if the recommendation was to be accepted, the new dedicated *financial inclusion partnership* should focus specifically on issue of exclusion, including: outreach, campaigning, capacity building, support for innovation, encouraging the sharing of resources and the development of best practice, as set out in its report.

## 5. Business development evidence session

Kevin Turner (Economic Development Manager) and Paul Hadfield (Enterprise Development Manager) introduced the report. The key points to note were:

- Lewisham had a market for small businesses.
- Additional focus had been placed on rapid response initiatives to support businesses facing difficulties.
- The cuts had an impact on the number of organisations the Council was able to support – but there were options being looked at to maintain funding for the service.
- The Council used the Mayor's business awards, stories in the local press, the chamber of commerce and the Council's own business newsletter to engage with businesses. The Resources and Regeneration directorate also had its own communications manager, who worked to ensure exposure of Council services to businesses.
- The economic development team were working to ensure that local businesses had access to procurement opportunities. A recent initiative aimed to link local businesses to procurement opportunities across five boroughs.
- London's Local Enterprise Partnership had set up sub groups to look at infrastructure and development of growth industries.
- Financing was a difficulty for some small organisations. Crowd funding and so called peer-to-peer lending were increasingly popular ways of financing small businesses. Lancashire Council had recently committed to investing in local businesses through a major peer-to-peer lending organisation.

Louisa Gillespie and Marian Cattanach from Rhubarb and Custard were invited to give evidence to the committee about the experience of running a small business in the borough. The key points to note were:

- R&C were looking to grow their business and the Greater London Enterprise (the Council's commissioned business support provider) was able to help them access support and procurement opportunities.
- GLE specifically 'profiled' the business as an organisation with growth potential.
- As part of the support available, the business was invited to meet with as a major contractor in the borough, who was tendering for a catering contract.
- GLE supported the business at every stage of the procurement process to out forward the best possible bid.
- There was a lot of information available for small businesses. Sometimes, however, organisations lacked the capacity or resources to engage with the support available.
- Business competition in the borough was very high. In spite of the downturn in the economy, new businesses were still setting up.

In response to questions, Louisa Gillespie and Marian Cattanach advised:

- The Council and its partners' efforts to engage with businesses were good but there would be no way for this advice to keep up with the pace of change in the business sector. In addition, people working in small

businesses are often very busy and lack the time to properly plan for the future.

- Organisations such as GLE, which search for new businesses with the potential to grow and link them with new opportunities, provided an essential lifeline for small business people.
- The Council might look to make the most of its 'day to day' interactions with local businesses. For example, food businesses needed to register with the Council for food hygiene purposes- this might also provide an opportunity for the Council to share information about its business services.
- Work experience and apprenticeships were important ways to engage local people in small business.
- As a small business it was difficult to access finance. They were competing for a new contract, which required them to have access to additional finance. However, because of their size, the bank was unwilling to provide them with overdraft facilities. They used this as an opportunity to look at the running of the entire business- and to ensure that they were disciplined about the way the organisation used its money.
- The ability to gain finance was not an end in itself. Businesses had to look at their overall approach and search for a range of means for financing new projects. It was not always appropriate for business to try to grow. Some businesses only worked well as small enterprises.
- The business had not sought specialist advice about its finances.

In response to questions Tracey Kilty (Senior Enterprise Support Manager, Greater London Enterprise Group) advised:

- The Council's partnership work was strong and officers at the Council had made the help available work for local businesses.
- Ensuring the sustainability of local businesses was a central part of GLE's job. They were able to support businesses to evaluate their cash flow, work out ways to reduce costs and work with landlords to negotiate improved terms for businesses facing difficulties.
- Support for small business had a range of benefits. In particular, small businesses tended to employ more local people and could provide an important step up for young people trying to access the labour market.
- One way the Council and its partners could support businesses would be to improve Lewisham's high-street environment and control negative businesses.
- Controlling the numbers of pawnbrokers and betting shops would provide business with a better environment to work in. In addition, dealing with empty premises was important. The impact of empty shops on the high street could be pervasive, due to the general feeling of degradation and deprivation it created.
- The Council could work more closely with landlords to make use of empty premises.
- The G15 landlords (the 15 largest social landlords in London) had started an innovative project to make use of empty premises.
- Work could be encouraged on a neighbourhood level to support business development but the use of volunteers required the engagement of committed people over extended periods, which might be difficult to maintain.

- GLE supported the creation of hubs of activity where there was a particular focus on expertise and excellence in an area. This model worked because people from richer wards would travel to other parts of the city for uniqueness. A good example was the pop up shops that were starting in Forest Hill - some of which were so popular they would be likely to continue after the trial finishes.

Jordana Malik (Renewal) provided the committee with an overview of the proposed development at Surrey Canal Triangle the key points to note were:

- The development would move away from large retail and large office space. It would provide 'move on space' alongside incubation spaces for creative organisations
- Part of the plan for the new development was to create a digital hub, nicknamed 'film city' for creative media businesses. Working with the Economic Development team at the Council – Renewal had already engaged with creative businesses to start the Surrey Canal Studios.
- The tech company Mo-Sys was in residence and had started making films.

Michael Giessler (CEO, Mo-Sys) spoke to the committee about his media business. The key points to note were:

- Mo-Sys was the manufacturer of specialised camera equipment, which had been used on a large number of renowned films.
- The company was now based at the Surrey Canal Studios. It had developed a hi-tech film studio, which featured a so-called 'green screen'. Using motion control robotics and computer generated backdrops the green screen technology enabled the creation of realistic virtual landscapes. Movement against green screen was difficult to capture in standard filming but the techniques developed by the studio simplified the process and enabled creative ideas to be further developed.
- The new facility, which had only been in operation for 6 weeks, put green screen technology within reach of smaller businesses, such as those attempting to make lower and medium sized productions.
- It was intended that the studios would bring together a complete range of media businesses, including those who make film, those who make film tools, and people who wanted to organise cultural events.
- Connecting Lewisham residents to the jobs on offer was not straightforward. The nature of the business meant that it required highly skilled specialists. It was also important that, in the first instance, the business was a commercial success. Non-commercial issues needed to be balanced against the needs of the business.
- The organisation would work with schools, colleges and other organisations as much as possible to extend opportunities to the local community. Most of the people who worked for Mo-Sys lived in Lewisham and the development of the studio in this area meant that there were benefits for other local suppliers and businesses in the north of the borough as skilled people were attracted to the borough.

Resolved: that further information about the local economic assessment and Surrey Canal Studios be circulated to members.

The committee formally thanked the offers for their work.

## 6. Local shops update

John Miller (Head of Planning) introduced the update. The key points to note were:

- The new resource was available on the Council's website.
- It was designed to make the best use of existing information and sources.

Resolved: that further information about local shops be presented to members as part of the item on localism, which is scheduled for February.

## 7. Select Committee work programme

Resolved: that the work programme report be noted.

## 8. Items to be referred to Mayor and Cabinet

Resolved: that the Committee's views, as set out below, on the response from Mayor and Cabinet to the financial exclusion review be referred to Mayor and Cabinet for consideration.

- The Committee is satisfied that the majority of its recommendations have been properly considered. However, the Committee is not content that one of its most important recommendations, proposing the creation of a financial inclusion partnership, has been adequately addressed. The Committee requests that further information be provided about this recommendation.
- The Committee believes that, if the recommendation is accepted, the new dedicated *financial inclusion partnership* should focus specifically on issue of exclusion, including: outreach, campaigning, capacity building, support for innovation, encouraging the sharing of resources and the development of best practice, as set out in its report.

The meeting ended at 9.05 pm

Chair:

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Date:

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