

**Chief Officer Confirmation of Report Submission
Cabinet Member Confirmation of Briefing**

Report for: Mayor

Mayor and Cabinet

Mayor and Cabinet (Contracts)

Executive Director

X

Information

Part 1

Part 2

Key Decision

Date of Meeting	23 October 2013
------------------------	-----------------

Title of Report	Response to recommendations made by the Sustainable Development Select Committee on the Review of Business Development
------------------------	--

Originator of Report	Kevin Turner	Ext. 48229
-----------------------------	--------------	-----------------------

At the time of submission for the Agenda, I confirm that the report has:

Category	Yes	No
Financial Comments from Exec Director for Resources	Yes	
Legal Comments from the Head of Law	Yes	
Crime & Disorder Implications	Yes	
Environmental Implications	Yes	
Equality Implications/Impact Assessment (as appropriate)	Yes	
Confirmed Adherence to Budget & Policy Framework	Yes	
Risk Assessment Comments (as appropriate)	N/A	
Reason for Urgency (as appropriate)	N/A	

Signed: _____ Executive Member

Date: _____

Signed: _____ Director/Head of Service

Date: _____

Control Record by Committee Support

Action	Date
Listed on Schedule of Business/Forward Plan (if appropriate)	
Draft Report Cleared at Agenda Planning Meeting (not delegated decisions)	
Submitted Report from CO Received by Committee Support	
Scheduled Date for Call-in (if appropriate)	
To be Referred to Full Council	

MAYOR AND CABINET		
Report Title	Response to recommendations made by the Sustainable Development Select Committee on the Review of Business Development	
Key Decision	No	Item No.
Ward	All	
Contributors	Executive Director for Resources and Regeneration	
Class	Part 1	Date: 23 October 2013

1. Summary

- 1.1 The Sustainable Development Select Committee produced a report entitled "Business Development: A short Review" May 2013. The report was received by Mayor and Cabinet on 10th July 2013. It was agreed that Mayor and Cabinet would provide a report to the Sustainable Development Select Committee setting out a response to their recommendations. Each recommendation is reproduced below in section five.

2. Purpose of the Report

- 2.1 This report provides a response to the recommendations made in the Sustainable Development Select Committee Report presented to Mayor and Cabinet on 10 July 2013 on the Review of Business Development.

3. Recommendations

It is recommended that the Mayor:

- 3.1 Agrees the collective responses to the statements and recommendations set out in section five be approved for submission to the Sustainable Development Select Committee.

4. Policy Context

- 4.1 Shaping our future – Lewisham's Sustainable Community Strategy 2008-2010 contains the shared priorities for the borough. It sets out a framework for improving the quality of life and life chances for all who live in the borough. The recommendations contained in this report contribute to the key priority, Dynamic and Prosperous.
- 4.2 The recommendations contained in this report also support, and are consistent with, the Council policy objective 'Strengthening the local economy'.
- 4.3 People, Prosperity and Place, Lewisham's Regeneration strategy 2008-2010, also provides the context for the work of Economic Development. Under the theme of Prosperity this strategy states that by 2020, Lewisham will have a thriving, dynamic and creative economy. Lewisham's population will be well educated, highly skills and successful, making an important contribution to the workforce both inside and outside of the borough.

5. Response to recommendations

5.1 Recommendation 1: *The committee recommended that the Council and its partners should continue to be responsive to requests from the community to support with developing neighbourhoods and local high streets.*

Response: The Council has adopted the Lewisham Core Strategy which sets out policy at a strategic level for Lewisham and Catford Town Centres, District Centres and other local centre and small shopping parades in the borough.

The Core Strategy describes the character of the borough as a whole, and provides a vision for how the borough will have been regenerated by 2026 based on neighbourhoods, town centres and residential areas.

The Council is also preparing more detailed local plans for the regeneration of Lewisham and Catford Town Centres.

Neighbourhood Plans are a relatively new initiative from central government which enables local groups to establish general planning policies for the development and use of land in a neighbourhood, like:

- where new homes and offices should be built
- what they should look like

The plan can be detailed or general, depending what local people want.

Neighbourhood plans allow local people to get the right type of development for their community, but the plans must still meet the needs of the wider area. In most cases neighbourhood plans will have to take into account the local council's assessment of housing and other development needs in the area.

The Council has received a number of expressions of interest from community groups and the Planning Service is currently in discussions with one group who are starting to make more definite proposals.

The Council will continue to work with communities when and where opportunities arise, such as the recent Portas Pilot initiatives.

5.2 Recommendation 2: *The committee recommended that the Council should work to expand the number of 'meet the buyer' events it holds. Where the Council is tendering major contracts, it should be an expectation that local businesses are invited to meet with the main contractor or developer at an early stage in the contract process.*

Response: The Council, led by the Economic Development team, holds Meet the Buyer events for all appropriate procurement opportunities.

The Council's Procurement and Economic Development team work closely to identify appropriate local businesses to be invited to participate in council contract opportunities. We will continue to develop this work in order to include appropriate local businesses when new frameworks are developed.

The Council's Code of Practice for Contractors, Suppliers and Service Providers – November 2011 states that contractors, suppliers and service providers must use best endeavours to appoint a business based in Lewisham borough.

Section 106 Local Labour schedules also state that reasonable endeavours must be used to engage with local businesses.

One of the uses of the business directory is to ensure up to date intelligence of the local construction business base is available. This is issued to main contractors, developers and commission officers, thus, facilitating engagement with local businesses.

- 5.3 Recommendation 3: *The committee recommended that the Council should review its communications with businesses in order to ensure the widest possible distribution of its business newsletter. This should include a review of ways in which the Council can use day to day interactions with businesses to highlight the support available.*

Response: In partnership with the Communications team we have agreed to change and improve the approach to contacting businesses. Currently there is a designated business newsletter that goes out to around 1,800 businesses. Experience with the Lewisham Life newsletter has shown that through effective segmenting of subscriber lists we can send targeted content that significantly drives up open and click-through rates improving the effectiveness of communication. We have also implemented effective ways of building subscriber rates through creative campaigns and a relentless effort to promote sign-ups through all customer transactions.

We therefore propose to migrate the current business newsletter subscribers with the Lewisham Life newsletter subscriber list, which currently stands at around 12,000. We will then send targeted content of interest either to all businesses or specific types of business as and when we have it. Through this approach we expect we can increase the effectiveness of the communication and engage more of the business community.

Economic Development in partnership with Communications will continue to consider other methods of promoting, and engaging with, businesses. This already includes wide press and web coverage on the Mayor's Business Awards and regeneration in the borough.

The Business pages of the Lewisham website are also under review to ensure they present the support available to business in the clearest way and that there are appropriate links to these pages across the website.

- 5.4 Recommendation 4: *The committee recommended that the Council should consider the potential of developing a business mentoring scheme, which is delivered through the business advisory service and led by businesses that have benefitted from support.*

Response: There is currently a [Get Mentoring initiative](#) which is a national government initiative launched in 2011 with the aim to recruit 15,000 volunteer business mentors. However the following issues were identified in the Capital Enterprise Report and through discussion with Greater London Enterprise, the South East chamber of Commerce and London Borough of Southwark:

- There is a shortage of volunteer mentors particularly in London.
- There is a lack of (public funded) resources which is restricting the effective delivery of volunteer mentoring programmes.
- The quality of the mentoring can be mixed.
- Business mentoring to help people to start up or become self employed is not very effective.

Mentoring can still be an effective means of supporting small businesses. A business mentor is employed as part of the Lewisham Business Advisory Service. The service also offers Post Start-up support to new businesses. A volunteer mentoring scheme could be developed to compliment this service. However for this volunteer service to be effective it would be necessary to fund the development and management of the service and it not possible within the current contract and existing financial resources. Due consideration to including this in the next contract will be considered in 2015.

- 5.5 Recommendation 5: *The committee supports the creation of the business procurement directory and urges the Council to give full consideration to extending the directory beyond construction related businesses.*

Response: There are an estimated 650 construction businesses in Lewisham, at present the directory has captured approximately 90. The intention is to focus on and exhaust the construction businesses initially, then review and assess the outcomes. Assuming a positive review the directory will be extended beyond construction related businesses.

- 5.6 Recommendation 6: *The committee recommended that the Council should assess the feasibility of working with developers and partners to create incubation space for new businesses. Businesses using this incubation space should be supported by the Council's business advisory service.*

Response: The council and in particular Planning and Economic Development work closely with developers and partners to explore the best use of business space included in new development sites. The on-going need and aspiration for incubation space for new businesses is highlighted in the new Business Growth Strategy, developed in part in response to this review of business development.

There are significant challenges in creating a financial model that works for subsidised space that can be supported by the private sector. However, over the next seven years it is forecast that the development of major strategic sites will create 134,00sqm of new space for businesses. A number of these developments have potential to include subsidised space. Specifically, Workspace at Creekside, Cannon Wharf Business Centre and the Surrey Canal scheme all intend to have an element of incubation space with some level of subsidy of rents. Future opportunities regarding meanwhile use such as the Town Hall building may also open up new opportunities for incubation space and these are being explored currently.

- 5.7 Recommendation 7: *The committee recommended that the Council should continue to work with partners to identify, explore and develop, new 'business clusters' in the borough.*

Response: The council and in particular Economic Development seek out on an on-going basis business sectors and clusters that have the potential for future growth. Research and engagement has been carried out on the digital media sector as presented to SDC. Research is currently being carried out to identify the characteristics and sectors of businesses which are growing in the borough. This includes work with the local food sector. As part of the Business Growth Strategy action plan, further clusters and sectors will be identified for future work.

- 5.8 Recommendation 8: *The committee recommended that once clusters of new businesses are identified, the Council should work with the Chamber of Commerce and other local organisations to publicise and develop these new hubs of activity.*

Response: The engagement with the SE London Chamber of Commerce, The Federation of Small Businesses and other relevant organisations is integral to any cluster work and this will continue. The council also works closely with London and Partners to develop identified sectors and attract new businesses in to the borough. Economic Development works closely with the Communications service to seek out ways to communicate these areas of activity to the widest possible audience. The Business Growth Strategy will provide a strategic framework to develop cluster work with partners.

- 5.9 Recommendation 9: *The committee requested that an update on the committee's recommendation should be brought before the Committee before the end of the 2013/2014 municipal year.*

Response: The committee has requested an update on the Business Growth Strategy in December. Further updates could be provided as required.

6. Financial implications

- 6.1 The overall Economic Development budget for 13/14 stands at £360k and is currently fully committed. A number of the recommendations do not involve any additional costs to the Council. Where recommendations require additional investment these will not be implemented unless a resource can be identified within existing budgets.

7. Legal implications

- 7.1 There are no specific legal implications arising from this report save for noting the obligations arising from the Equality Act 2010.
- 7.2 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.3 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 7.4 The duty continues to be a "have regard duty", and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 7.5 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled "Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice". The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that

are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

7.6 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

1. The essential guide to the public sector equality duty
2. Meeting the equality duty in policy and decision-making
3. Engagement and the equality duty
4. Equality objectives and the equality duty
5. Equality information and the equality duty

7.7 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

8. Crime and disorder implications

8.1 There are no crime and disorder implications related to this report.

9. Equalities implications

9.1 The Council's Comprehensive Equality Scheme for 2012-16 provides an overarching framework and focus for the Council's work on equalities and helps ensure compliance with the Equality Act 2010.

9.2 A higher proportion of small and medium businesses are run by BAME communities. Residents most disadvantaged from the job market are lone parents, those on incapacity benefits, young people, and people over 50 and those from BAME communities. Any of the above recommendations will contribute to reducing these inequalities.

10. Environmental implications

10.1 The support of small and medium businesses reduces the number of empty business properties in the borough, reducing vandalism and fly-tipping. This will have positive effects in terms of the environment.

11. Background documents and originator

Title Document	Location
Business Development: A short review by the Sustainable Development Select Committee	Committee and Business Services Lewisham Town Hall

11.1 For further information please contact Kevin Turner, Economic Development Manager, on 020 8314 8229, Kevin.turner@lewisham.gov.uk.