



Lewisham Business Growth Strategy 2013-2023

**Strengthening Lewisham's economy by creating
growth and local jobs**

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1. Executive Summary

- 1.1 Lewisham is an integral part of the dynamic world city and global economic powerhouse that is London. The vision of this Strategy is that in ten years' time Lewisham will be one of the fastest growing parts of the London economy.
- 1.2 Three aims have been developed to underpin this vision These aims have been developed through an examination of the Lewisham economy and by considering how its unique mix of characteristics can be exploited to harness the potential that already exists in the borough to boost economic growth.
 - Aim 1: To boost Lewisham's contribution to the London economy by enhancing the ability of new and existing business to thrive and grow.
 - Aim 2: To accelerate the expansion of the Lewisham economy by capitalising on major physical regeneration in the borough to create the right environment for business growth.
 - Aim 3: To diversify and expand the Lewisham economy by inspiring, nurturing and promoting the creativity and entrepreneurship of Lewisham residents
- 1.3 Businesses in Lewisham benefit from the external demand from the wider London economy. This demand is expected to grow over the next decade. Emerging strongly from the economic downturn and looking towards the next decade, London's economic growth is expected to continue apace – fuelled by job creation, inward investment and the ability to attract skilled labour from across the globe. With London's population expected to reach nearly ten million by 2021, the demand for consumer goods and services is also expected to increase – boosting demand for business, economic output and wealth creation.
- 1.4 We need to position businesses in Lewisham to reap maximum benefit from this opportunity.
- 1.5 The level of investment in housing and new business space in the borough over the next 10 years will be greater than at any time in the last 40 years. This – combined with significant regeneration of key transport hubs and town centres in Deptford, Lewisham and Catford – provides a once in a lifetime opportunity to support business growth in Lewisham. A long-term

strategic approach is required to ensure that we exploit the opportunity this investment will bring, create the right kind of premises for businesses, the right business environment and the right infrastructure which will provide sustainable business growth and increase the number of jobs for local people.

- 1.6 Achieving significant business growth in Lewisham has been challenging due to the recent economic climate. Businesses have been struggling to survive in a period of austerity when there is a shortage of private and public sector investment in infrastructure and regeneration. The aim of this Strategy is to foster and enable sustainable growth by helping to create the right conditions for businesses to flourish, with a particular focus on knowledge based businesses¹, empowering local businesses to take full advantage of regional and national economic recovery. This approach is in line with the GLA's London Economic Development Strategy (2010) which states:

'London's economic success rests on ensuring that the capital's environment for starting, running and expanding a business is the most competitive in the world. This needs an understanding of, and support for, the conditions for a high-value, knowledge based economy.' (p31)

- 1.7 The approach of the Lewisham Business Growth Strategy is to determine Lewisham's unique characteristics and strengths, identify opportunities for business growth, and set out the activities which will bring about this growth. The Strategy is grounded on an appreciation of the inter-relationship between the local and the regional economy and the role the borough's economy plays as part of the London economy.
- 1.8 This Strategy identifies five key characteristics of the Lewisham economy:
1. Lewisham has become a growing centre for micro businesses, which benefit from the demand created from the London economy;
 2. Lewisham has a dynamic, diverse, creative and entrepreneurial population;

¹ These are businesses which are part of the knowledge economy. The Knowledge Economy is defined as 'the effective utilisation of intangible assets such as knowledge, skills and innovation potential as the key resource for competitive advantage' (The Work Foundation, Defining the Knowledge Economy, 2006). In Lewisham, the Knowledge Economy includes a wide range of micro businesses working primarily in the business services, information technology and creative sectors. It also includes a large number of employees working locally in the public and third sector.

3. Lewisham provides excellent value for London businesses;
 4. Lewisham is undergoing a period of significant regeneration, creating new high quality business space and environments; and
 5. Lewisham town centres are being revitalised, developing their unique and diverse offer.
- 1.9. We recognise that the people best placed to found and grow businesses are business people and, collectively, this strategy's three aims and five key characteristics provide the mechanism through which we can cultivate the energy and dynamism of the business sector in Lewisham, enable businesses to take advantage of significant new developments in the borough, unlock the unique entrepreneurial potential of Lewisham residents and attract new businesses to the area.
- 1.10 By establishing the right working environments, by providing business leaders and entrepreneurs with the skills and knowledge they need to thrive, and by inspiring residents to start their own enterprises, we aim to empower the private sector in Lewisham to take the lead in increasing the speed of economic expansion.

The context

- 1.11 Lewisham's vision and strategy for promoting business growth sits within the broader framework of *Shaping Our Future – Lewisham's Sustainable Community Strategy 2008-2020*, in particular the desire of the Council and LSP to create a borough that is dynamic and prosperous: to improve town centres and local areas; to increase access to jobs; and to promote access to sustainable public transport.
- 1.12 This Strategy also reflects the aspirations and ambitions of Lewisham's Mayor, Sir Steve Bullock. In March 2013, the Mayor announced that the Council must:
- 'use the power of the Council as a service provider to create growth in the local economy'**
- 1.13 A wide range of strategies will complement Business Growth Strategy. These include: Work & Skills Strategy, Creative Industries Strategy, Local Development Framework and Core Strategy. The Strategy is also supported by, and contributes to, regional and national strategies for supporting business growth. In particular, the GLA's London Economic Development

Strategy (2010), the London Enterprise Panel's, Jobs and Growth Plan (2013) and the Department for Business, Innovation and Skills paper, 'Local growth: realising every place's potential' (2010).

- 1.14 Working collaboratively with our partners and stakeholders, the success of this Strategy will be measured in terms of our ability to attract a more diverse range of businesses, increase inward investment, increase the survivability of local businesses and maximise our job creation potential.

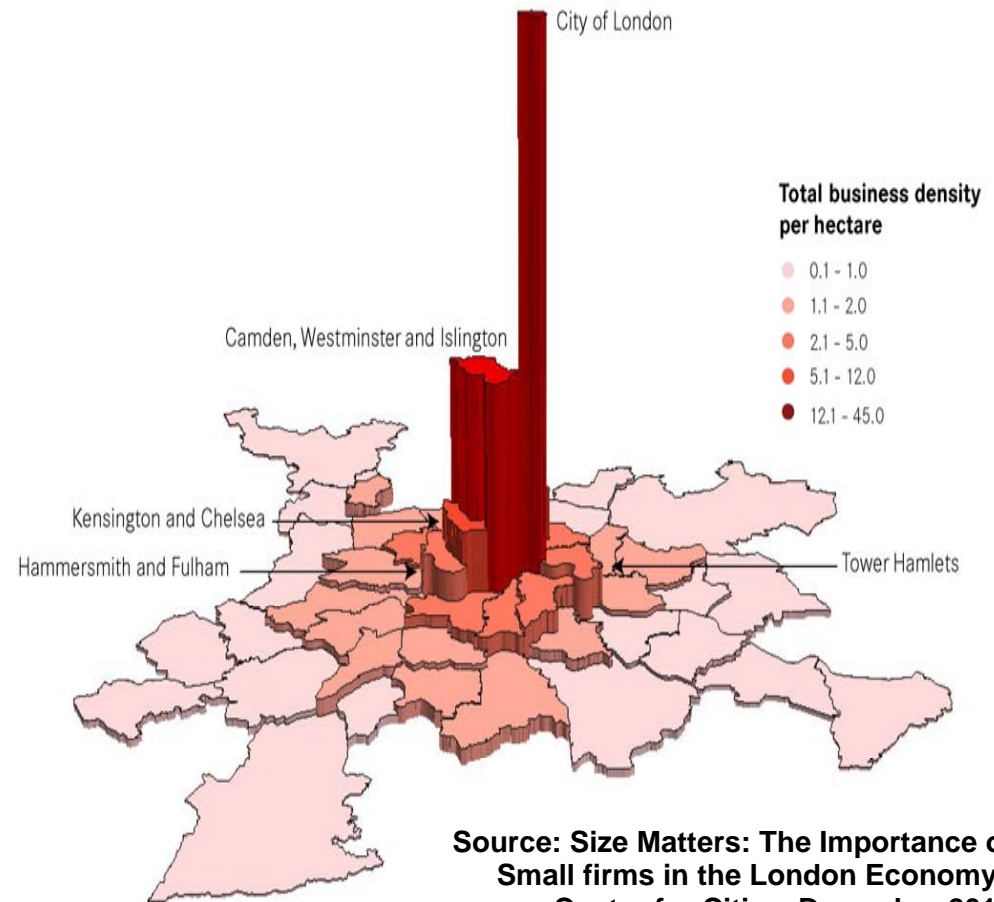
2. Lewisham and the London economy

Introduction

- 2.1 London is one of the world's leading financial and commercial centres and accounts for 21 per cent of the UK's total economic output. There are more jobs and businesses concentrated in the region than anywhere else in Europe. Businesses in London and the South East are more competitive than businesses elsewhere in the UK². The capital has the highest rates for business innovation and highest levels of entrepreneurship. However, as the chart opposite shows, levels of business activity, competitiveness and growth are not evenly spread across the capital, but concentrated in Central London, parts of West London and Canary Wharf.

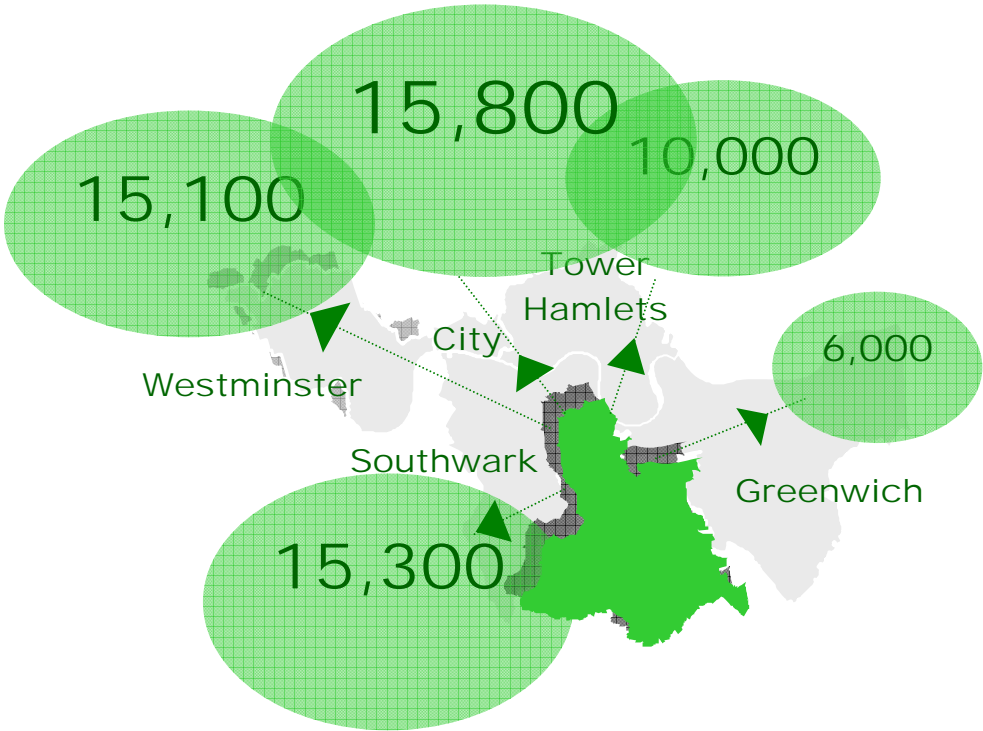
Lewisham is a labour supplier for London's economy

- 2.2 Lewisham is the fourth largest inner London Borough with a population of 282,000 and a working age population of 197,000. The economy of Lewisham has developed through its dynamic relationship to the wider London economy and today it supplies the labour fuelling the region's economy as up to 100,000 people commute out of



² Source: UK Competitive Index 2010, <http://www.cforic.org/pages/ukci2010.php>.

the borough every day. The chart below shows the destination of most commuters. Lewisham is an affordable place to live, with quality amenities and good transport links. Lewisham's workers are highly skilled, with almost four in ten adults educated to degree level and a high percentage working in knowledge industries. A large number of residents are self-employed or run micro business that provide services to central London.

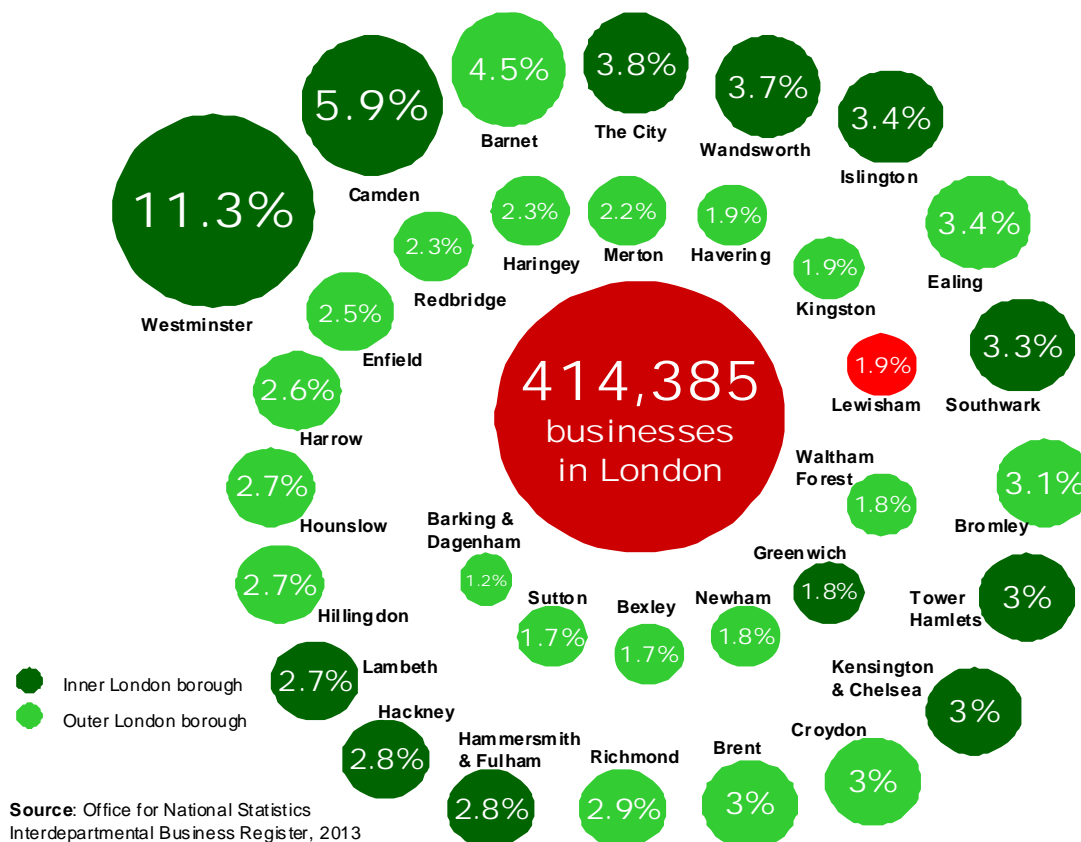


Source: Office for National Statistics, Annual Population Survey, 2011

2.3 Lewisham is also a good location for many other small and medium sized businesses, particularly those which supply goods and services to the much larger economies in Central London and Canary Wharf. These businesses need good, quick access to these markets.

Lewisham has a small economy

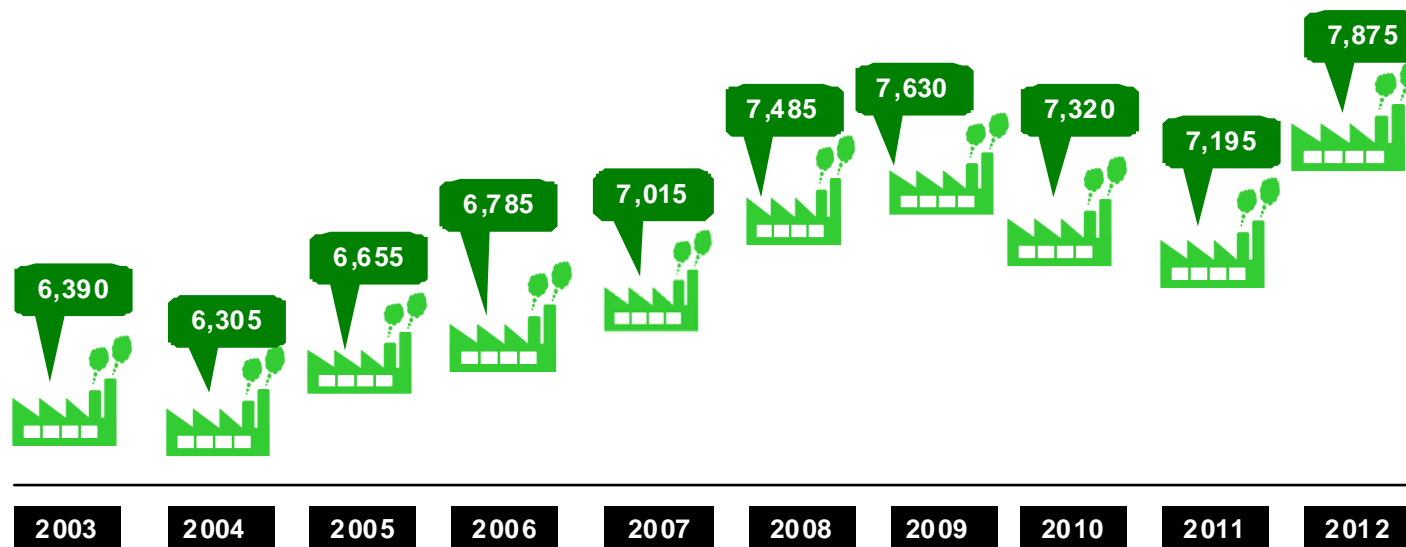
2.4 The chart opposite shows that Lewisham has one of the smallest economies of all Inner London boroughs. According to the Office for National Statistics, there are 8,000 active businesses in the borough. In Lewisham, 84.2 per cent of businesses employ less than five people, the highest percentage in the UK³.



³ For further details, see Appendix 1, Table 1.

Parts of the Lewisham economy are dynamic and growing

2.5 Over the past 10 years the number of businesses operating in Lewisham has seen steady growth interrupted only by the effects of the economic downturn. As shown in the chart below, between 2003 and 2012 the number of active businesses in Lewisham increased by 1,465 (an increase of 23.2 per cent compared with 11.6 per cent for Inner London and 17.2 per cent for Outer London). Employment in Lewisham also increased during this period from 57,500 to 58,600 (an increase of 1.9 per cent compared with 10.9 per cent for Inner London and 5.9 per cent Outer London). Growth in the number of businesses in Lewisham has been almost exclusively in micro businesses (businesses that employ less than 10 people) most of these having single employees, while the number of medium and large businesses has reduced. There is a similar trend across London although in Lewisham the increase in micro business is greater⁴.



Source: Office for National Statistics, Interdepartmental Business Register, 2013

⁴ For further information see Appendix 1 , Table 2.

2.6 Lewisham's economy closely mirrors that of London's in terms of the concentration of active businesses within specific sectors. The three sectors with the highest concentration of active businesses are:

- 1. business services,
- 2. information and communication, and
- 3. retail.

These sectors collectively account for 41 per cent of active enterprises in London and 42 per cent in Lewisham respectively. Furthermore, the two sectors which are growing the fastest in Lewisham – business services and information and communication – are the two sectors which are growing the fastest across the region. It is predicted that these two sectors will account for 590,000 of new jobs across London by 2036 (69 per cent of all new jobs)⁵.

2.7 Levels of entrepreneurship are high in the borough. In the past decade, the rate of new business formation was at or above the level for Inner London and London⁶. Between 2008 and 2012, there were 4,800 business start ups in Lewisham, which represented 34 per cent of the total business stock. These new businesses employed 6,700 of Lewisham's workforce in 2012, which represented 12 per cent of total employment in the borough⁷. But businesses in Lewisham are less likely to survive and grow⁸.

Employment in Lewisham

2.8 The chart on the following page shows the distribution of employees by sector. A large proportion of employment is in human health and social work, and education. However, this is concentrated in a small number of large public sector organisations. By contrast, the professional, scientific and technical sector⁹, represents only a small proportion of employment in the borough (4

⁵ Source. GLA Economics

⁶ For further details, see Appendix 1, Table 3.

⁷ Source. High Growth Businesses in Lewisham, Trends Business Research Ltd 2013

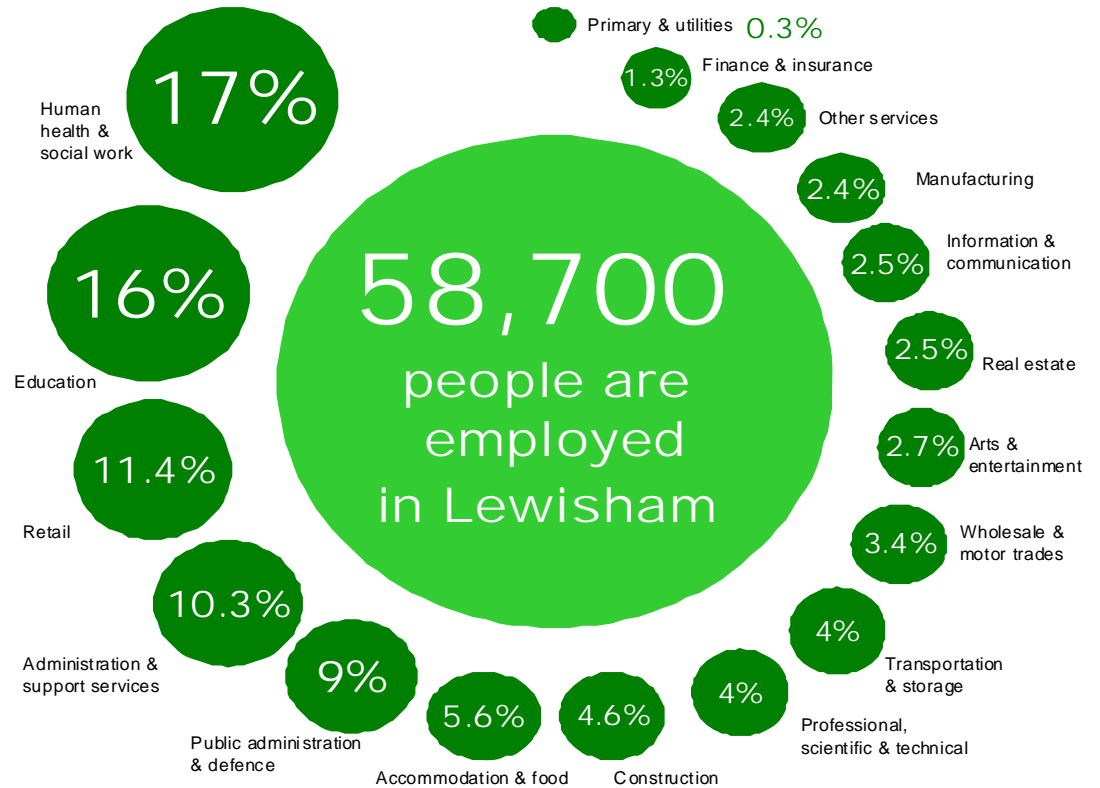
⁸ For further details, see Appendix 1, Table 4

⁹ The professional, scientific and technical sector can be better defined as Lewisham's business services sector

per cent) but the highest proportion of businesses (16.9 per cent), illustrating the high number of very small businesses working in this sector.

2.9 Between 2008 and 2012 there were 79 businesses which grew by five or more employees. These businesses increased their employment by 692 employees (88 per cent), from 828 employees in 2008 to 1520 employees in 2012 and were concentrated in three sectors: (1) human health and social work, (2) wholesale and retail, and (3) accommodation and food services¹⁰.

2.10 Employment created by new businesses (i.e. businesses which started between 2008 and 2012) is highest in business services, information and communication, wholesale and retail¹¹.



Source: Office for National Statistic, Size of Firms in London Local Authorities by Enterprise Size July 2013

¹⁰ Source: High Growth Businesses in Lewisham, Trends Business Research 2013

¹¹ Source: High Growth Businesses in Lewisham, Trends Business Research 2013

Changes in commercial space

2.11 Lewisham has a small amount of commercial space. The borough has 958,000 sqm of commercial space representing 1.48 per cent of the capital's commercial space. This is a smaller share than neighbouring boroughs. Greenwich has 1.83 per cent, Southwark 3.8 per cent and Bromley 2.14 per cent¹².

2.12 The table opposite shows how the amount of commercial space in the borough has shrunk over the past decade at a faster rate than for both London and London East.

2.13 Lewisham has a small amount of office space. 12.27 per cent of commercial space in the borough is for offices compared with an average of 36.87 per cent for London.

Percentage Change in Commercial Space 2002-2012			
	Lewisham	London	London East
All	-16.33	-2.98	1.65
Industrial	-30.2	-17.31	-19.68
Retail	-5.79	3.72	7.42
Office	7.35	4.2	21.03

Source : Local Futures 2013

Land values

2.14 The value of retail and industrial space in Lewisham is amongst the lowest in London¹³. Office space in the borough is the lowest of all London boroughs.

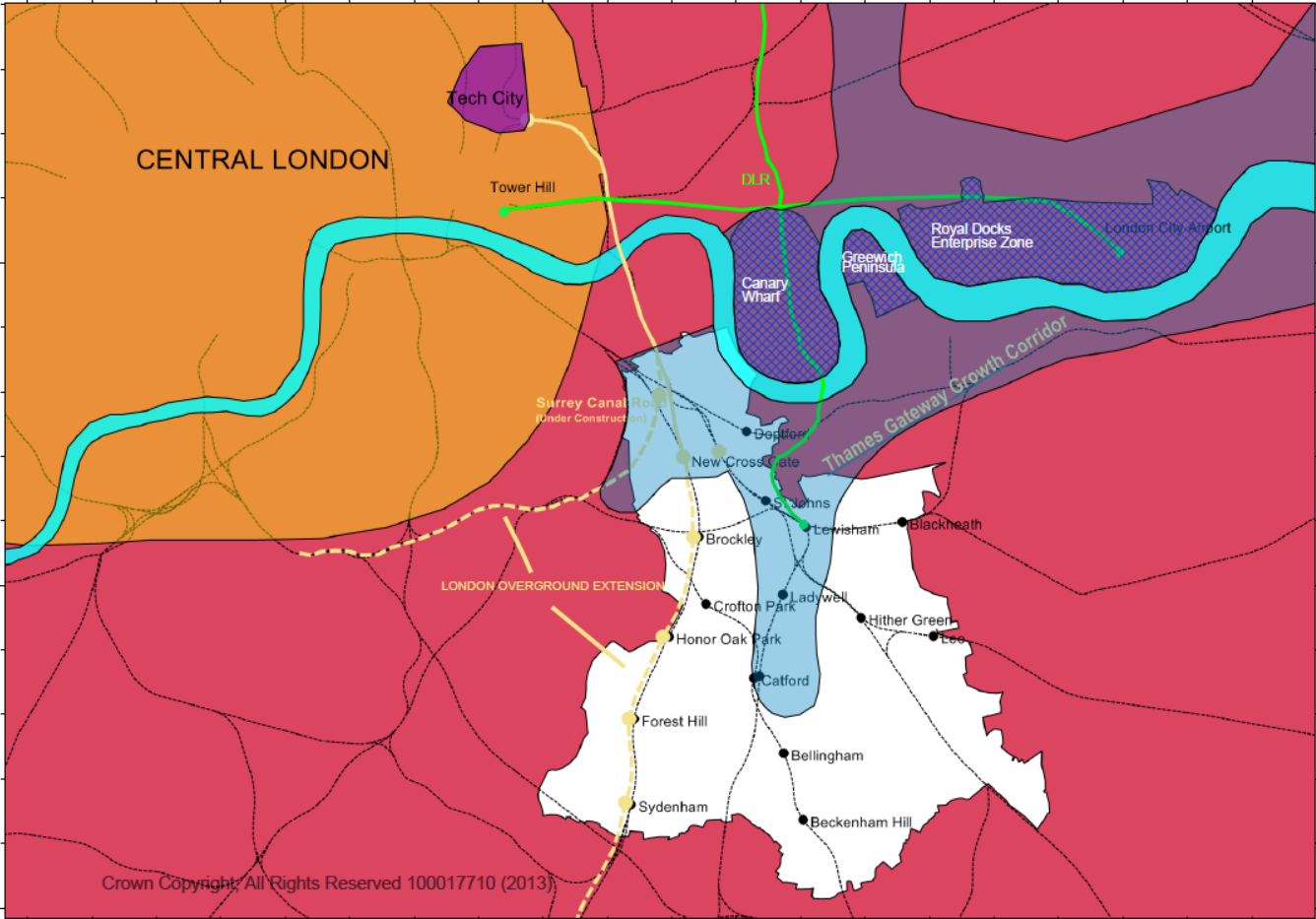
Regeneration in London

2.15 Over the past 20 years, new centres for business growth have emerged in areas outside of the traditional business districts in central and west London, which were in danger of overheating as the London economy expanded in the 1980s. Government support focused on encouraging businesses to move East, expanding into the Thames Gateway. This resulted

¹² London Borough of Lewisham Employment Land Survey, Roger Tyms and Partners, 2008

¹³ Source. Land Registry, July 2013. More details regarding the value of retail and office space in Lewisham compared with other London boroughs is in Appendix 1, Table 5

with the establishment of Canary Wharf in the 1990s and, more recently, the emergence of smaller centres for micro businesses such as Tech City in Shoreditch and the expansion of 'the City' across the river into north Southwark. Business growth is set to continue in areas surrounding Lewisham, with new phases of development completing in Canary Wharf, Greenwich Peninsula, The Royal Docks Enterprise Zone, Bankside and More London in Southwark.

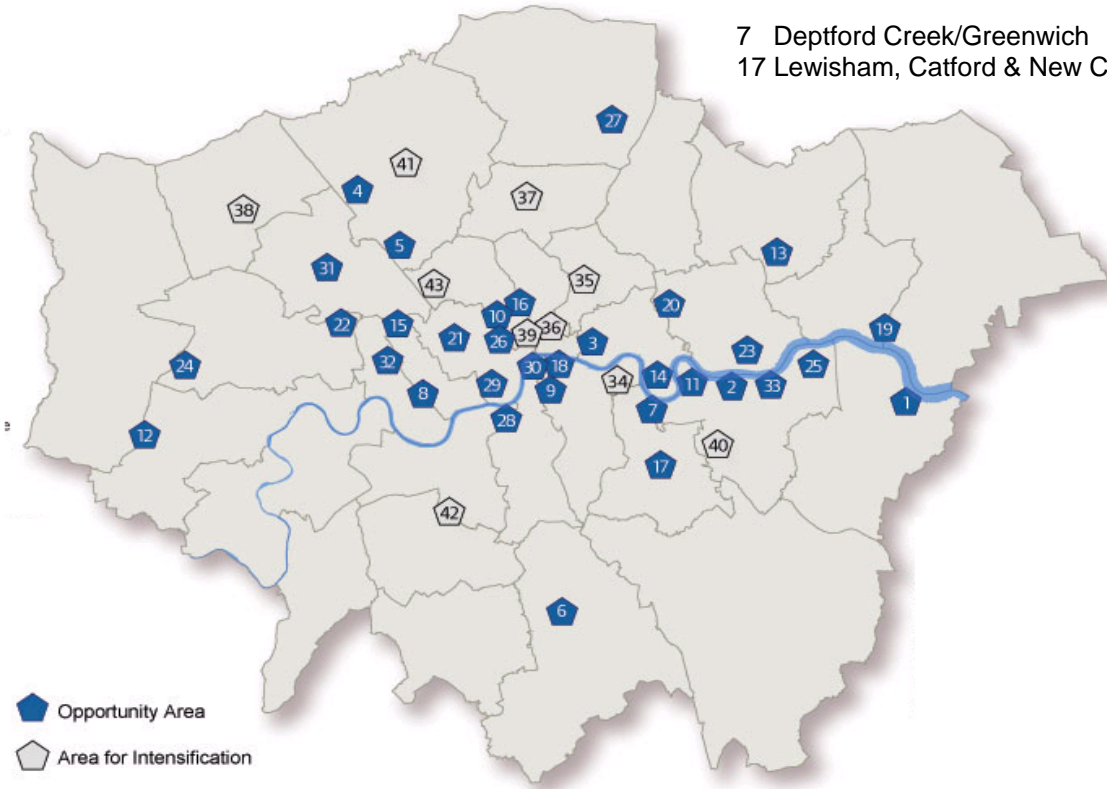


Business Growth Areas surrounding Lewisham

2.16 The GLA's London Plan is the overall strategic plan for London, setting out an integrated economic, environmental, transport and social framework for the development of London. It is the framework for the development and use of land in London. The plan identifies key opportunity areas, which include Lewisham, Deptford Creek and Lewisham Town Centre, Catford and New Cross.

Opportunity Areas

- 7 Deptford Creek/Greenwich
- 17 Lewisham, Catford & New Cross



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Greater London Authority 100032379 (2009)

**The London Plan Review Draft
Consultation Plan (2010)**

Regeneration in Lewisham

- 2.17 The Council adopted the Core Strategy in June 2011 as the principal statutory planning document for the borough. The Core Strategy sets out a number of objectives and policies to promote economic development in Lewisham over the next 15 years. The majority of physical growth will be concentrated in the regeneration and growth areas of Lewisham and Catford town centres, Deptford and the New Cross/New Cross Gate area. This area is defined as Lewisham's 'growth corridor'.
- 2.18 The opportunity for physical growth and regeneration in the Growth Corridor is a result of the higher public transport accessibility of the area, and the need to intensify land uses in town centres (in terms of Lewisham and Catford) and on re-designated employment/industrial land (in Deptford and New Cross). Over the next seven years it is forecast that the development of major strategic sites will create 134,000 sq m of new space for businesses creating up to 3,000 new jobs.

Business sector views

- 2.19 Surveys of local businesses have consistently shown that most local businesses rate the borough as a good location for their business. Most businesses like Lewisham because of its location and transport connections, which provide good access to customers. Some businesses are located in the borough because it is important to have a London postcode. However there is a growing concern with congestion and the lack of parking, particularly in and around the town centres.
- 2.20 A higher number of businesses rate the 'overall quality of the environment' as only adequate or poor. This reflects the poor condition of some of the borough's industrial estates, town centres and shopping parades but also perceptions of crime and poor access to some premises. Most premises are perceived as good or adequate. Lewisham is still seen as affordable for London¹⁴.

¹⁴ Further details on the Lewisham Business Survey are available in Section 1 of the 2012 Lewisham Local Economic Assessment <http://www.lewisham.gov.uk/mayorandcouncil/aboutthecouncil/strategies/Documents/LocalEconomicAssessment2012.pdf>

Lewisham's economic competitiveness

2.21 An area's economic competitiveness measures how successful its people and businesses are able to be, given their environment. The UK Competitiveness Index¹⁵ is a weighted index of variables conducive to or reflective of competitiveness. The Latest data shows that, in 2010, Lewisham ranked 87th out of 380 UK local authority districts, close in the rankings to its neighbours Croydon and Bromley, and, outside London, to places like Swindon, Brighton and Solihull. Amongst London boroughs, however, Lewisham does relatively less well, ranking 21st among 32.

2.22 The UKCI is a starting point for analysis; it incorporates only measures for which statistics are easily available on a consistent basis. Amongst the component measures, Lewisham performs very well on the inter-related variables of productivity, pay per head and the number of graduates. However the borough performs poorly on GVA¹⁶, reflecting the fact that there are relatively few jobs and workplaces within Lewisham's boundaries, and on labour market statistics such as the employment rate and numbers claiming Job Seeker's Allowance. The chart to the right summarises the strengths and weaknesses of Lewisham's economic competitiveness.



¹⁵ Details of the Index can be accessed at <http://www.cforic.org/pages/ukci2010.php>

¹⁶ Gross value added (GVA) is a measure in economics of the value of goods and services produced in an area

Key messages from the analysis of Lewisham and the London economy

- London is one of the world's leading financial and commercial centres.
- Businesses in London are more competitive and innovative than elsewhere in the UK.
- Small businesses dominate the London economy. Lewisham has the highest percentage of micro businesses in London (and of all UK boroughs).
- Growth in the number of businesses in Lewisham has been concentrated in micro businesses in the knowledge economy. Growth in these types of businesses is forecast to continue across London.
- Lewisham is a labour supplier for London's Economy
- Lewisham has a large proportion of highly skilled people, and there are high levels of entrepreneurial activity and creativity.
- Business start up rates are high in the borough but businesses are less likely to survive and grow in the long term
- Businesses in Lewisham like the borough's location and connectivity and believe it represents good value.
- Lewisham has experienced a relatively small amount of development over the past 20 years. Major developments are still yet to happen.

3. Support for business

3.1 In response to the global recession, central government and local authorities have taken a number of measures to support business growth both at regional and local level.

Government strategy

3.2 The Government's top-level economic policy objective is to achieve strong, sustainable and balanced growth that is more evenly shared across the country and between industries. The Plan for Growth published in 2011 by HM Treasury sets out the how the government intends to achieve this.

3.3 At a more local level, the Department for Business, Innovation and Skills published Local Growth: Realising Every Place's Potential in October 2010. This White Paper outlines the Government's new approach to local economic growth with an emphasis on specific geographic, historic, environmental and economic factors.

3.4 The Localism Act (2011) contains a number of proposals that support local economic development, including: small business rate relief; transfer of local public functions from central to local authorities to promote economic growth; and giving local communities greater autonomy over neighbourhood planning.

London Enterprise Panel (LEP)

3.5 The LEP, established in January 2012 as the primary private-sector led vehicle to advise the Mayor of London, advises the Mayor on in his approaches to:

- providing strategic investment to support private sector growth and employment
- promoting enterprise and innovation and the acquisition of skills for sustained employment in London
- protecting and enhancing London's competitiveness.

3.6 The Jobs and Growth Plan for London (GLA, April 2013) sets out the LEP's approach to promoting growth and jobs. It outlines four priority areas:

- Skills and employment – to ensure Londoners have the skills to compete for and sustain London's jobs
- Micro, small and medium enterprises – to support and grow London's businesses
- Science and technology – for the capital to be recognised globally as a world-leading hub
- Infrastructure – to keep London moving and functioning.

3.7 The LEP also has specific provisions for supporting SMEs to make the journey from start up to high growth:

- Promoting better SME access to finance
- Increasing trade and export
- Exploring affordable workspace options
- Raising awareness of business support services and networks

3.8 These priority areas align with Lewisham's vision for growth in the borough.

Review of Lewisham Council's existing support for growing the local economy

3.9 The Economic Development service leads on a range of business support initiatives on behalf of the Council, which includes working across directorates to develop joint initiatives to support local enterprise.

Business support services

3.10 Lewisham Council maintains a free local business support service. In 2012/2013 the service achieved: 26 business start-ups; 126 business receiving advice and support; 83 businesses helped to be fit to supply; and local SMEs helped to secure over £.3m of new work. The service covers three key areas:

- Start up – The service helps residents to develop their entrepreneurial skills and to start up in business.

- Sustainability – The service offers information, advice and mentoring to new and existing businesses. It provides a rapid response service when businesses require immediate assistance to aid survival.
- Growth – The service supports business with high growth potential and helps them to expand by increasing sales. It provides SMEs with advice on innovation and growth.

Developing growth sectors

3.11 Economic Development in partnership with Community Services has supported the development of digital media and food businesses in the borough. Activity has included: consulting with local firms, developing networking opportunities, supporting local supply chains and improving access to resources.

Local Labour and Business Scheme (LLBS)

3.12 The LLBS uses planning agreements to assist local businesses to access construction and post-construction opportunities created by development in the borough as well as providing training and employment opportunities for residents. In 2012/2013 the scheme achieved arrange of outputs: 16 jobs and 18 apprenticeships secured; 33 work placements undertaken; 96 training places provided; a successful job fair delivered with over 1000 residents attending; and £2.86m of contracts secured for Lewisham businesses.

Support for businesses in town centres

3.13 The Council secured funding from the GLA's Outer London Fund in 2011 to provide physical regeneration and support for businesses in Catford and Deptford Town Centres. The programme aims to support businesses to enable them to be in a strong position to benefit from the new developments.

Partnership work

3.14 The Council works with a wide range of private and public sector organisations to support business and enterprise. They include: The South East Chamber of Commerce, the Federation of Small Businesses, South London Business, Jobcentre Plus (and Work Programme Primes) and Greater London Enterprise. These organisations are represented on the Lewisham

Strategic Partnership's (LSP) Economic Development and Enterprise Partnership, chaired by the Deputy Mayor, which provides a strategic overview of business development.

Using planning policy

- 3.15 *People, Prosperity, Place - The Lewisham Regeneration Strategy 2008-2020* sets out the Council's vision for making the borough a place where more people will want to work, and start and build businesses.
- 3.16 The Core Strategy sets out a number of objectives and policies to promote economic development in Lewisham over the next 15 years. The majority of physical growth will be concentrated in the regeneration and growth areas of Lewisham and Catford town centres, Deptford and the New Cross/New Cross Gate area.
- 3.17 The Council's Planning and Economic Development services work with developers to ensure that developments include new, high quality commercial space that meets local demand and builds on the borough's established strengths.

Summary of learning points

- The recession has resulted in a number of Government initiatives to support business growth
- The LEP, GLA and Local Authority all have a key role to play in supporting business growth
- There are is strong alignment between approaches at national, regional and local levels

4. Growing the Lewisham economy

The vision

- 4.1 The vision of this Strategy is that in ten years' time Lewisham will be one of the fastest growing parts of the London economy.
- 4.2 To achieve our vision, business growth and local economic competitiveness need to be placed at the heart of the Council's plans for the regeneration of the borough.
- 4.3 Three aims have been established through an examination of the Lewisham Economy and by considering how its unique economic profile can be developed.
- Aim 1: To boost Lewisham's contribution to the London economy by enhancing the ability of new and existing business to thrive and grow
 - Aim 2: To accelerate the expansion of the Lewisham economy by capitalising on major physical regeneration in the borough to create the right environment for business growth
 - Aim 3: To diversify and expand the Lewisham economy by inspiring, nurturing and promoting the creativity and entrepreneurship of Lewisham residents

Key characteristics of the Lewisham economy

- 4.4 Through the statistical analysis outlined in section two, we have identified five key characteristics of Lewisham's economy. By analysing these characteristics we have determined the local factors that will drive business growth.
1. **Lewisham has become a growing centre for micro businesses, which benefit from the demand created from the London economy**

Over the past ten years, the number of micro businesses (businesses which employ less than ten people) in Lewisham has increased by 1,500 and Lewisham now has the largest percentage of very small businesses (businesses that employ less than 5 people) in the UK¹⁷. These include businesses providing goods and services to the wider London economy, which are located in Lewisham because it provides easy access to London markets. Many of the businesses that export goods and services out of the borough work in the knowledge economy¹⁸ connected to the business services, technology, media and creative sectors. Others work in more traditional industries such as logistics, food and manufacturing.

The trend towards increasing the number of small businesses is set to continue as these businesses are becoming increasingly important to London's economy¹⁹.

Micro-businesses represent huge potential for economic growth for the borough. We will focus on support which helps grow our micro and small businesses, particularly those enterprises which work in the knowledge sectors. This approach is in line with the London Economic Development Strategy, which states:

'London's economic success rests on ensuring that the capital's environment for starting, running and expanding a business is the most competitive in the world. This needs an understanding of, and support for, the conditions for a high-value, knowledge based economy.' (p 31)

We will create the right business environment for these businesses, by providing appropriate premises and environments for knowledge based businesses, facilitating the development of clusters of these businesses, and supporting innovation so that businesses can move into regional, national or international markets. We will also maximise the benefits of linking to Goldsmiths College as a centre for knowledge and creativity.

¹⁷ For further details see Appendix 1, Table 1

¹⁸ The knowledge economy can be defined as "the effective utilisation of intangible assets such as knowledge, skills and innovative potential as the key resource for competitive advantage" (The Work Foundation, Defining the Knowledge Economy, 2006)

¹⁹ The Centre for Cities Business Outlook 2013 concludes: 'small businesses' resilience and adaptability means that small businesses have become more important over the last decade

We will also support businesses in other sectors that deliver goods and services to the wider economy or have potential to do this, and utilise the spending power of the public sector to develop local supply chains between public sector organisations and local SMEs.

This approach will lead to more micro businesses being retained in the borough, increase the number of micro businesses growing into larger SMEs, and attracting more micro businesses into the borough.

2. Lewisham has a dynamic, diverse, creative and entrepreneurial population

Although Lewisham has high numbers of residents with high skills, most commute out of the borough to work in Central London. However, increasing numbers of employed residents are working as self-employed, single person businesses, as knowledge workers and as other entrepreneurs.

Lewisham's greatest asset for stimulating new local economic growth comes from this indigenous human capital: businesses are attracted to areas with a ready supply of highly skilled labour, and we will create opportunities to enable even more residents to establish businesses in the borough. We will identify and maximise the opportunities for affordable start up and incubator spaces, focusing developments in town centres and areas close to the borough's transport nodes to raise awareness amongst commuters of Lewisham as a fertile place in which to start a new business. We will provide accessible local business start-up support, to assist residents to develop business plans and access finance. We will actively promote entrepreneurship amongst young people, graduates and residents who are not economically active.

3. Lewisham provides excellent value for London businesses

Lewisham is a 'value destination' for businesses, offering affordable premises, good amenities and excellent connectivity to Central London. In addition, as the UK's micro-enterprise 'capital', Lewisham is uniquely positioned to attract micro-enterprises (particularly from London's burgeoning knowledge sector) that might be displaced by higher accommodation costs elsewhere in the capital.

However, more can be done to promote Lewisham to businesses outside the borough. We will raise the profile of Lewisham as a place which is open to business, with a particular focus on micro enterprise and the knowledge sector, and promote Lewisham as an attractive place for businesses where business can succeed.

4. Lewisham is undergoing a period of significant regeneration, creating new high quality business space and environments

The major regeneration of strategic sites in Lewisham will create 134,000 sq.m of new business space for businesses, providing an additional 14 per cent of business space for the borough. The transformation of areas in the north of Lewisham will create opportunities to intensify employment and attract new types of business into the area. A number of these developments have potential to include subsidised space; Workspace at Creekside, Cannon Wharf Business Centre and the Surrey Canal Scheme all intend to have an element of incubation space with affordable space for new businesses.

Learning from and improving upon the regeneration of industrial land in other parts of London, new mixed use development will provide the right kind of premises and the right environment for businesses to make a growing contribution to the region's future economy.

The Council's Regeneration Strategy, Strategic Aim 1 is: 'Enabling and supporting the regeneration of Lewisham and helping to strengthen the local economy.' A critical contribution to achieving this aim over the next ten years will be the implementation of the North Lewisham Masterplan. The delivery of this plan has already brought about improvement to the environment and infrastructure in Deptford and New Cross, creating a platform upon which to develop new business parks and centres. We will work with developers to develop a strategic and integrated approach to creating the right kind of premises for businesses.

5. Lewisham town centres are being revitalised, developing their unique and diverse offer

We are revitalising and transforming a number of our key town centres. The Council is attracting developer interest and investment which will upgrade the borough's major town centres (Lewisham, Catford and Deptford), strengthen and diversify the retail offer, develop the leisure economy, the night time economy and other non retail uses. The

influx of new more affluent populations into the borough is creating new consumer demands to which town centre businesses can respond.

The regeneration of our town centres presents an opportunity to work closely with developers, landlords, and existing and new businesses to encourage a diverse offer in our town centres. We will focus on our independent retailers, providing clear business advice and support to maximise the anticipated additional footfall. We will continue to develop existing and new markets within our town centres, which already have unique, distinct characters.

Each of these town centres are linked to key transport hubs in the borough. These present an additional opportunity for business and enterprise growth to be achieved around these key points of entry into the borough as well as providing excellent transport links to the rest of London.

There is also a key opportunity to develop a greater visitor economy. Deptford has strong connections with historic London. Lewisham is yet to fully utilise its river frontage to develop the leisure, heritage and visitor economy. The Convoys Wharf development will present an opportunity to radically change this, with new river access, an evolved cultural offer and a direct link to the unique high street and market of Deptford.

The approach

- 4.5 This Strategy aims to build on the five key characteristics of the Lewisham Economy identified above.
- 4.6 The most effective way for the Council to support business growth is by helping to create the conditions to enable the economy to grow. This Strategy will therefore be closely aligned with the Council's role as a 'place shaper' and our overarching objectives to make Lewisham the best place in London to live, work and learn.
- 4.7 We recognise that the people best placed to found and grow businesses are business people and the strategy sets out how the council will work with the private sector and empower businesses, developers and investors to take the lead in increasing the speed of economic expansion.

- 4.8 It is critical that the Strategy is developed with an appreciation of how Lewisham’s economy functions as part of the wider regional economy.
- 4.9 The responsibility for supporting business growth is shared across all Council directorates.
- 4.10 We will marshal support from our partners, regional and national Government Agencies, businesses and others with an interest in supporting business growth. Key partners are identified in the table below.
- 4.11 The delivery of this Strategy is based on the assumption that there will not be additional resources available. Effective partnership working, clear research and analysis of priorities, and a targeted approach will ensure existing resources will be used to provide the most impact.
- 4.12 The Strategy describes an initial range of activity, but acknowledges that there will be the flexibility to take advantage of future opportunities as they emerge.
- 4.13 This Strategy will align closely with the Work and Skills Strategy, especially on the area of employer led skills needs and gaps.
- 4.14 To ensure the robust delivery of the Business Growth Strategy, clear measures and outcomes will be agreed with partners. A detailed action plan with defined timescales will be devised in the next three months through the Economic Development and Enterprise Partnership.

Aims, objectives and outlined activity

<i>Aim 1: To boost Lewisham’s contribution to the London economy by enhancing the ability of new and existing business to thrive and grow</i>		
Objective	Activity	Key relationships
1. To deepen our understanding of the	<ul style="list-style-type: none"> • Investigate high growth businesses and business clusters and identify opportunities for unlocking 	Economic researchers Federation of Small Businesses

<p><i>SME base in the borough</i></p>	<p>growth</p> <ul style="list-style-type: none"> • Consult with current business base re needs and aspirations 	<p>SE London Chamber of Commerce Lewisham Businesses LA – Economic Development GLE – BAS</p>
<p><i>2. To unlock growth in the knowledge economy</i></p>	<ul style="list-style-type: none"> • Facilitate networking across the creative and digital media sectors • A programme of specialist sector support to strengthen links between local knowledge businesses and Goldsmiths 	<p>LA – Economic Development LA- Community Services GLE – BAS Goldsmith University of London Technology Strategy Board</p>
<p><i>3. To stimulate the increased, sustainable growth of Lewisham based SMEs with a particular focus on the Micro business community</i></p>	<ul style="list-style-type: none"> • Provide access to tailored professional business support for growth • Support with access to finance • Support to access up to date information on vacant commercial property • A programme of targeted support to BAME SMEs, tailored to their business needs • Emergency recovery service to target business at risk of closure 	<p>LA – Economic Development GLE – BAS LA - Procurement Lewisham SMEs Federation of Small Businesses SE London Chamber of Commerce Banks and lenders JCP and Work Programme Primes</p>
<p><i>4. To enable Lewisham businesses to grow by accessing new regional, national and international markets</i></p>	<ul style="list-style-type: none"> • Support SMEs to be fit to supply through business advice workshops and individual coaching • The Business support service will provide bespoke business advice to help businesses diversity into new markets • A continuing programme of meet the buyer events will be developed to match businesses to opportunities • Develop a brokerage service between local businesses and regional and national partners (e.g. 	<p>LA – Economic Development GLE – BAS London & Partners Cross River Partnership UK Trade and Investment Lewisham Growth Businesses Goldsmith University of London</p>

<p>5. To utilise the council's position as a purchaser of services to foster growth in local businesses</p>	<p>UKTI, London and Partners)</p> <ul style="list-style-type: none"> To pilot and launch the Lewisham Business Accord Develop a business directory of Lewisham businesses fit to supply To further develop procurement processes to encourage local business tendering 	<p>LA – Economic Development LA – Procurement LA – Communications Relevant Lewisham Business Sectors</p>
<p>6. To facilitate growth in business clusters.</p>	<ul style="list-style-type: none"> Facilitate networking in the logistics, manufacturing and food sectors Specialist sector support to strengthen the competitiveness of local SMEs. 	<p>LA – Economic Development GLE – BAS Goldsmith University of London Technology Strategy Board Manufacturing Advisory Board The London Food Board</p>

<p>Aim 2: To accelerate the expansion of the Lewisham economy by capitalising on major physical regeneration in the borough to create the right environment for business growth</p>		
<p>Objective</p> <p>1. To work with developers to create attractive new, high quality business accommodation and environments</p>	<p>Activity</p> <ul style="list-style-type: none"> Use planning process to enable productive collaboration with developers, utilising information from businesses re their needs Work with S106 process to achieve quality commercial space Broker relationships between potential businesses and developers To expand opportunities for incubator space for new businesses and specific business sectors 	<p>Key relationships</p> <p>Planning Private sector developers London & Partners LA Local Labour & Business Scheme (LL&BS) GLE Business Advice Service (BAS) Goldsmiths University of London Registered Social Landlords Business sector</p>

2. To maximise business growth within town centre developments	<ul style="list-style-type: none"> • Develop and deliver tailored retail business support to independent retailers • Develop diverse and sustainable market offer, building on the success of existing markets in town centres • Support businesses to move into empty high street premises 	<p>LA Programme management team South London Business Federation of Small Businesses GLE – Business Advice Service Portas Town Team Estate Agents Landlords Town Centre Businesses Association of Town Centre Management</p>
3. To use transport hubs as a focus for business development	<ul style="list-style-type: none"> • Promote transport connectivity for key hubs • Investigate opportunities for enterprise clusters around transport hubs as part of town centre developments 	<p>TFL LA – Planning department Developers GLA – LEP</p>
4. To promote Lewisham as ‘Open for Business’	<ul style="list-style-type: none"> • Develop communication strategy for business growth • Build on existing Lewisham is Changing promotion, targeting the business sector • Work with partners to benefit from their promotional activity 	<p>LA – Communications team LA - Regeneration team Developers London & Partners</p>
5. To develop the visitor economy	<ul style="list-style-type: none"> • Work with river frontage developers to create a visitor offer • Market the emerging retail and market offer • Continue to develop events within town centres such as the Catford Supper club 	<p>LA -Economic Development LA – Programme Management LA – Market trading Market traders Developers</p>

Aim 3: To diversify and expand the Lewisham economy by inspiring, nurturing and promoting the creativity and entrepreneurship of Lewisham residents

Objective	Activity	Key relationships
1. To harness the creativity, knowledge and entrepreneurial talent of Lewisham residents to stimulate new growth in the knowledge economy	<ul style="list-style-type: none"> • Pre start up support for creative, digital, media and other knowledge based businesses • Utilise vacant premises to provide temporary affordable incubator space for knowledge based businesses. • Support with access to finance • A programme of inspirational motivational speakers from successful tech entrepreneurs. 	Specific Sector businesses LA – Economic Development LA – Arts Service London & Partners
2. To increase take up of entrepreneurship amongst specific (under-represented) groups such as women and young people	<ul style="list-style-type: none"> • Run targeted business start-up programmes • Promote entrepreneurship through communication channels such as Lewisham Life and the council website • Embed entrepreneurship in school curriculums. 	LA – Economic Development GLE – BAS LA – Children and Young People (CYP) LA – Young Mayors Programme LESOCO LA – CEL
3. To identify and develop pathways to meet business skills needs and requirements	<ul style="list-style-type: none"> • Work with the Work and Skills Strategy to identify skills gaps • Lead on business sector engagement to identify business sector skills needs and requirements • Develop pathways to employment with employers and skills providers 	LA - Economic Development LA - LSP team LA – CYP LA – Community Education Lewisham (CEL) Lewisham and Southwark College of Further Education (LESOCO) Twin Training Federation of Small Businesses SE London Chamber of Commerce Volunteer Mentoring Schemes

4. To encourage corporate social responsibility	<ul style="list-style-type: none"> • Explore scope for volunteer mentoring to support small businesses • Encourage businesses to consider and develop local talent 	LA - Economic Development LA – CYP Federation of Small Businesses SE London Chamber of Commerce Volunteer Mentoring Schemes
5. To assist businesses with recruitment of local talent	<ul style="list-style-type: none"> • Deliver the local labour scheme • Expand the Lewisham apprenticeship offer • Expand work experience opportunities • Maximise end use employment opportunities from developments 	LA – LL&BS LA - Apprenticeship programme LESOCO LA – CYP JCP LA – CEL

Measures and outcomes

4.15 The measures outlined below are indicative but are not exhaustive as these will be developed fully through the Economic Development & Enterprise Partnership.

- Increase inward investment into the borough both in absolute terms and as a share of London-wide investment.
- Out-perform the average for London in terms of business start ups in growth sectors of the economy such as professional and business services, digital media, creative, food, and the environmental sector.
- Increase the business survivability rate in years three, four and five compared to London and Inner London. (Lewisham businesses out-perform the average for London in terms of survivability in years one and two but trail off in years three, four and five.)
- Increase employment within the borough. (For example, increase employment within Lewisham from 60,000 to 65,000 (8.3%) over the next ten years. This compares to a 2.3% increase over the previous ten years)
- Increase the number of Mid-Sized Businesses from 56 to 84 (Mid-Sized Businesses are businesses which employ between 50 and 249 people with a turnover of between £25M and £500M). The Department for Business Innovation and Skills and the Work Foundation estimate that while these businesses represent 0.2% of all businesses they will create 20% of all future employment growth).

4. Implementation and governance

Governance

- 5.1 Lewisham's long history of partnership working has generated an environment where collaboration is the norm rather than the exception. The Lewisham Strategic Partnership brings together representatives from across public agencies, private, voluntary and community sectors to address the strategic issues that the borough faces.
- 5.2 The Business Growth agenda falls under the Economic Development and Enterprise Partnership which consists of representatives from key public, private, voluntary and community sector organisations involved in supporting the Lewisham business community as well as supporting residents gain skills and access employment. Partners include the Federation of Small Businesses, the South East London Chamber of Commerce and South London Business.
- 5.3 The strategic management of the Business Growth Strategy and its derived action plan will lie with the Economic Development and Enterprise Partnership, which meets quarterly.

Performance management

- 5.4 A robust approach to performance management will be key to ensuring the successful implementation of this Strategy. Key indicators to measure success will be developed with partners to measure improvements in:
 - inward investment
 - business start-ups
 - business sustainability
 - the number of mid sized businesses
 - net employment in the borough
 - new business space

- 5.5 In addition, measures will be created to assess the impact of the strategy on promoting equity and fairness amongst disadvantaged groups. Specific areas of focus for monitoring will be in gender (women are under represented as business owners) and ethnicity (a higher proportion of small and medium businesses are run by BME communities.)

Action plan and targets

- 5.6 A detailed action plan with targets will be agreed in the next three months and approved by the Economic Development and Enterprise Partnership relating to the aims of this strategy:
- Aim 1: To boost Lewisham's contribution to the London economy by enhancing the ability of new and existing business to thrive and grow
 - Aim 2: To accelerate the expansion of the Lewisham economy by capitalising on major physical regeneration in the borough to create the right environment for business growth
 - Aim 3: To maximise growth sector areas and diversify the Lewisham economy by inspiring, nurturing and promoting the creativity and entrepreneurship of Lewisham residents
- 5.7 The Objectives and activities presented in Section 3 will be developed with timelines, deadlines and targets.

Contribution to wider strategic outcomes

- 5.8 The Business Growth Strategy will not sit in isolation. It will align closely to the Work and Skills Strategy. It will also impact and be impacted on by a wider range of strategies including the Sustainable Community Strategy, the Local Development Framework, the Regeneration Strategy and the Comprehensive Equalities Scheme.

Evaluation and review process

- 5.9 The intention is that the overall Strategy will be reviewed by the Economic Development Partnership on an annual basis. The review will reflect on successes and areas for improvement based on performance against key measures. The review will also take on board implications of national and regional policy and legislation and ensure where relevant, there are reflected

in the action plan. The review will also consider the changes in the wider regional and national economy and changes in the pace and scale of local physical regeneration.

5.10 The detailed action plan and targets will be reviewed quarterly by a working group led by Economic Development.

Appendix – supporting data tables

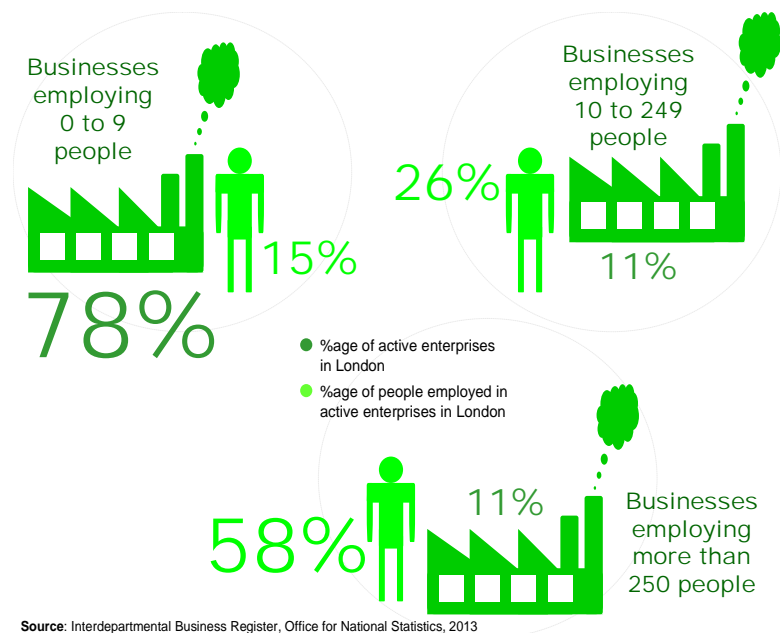


Table 1: Very small businesses in Lewisham

This table shows that 84.2% of businesses in Lewisham employ less than 5 people, the highest percentage in the UK.

Table 2: The size of businesses in London and Lewisham

The size of businesses in London



The size of businesses in Lewisham

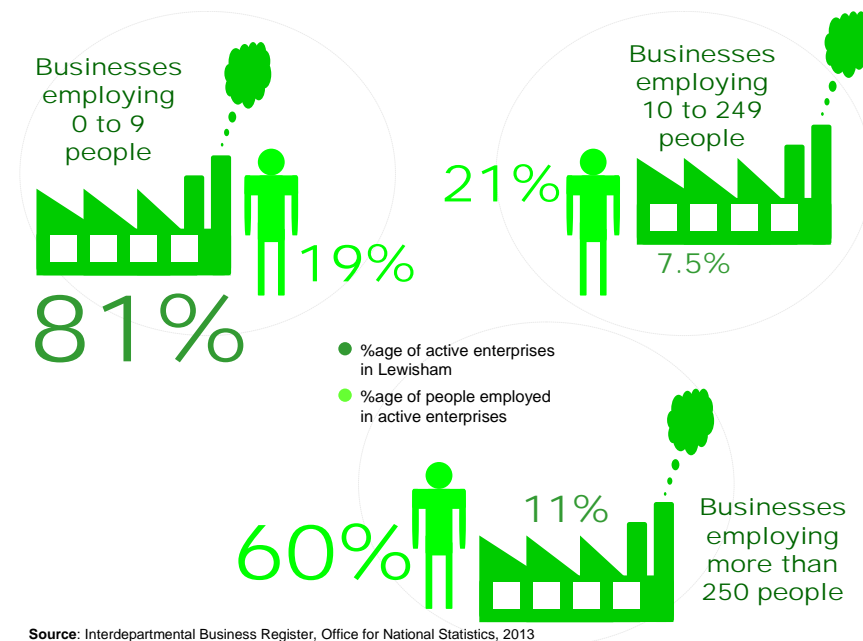
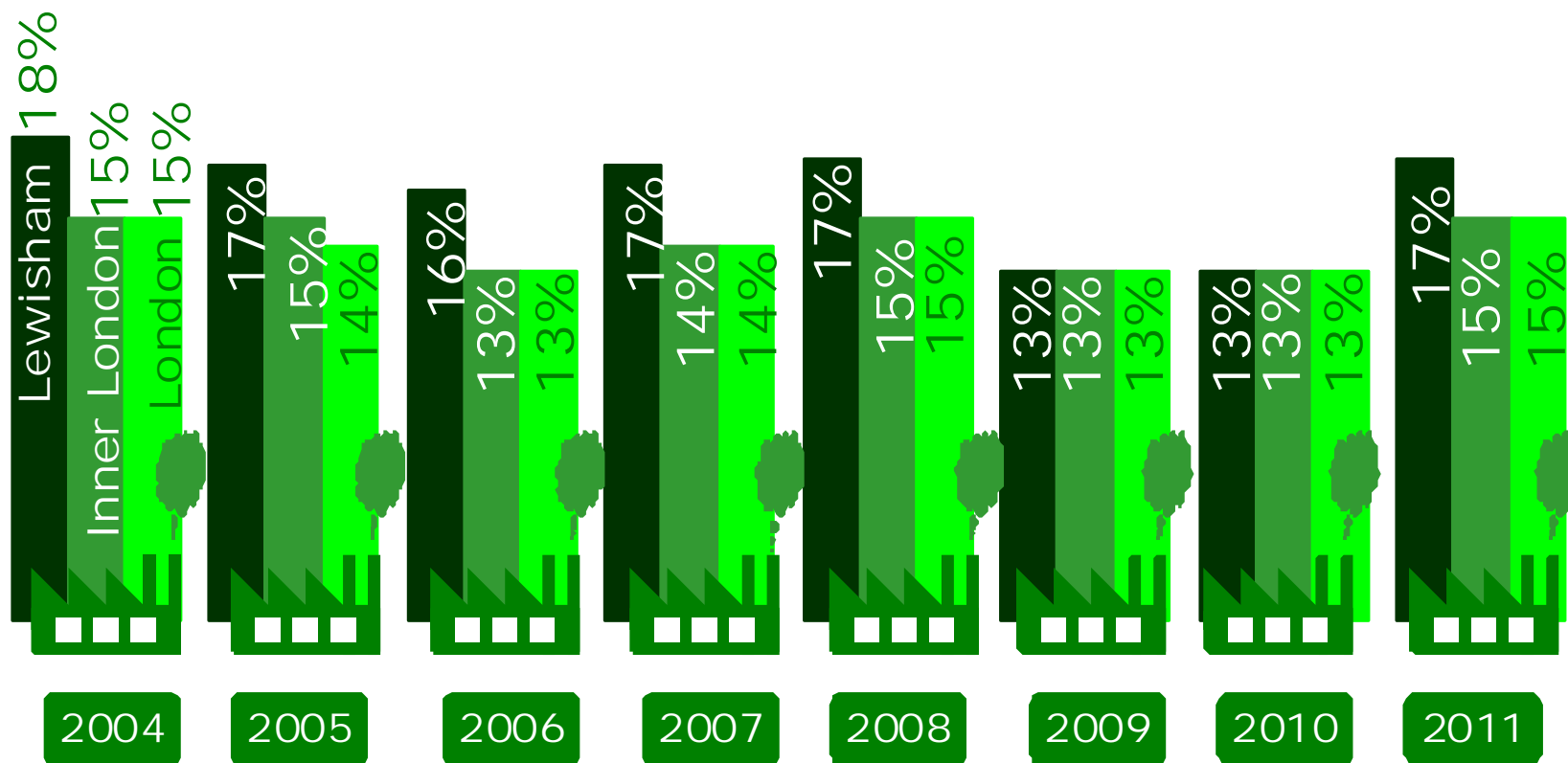


Table 3: Business formations

The chart below looks at business formations as a percentage of the total number of active businesses in Lewisham compared to Inner London and London.



Source: Business Demographics, Office for National Statistics, 2013

Table 4: Business survival rates

The chart below shows the percentage of businesses in Lewisham that survived from one to five years over the period 2002 to 2011 and compares this to Inner London and London.

The survivability of Lewisham businesses compared favourably with Inner London and London in the first and second years, however by years three, four and five the proportion of Lewisham businesses that survived fell marginally behind both Inner London and London.

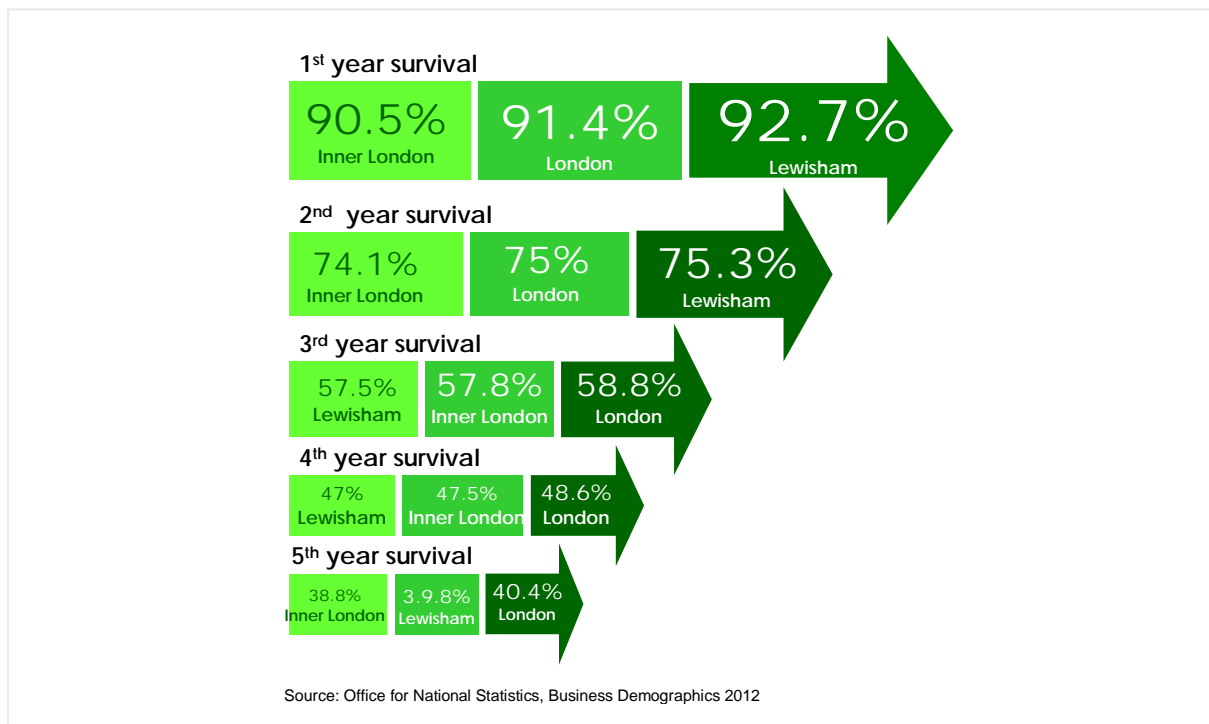


Table 5: The rateable value of retail and office space in London boroughs

