



OVERVIEW AND SCRUTINY BOARD

12 September 2017

Subject Heading:	Partnerships with Business Update
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Policy context:	Havering Council Corporate Plan 2017-18: First Class Business Opportunities Havering - Making a Greater London 2017: Opportunities, Connections and Places

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[x]
Places making Havering	[x]
Opportunities making Havering	[x]
Connections making Havering	[x]

SUMMARY

This report provides an update on the recent and planned activity of the Council's approach to developing partnerships with business, which is led by the new Development Service.

RECOMMENDATIONS

Members are asked to review the report and note progress.

REPORT DETAIL

This paper aims to provide an update on the Council's approach to developing partnerships with business focusing on the following areas:

- Business development
- Support to small businesses
- Links with business rates
- Attracting large businesses
- Market management and support with diversification

Business development

Business development falls under the new Development Directorate. There is a small team focused to deliver a number of activities that aim to encourage investment, private sector job growth, enterprise and enhance the borough's competitiveness. The majority of project activity supports delivery of the Opportunities theme of the Havering Vision and 2017/18 Corporate Plan.

Support to small businesses

The borough currently has 9,220 businesses, of which, 92% are micro-sized businesses with up to 9 employees (Interdepartmental Business Register, 2016).

In terms of economic performance, the direction of travel for Havering is strong. In May 2017, Havering was rated top of the London boroughs for its business survival rate and also came top specifically for having the highest survival rate for technology businesses (data.london.gov.uk). This follows on from Havering being coined the business start-up capital of Britain by Experian in 2015.

In terms of business partnerships and engagement, our Business Voice Board of 22 local businesses meets quarterly and is chaired by one of our largest employers, Neopost. The aim of the Board is to enable the Council to work in partnership with the businesses to help shape support provided and create the conditions that will generate economic and job growth.

Small businesses are also invited to attend our Havering Business Network and partnerships are facilitated at our Women in Business Network. Business seminars

are hosted quarterly to develop skills and insight into a range of areas that enable our local businesses to grow.

Excellence in the local business community is celebrated annually through our prestigious annual Havering Business Awards. The awards for 2017/18 will take place on Thursday 8 February 2018.

Potential new businesses have access to our business start-up programme and the Council has delivered innovative workspace solutions to address the demand for more affordable start-up space, including the Retailery in Romford, a co-working space at Rainham Library and the new CEME¹ Launch-Pad at London Riverside, which officially opened in June 2017.

Significant investment is also taking place to facilitate and enable the development of business-led partnerships across our seven town centres. The Council is working closely with the Romford Town Management Partnership (RTMP) to develop a Romford BID (Business Improvement District) proposal and deliver a ballot campaign.

A Hornchurch Town Team has been established and currently holding workshops to develop its own town brand and marketing campaign to encourage a higher footfall in the town, as well as digital connectivity support, to help businesses to market themselves and trade online.

Consumer and business consultation exercises have recently been completed in Elm Park, Upminster, Harold Hill and we await the research results in order to determine specific needs in each area. Collier Row and Rainham consultation exercises have both commenced and will continue until October.

To complement our business support activity, the Development Service is currently working with ICT to deliver town centre Wi-Fi connectivity, starting with Romford, Hornchurch and Upminster during 2017/18, with an aspiration to roll out to all Havering's town centres.

The Council received recognition for its wide range of support to develop the micro and small business community in March 2017 by being Highly Commended for the award of Best All Round Small Business Friendly Borough at the Local London Small Business Friendly Awards.

Links with business rates

There are approximately 6,000 properties in Havering that are liable for National Non-Domestic Rates (NNDR) and the underlying value of these properties are normally re-assessed every 5 years.

¹ Centre for Engineering and Manufacturing Excellence

The 2017 Business Rates revaluation came into effect on 1 April and the majority of Havering businesses have experienced an increase.

In the March 2017 Budget, the Chancellor announced £300m to support those business most adversely affected by the recent revaluation of commercial properties. Havering will receive total funding of £1.69m over a 4 year period as profiled in the table below.

Year	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total Funding £m
Value of funding	£0.989	£0.481	£0.198	£0.028	£1.696

The scheme agreed by the Council for 2017/2018 will provide discretionary business rate relief to up to 1,114 small businesses and up to a maximum amount of £887.79 each. Qualifying properties with a rateable Value of £15,000 to £50,999 and affected by an increase of 2% or more are likely to receive the relief.

Through its town centre management models and business engagement activity, the Development service is playing an active role in helping to support businesses that have been adversely affected by the 2017 revaluation. Those that are identified as experiencing difficulties are sign-posted to available support, given guidance on how to apply for the business rate relief and, in extreme cases, assisted with alternative commercial property options.

Attracting large businesses

There are currently only 20 businesses with more than 250 employees across Havering. This equates to 0.2% of the Havering business profile and is slightly lower than the London figure of 0.4%.

As a result, an increased focus is now being taken to attract large businesses to relocate to the borough and a new Corporate Performance Indicator has been introduced for 2017/18 to reflect this.

The Development Service Plan outlines a number of actions, including developing a clear and ambitious Inward Investment offer for Havering, with a delivery plan for attracting enquiries and conversion.

A delivery plan is now in draft and includes:

- Identifying opportunities for commercial property development within the borough.
- Measures to increase the visibility of Havering and raise awareness of the opportunities available for investment.
- Working more closely with commercial developers and supporting them to attract tenants, including SEGRO, the Greater London Authority's development

partner for regenerating 86 acres of land across east London, including London Riverside.

- Offering a range of incentives, including a single point of contact to liaise with council services such as planning, business support and access to available skills and labour.
- Proactively targeting investors and strengthening relationships with referral agencies.
- Maximising exhibition opportunities, including attendance at MIPIM, the world's largest commercial property exhibition.

Market management and support with diversification

In terms of operational performance, since May 2017, there has been a 3.5% increase in licenced traders (from 70 to 75), 21 additional casual traders (totalling 48 new casual traders this year to date) and 10 new casual catering traders, which has improved the food offer and provided a more varied range. The aim is to continue this upward trend, culminating in a market which feels vibrant and busy, with an improved choice of quality products.

The annual Christmas Lights Switch On will take place in the Market Place on Thursday 16 November 2017 and it is planned that an ice rink will be opened the following week. The market will be temporarily expanded to complement this Christmas offer.

Since April 2017, the following operational changes have been achieved:

- Full Health & Safety checks and process/procedure assessment completed.
- A review of operational procedures was completed resulting in several minor changes. The most significant adjusted market staff working hours to provide better cover and improved trader contact from 6am to 7pm on Market days.
- Following discussion with the Police Counter Terrorism Unit, some additional safety measures have been put in place based on their advice.
- A review of Return on Investment for advertising was completed. This has resulted in more a more targeted and effective approach.
- Trader vehicle movements are now managed by Market Staff allowing safer and coordinated access at peak times.

In terms of diversification, although the physical transformation project, the Market House, became cost prohibitive, it should be stressed that the principle activities of the Romford Market Transformation Programme, as set out in the November 2015 Cabinet Report, remain and alternative proposals are being developed.

The technical studies and consumer research completed as part of the original Programme will continue to be utilised to inform the future proposal.

On 7 August 2017, a proposal was submitted to Historic England to designate Romford as a Heritage Action Zone. If successful, it will enable increased

investment, particularly in the public realm and build the capacity of local people and visitors to understand and engage with local heritage.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications and risks arising from this report.

Legal implications and risks:

There are no legal implications and risks arising from this report.

Human Resources implications and risks:

There are no human resource implications and risks arising from this report.

Equalities implications and risks:

Equality impact assessments are completed at project level, therefore none arising from this report.

BACKGROUND PAPERS