



CABINET **17 April 2013**

Subject Heading:

Havering Business Growth Programme

Cabinet Member:

Cllr Robert Benham, Cabinet Member for
Community Empowerment

CMT Lead:

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Policy context:

Council Living Ambition Vision
Budget Report February 2013

Financial summary:

Existing resources including:
£200,000 allocation 2012/13 Budget.
Estimated £500,000 Council
Transformation Programme.

Is this a Key Decision?

No

When should this matter be reviewed?

April 2015

Reviewing OSC:

Towns and Communities

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

Ensuring a clean, safe and green borough	<input type="checkbox"/>
Championing education and learning for all	<input checked="" type="checkbox"/>
Providing economic, social and cultural activity in thriving towns and villages	<input checked="" type="checkbox"/>
Valuing and enhancing the lives of our residents	<input type="checkbox"/>
Delivering high customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

SUMMARY

This report outlines an exciting programme to support Business Growth in Havering, to create jobs and enhance the prosperity of the borough and the wellbeing of local people.

Economic growth has become Central Government's top priority and Local Authorities have been incentivised to drive forward the agenda through the localisation of business rates.

The Council has an established programme of business support that contributes towards the delivery of the Living Ambition goal to create prosperity for local residents. This programme seeks to build on existing services, to provide a co-ordinated programme to grow the business base, create jobs, improve the effectiveness and efficiency of service delivery and increase business rates income to support local services.

RECOMMENDATIONS

1. That the Havering Business Growth Programme 2013-2016, including promoting inward investment, encouraging existing businesses to grow and customer service transformation, as set out in this report, be approved.
2. That authority for action to implement the programme be delegated to the Director of Culture and Community in consultation with the Leader of the Council, Lead Member for Community Empowerment and where appropriate with the Lead Member for Value and the Director of Finance and Commerce
3. That authority to bid for external funding to implement the Programme be delegated to the Director of Culture and Community in consultation with the Leader of the Council and Lead Member for Community Empowerment where the value of the grant submission exceeds delegated officers' powers.

REPORT DETAIL

1. CONTEXT

- 1.1. The Council's commitment to the business community is reflected in the Living Ambition goal for Towns and Communities; to provide economic, social and cultural opportunities in thriving towns and villages. Recognising that a strong business community is a prerequisite to achieving a better

quality of life for Havering residents, the Living Ambitions strategy goes on to state 'We will let enterprise and entrepreneurship open the door to prosperity for more Havering residents and we will work with partners to support local business and attract new jobs'.

- 1.2. A vibrant business community is more important than ever. Economic growth is the top priority of Central Government, who recognise the vital role that Local Authorities have to play in shaping and supporting the local economy. The Mayor has also prioritised economic growth in the Economic Development Strategy and the creation of the London Enterprise Partnership. It is well recognised that growth contributes to other priorities such as job creation and well-being.
- 1.3. Government has created incentives for Councils to drive growth through the localisation of business rates. The new system will mean Councils will retain a proportion of any rise in business rates income, but a reduction will mean that there is less money for the Council to fund public services. Growth in business rate income has been identified as a corporate risk in case businesses move elsewhere, local employment and income from business rates drops and there is an increase in demand for Council services.
- 1.4. As a consequence it is more important than ever that the Council prioritises economic growth.

2. CURRENT ACTIVITY

- 2.1. The Council already strives to be a business friendly borough. Members and Officers already provide advice, support and guidance on a range of issues. Business Leaders have the opportunity to meet with the Leader of the Council on a regular basis at the Leaders Networking Events (winner of the South Essex Federation of Small Business 'Business Friendly Borough Award' 2011), and business excellence is celebrated in the annual Business Awards. Business to business networks are facilitated and new businesses are supported through a start-up programme.
- 2.2. Recent years have also seen significant investment in the business environment. This includes improvements to roads and footways in Town Centres, parking and, in some cases, direct support for shopkeepers including shop front improvement schemes. Working with partners in the business community recent projects have included the Love Romford campaign, launched with businesses in Romford to promote the town centre to residents and awarded the Association of Town Centre Managers 'Best Town Team Partner' award 2012, and work with the London Riverside Business Improvement District (BID) to improve links between the Council and businesses in the area, with a particular focus on improving the street environment.

3. DEVELOPING THE GROWTH PROGRAMME

- 3.1. The Council has analysed the Havering economy, reviewed good practice and used the views of the business community to inform this programme. The report was informed by a telephone and on-line business survey to which approximately 400 businesses responded.
- 3.2. The data collected has been used to develop a set of proposals that build on existing activity and deliver a comprehensive business growth programme in Havering set out in Appendix 1 - Havering Business Growth Programme 2013-2016.

4. OBJECTIVES AND ACTIVITIES

4.1. The Business Growth Programme has four objectives:

- To grow the business base
- Create jobs
- Improve efficiency in the delivery of Council Services and increase satisfaction of business customers
- To grow NNDR income in line with expectations to fund local services

4.2. Proposals to deliver these four objectives are set out under three themes:

- Promoting investment in Havering
- Encouraging existing businesses to grow
- Transforming customer services for the business community

4.3. Theme 1 – Promoting inward investment in Havering

4.3.1. One way to grow the business base and create jobs is to attract new businesses to Havering. The borough has a number of strengths that will help attract new businesses including good transport links, the availability of land and office space for employment uses and the proximity to markets in London and the south-east.

4.3.2. The Council already offers a limited inward investment service, working with landowners and property agents to promote the borough and manage inward investment enquiries. Alongside the inward investment service the Council has recently launched a business start-up programme to support people setting up new businesses in the borough.

4.3.3. Proposals:

- To develop an enhanced inward investment service working closely with London and Partners, the GLA and others to promote key sites and sectors in Havering and pro-actively manage enquiries with a

particular emphasis on important sectors to the local economy including retail, manufacturing, health and social care, creative and cultural industries and construction.

- To identify key development sites and develop proposals that encourage redevelopment including appropriate planning policies and promotional campaigns, the use of Council land acquisition powers and potential investment from the pension fund to 'unlock' development and secure a financial return.
- To improve the business accommodation available in the borough by reviewing existing provision, identifying gaps and seeking to develop proposals that address any shortages or tackle over-supply.
- To continue to provide a business start-up programme for residents, identifying opportunities to add value to the programme by working closely with partners and accessing external support

4.4. Theme 2 – Encouraging existing businesses to grow

4.4.1. While it is important to focus on attracting new businesses to the borough it is even more important to understand the pressures faced by the nearly 8,000 existing businesses in the borough, to overcome issues and to facilitate growth. The Council can help create the right conditions to promote growth by, for example, creating a simple, fair regulatory system, promoting business friendly planning policies, and offering a business support programme targeting businesses with the potential to grow.

4.4.2. The Council already delivers services to support the business community and, as planning authority, the Council seeks to implement a positive approach to development by the business community. Services include a programme of training and networking events, business advice and support, promotion of town centres and improvements to infrastructure. Businesses have the opportunity to raise issues or concerns with the Leader on a regular basis and excellence is celebrated through the annual Business Awards.

4.4.3. Proposals:

- Promoting local procurement of goods and services by the Council, reviewing the current procurement policy and framework and helping local businesses to ready themselves to compete for and win contracts for Council goods and services.
- Promoting buy local policies among businesses to support the local economy

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- Adopting a one Council approach to supporting the business community, linking up business support activity to build a comprehensive service for the business community
- Building on the extensive business support function to offer a comprehensive programme targeted towards helping businesses to grow.
- To realise the potential of the planning system for business growth, using the review of the Havering Local Development Framework and its replacement with a new Havering Local Plan and introduction of the Community Infrastructure Levy to introduce a business friendly planning policy framework.
- Returning control of business rates collection to the Council, developing discretionary rate relief policy and implementing in a fair and equitable manner
- Continuing a programme of improvements to local infrastructure in business areas (for example the London Riverside BID, Romford, Town Centres and neighbourhood shopping parades.
- Promoting the Town Centres in Havering by delivering a programme of promotional activities including retail directories, specialist markets and Christmas Lights switch on events.
- Helping businesses to comply with regulation through support and information
- Through early intervention with targeted enforcement to best protect local residents and compliant businesses to engender a level playing field
- Greater promotion of membership of the 'Buy With Confidence' scheme as a business development tool and to encourage local residents and businesses to use local reputable traders.
- Reviewing paid for services the Council offers the business community and identification of other services the Council could provide including those identified through the business survey.
- Initiatives that help address skills gaps and ensure a ready supply of local labour to support business in the borough.
- Continued support for the London Riverside BID and options appraisal for the development of a further Business Improvement District in Romford

4.5. Theme 3 – Customer Service Transformation

4.5.1. Local firms have suggested that the way the Council communicates with, and relates to businesses could be improved. The Council has recently reviewed the way it works with residents and introduced a new system to improve the effectiveness and efficiency of customer services. This has given the Council the tools it needs to adopt a similar approach to businesses, offering a single point of contact for all enquiries, joining up services more effectively and managing transactions with the business community more effectively and efficiently.

4.5.2. Proposals:

- To develop an improved means of doing business with the Council for businesses, maximising the utilisation of current customer services technology, improving communication and the information and services available through the website.

5. Management arrangements

5.1. The successful delivery of the programme will depend on the Council taking a 'one Council' approach, drawing together support activities to build a comprehensive service to the business community where issues can be speedily addressed and to take advantage of opportunities. The same programme management arrangements approach which has been used successfully for Harold Hill Ambitions and Rainham Compass will be adopted.

5.2. Increased funding has been allocated in the 2013-2014 budget. This along with existing resources will be used to support this programme.

REASONS AND OPTIONS

Reasons for the decision

Economic growth is the top priority of Central Government, who recognise the vital role that Local Authorities have to play in shaping and supporting the local economy. Growth also contributes to other priorities such as job creation and well-being.

Government has created incentives for Councils to drive growth through the localisation of business rates. The new system will mean Councils will retain a proportion of any rise in business rates income, but a reduction will mean that there is less money to fund public services.

As a consequence it is more important than ever that the Council prioritises economic growth.

Other options considered:

Do nothing. This option was rejected because of the financial implications for delivering local services if the NNDR income does not grow in line with expectations

Deliver a limited programme focussed on maximising NNDR income. This option was rejected given the Council's strong commitment to the business community and desire to increase prosperity, create jobs and improve well-being in line with the Council's Living Ambition.

IMPLICATIONS AND RISKS

Financial implications and risks:

The Council has already allocated £200,000 of one-off monies to fund development and implementation of the programme and it is now proposed to start this investment in 2013/14.

The 2013/14 Budget Report, agreed by Cabinet in February 2013, included the continuation of a £1m base budget allocation for Transformation- specifically to fund business development and the continuation of the transformation programme. It is proposed in this current report to use £500,000 of this allocation to support the Business Growth Programme. This includes funding the potential new Head of Service for Business Development (currently subject to consultation).

It is proposed to deliver the programme using the resources set out above and a realignment of existing Council resources where appropriate.

There are various risks associated with the localisation of business rates, which have previously been reported to Cabinet as part of the budget setting cycle, and these are one of the main factors behind the proposed programme. Adoption of the programme would help mitigate against those risks.

Legal implications and risks:

Legal implications of programme implementation will be considered on a project basis as and when required

Human Resources implications and risks:

The programme will be delivered with existing staff resources including a potential new Head of Business Development (currently subject to consultation)

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Equalities implications and risks:

An Equalities Assessment has been carried out. Staff will work with the Equalities team to ensure that any issues are managed as part of the programme.

BACKGROUND PAPERS

Appendix 1 – Havering Business Growth Programme 2013-2016