

Havering Council

**Havering Business Growth Programme
2013 – 2016**

1. Introduction

This programme seeks to transform the Council's support for the business community and promote economic growth in Havering. The Living Ambition vision sets out a commitment to work with the business community and the Council is already recognised for its work with local businesses, including its award winning work with partners on the Love Romford campaign and the Leader's networking events.

With the current focus on economic growth and changes to funding which mean Council income is directly related to business growth, there is an opportunity to review business support activity in Havering and build on existing initiatives to enhance the Council's pro-business approach and help generate prosperity for local residents.

2. Vision and Benefits

The Living Ambition Strategy sets out the Councils support for a flourishing business community. The goal for Town and Communities reflects the Councils desire to... '...provide economic, social and cultural opportunities in thriving towns and villages.'

The 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'.

To deliver the vision the Business Growth Programme will aim to deliver the following benefits:

- Improvement in the reputation of Havering as a place to do business
- Greater prosperity
- Higher employment levels
- Improved quality of life

3. Current Activity

The Council already delivers a number of services to the business community. It already provides advice and support, training, seminars and guidance on issues ranging from local procurement to environmental health.

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); while

business to business links are facilitated by Council-organised events such as 'Havering Business Expo', and at networks including Women in Business. Excellence in the business community is promoted through the Business Awards and new businesses are supported through the start-up Programme.

Recent years have also seen significant investment in local infrastructure with a particular focus on Town Centres. Improvements include upgrades to roads and footways, addressing parking issues and, in some cases, direct support for shopkeepers through schemes including shop front improvement projects and marketing campaigns. 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.

4. Drivers of Change

A vibrant business community is more important than ever. In the context of the world economic downturn, the Euro crisis and unprecedented levels of national debt, economic growth has become Central Government's top priority. The Government's Plan for Growth (2011) paints a picture of an unbalanced and heavily indebted economy whose competitiveness has declined in relation to the rest of the world. The plan proposes addressing these issues and building on the strengths of the economy to achieve four ambitions - create the most competitive tax system in the G20; make the UK one of the best places in Europe to start, finance and grow a business; encourage investment and exports as a route to a more balanced economy; and create a more educated workforce that is the most flexible in Europe.

The Mayor's Economic Development strategy reflects the importance of economic growth for London. The strategy sets out for vision for London to be the World Capital of Business and to have the most competitive business environment in the world; to be one of the world's leading low carbon capitals; for all Londoners to share in economic success; and for London to maximise the benefits of the 2012 Olympic and Paralympic games. The London Enterprise Panel has been established to advise the Mayor of London on action to provide strategic investment to support private sector growth, promote enterprise and innovation and enhance London's competitiveness.

Alongside the economic arguments for growth it can have a significant positive impact on the wellbeing of residents. Growth creates job opportunities and alongside financial independence and improvements to material wellbeing, paid work can also have a positive impact on self-esteem, general health and personal wellbeing. High levels of employment will improve local prosperity, reducing demand on public funding, encourage spending in local businesses and on local services such as leisure centres. Creating job opportunities is particularly important at a time of significant change to the welfare system which aims to reduce benefits dependency by encouraging people to find and remain in employment.

Local Authorities have a vital role to play in the growth agenda. The Government's Plan for Growth recognises the role that the Council has to play in planning policy, efficient regulation, as a procurer of goods and services, a driver of thriving town centres and in attracting visitors. Lord Heseltine's report 'No stone unturned in the pursuit of growth' also recognises the importance of localism and the role of the Local Authority in generating economic development.

Recognising the role Local Authorities can play, Government has created incentives for Councils to drive growth through the Local Government Resource Review. The review has proposed the localisation of Business Rates (NNDR) as the core element of the new funding regime. This will mean Local Authorities retain a proportion of Business Rates collected in their area, with the rest being sent on to Government. As a consequence services provided by Local Authorities will benefit in future years from an increase in business rates income, while a reduction in business rates collected will see a corresponding fall in the budget available to pay for services on behalf of local companies and for residents. The value of any increase or decrease in business rates to the services provided for the local community is particularly important at this time of public sector budget constraint and is reflected in the Council's corporate risk register.

As a consequence it is more important than ever that the Council seeks to build on its existing relationship with the business community and developing a strong corporate approach to Business Growth using its resources more efficiently to encourage economic growth in Havering. It is for this reason Business Growth has been identified as a Council priority. It can do this if there is first an understanding of the business base, an appreciation of the views of the business community and if opportunities to encourage growth are identified.

5. The Current Business Base

The Council has reviewed the business base in the borough. There are many similarities between the local economy and that of other outer London boroughs. Findings include:

- Like other outer London boroughs Havering has a comparatively low number of enterprises, reflecting the concentration of businesses in Central London. Nevertheless in 2010 there were nearly 8,000 businesses in the borough. The ratio of businesses to working age residents reflects the number of enterprises in the borough; the figures are broadly in line with those for neighbouring authorities.
- The business community is dominated by small enterprise. Over 90% of the businesses in the borough employ fewer than 9 people and over 70% have a turnover of less than £250,000 per annum. Many businesses are based only in Havering and the main reason for this is that the business owner also lives in the borough.
- Local businesses have suffered the effects of the financial downturn and recession. The overall number of businesses in the borough has declined in recent years, however recent evidence suggests the situation is now improving and Romford has been recognised by the Royal Mail Business Barometer as the fastest growing location for business start-ups.
- The borough is ranked mid-table (210 out of 379 local authority areas) in terms of its competitiveness. While the borough performs well in some areas such as productivity and median wages, the qualification levels of local people and the low ratio of businesses to population, (while typical of an outer London borough), have an impact on the competitiveness of the area. The skill base in Havering is among the lowest in London, with large numbers of low skilled jobs.
- The sectors with most businesses in the borough differ from those with the most employees. The three sectors with most businesses in Havering are Construction, Retail and Professional, and Scientific & Technical Services. The sectors that employ the most people are Human Health & Social Work, Retail and Administrative & Support Services.
- Businesses are concentrated in the Romford & Gidea Park and then Hornchurch & Upminster areas. Both areas have in excess of 2,500 businesses operating in many different sectors. Harold Hill & Harold Wood and Rainham have a far lower concentration of business in fewer sectors. Production businesses are a key feature of both areas, with a significant number of Transport & Storage businesses in Rainham while out of town retail is important in Harold Hill & Harold Wood. Collier Row and the north of the borough have a much lower number of enterprises and available non-domestic land. Businesses in Romford and Rainham in particular contribute significantly to the Council's collection of Business Rates.

6. The Views of the Business Community

The Council conducted a survey to understand how the borough and the Council are viewed by businesses in the area. The survey has been used together with information from business organisations to reflect on the views of the business community.

- Overall Havering is regarded positively as a location in which to do business. Only around one in six of the business representatives surveyed rated the area poorly. Reasons for the good rating included the location, trade opportunities available and a strong local customer base.
- Approximately half of businesses did not think there were any barriers to growth in the borough. The main barrier to growth identified was the global economic situation and lack of business available. However other issues raised include the global economic situation, parking issues and the cost of premises / lack of premises available.
- However less than one in ten businesses expected their turnover to increase a lot in the next three years, with the majority expecting it to increase a little or stay the same. Larger businesses tended to be more optimistic about growth than smaller organisations and sole traders.
- Two-thirds of businesses rated the Council as very good to average, however there were a number of areas where there was scope for improvement in the services offered. These included
 - Communication. More effective working in partnership with local businesses and constructive two-way communication
 - Improvements to parking. Issues raised included a perceived lack of provision and parking charges
 - Procurement. Easier tendering processes and better sharing of information
 - Road and pavement repairs. Concern about repairs not being made and the condition of some roads and pavements.
- Improved communication was a key theme of discussions with businesses and support organisations. When asked about different communication channels printed media remained the most popular means of communicating but email and the Council website were identified as important by a third and a quarter of respondents respectively.

- Businesses and support agencies also felt services could be improved if the Council understood businesses in the area better and improved its enquiry handling, possibly through a one stop shop model or better signposting between departments.

7. Opportunities for growth

The research suggests a number of strengths and opportunities to encourage growth:

- Havering has a good location and strong transport links, with the M25 and major routes into central London via road, rail and underground services.
- Large infrastructure projects such as Crossrail and the London Gateway Deep Sea Port offer opportunities for local businesses.
- Residents are seen as entrepreneurial and resilient.
- The relatively low cost of living (for London), good schools, green space and general quality of place and life were perceived to be a real advantage in attracting new businesses.
- Existing business support programmes were seen as a positive base to build a more comprehensive growth programme.
- There is a significant amount of designated development land available that is ready for redevelopment, particularly in the Rainham area.
- Romford is seen as a successful metropolitan town centre with a strong retail offer and 'office quarter' that will have even better connections into London via the Crossrail scheme in the next few years.
- Although there are strong arguments against an overly sector driven approach to growth, Havering does have particular strengths or competitive advantage in certain sectors including
 - Retail. The retail sector is more important to the Havering economy than many other outer London boroughs. Romford is a Metropolitan Centre (as identified in the London Plan) and has remained resilient despite the emergence of Stratford City and competition from

Bluewater, Lakeside and online shopping. It is likely to remain an important sector for the local economy.

- Advanced Manufacturing. There is a cluster of manufacturing businesses in the Rainham area located around the Centre for Engineering and Manufacturing Excellence. As well as offering an Innovation Centre, services and support to businesses in the area, CEME has recently become home to the High Speed Sustainable Manufacturing Institute - a world class research institute focussing on Manufacturing. Alongside CEME the Beam Reach sites include significant areas of employment land ready for redevelopment and the area could be a focus for industrial growth in London.
- Construction. Is one of the most important sectors by number of businesses and the number of jobs supported in the borough. Although construction has suffered in the economic downturn it will remain important to the economy and there is some competitive advantage to location in Havering
- Logistics. The Logistics concentration in Havering is mainly due to the good road transport links in the area and the relatively low land values. There may be opportunities to develop the sector, particularly when the nearby London Gateway Port opens. As such the borough has some competitive advantages in the sector.
- Green Enterprise. Although Green Industries are a small part of the Havering business base the south of the borough forms part of the sub-regional Green Enterprise District, a regeneration initiative of the Mayor of London.
- Health and Social Care. The Health and Social Care sector is the largest employer in Havering. There are considered to be numerous growth opportunities for the sector driven by the ageing population and the personalisation of health and social care budgets.
- Professional and Scientific Services. Although a small sector in the Havering economy it is predicted to remain strong and generate much of the employment growth London will see in the next ten years. As a consequence, and despite some locational disadvantages, the sector may represent an opportunity for growth.
- Creative and Cultural Industries. Creative and Cultural Industries have been a catalyst for regeneration in other parts of London. The Council Culture Strategy highlights that ‘..cultural and creative industries, such

as sport, recreation, museums, theatre, art and tourism are growth sectors which diversify the economic base of an area, encourage a creative economy, and offer major opportunities for economic development.' The Culture strategy goes on to describe the important role that creative and cultural industries can play in terms of image change and quality of life, helping to reposition areas as more attractive places for inward investment.

- Social factors. The ageing population and recent increase in the birth rate may create opportunities for businesses in the borough in businesses in the Health and Social Care, Early Years and Retail sectors among others.
- Government Policy. The public sector is experiencing major change which may create opportunities for business growth. The personalisation of health and social care budgets, impact of welfare reform, localism and changes to education all change the market and offer businesses opportunities to develop and grow.

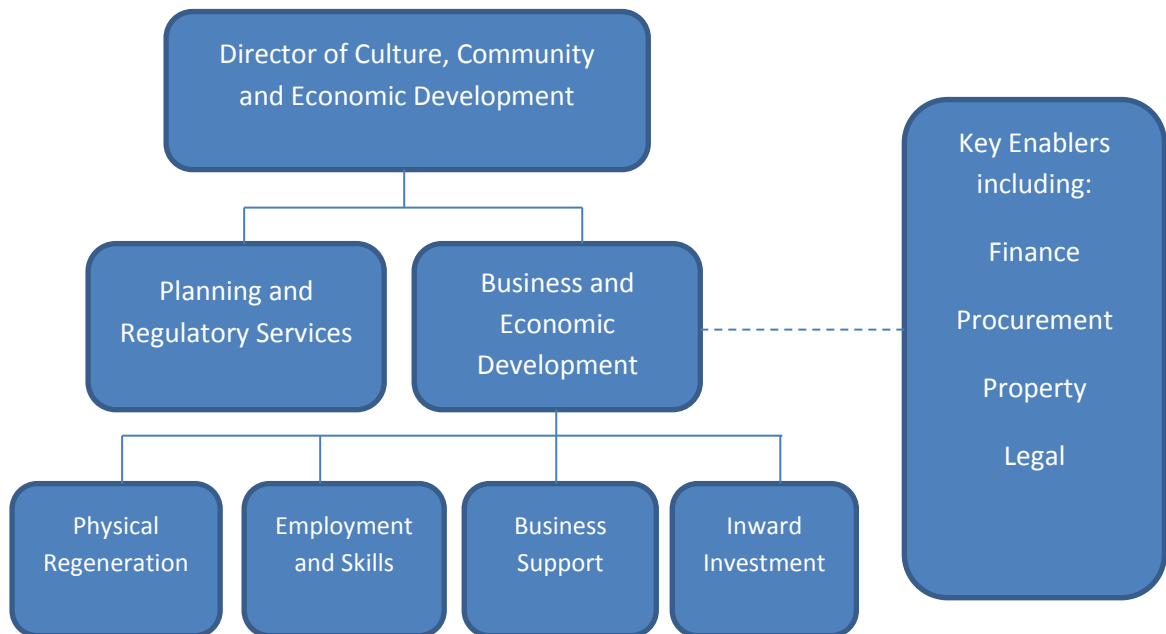
8. A Corporate Approach to Business Growth

By identifying business growth as a strategic priority and embracing a new corporate approach the Council can make best use of its capacity to deliver such a large agenda and can adopt a 'one Council' approach to supporting the business community.

The Director of Culture, Community and Economic Development will be responsible for promoting a corporate approach to the business growth agenda. A new Business Development function within the Directorate, led by a Head of Service with responsibility for championing business growth programme, will spearhead implementation. The Business Development Service will be able to:

- focus functions within the service such as physical regeneration, inward investment, business support and employment and skills activity, adjusting resources to better meet the needs of the business growth programme
- engage and work with Council departments that enable business growth including Planning, Regulatory Services, Housing, Property, Finance, Legal services and social care
- engage with the Council leadership team at a strategic level, adapting functions to better support business growth, brokering relationships and engaging with programme development

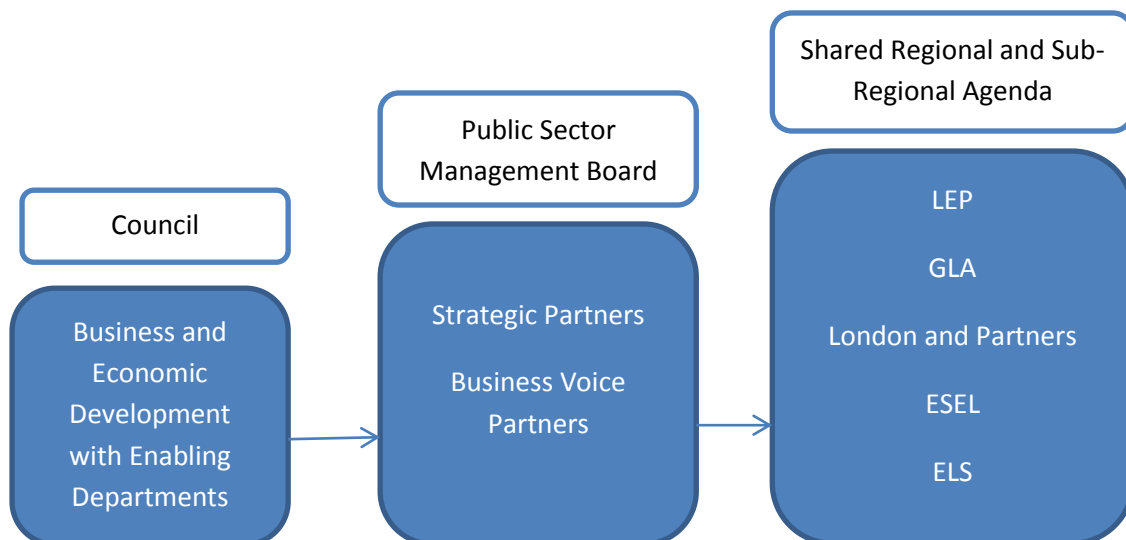
Resourcing Business and Economic Development



The Council will also strengthen its relationship with strategic partners in the delivery of business growth. In particular it is proposed to:

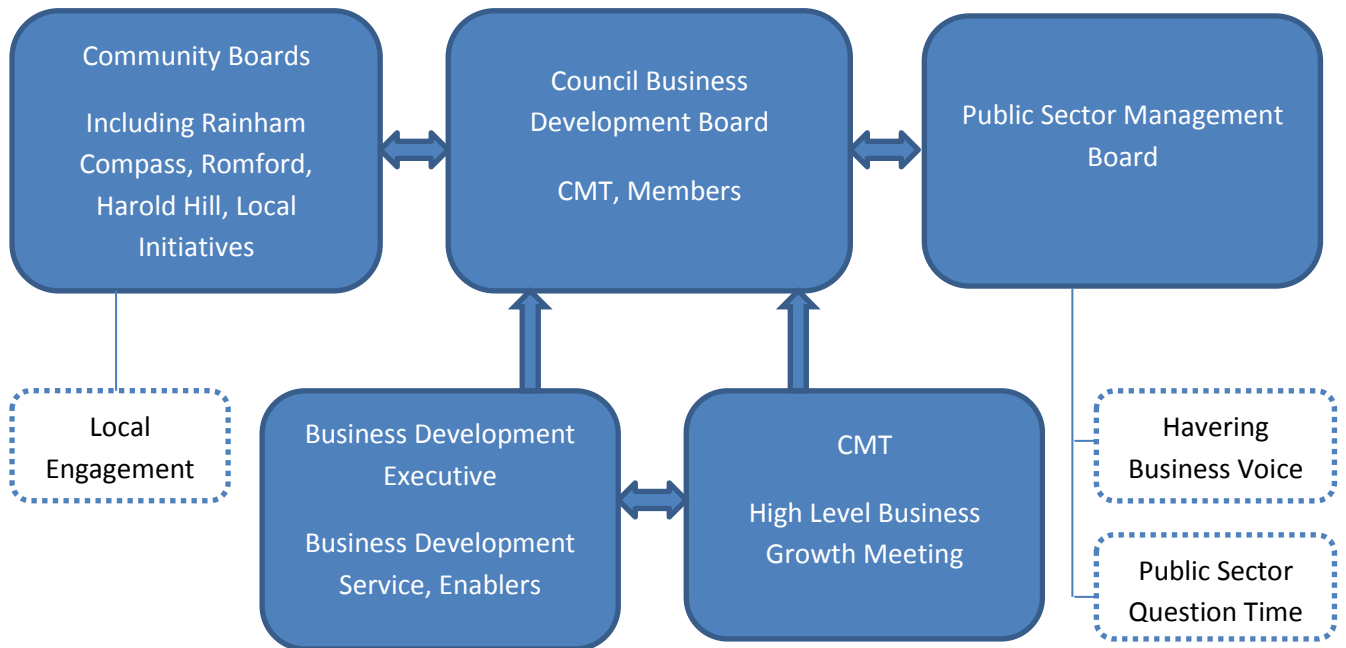
- engage local businesses and support organisations to lever capacity into the business growth agenda and contribute to the development and implementation of the programme
- represent the Council and the business community at a sub-regional and regional level, leveraging in additional support, championing the borough and working with neighbouring areas to deliver services in an effective and efficient manner

Levering capacity into Business and Economic Development



The governance arrangements will reflect those used to manage other programmes successfully. Clear roles, responsibilities and reporting lines will be established and there will be clear links to other programme boards, a Public Sector Management Board and the Havering Business Voice Board – where the business community will be able to participate in and contribute to the prosperity of the borough and the Business Growth programme.

Governance Structure Chart



Havering Business Voice



If the programme is to succeed there will need to be a strong relationship between the business community and the Council. The Business Voice Board will be one way in which the business community are engaged and the Head of Business Development will also be responsible for co-ordinating an account management approach to fostering a relationship with businesses.

The Council also recognises the strategic importance of certain industries and individual businesses to the Havering economy. For this reason members of the Council Corporate Management Team and other senior managers will also adopt an account management approach to developing a relationship with key businesses, working with the Business Development Service to ensure important companies remain and grow in Havering.

9. Programme Themes

The analysis of the business base, views of the business community and opportunities for growth suggest three themes around which the programme should be based:

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

Each theme has been broken down into a number of objectives. Each objective is associated with new projects and / or improvements to service delivery that, together, contribute towards delivering the vision and programme benefits.

Theme 1 – Promoting Inward Investment in Havering

The Opportunity

There are a number of opportunities to generate new business growth in Havering. In particular good transport links in the borough, the availability of land and office space for employment uses and the proximity to markets in London and the south-east mean Havering is ideally placed to attract new businesses.

Existing Services

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.

Proposals

The Council aims to build on existing services by delivering a new inward investment service, focussed on key development sites, and enhanced business start-up programme.

Action Plan

Projects and key actions will include:

Project	Key Actions
<p>An enhanced Inward Investment Service.</p> <p>A new inward investment service working closely with partners to deliver a pro-active and targeted inward investment offer, promoting the borough and focussing on key sites and opportunities for growth.</p>	<p>Establish a new inward investment service model</p> <p>Develop a strategy to promote the borough to businesses and to stakeholders including London and Partners to secure domestic and foreign investment</p> <p>Establish a Business Ambassadors Programme – business leaders championing the borough to investors</p> <p>Establish a property agents and developers forum</p>
<p>Key Development Sites.</p> <p>Focus on the identification and development of key sites in the borough, developing proposals that use Council resources to kick-start commercial development</p>	<p>Identify key sites</p> <p>Develop and agree promotional strategies</p> <p>Develop proposals for the use of Council resources to kick-start commercial development</p>

<p>The Business Accommodation Offer.</p> <p>Improve the business accommodation offer for business locating to and re-locating in Havering.</p>	<p>Produce a position statement on business accommodation in the borough</p> <p>Develop a strategy for addressing gaps, promoting development and promotion of property available in the borough</p> <p>Develop a model for monitoring planning applications for impact on the property portfolio</p>
<p>Business Start-up Programme</p> <p>Building on the new business start-up programme to offer an enhanced service with strong links to related projects.</p>	<p>Develop proposals for an enhanced business start-up programme with links to youth enterprise, Jobcentre Plus and other programmes</p> <p>Annual review of activity and refinement to reflect opportunities in the borough</p>

Theme 2 – Encouraging existing businesses to grow

The Opportunity

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 and to facilitate their growth. The Council can help create the right conditions to promote growth by, for example, creating a simple, fair and supportive approach to the regulatory system, promoting business friendly planning policies, and offering support for businesses to develop their skills and network with each other.

Existing Services

The Council already delivers services to support 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.

Proposals

The Council aims to build on existing services by drawing together business support activities and delivering a comprehensive service to the business community.

Action Plan

The Business Growth Programme aims to build on existing services. Projects and actions will include:

Project	Key Actions
<p>Promoting Local Procurement</p> <p>Helping local businesses compete for and win contracts to deliver goods and services to the Council.</p>	<p>Review procurement strategy and frameworks to encourage buy local policies</p> <p>Adopt a policy of ensuring local SMEs are given the opportunity of bidding for contracts using the following principles:</p> <p>Up to £50,000 – 2 quotes, with at least one from a local supplier</p> <p>£50,000 - £100,000 – 3 quotes, with at least two from local suppliers</p> <p>Beyond £100,000 requires a formal tendering process</p> <p>Training and information programme for local businesses</p> <p>Training programme for Council officers</p> <p>Monitoring processes developed to track spend</p> <p>Proposals to promote Council contracts and share information with local businesses developed</p>

<p>Improving Borough Infrastructure</p> <p>Continuing a programme of improvements to the street environment with at particular focus on Town Centres.</p>	<p>Integrated programme of street improvements implemented</p> <p>Programme of improvements to local shopping centres implemented</p> <p>Focus of area Regeneration Programmes to reflect support for business growth</p>
<p>Improved Management of Business Rates Collection</p> <p>Return management of business rates to the Council and develop clear transparent processes enforced fairly and equitably</p>	<p>Cabinet to agree rate relief policies</p> <p>Develop management arrangements for business rates</p> <p>Management of business rates returned to the Council</p>
<p>Enhanced Business Support Services Programme</p> <p>An enhanced business support programme effectively targeted to meet the needs of the community and promoting business growth.</p>	<p>Proposals for improving engagement with top businesses and business leaders in the borough</p> <p>Programme of networking, training and seminars including the very successful business expo, business awards, leader's networking events and procurement seminars developed</p> <p>Proposals to target support at businesses most likely to grow and generate NNDR income</p>

	Engagement in sub-regional and regional opportunities to support the business community and encourage growth
<p>Realising the potential of the planning system for business growth</p> <p>Ensuring the planning system supports business growth by safeguarding employment land, reviewing planning policies, promoting local procurement and employment and development of a new Local Plan and Community Infrastructure Levy to support business growth</p>	<p>Develop proposals to encourage local procurement and employment on development sites</p> <p>New Local Plan reflecting the needs of the business community produced</p> <p>Proposals for a Community Infrastructure Levy produced</p>
<p>Promoting Town Centres</p> <p>Programme of events and other promotional activities to encourage local residents and visitors from outside the borough to shop in Town Centres</p>	<p>Programme of specialist markets and other promotional events established</p> <p>Development of Retail Directories for Town Centres</p> <p>Improved webpages for Town Centres</p> <p>Christmas Lights and Events arranged</p> <p>Build on and promote the success of the Town Centre Partnerships in Romford and Hornchurch and develop regeneration partnerships in other town centres</p>
<p>Business Improvement Districts</p> <p>Work with the London Riverside BID company and conduct a feasibility study for a BID in Romford</p>	<p>Feasibility study for establishing a BID in Romford</p> <p>Work with the London Riverside BID and annual review of activity</p>

<p>A Skilled Workforce</p> <p>Addressing skills gaps and helping to ensure local resident have the skills needed to meet business needs.</p>	<p>Existing skills provision mapped</p> <p>Development of an employment and skills plan for the borough, highlighting issues and gaps that need to be addressed</p> <p>Development of a project to ensure local employment clauses are built into procurement and planning agreements</p> <p>Development of proposals to:</p> <ul style="list-style-type: none"> • Help local people access employment opportunities arising from business growth / inward investment • Address employment and skills issues for sectors with the most growth potential • Help workless people into employment
<p>Helping businesses to be compliant and self-regulatory with targeted enforcement</p> <p>Developing effective, efficient and targeted regulatory services that help businesses ensure they are compliant and encourage residents to buy local.</p>	<p>Review of regulatory services to the business community</p> <p>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</p> <p>Delivery of business advice and training to help ensure compliance</p>

Theme 3 – Transforming customer services for business

The Opportunity

The Council has already been recognised for its business friendly culture; however many businesses have identified communication as one way in which services could be improved. The Council has the opportunity to address this issue using current customer services technology and improving the information and services available through the website.

Existing Services

Many Council departments manage enquiries from or transactions with the business community.

Action Plan

The Council aims to improve customer services for the business community. Projects and key actions include:

Project	Key Actions
<p>Adopting a Corporate Approach to Business Development</p> <p>Working together as one council, making the best use of existing resources and maximising capacity to support the business community</p>	<p>Governance arrangements adopted</p> <p>Business Voice Board established</p> <p>Proposals for account management of key businesses adopted</p>
<p>Customer Services Transformation</p> <p>Delivering an improvement in customer services to communicate more effectively with the business community</p>	<p>Produce a paper proposing improvements to customer services for the business community.</p> <p>Implementation of proposals</p> <p>Improved information and services through the website</p> <p>Creation of a comprehensive business</p>

	database and directory
<p>Selling Services to the Business Community</p> <p>Review existing traded services and the opportunity to offer additional support to the business community on a fee paying basis</p>	<p>Review existing services</p> <p>Identification of opportunities for additional services</p> <p>Implementation of proposals</p>
<p>Communications</p> <p>Developing a comprehensive communications strategy to support the whole business growth programme</p>	<p>Develop communications and stakeholder engagement strategy and programme</p> <p>Implementation of the programme</p> <p>Develop internal communications and training plan</p>

10. Measuring Success

The outputs and outcomes delivered by each project will be measured to ensure the Business Growth Programme achieves the benefits anticipated and delivers the vision set out in the Living Ambition Strategy.

Milestones and measures of success will be attributed to each project to track progress and review performance. Examples of measures of success include:

- Growth in business rates, reflecting growth in the business base in Havering
- Increase in inward investment in the borough
- Progress towards development of key sites
- New business start-ups in the borough
- Decrease in vacancy rates
- Increase in proportion of contracts won by companies paying NNDR in Havering
- Increase in income from services sold to the business community
- Improvement in satisfaction with Council services to the Business Community