

Leaders' Committee

Pledges to Business

Item no: 4

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Summary This report outlines progress with the development of Pledges to Business – the development of which was one of the 46 commitments made by Leaders in their 'Pledges to Londoners' agreed earlier in the year. The report outlines the Pledges to Business and the approach to supporting boroughs in implementing them.

Recommendations That Leaders' Committee:

1. Notes the report and progress with developing the Pledges to Business.
2. Comments on and endorses the proposed Pledges to Business in Appendix 1.
3. Comments on the implications for boroughs.

Pledges to Business

Background

1. The Pledges to Londoners, signed-off by the 33 Leaders and Mayors, has a specific section on supporting business and inclusive growth, stating “*London is the business capital of Europe and the most outward looking global city on the planet. All London boroughs are committed to nurturing that success and ensuring that all Londoners can share in it. We aspire to be the first choice of every London business when it wants a conversation with London government.*” It includes a specific commitment to co-design an action plan with the private sector, setting out a series of pledges for improving London as a place to do business, promoting inclusive growth and ensuring positive dialogue between boroughs and business.
2. London Councils has commissioned research from CEBR on business clusters across London and with a profile for each London borough. A recent survey of London businesses¹ undertaken by London Councils revealed that whilst businesses are generally more satisfied than dissatisfied with key council services, a larger number of business simply do not have a view, suggesting they may be unaware of these services.

Consultation process

3. London Councils has been developing the Pledges to Business during 2019. There has been consultation on the idea of the Pledges with borough officers and members, as well as the London Business Board, which brings together key business representative bodies in London². Events and workshops have been held with economic development officers and Cabinet Members for economic development. The Pledges to Business have been raised with borough chief executives and sent to relevant borough directors for comment. A draft of the Pledges to Business is set out in Appendix 1.

¹ Business 1000, October 2019, a joint survey with the London Chamber of Commerce and Industry of over 1000 businesses.

² Members of the London Business Board are: London First, London Chamber of Commerce and Industry, and the London branches of the Confederation of British Industry, Federation of Small Business and Institute of Directors.

Vision

4. The Pledges have been developed with a focus on boroughs' offer to business, rather than boroughs' ask of business. It looks beyond councils' business support services to consider the wider role of boroughs as:
 - **Placemakers and Champions:** Setting a framework for the future development of an area and coordinating investment to deliver this vision.
 - **Convenors of business and the local communities:** Brokering local solutions and agreements.
 - **Regulators:** protecting residents and demanding high standards, but also delivering a quality and joined-up process for those businesses using these services.
 - **Providers of core infrastructure:** providing or helping to facilitate core infrastructure.

The focus is on developing a strong partnership with business, specifically where boroughs and business have common objectives.

Pledges

5. The Pledges are centred around:
 - **Engagement:** Ensuring effective engagement with business, including customer satisfaction surveys and direct engagement with those using borough services.
 - **Making business simpler:** ensuring that businesses can get a more coordinated approach from boroughs, including enhancing our digital access to borough services.
 - **Cleaner, Greener, Safer:** Collaborating with businesses in areas such as community safety, waste reduction and recycling, air quality and rough sleeping. This includes working with London's more than 60 Business Improvement Districts.
 - **Night-time economy:** Playing a coordinating role in supporting a safe and successful night-time economy.
 - **Business Rates:** Including continuing to lobby for a system that lessens the impact of the national system on London's economy.
 - **Procurement:** Supporting local suppliers and social value outcomes.
 - **Developing a skilled workforce:** Working with employers to ensure a local labour force with the right skills.
6. The Pledges also have a series of asks of business:
 - **Becoming the best employer you can be,** through the adoption of relevant standards.

- **Ensuring an inclusive workforce**, that reflects London's diversity, including engaging with local employment and apprenticeship programmes.
- **Engaging the next generation**, working with schools across London to open-up the world of work.
- **Sustainability**, showing leadership in reducing emissions and waste.
- **Business Champions**, supporting the public sector in making the case for your borough and London.

Implications for boroughs

7. The Pledges will require processes that ensure that businesses find it easier to navigate boroughs' different services. This will require a commitment from boroughs to engage with business on how they feel the process currently works for them and how it can be improved. There are wider policy issues boroughs will need to consider, for example, balancing the requirements of our regulatory role with our desire to promote vibrant high streets.
8. There are excellent examples of London boroughs working successfully with their businesses (and BIDs) on a diverse range of issues, from aggressive begging, to child protection and improving air quality. London Councils will continue to highlight this good practice, support its wider adoption and set a broader vision for what successful business engagement could be for boroughs.

Next steps

9. London Councils is planning to launch the Pledges early in 2020, with an endorsement from the London Business Board.
 10. The Pledges to Business will only be successful if it brings about changes and improvements in the boroughs' relationship and work with business. This will require senior political and officer drive and support in each borough. London Councils is considering how best to encourage peer based challenge and support between boroughs to help drive performance and business engagement between boroughs.
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Financial implications for London Councils

No immediate implications.

Legal implications for London Councils

None

Equalities implications for London Councils

None

Appendix 1

Pledges to Business

Vision

London is the business capital of Europe and the most outward looking global city on the planet. All London boroughs are committed to nurturing that success and ensuring that all Londoners can share in the benefits of good growth.

We aspire to be the first choice of every London business when it wants a conversation and to work with London government.

These pledges set out London boroughs' commitment to growing our city's economy for the benefit of Londoners and the roles we play in this.

The role of boroughs

Boroughs have a central role in creating an environment where business can thrive.

- ***Placemakers & Champions***

Boroughs set out an agreed vision for our area and communities and bring together the resources to deliver this. Through local political leadership, long term consultation and engagement with residents and business, and using local democratic processes, boroughs set and drive a vision for an area. This includes our local development plans and economic development strategies, where we can influence, inform and facilitate economic development.

Boroughs are uniquely placed to secure and drive forward regeneration and local economic development, drawing together external funding and working with the private sector, boroughs can set and coordinate a vision for the economic renewal of an area.

Boroughs via their support for cultural and leisure infrastructure enhance the attractiveness of their area for business and staff, as well as delivering safe and attractive public spaces.

Boroughs promote their local attractiveness, working with partners such as London and Partners, to ensure that the whole of the capital together maintains its "global city status".

- **Convenors of business and the local communities**

Boroughs play an important role in bring together partners, including the business community and local residents, developing a common vision for an area.

The at times competing needs of residents and businesses in a crowded city are best brokered at a local level. Boroughs are in a unique position to develop local solutions and agreements.

Boroughs uniquely have the local knowledge to bring together and connect with London's diverse communities, working with regional and national delivery agencies to shape and influence local service delivery around skills, employment and business support programmes. Boroughs work to ensure that their diverse communities directly benefit from economic growth.

- **Regulators – ensure business friendly services**

Boroughs have an important role in ensuring effective regulation at a local level, protecting and balancing the needs and rights of residents, customers and businesses.

We need to ensure that while not lowering standards for residents our regulatory functions, such as planning, licensing and trading standards, deliver an effective service for business users.

- **Providers of core infrastructure**

Boroughs play a central role in providing and maintaining core infrastructure, from roads and pavements, public transport, lighting, and increasingly in promoting digital services.

Section 1: Our Pledges to Business

Engagement

Meaningful engagement with our business community is fundamental, to:

- Understand businesses' concerns.
- Effectively consult and respond to these concerns where we can.

Boroughs pledge to ensure that we effectively listen to our local businesses using a range of mechanisms, including forums, surveys and direct engagement. Boroughs commitment to ensuring they have a Business Champion, at a senior political and officer level, to drive this engagement and oversee the delivery of the pledges.

Making business simpler

Boroughs will work to improve the access to our services. This will include:

- Better engagement to understand the experience of the users of our services, including undertaking regular customer satisfaction surveys for our business facing services, including our regulatory services such as licencing and environmental health.
- Committing to act on the results of these findings.
- Enhance our digital access to borough business services.
- Developing our single points of access for businesses, helping them navigate borough services.
- Undertake peer-reviews and share good practice to improve our services.

Secure the right business spaces

Boroughs will continue to work to enhance the local business environment. We will:

- Promote access to high-quality business support and mentoring services, either directly or by supporting awareness of external providers to our business community.
- Secure affordable workspace using our planning processes to provide the right spaces for a modern economy, including micro-businesses and flexible working practices.
- Fight against the inappropriate loss of office space and lobby government to tighten the rules around permitted development rights.
- Protect our industrial land and work with partners to enhance and intensify use.

Cleaner, greener, safer

Boroughs will collaborate with business to secure a cleaner, greener, safer borough.

Boroughs will work with their businesses around areas of common interest, investing in our local areas to drive a better environment for business and residents. This will include working on:

- Community safety and tackling violence, including all boroughs to review the opportunities to directly support the establishment of Business Crime Reduction Partnerships.
- Rough sleeping and on-street begging, working with businesses via better sharing of information, collaborating around positive forms of enforcement, and support into services.
- Business space improvements, including public realm, industrial space and shop front improvements, developing local partnerships to drive these investments forward.

- Environmental impact: supporting businesses to put in place more sustainable practices, for example, around ambitious recycling targets and reducing energy usage
- Air quality: raising air quality standards including via freight consolidation and electrical vehicles.
- Parking: Ensuring boroughs have an open and transparent dialogue with businesses about changes in parking practices, including loading and unloading goods.
- Infrastructure improvements, including transport and digital connectivity working with the private sector to unlock the investment needed.
- Use of data: developing platforms and processes to enhance collaboration around using data.

London's network of Business Improvement Districts are important partners in enhancing our key business areas. We will work with BIDs including around enforcement, information sharing, promoting an area and coordinating of capital investment.

Evening and Night Time economy

A successful evening and night time economy has the potential to support the economic and social vibrancy of our town centres and provide a wider range of local employment opportunities. Boroughs will champion the appropriate night time economy, working with key partners such as businesses, TfL and the police. Boroughs will:

- Regularly review their licencing policies to see where a pragmatic approach can deliver economic and social benefit.
- Work with partners to ensure support for Night Time workers, including safety and transport.
- Convene Night Time Economy forums to develop the partnerships to ensure a successful and secure economy to drive forward practical interventions such as lighting, marshals, data sharing.
- Continue to support the Night Time Borough Champions Network.
- Protect and enhance our entertainment and cultural venues.

Business rates

While boroughs collect business rates, the multiplier is set at a national level. Boroughs recognise the impact of recent rises in business rates on London businesses and are committed to:

- Having an open and transparent dialogue with business around business rates.
- Continuing to campaign against the disproportionate share of national business rates paid by London businesses, including demanding London has more control on how these rates are set, in the context of broader reform of business taxation and the funding of local services.
- Campaigning with business partners and others for greater local retention of business rates.
- Consider supporting business, where appropriate, to appeal against unfair valuations from the Valuations Office Agency.
- Engaging with local businesses to help manage the impact where we can, for example via staging payments where appropriate (e.g. payments after Christmas not before for retailers).

Procurement

Boroughs remain major purchasers of goods and services. We will:

- Listen to local businesses and ensure our procurement practices support the local economy, increasing our spend with firms that support our approach to inclusive growth and the delivery of social value objectives.
- Set targets for the level of local spend and the weighting given to social value objectives looking at the best examples where, in some London boroughs, over 25% of their spend is with local firms.
- Offer training to local small businesses so that they are “fit to supply”, including an understanding of how to communicate their social value through the tender processes.
- Work collaboratively to deliver a more consistent approach to procurement across London and promote benchmarking around our levels of local spend.

Developing a skilled workforce

Boroughs via local, sub-regional, and London-wide employment and skills programmes will help in ensuring that businesses have access to a talented local labour force.

Boroughs will:

- Consult and work with partners, such as the FE sector, to ensure we understand and respond to businesses skills needs.
- Support 55,000 disadvantaged Londoners towards a job through the devolved Work and Health employment programme being led by the sub-regional partnerships of boroughs.
- Work with businesses in helping low paid workers to develop their skills and progress in work.
- Lobby for reforms to the Apprenticeship Levy, including ensuring London retains more of its levy to spend meeting London’s needs, integrating with the city’s devolved Adult Education Budget.
- Support micro-businesses and SMEs to access apprenticeship funds.

Section 2: Our ask from business

We recognise the diverse range of pressures facing business and acknowledge that London is an expensive place to do business. Boroughs and businesses interests vitally overlap and via better engagement we can support the delivery of our mutual objectives. Boroughs can play a supportive role in providing the skilled workforce employers need and promoting diversity via supporting local underrepresented young adults to be apprenticeship and employment ready. Businesses’ enhanced employment practices drive not only inclusive growth but also improved staff recruitment and retention. A huge percentage of London’s businesses are small or micro-scale firms, employing a handful of people, who would struggle to take on large numbers of apprenticeships. We recognise each business will have to develop their most appropriate actions, but we call on all businesses to review where they can drive positive changes.

Becoming the best employer you can

We are asking employers to become the best employers they can be, striving to enhance their employment and recruitment practices to promote real, inclusive growth, for the benefit of all London’s communities. We ask businesses to engage with:

- a local business responsibility charter and / or the Mayor’s Good Work Standard.
- using toolkits to look across your responsibilities as an employer including healthy workspaces and family friendly policies and action to reduce environmental impact.
- measuring your progress against these standards and toolkits.

An inclusive workforce

We need businesses to ensure that they are recruiting for inclusive growth. Too many sectors in London have a diversity problem, with a workforce that does not reflect the city’s population. We ask that businesses are:

- Engaging with your local skills and employment programmes.

- Ensuring your recruitment practices are open and accessible to London's diverse population.
- Working with specific initiatives and charities that support underrepresented communities into your sector.
- Taking on local apprenticeships, as well as using your apprenticeship programme and levy, to promote in-work progression.
- Investing in training, supporting the development of their staff.
- Championing good practice within your sector and/or supply chain.

Engaging the next generation

All young Londoners should have access to understanding the world of work, and research shows that the more young people are exposed to the world of work, the more positive their employment outcomes are likely to be. We recognise that engaging with schools is not always straight forward and we ask employers to partner with boroughs and charities that deliver effective brokerage so businesses can:

- Engage with their local schools and for larger firms more widely across London, presenting to young people the huge range of jobs available to them.
- Provide a range of appropriate work experience opportunities.
- Support undergraduates, and specifically those from disadvantaged backgrounds, to progress into appropriate graduate roles.

Sustainability

We all have a responsibility to meet the global challenge of climate change. Boroughs are keen to partner with their business to support them to play their part and make tangible action on their environmental impact. We ask businesses to:

- Show leadership in reducing their emissions, including via their supply chain.
- Work with us in managing their waste better and driving up our recycling levels.
- Improve air quality via green transport and freight consolidation.

Local champions

Boroughs and businesses have most influence when we work together. We are asking our businesses to partner with us to champion their areas. This includes:

- Campaigning with us for infrastructure upgrades, including transport and digital connectivity.
- Working with us to make the case for London, including investment in public services and further devolution and control at a local level of this funding.
- Supporting local campaigns, for example tidy borough clean-ups.
- Working to deliver the affordable homes London's workforce needs as a key priority and continue to campaign for the financial freedoms to enable this.