



Haringey Council

**Overview and Scrutiny Committee**

**On 3 December 2007**

Report Title: **Support to Small Businesses in Haringey**

Forward Plan reference number (if applicable): **[add reference]**

Report of: **Niall Bolger, Director of Urban Environment**

Wards(s) affected: **All**

Report for: **Overview and Scrutiny**

**1. Purpose (That is, the decision required)**

1.1 To set out the Council's approach to supporting SMEs and to seek agreement on the way forward

**2. Recommendations**

That the strategic approach outlined in this paper is supported

Report Authorised by: Niall Bolger

Contact Officer: **Karen Galey, Head of Economic Regeneration x2616**

**3. Background**

3.1 Haringey is home to 8,200 enterprises which provide employment to 59,800 people. This business community is dominated by micro businesses; 77% employ between 1 and 4 people, 13% more than the national average. Very few large businesses are based here.

Haringey has relatively high levels of new business VAT registrations – 14% of total stock in 2004, compared to 12% across London. Across Haringey rates of self-employment, a useful barometer in identifying trends in entrepreneurship and enterprise, are rising and currently stand at 18%. But levels in Tottenham are very low at just 5.2% and even lower in certain deprived areas (e.g. 4% in Northumberland Park), and among certain community groups (e.g. 4% amongst black Tottenham residents, 3% amongst those aged 55 and over and 3% amongst women).

**3.2 Current Business Support Provision**

Haringey Council manages a number of business support interventions in the borough using the Neighbourhood Renewal Fund (NRF). Our decisions to fund projects are based on the deliverers meeting wider strategic aims outlined in our City Growth Strategy which also coincide with the NRF floor targets. We are also committed to delivering on the priorities outlined in our Transforming Tottenham LEGI bid.

### 3.3 City Growth

Our major business support project is the Haringey City Growth Strategy, which has been managed by North London Business (NLB) for the last 2 years. The City Growth strategy is driven by a board which comprises some of the major businesses in Haringey and aims to meet the key city growth objectives on economic development. The strategy currently comprises 5 key sector clusters:

Food and Drink  
Retail and Distribution  
Sport, Leisure and Tourism  
Professional Services  
Creative Industries

Each cluster has a nominated champion and an operational Cluster Action Team (CAT). Each CAT in these 5 sectors is made up of related and supporting businesses within the cluster that work together to capitalise on their combined business knowledge and contacts to drive innovation and to improve productivity and local prosperity. As part of the City Growth Strategy, NLB is also managing the Marketing Tottenham Partnership, which aims to market Tottenham as a dynamic environment in which to work, rest and play. Consultations are currently underway with key stakeholders in Tottenham, the results of which will inform the final product.

### 3.4 Other NRF Business Support

We are also funding a number of other business support interventions in the borough. NRF funds are currently supporting the following interventions:

Organisation	Project Name	Project end date	Outcomes
HEBP	Young Entrepreneur Scheme (YES)	Mar 08	24 students at risk of becoming NEET gaining AQA qualification 'starting a business'
HEBP	Business Mentor Scheme	Mar 08	Assisting 40 students enrolled on GCSE for business
Industrial Estates Programme	North London Chamber of Commerce	Mar 08	Map businesses on estates 40 training opportunities 5 estate improvement plans 4 estate meetings To highlight and prioritise issues on the estates and to identify solutions and partners
CREATE partnership	Franchising programme	Mar-08	40 individuals assisted in setting up a franchise
FinFuture	Safer Town Centres	Mar 08	Contributing to Safer Town Centres
KIS	Biz Challenge	Mar 08	80 businesses advised 20 students enrolled 15 businesses attending workshops

3.5 There are also a number of other publicly funded business support interventions which take place in Haringey and across the North London sub-region

Organisation	Project Name	Project end date	Outcomes
K.I.S	Sustaining the Social economy	Jun-07	425 businesses assisted 30 gross new jobs 11 jobs safeguarded

Selby Trust	North London Social Enterprise	Sep-07	32 community groups assisted 8 awareness raising events 40 community enterprises assisted 9 CED residents into work
Specialist Business Gateway	Growth Urban Futures	Dec-07	1000 SMEs assisted 107 gross new jobs 195 safeguarded jobs
Collage Arts	On Your Marks	Mar-08	648 businesses assisted 380 Gross new jobs 50 jobs safeguarded
LB Waltham Forest	ULV Trade Local Plus	Mar-07	232 SMEs assisted 60 gross new jobs 20 jobs safeguarded
Business Link for London	Gateway to Growth	Mar-07	800 businesses assisted 50 gross new jobs 100 jobs safeguarded
Collage Arts	Get Ready	Mar-08	680 businesses assisted 300 gross new jobs 250
LDA	North London City Growth	Sep-08	730 businesses assisted 20 gross new jobs 50 environmental audits
Urban Futures	Innovation Valley	Dec-07	256 businesses assisted 15 gross new jobs 101 jobs safeguarded
Winning Moves	Innov 82	Dec-07	1582 businesses assisted 7 gross new jobs 7 gross new jobs 4 jobs safeguarded
LDA/Angle Technology	SME Innovation Support	Mar-08	240 businesses assisted 15 gross new jobs
Middlesex University	Advance	Dec-07	360 businesses assisted 20 gross new jobs
NELEEC	SME'S and Renewable Energy Tech.	Dec-07	190 businesses assisted 2 gross new jobs

#### 4. A New Approach to Business Support

**4.1** As outlined above there have been a number of publicly funded business support interventions. However, there will be far less public funding for these kinds of initiatives in the future. The government wishes to reduce the number of interventions from 3,000 to 100 nationally by 2010. A key priority for the Council is to tackle worklessness and create employment opportunities for residents. Supporting local business is seen as a key objective in achieving this.

**4.2** The vision for business support in Haringey will be focused on the council's outward facing services to local business. We are currently investigating the implementation of a Single Business Account (SBA), which will provide local businesses with a single access point to council services. Businesses will be able to access information on rates, refuse, grants, parking and any other issues pertaining to their business through a single access point. This is currently work in progress and we expect to have a pilot form of the SBA up and running in the next financial year within Urban Environment. The SBA model would enable enforcement services to introduce a risk-based methodology for compliance consistent with government

policy. It will also cut down the amount of paper work and red tape that businesses encounter in their contacts with the Council.

**4.3** We also anticipate that implementation of an SBA would enable supply chain development as we would be able to encourage SMEs to engage with other businesses via the web portal. Local and national and international procurement opportunities could be made available through this medium thus enhancing the demand and supply chain opportunities for local business. As part of the SBA, we are currently developing a new business description schema, which is a dataset providing current information on all aspects of a discrete business, accessible across directorates and therefore improving financial and administrative efficiency.

#### **4.4 Benefits of implementing the SBA to the local authority include:**

- providing a single, joined up view of the business
- Savings from utilising officer time more efficiently
- Potential to reduce overheads
- Providing a clear audit trail & systems
- Ability to report against targets
- Increased consistency of advice, information and service provision
- Better targeting of campaigns, advertising tenders, grants etc
- Better understanding of the local economy

#### **4.5 Benefits to Business**

- Less time spent dealing with the Council
- Accelerated information flows
- Improved satisfaction levels which will then encourage more interaction
- Quicker response times & more 'right first time' query resolution
- Single entry point to Central and Local Government Agencies e.g. Inland Revenue and Rates.
- Fewer registrations when accessing services or applying for licences from different departments
- Ability to sign up for email notification for changes in legislation that affects their business area.
- On-line transactions should be quicker, cheaper and more reliable than paper based systems.
- Self-service, out of hours working via the internet will allow businesses to access council services when they need them, at their own convenience.
- Councils will be able to target support services proactively, offering business services they want and need but may not know about.
- Improved tracking of service request progress such as Planning Application.
- Ability to ask any officer in the Council about progress on any of its interactions and transactions with the local authority at any time.

### **5. Website**

**5.1** Economic Regeneration has also been working to improve the Business pages on the Haringey website. Much of this work has been informed by the principles of the SBA, namely providing businesses with accurate information in a clear and concise manner. The new pages will be "live" by 19 November and they will focus on business support with clear links to support services within council directorates and to external services.

Features of the website include:

- Headline page that clearly signposts users to various sections of the site

- A streamlined Business Advice section with direct links to Business Link for London and the LDA's Pathway to Enterprise programme.
- A contacts page with generic email and contact phone numbers for council departments who have direct contact with businesses.
- New Economic Regeneration pages highlighting Business Support initiatives including the NRF programme, Town Centre Management and managed workspace at Stoneleigh Road and Rangemoor Road.
- Up to date information on City Growth with contacts for each business cluster
- The opportunity for businesses and residents to respond to the draft Regeneration Strategy
- Monthly monitoring of hits, to identify how businesses are using the site.

We have also had preliminary discussions with Business Link for London regarding implementation of an automated phone system for business enquiries. This will route callers directly to a business advisor who would be able to deal with their query.

## **6. Funding**

**6.1** Implementation of the SBA is contingent on approval of our bid to fund this project, namely £600k over 3 years. Economic Regeneration has submitted a growth bid for this project and we should have a decision early in the New Year.

**6.2** Our strategy going forward for support to SMEs aims to align with the 2007-2013 ERDF programme. Part of the European Regional Development Fund (ERDF) programme is dedicated to supporting growth and investment in SMEs that are led by ethnic minority communities and also provide employment opportunities to deprived communities.

**6.3** The London Development Agency's (LDA) Area programme is for a total of £6million over 2 years and has 3 main themes: reducing worklessness, place shaping and town centres and organisation structures.

## **7. Conclusion**

**7.1** Implementation of an SBA would vastly improve the council's outward-facing services to business. Our Local Area Agreement (LAA) targets for business pertain to increased VAT registrations and implementation of the SBA would greatly assist in the effective collation of business data. In other regards, the SBA would generally save money and improve efficiency. It would also assist in bringing local SMEs closer to the Council, and demonstrate our commitment to meeting government standards and supporting economic growth in Haringey.