

# **Tower Hamlets Enterprise Strategy**

## **Indicative Short Term Action Plan**

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# Enterprise Strategy Indicative Short Term Action Plan

## Introduction

This Action Plan sits as an appendix to the Tower Hamlets Enterprise Strategy. The Enterprise Strategy, to which this Action Plan is an accompaniment, is the first to be developed in the past decade and therefore the Action Plan has had to give due regard to the [limited] resources available to support the delivery of Enterprise Activity especially as there has previously been no Enterprise function within the Authority. The Action Plan has also been developed in consultation with the Mayor's Office and with reference to the recommendations of the Overview and Scrutiny Panel review into SME Growth in the Borough which were accepted by Cabinet in October 2011.

Given that the Enterprise Strategy is the first for many years this Action Plan establishes two types of action which can be classified as *doing* and *reviewing*. Following consultation with the Mayor's Office the Action Plan has been prioritised and stream-lined into a series of actions that can be undertaken over the short term, consistent with the Strategic Objectives established in the Strategy, in turn enabling the development of a more detailed Action Plan going forward. It is intended that the Action Plan will be reviewed and amended on an annual basis, to ensure adaptation to circumstances and progression towards achieving the Strategic Objectives.

Actions are brought forward under each of the three Strategic Objectives established in the Strategy which are provided below:

### AIM/STRATEGIC OBJECTIVE OF THE TOWER HAMLETS ENTERPRISE STRATEGY

#### Strategic Aim:

The aim of the strategy is to:

*encourage and support enterprise and entrepreneurial activity to increase opportunity, prosperity and mobility in Tower Hamlets*

#### Strategic Objectives:

- 1 Support the establishment, growth and development of SMEs
- 2 Provide an environment that supports a thriving and diverse economic base
- 3 Support the borough's enterprise economy by communicating local needs and wishes to influence a variety of audiences

## STRATEGIC INDICATORS

This action plan proposes a series of doing and reviewing actions to support the objectives and intermediate objectives that are set out in the Enterprise Strategy. In order to measure progress over the medium to longer term following strategic indicators have been identified for tracking the overall impact of the strategy and the health of the enterprise economy in Tower Hamlets:

1. **Self-employment rate** – reducing the gap between Tower Hamlets and the London average.
2. **Proportion of SMEs taking on more staff** – maintain parity with the London average.
3. **Business births per 10,000 population** – maintain parity with the inner London median.

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## Strategic Objective 1

Support the establishment, growth and development of SMEs

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
1.1 Co-ordinate and strengthen enterprise support services and access to finance	Review existing business support services, including their funding effectiveness and sustainability. As part of the review, benchmark Tower Hamlets SME business support services with other London boroughs. Finally, as part of the review, conclude what needs to be in place to have fit-for-purpose support networks in Tower Hamlets.		There has been a significant reduction in the public resources available for business support nationally and in London. The networks in Tower Hamlets are fragmented and not necessarily comprehensive. Therefore it is important that scarce resources can be targeted in the most efficient way.	Review completed by end of September 2012	Recommendations 2 and 6
	Develop improved information dissemination to SMEs to cover all aspects of business and financial support.		SMEs (particularly smaller/micro businesses) suffer information inequity and freedom to access pages will address such inequality.	Web-based business information resource with comprehensive menu of services available by September 2012.	Recommendation 2

## Strategic Objective 1

Support the establishment, growth and development of SMEs

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
	Review government and banking sector initiatives and products aimed to provide access to capital and loan facilities for SMEs and how the council can help to coordinate resources for the benefit of Tower Hamlets SMEs.		Following the banking crisis and pursuant credit crunch, barriers to finance for SMEs are becoming (and have become) increasingly prevalent, and thus understanding and being able to support SMEs access products and initiatives is important for SME survival and growth.	Review completed by end of September 2012	Recommendation 2
	<b>Implementation action 1.1.1</b> Develop and maintain an effective network of business support agencies to strengthen and co-ordinate provision	Bring together relevant key agencies as functioning network	Enterprise team	Business Support Network in place, March 2013	Recommendations 1,2 and 3.
		Develop web-based business information resource with comprehensive menu of services available	Enterprise team	Business information web resource online, September 2012	Recommendations 3 and 6.
	<b>Implementation action 1.1.2</b> Improve access to advice on debt, equity and new forms of finance, particularly for groups who may be excluded from traditional forms of finance.	Work with Business Support Network to map out available sources of business funding	Enterprise team	Information available on business information web resource, September 2012	Recommendations 3 and 6

## Strategic Objective 1

Support the establishment, growth and development of SMEs

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
	<p><b>Implementation action 1.1.3</b> Build supply chain capacity so that local businesses can supply through procurement processes</p>	<p>Work with East London Business Place to build SME capacity</p> <p>Continue implementation of Bishops Square procurement support project</p> <p>Promote Compete 4 supply chain initiative to local enterprises</p>	<p>Enterprise team, procurement team Business Support Network, East London Business Place</p>	<p>£2.3m in value of contracts won by businesses within the Bishops Square Procurement Support Project catchment zone by end of March 2012</p>	<p>Recommendation 3</p>

## Strategic Objective 1

Support the establishment, growth and development of SMEs

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
1.2 Work with large organisations and business to harness their resources for the benefit of SMEs	Review the economic influences and drivers exerted by nationally and regionally significant business centres at the City Fringe, Canary Wharf, and Olympic Zone to determine supply chain structures and needs to support the development of opportunities for Tower Hamlets SMEs.		Tower Hamlets is in a unique position, enjoying a strategic location located between nationally and regionally significant employment poles of the City, Canary Wharf and Stratford City/Olympic Zone. Capitalising on the potential business opportunities for local (and incoming) SMEs can support a diverse economic base which provides a range of employment opportunities for local residents.	Review by the end of March 2013	Recommendations 3 and 12
	<b>Implementation action 1.2.1</b> Ensure that the Council procures locally within the regulatory framework	Set up a working party between the Council's Enterprise and Procurement Teams	Enterprise and Procurement Teams	First meeting by the end of March 2012	Recommendations 3 and 12
		Review and update information for local SMEs on supplying to the Council	Enterprise and procurement teams	Updated information on Council website, April 2012	Recommendations 3 and 12
		Explore ways in which social benefit can be scored in procurement criteria	Enterprise and procurement teams	Draft proposals to CMT, August 2012	Recommendations 3 and 12

## Strategic Objective 1

Support the establishment, growth and development of SMEs

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
	<b>Implementation action 1.2.2</b> Ensure that developers in TH commit to procuring locally	Pursue adoption of Planning Obligations DPD including 20% local procurement requirement.	D&R	DPD adopted, January 2012	Recommendation 3 and 11
		Ensure local procurement planning obligations policy is applied in relation to major developments.	D&R	100% compliance with adopted policy, ongoing.	Recommendation 3 and 11
		Create prospective developers' toolkit, including information on benefits of local procurement, details of relevant support services, and tailored sector-based local supplier lists.	D&R	Documentation drafted for approval, March 2012	Recommendation 3, 6 and 11
	<b>Implementation action 1.2.3</b> Maximise supply chain and contracting opportunities for TH enterprises	Develop an online prospectus of local enterprise suppliers, and promote to business groups	Enterprise Team	Prospectus online, September 2012	Recommendation 3 and 6



## Strategic Objective 1

Support the establishment, growth and development of SMEs

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
	<b>Implementation action 1.2.4</b> Establish relations with major corporates to identify opportunities for mentoring, collaboration and partnership with the borough's SMEs.	Create mechanism for linking major corporates with SMEs.	Via Mayor's Employment Board.	Process established, June 2012	Recommendation 3, 5 and 6
		Match corporates with appropriate SMEs for mentoring, collaboration and partnership	Via Mayor's Employment Board.	Matching of corporates and SMEs underway, September 2012	Recommendation 3, 5 and 6

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## Strategic Objective 1

Support the establishment, growth and development of SMEs

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
1.3 Support social enterprise	Ensure that business support services and networks meet the specific needs of social enterprises.		Social enterprise has a small but important role in supporting a diverse and dynamic economic base in the borough and can provide different routes to employment for local residents.	Included within review of business support services	Recommendations 1 and 2
	<b>Implementation action 1.3.1</b> Map funding sources beyond the mainstream, including microfinance, CDFIs, and Big Society Capital	Work with business support agencies and Third Sector Team to map out available sources of funding for social enterprise	Economic Development & Olympic Legacy division, Business Support Network	Information included in business information web resource, September 2012	Recommendation 3 and 6
	<b>Implementation action 1.3.2</b> Ensure that business support services meet the specific needs of social enterprises, including legal structures and transparency, with particular reference to social enterprises which support the employment and entrepreneurial aspirations of residents in hard-to-reach groups	Assess business support needs of social enterprise  Work with Business Support Network to maximise take-up of services	Economic Development & Olympic Legacy division, Business Support Network	Report and recommendations on social enterprise business support needs, July 2012	Recommendation 3, 6 and 10

## Strategic Objective 1

Support the establishment, growth and development of SMEs

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
	<b>Implementation action 1.3.3</b> Target social enterprises for procurement support activity	Promote initiatives to build supply chain capacity to social enterprises as part of action 1.1.3	D&R, procurement team	100% of known social enterprises in borough receiving information on supply chain support activity, December 2012.	Recommendation 3 and 12

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## Strategic Objective 2

Provide an environment that supports a thriving and diverse economic base

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
2.1 Secure premises to support business growth	<p>Map the provision of physical space for SMEs in the borough, and talk to providers of workspace to identify, supply constraints/deficiencies and propose solutions</p> <p>Review how supply constraints/deficiencies can be overcome through the planning process</p>		<p>The LEA and Enterprise Strategy identify a shortage of supply of workspace for SMEs in Tower Hamlets which risks punishing business start ups and growing business out of the borough. These businesses are vital to the strength of the local enterprise economy.</p>	<p>Supply of physical space mapped by end of June 2012</p> <p>Review undertaken with Planning by September 2012</p>	<p>Recommendations 8, 10 and 11</p>
	<p><b>Implementation action 2.1.1</b> Explore the potential to secure the provision of flexible workspace within commercial developments through the planning process, to mitigate the loss of such space through the development process, and to support new and existing SMEs in the borough</p>	<p>Scoping of potential planning policy mechanisms</p>	<p>Enterprise and Strategic Planning teams.</p>	<p>Report to CMT, June 2012</p>	<p>Recommendation 8 and 11</p>

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Provide an environment that supports a thriving and diverse economic base

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
2.2 Ensure that the physical environment, including town centres, is suitable for a range of businesses	Implement the Town Centre Spatial Strategy by encouraging initiatives which will develop the local enterprise economy.		Town Centres are vital in making opportunities in the local enterprise economy accessible to local people. Improving the performance of the borough's town centres has the potential to retain more spending locally and support a more diverse economy.	Practical steps for SME attraction and growth in Town Centres identified for key town centres e.g. Whitechapel by March 2013	Recommendations 7 and 10
	<b>Implementation action 2.2.1</b> Ensure that enterprise considerations are at the heart of town centre regeneration, including at Whitechapel	Engage with Development Implementation team to establish progress of regeneration and agree a programme factoring in enterprise objectives	D&R	Protocol for joint working agreed, September 2012	Recommendation 8 and 11

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Provide an environment that supports a thriving and diverse economic base

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
2.3 Encouraging an entrepreneurial spirit and a culture of innovation	Include High Education Institutions and other such partner agencies which play an integral role within the Tower Hamlets business support networks with the review of business support.		The borough HEIs and other such organisations have a critical role to play in driving a knowledge- and innovation- based enterprise economy in Tower Hamlet. Knowledge based industries are critical to the future economic competitiveness of the borough.	Included in the review of business support services	Recommendation 2
	<b>Implementation action 2.3.1</b> Work with schools to encourage understanding and experience of entrepreneurship among young people	Review and promote Schools Entrepreneurship Programme	Tower Hamlets Education Business Partnership, Enterprise team	Performance report and recommendations to CMT, December 2012	Recommendation 4 and 6
	<b>Implementation action 2.3.2</b> Work with higher education institutions to identify commercial opportunities linked to their academic expertise	Develop process with higher education providers to promote knowledge-transfer and support facilities	Enterprise team and higher education providers	Protocol for joint working agreed, December 2012	Recommendation 4 and 6

### Strategic Objective 3

Support the borough's enterprise economy by communicating local needs and wishes to influence a variety of audiences

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
3.1 Develop Tower Hamlets enterprise voice	Set up a Tower Hamlets business forum to represent view of SMEs		There is no single representative voice of business in Tower Hamlets, rather a collection of traders' associations, business clubs – none of which provide a representative voice. There therefore is a need to have a mechanism through which a more representative dialogue can be effected.	Forum event to be held in 2012/13	Recommendations 4 and 5
	<b>Implementation action 3.1.1</b> Set up a Tower Hamlets business forum to represent the views of SMEs	Establish working group including SMEs and business groups to scope role and function of Tower Hamlets SME forum.	Enterprise team	Outline proposal for SME forum, April 2012	Recommendation 5
	<b>Implementation action 3.1.2</b> Promote the voice of local business to government at local, regional and national levels	Establish mechanism for understanding and communicating local business views, through Tower Hamlets SME forum	Tower Hamlets SME forum, Enterprise team	Mechanism in place, December 2012	Recommendation 3, 5 and 6

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Support the borough's enterprise economy by communicating local needs and wishes to influence a variety of audiences

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
3.2 Influence the policy context to maintain a diverse and sustainable economy	<p>Review Enterprise Strategy objectives against other council Strategies (including the LDF) and put forward practical steps needed to reflect the needs of SMEs to support</p> <ul style="list-style-type: none"> <li>- their attraction to the borough</li> <li>- their start up, growth and development</li> </ul>		<p>The economic health of the borough impacts upon all residents, and future funding from central government may well be linked to business development and growth. Therefore council strategies need to reflect the significance of enterprise where appropriate.</p>	<p>Internal review completed by September 2012</p>	<p>Recommendations 4 and 9</p>
	<p>Examine how the current and proposed changes to the business rate regime can help the Tower Hamlets business community, and the development of the Tower Hamlets economy.</p>		<p>Proposed business rate reform will incentivise economic growth. Tower Hamlets therefore must understand and support the significance of business development in the borough if it is to maximise revenues.</p>	<p>On-going review of, and response to, emerging business rate reform proposals.</p>	<p>Recommendation 2</p>



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Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
	<p><b>Implementation action 3.2.1</b>                      Research into the ownership of local enterprises and patterns of self employment across the equalities strands, including issues identified within the Strategy such as variations in levels of self-employment between men and women. Research should examine their relative degrees of success, income and trends of growth or contraction.</p>	<p>Undertake research and analysis of business information.</p>	<p>Enterprise Team, Corporate Strategy &amp; Performance, Scrutiny &amp; Equalities                      March 2012</p>	<p>Interim report, December 2012</p>	<p>Recommendation 1 and 6</p>
	<p><b>Implementation action 3.2.2</b>                      Ensure Tower Hamlets responds to opportunities arising from government policy changes for the benefit of the local economy</p>	<p>Ongoing review of and response to potential impact of emerging policy, including business rate retention and small business support network.</p>	<p>D&amp;R</p>	<p>Responses as required, ongoing</p>	<p>Recommendations 5 and 9</p>

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Support the borough's enterprise economy by communicating local needs and wishes to influence a variety of audiences

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
	<p><b>Implementation action 3.2.3</b> Position Tower Hamlets to take advantage of policy changes to ensure that Tower Hamlets has a strong voice in new and emerging structures and initiatives such as the pan-London Enterprise Partnership, the Host Boroughs' Strategic Regeneration Framework driving the convergence agenda, and the Government's proposed Tech City initiative in east London.</p>	<p>Develop relationships and lobby as appropriate.</p>	<p>D&amp;R</p>	<p>Strategic enterprise position report to CMT, September 2012</p>	<p>Recommendation 5 and 9</p>
	<p><b>Implementation action 3.2.4</b> Position the Council to compete for external resources.</p>	<p>Co-ordinate responses by the borough and partners to any forthcoming opportunities</p>	<p>Enterprise team</p>	<p>Repond to bidding opportunities within set timeframe</p>	<p>Recoomendation 3 and 9</p>

### Strategic Objective 3

Support the borough's enterprise economy by communicating local needs and wishes to influence a variety of audiences

Intermediate objective	Actions	Tasks (implementation actions)	Rationale (review actions) or responsibility (implementation actions)	Targets and milestones	Reference to scrutiny review action plan
3.3 Promote Tower Hamlets as a location for investment and enterprise, and a destination for visitors	Develop the market positioning of the borough as an investment location developing a strong brand linked to City Status (subject to outcome of bid)		Tower Hamlets is uniquely located between the business centres of the City, Canary Wharf and the Olympic Zone, however its identity as a place for investment is underdeveloped.	Support City Status bid	Recommendations 1 and 6
	<b>Implementation action 3.3.1</b> Develop a marketing plan to promote the borough, highlighting established brands such as Curry Capital and High Street 2012, enterprise successes, and the borough's suitability for growth sectors.	Draft communications plan for consultation.	Enterprise and Communications Teams	Consultation draft, June 2012	Recommendation 2, 3, 5, 6 and 11