

# Tower Hamlets Enterprise Strategy Consultation Report

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The draft version of the Tower Hamlets Enterprise Strategy was sent to partners for Consultation in April 2011 and was made available online. Responses were submitted to the Council during late May 2011 (the deadline for responses was set as 23 May).

In total, nine written responses were received. Importantly, written responses were received from key partners including the Canary Wharf Group, East London Small Business Centre, East London Business Place and the Tower Hamlets Primary Care Trust, and other prominent local organisations.

This document is intended to summarise the comments raised by stakeholders and, where appropriate, to indicate how such feedback will be incorporated into the final draft of the Strategy. The Consultation asked five questions and provided space for additional comments on the Enterprise Strategy. Summaries of the responses to these questions are given below.

## **1. How well do the 'Introduction' and 'Context' sections (parts 1 and 2) set out the relevant background for the strategy? Are there any substantial omissions?**

Respondents broadly agreed with the context and concluding sections of the strategy particularly in relation to the diversification of the borough and sectoral analysis.

Respondents said that the introduction showed thorough research and 'sets the scene' well. One respondent suggested mentioning support organisations such as East London Business Place and East London Business Alliance.

Some respondents felt that the analysis of residents skills deficit required further detailed analysis to highlight the barriers caused by a lack of work based skills as well as educational qualifications

A specific comment was made with regards to the introduction where Whitechapel is mentioned but no reference is made to the 'Whitechapel Art Gallery'.

One consultation respondent expressed their agreement with the statistics included in the strategy on supply of labour and employment statistics.

They also made the recommendations to include a description of the Tower Hamlets Third Sector training and employment organisations and promote the work of these organisations in catering for the needs of disadvantaged groups in the local community and the diverse population of the borough.

These points are taken up below.

**Response and Actions:**

We are content with the suggestion to include the Whitechapel Gallery as a prime visitor location in Whitechapel within the introduction. We also agree and welcome the comments made with regards to the residents’ skills; these concerns are addressed within our partner Employment Strategy.

**2. Are the ‘Challenges’, ‘Barriers’ and ‘Opportunities’ (parts 3 and 4) fully set out and do they deal with all relevant considerations?**

**General Comments:**

Respondent Observation	Response/Actions
<p>Response to parts 3 and 4 of the enterprise strategy were broadly positive and respondents agreed with the analysis. Comments were made with regards to improving the job prospects of local residents through ensuring that jobs were created across the skills spectrum, while also highlighting increased opportunities in hotels &amp; catering, retail, and the creative industries.</p>	<p><b>We are pleased with the overall response from consultees on this section of the strategy. We welcome the comments regarding job opportunities for residents across the skills spectrum, and this fits in well with the strategic aim to promote a diverse and sustainable enterprise economy. Through our partner employment strategy we will support residents to access jobs and progress across the whole skills spectrum. Creative Industries, tourism, retail and leisure are identified as potential growth sectors for the Tower Hamlets economy.</b></p>
<p>One consultee felt that emphasis should be made on the expected impact of the new Royal London Hospital, in terms of the creation of new public space, and availability of space that will free up, with the suggestion that the development could be linked to the Tech City plans.</p>	<p><b>This is a useful comment, to be taken up in connection with the Tech City proposals.</b></p>
<p>Under the opportunities section, there was a suggestion to amend the insert on social enterprise to reflect the impact they could</p>	<p><b>While we welcome the comments here, the opportunities section of the strategy is concerned with developments in the enterprise economy rather than the</b></p>

<p>have on the delivery of public services.</p>	<p><b>delivery of public services. Nonetheless, we recognise the contribution of social enterprises in the delivery of public services and will seek to support all enterprises in gaining opportunities to provide services through commissioning processes.</b></p>
<p>Information on page 31 about ELBP to be amended with the following:</p> <p><b>East London Business Place (ELBP):</b> is a supply chain development programme allied to a contract brokerage service led by Canary Wharf Group plc and supported by East London Business Alliance. It provides a free matching and sourcing service, connecting buyers and suppliers to maximise local business benefit from new developments and commercial precincts in east London. In particular, ELBP has, since 2008, helped Tower Hamlets (TH) based SMEs secure almost £38m of business and has helped more than 350 TH SMEs reach 'Fit-to-Supply' status through flexible 1-2-1 and one-to-many support activities.</p>	<p><b>We will amend the information on ELBP with the information provided.</b></p>
<p>Respondents felt that although higher education institutions do provide significant opportunities for enterprise and innovation, these institutions do not play an important role in the development of a skilled workforce and that this view is supported through work conducted by the Young Foundation.</p>	<p><b>This is a point which can be taken up most usefully in work under the Employment Strategy</b></p>
<p>Respondents felt that the opportunities section of the strategy where specific reference was made to the travel, retail, tourism and the creative industries sectors should have its own Cultural Strategy which would provide a way of co-ordinating these elements and bringing the focus onto the assets in the borough and help contribute to</p>	<p><b>The Enterprise Team will be glad to contribute to any future Cultural Strategy developed by the Council</b></p>

<p>strategic the strategic objectives of 'positioning' and 'place'.</p>	
<p>Under the section on sources of funding and finance, it was mentioned that ELSBC have been heavily involved in the Community Development Finance Association (CDFA) and their successful bid to the Regional Growth Fund for capital towards loans to businesses, an through the CDFA are developing links with the Big Society Bank.</p>	<p><b>We have noted this.</b></p>
<p>Respondents were pleased with the narrative contained in the strategy on social investment and enterprise. They suggested that in addition to what was already included, there should be specific focus on the role of social enterprise in relation to providing care and support services that are generally provided by health and social care organisations, and to actively endorse this activity through the strategy.</p>	<p><b>We agree that social enterprises have been operating successfully in the area of health and social care and that in recent years there has been cross party support for social enterprises to be increasingly more involved in the role and provision of health and social care. Proposals for targeting social enterprises for procurement support activity are mentioned under Intermediate Objective 1.3.</b></p>
<p>One respondent expressed their disapproval with a reference under the Enterprise Support section in the strategy. They strongly felt that there are more organisations offering enterprise support than the three 'main' providers mentioned.</p>	<p><b>The reference in the strategy relates to enterprise support providers operating across the East London Sub region rather than Tower Hamlets itself. We are fully aware of the enormous support offered by Account3 and other support providers in Tower Hamlets; we regularly refer clients seeking support to Account3 through our online Business Enquires Service. The council's "Business Matters" brochure guide contains details of Account3 and a number of other business support agencies. We have ensured that Account3 and other support providers are referred to in the revised draft.</b></p>

<p>The strategy should state a commitment to encouraging workless adults to claim benefits and sign on to entitle them to DWP funded training and support.</p>	<p><b>Reference to this issue is made in the employment strategy, in the section discussing the complexities of the benefits system and the tailored approaches to tackling worklessness.</b></p>
<p>The strategy inaccurately stated three main business support agencies in the borough. References are then made to the fact that third sector provision is more competent and that the third sector assist more SME start-ups each year than the cited organisations in the strategy.</p>	<p><b>We agree that in the inclusion of the term ‘main’ should be removed, however this reference referred to three providers operating across the East London sub-region, and not in Tower Hamlets. We do not have evidence to prove or disprove the claim that third sector organisations are more competent than the three agencies named, however we will cite the third sector enterprise support agencies mentioned: Spitalfields Small Business Association, Account3, and the Cultural Industries Development Agency, and the Tower Hamlets Cooperative Development Agency.</b></p>

### **3. Can the intermediate objectives set out under each strategic objective in part 5 be improved, amended or added to?**

The intermediate objectives were well received; although some stakeholders were concerned they were too short-term. The Council points out that the indicative action plan only covers the first year of the strategy and will be updated annually. Stakeholders are invited to participate in this process, which is outlined in the final chapter of the Employment Strategy.

#### **General Comments:**

<b>Respondent Observation</b>	<b>Council Response/Actions</b>
<p>A greater emphasis on skills was desired.</p>	<p><b>This is achieved through the partner Employment Strategy.</b></p>
<p>Revision to Objective SO1: to include making full use of the s106 facility to fund support mechanisms for local business growth</p>	<p><b>Use of resources made available through s106 is outside the scope of this Strategy. Nonetheless, this comment is noted.</b></p>

Revision to Objective SO5: to emphasis developing links further between university students and SMEs to create solutions to business problems through R&D and innovation.	<b>The Strategy recognises the role of local higher education institutions in helping to promote innovation in the enterprise economy, and students in such institutions would certainly be a vital part of this process.</b>
More emphasis was needed on considering the affect of regulatory work on promoting activities. For example work done in environmental health and street market management. Activities such as these are business facing and can reflect the Council's attitude to business. Maximum importance should be given to objectives relating to local employment, supply chains, and sustainability.	<b>We welcome the comments regarding regulatory work. Work proposed under Intermediate Objective 3.1 seeks to ensure that the Council's planning and regulatory functions take into account the needs of local enterprises.</b>

#### **4. Do you agree with the delivery arrangements as they are set out in part 5.1?**

##### **General Comments:**

<b>Respondent Observation</b>	<b>Council Response/Actions</b>
Broadly respondents were satisfied with the delivery arrangement set out in part 5.1. One respondent suggested that under the 'influencing' bullet point a requirement that the Council should exert its influence by introducing business support organisations such as ELBP to developers at a sufficiently early stage to encourage them to use local suppliers wherever possible.	<b>We welcome these comments. With regard to the specific comment made, we propose an amendment to ensure that ELBP can take part in joint working arrangements designed to increase the amount of business done by local enterprises.</b>
A comment was made towards the provision of premises and the development of a more flexible approach through policies related to 'change of use' for available vacant premises	<b>The Enterprise Team is regularly involved in consultations regarding planning regulation and policy and we will continue to do so. We will be commenting on the forthcoming consultation on the relaxation of planning</b>

was welcomed.	rules.
The suggestion of an expanded Enterprise Group was proposed, and a note to ensure engagement of SMEs through dedicated consultation events is required.	<b>The main role for the Enterprise Task Group in the Strategy is a coordination one. The Group will be advised by local enterprises and there will be a variety of consultation processes to ensure that the Strategy is delivered in a way which will provide demonstrable benefits to the local enterprise communities.</b>
The strategy should include an objective associated with the development of work based learning and skills.	<b>This is primarily an item to be tackled in the Employment Strategy</b>
Consultees felt that the strategy needed more emphasis on young people developing youth enterprise, outlining organisations that can support young people, such as the Prince's Trust to develop their ideas or consider the self employment route.	<b>We will mention the potential role of the Prince's Trust in encouraging an entrepreneurial spirit and culture of innovation, particularly in relation to work with young people.</b>
Some respondents felt that the Enterprise Strategy should address the informal economy operating in the borough and the impact this has for residents in terms of accessing jobs.	<b>Research suggests that key reasons for the existence of the informal economy relates to individuals who have low skills and language barriers which make it difficult for them to access jobs in the labour market and therefore seek work in the informal economy accepting lower wages and cash in hand. We will address these barriers through our strategies; responding to the skills needs of residents including provision of ESOL are priorities within the Employment Strategy.</b>
The strategy should state interventions required to enhance the skills of residents which enable them to access employment and emphasise that the most effective support is via frontline services within the community.	<b>We welcome these comments. There are prominent references in the Employment Strategy on increasing delivery by the third sector, working with the third sector to secure partnering and co-commissioning opportunities with prime contractors, and engaging with the third sector in Tower Hamlets to ensure residents from disadvantaged groups have access to</b>

	<p>information and support. These references are not repeated in the Enterprise Strategy, which is concerned more with the demand side of the economy.</p>
<p>The strategy should state a commitment to the council ensuring all relevant contracts include local labour clauses.</p>	<p><b>The council has made this commitment; targets are outlined for both local employment and local procurement within the council’s procurement, employment, draft Planning Obligations SPD and the borough enterprise strategy. The Employment and Enterprise team will continue to work closely with planning and corporate procurement to maximise the benefits for borough residents.</b></p>
<p>The strategy should state a clear commitment to encourage and support local residents to establish their own social enterprise or co-operative.</p>	<p><b>The importance of social enterprise is emphasised in the Strategy, and support for residents who wish to establish an enterprise is one of the main strategic themes.</b></p>
<p>Refocus planning priorities to encourage the development of more workshop, small office and business starter units of 500 – 1000 square feet.</p>	<p><b>The Enterprise Team is working with Strategic Planning and Development Implementation teams to develop an approach to securing flexible, affordable business space provision for small, start up businesses. The strategy does highlight the need for this type of provision in the ‘Challenges’ section, and measures to bring about such provision are contained in the strategic objectives.</b></p>
<p>To conduct research on the impact of new businesses on the local economy and local employment opportunities; this should include information on the survival rates, turnover and employee numbers.</p>	<p><b>We welcome the suggestion. The council produces annual updates on the business environment. Each of the Employment and Enterprise Strategies has been produced in association with the borough’s Local Economic Analysis (LEA), which forms the evidence base for the strategies. Intermediate objective 3.2 commits to further research on similar issues, with a focus on equalities and diversity.</b></p>



## 5. What are your comments on the action plan attached to the strategy?

### General Comments:

Respondent Observation	Council Response/Actions
<p>While the Action Plan was largely embraced by respondents, one respondent felt that more recognition was needed for organisations such as ELBP as a useful partner in local procurement and supply chain development.</p>	<p><b>We welcome these comments, and the Action Plan has been amended to give more responsibilities to ELBP for procurement/ supply chain work.</b></p>
<p>Another comment was that the plan seemed to have gaps in terms of tasks for the coming year particularly where the 2012 Olympics are concerned.</p>	<p><b>A key action under Intermediate Objective 3.1, promoting Tower Hamlets as a location for investment and enterprise, and a destination for visitors, is to develop a communications 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. This is intended to take advantage of the opportunities presented by the Olympics over the coming year.</b></p>
<p>One respondent strongly asserted that the action plan needed significant development in order for it to give credibility to the strategy.</p>	<p><b>We agree with these comments. A new Action Plan has been drawn up to implement the Strategy and to take account of the comments received.</b></p>
<p>Although leadership is mentioned through the Enterprise Task Group, there is no representation from the Learning and Skills Council, schools or training providers. It was put forward that arrangement for delivery of the strategy should include representatives from all key work based learning and skilled</p>	<p><b>This is more a matter for the Employment Strategy. Both the Enterprise and Employment Strategies will be delivered in the context of Tower Hamlets partnership arrangements, which will include training providers.</b></p>

players and schools.	
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## 6. Additional comments

The consultation gave space for respondents to make general comments on the strategy, its emphasis, omissions etc.

Respondents took the opportunity to comment on the overall Strategy and stated that it has the potential to deliver change and results, and that partners are keen to participate in the process.

One respondent added in this section that Sir Michael Marmot's review of health inequalities proposes a healthy living wage, building on the London Living Wage. It was felt that supporting this through the strategy would maximise gains from enterprise growth if this concept is developed and encouraged.

An additional comment was made regarding the Government Business Link service which comes to a close in November 2011. The respondent felt that as the revised Business Link service would be web based support, it was important to point out that industry clients need one to one business support whether they are start up or existing businesses. This is a point which will certainly be taken up in the implementation of the Strategy.

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