

TOWARDS A GREATER LONDON

20 STEPS TO ENSURE OUR CAPITAL IS AN EVEN BETTER
PLACE FOR BUSINESS

BUSINESS AGENDA 2020

The number of people living in the capital has reached its highest level since 1939. London is forecast to reach a population of 9 million by 2020 and achieve 'megacity' status by 2030 with over 10 million citizens.

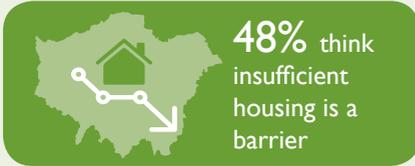
The four-year period of the new mayoralty and London Assembly must see important decisions taken to prepare for the London population of 2020 and beyond.

London Chamber of Commerce and Industry (LCCI) members range from small and medium enterprises through to multi-national companies.

LCCI research and surveys of business leaders provide policy makers with insights into what the capital needs to remain an attractive, productive and competitive global city.

FIX THE HOUSING CRISIS

London's chronic housing undersupply impacts on employees and employers. Liberating more land and empowering more builders is required.



Almost half of London business leaders believe insufficient availability of homes is one of the top three barriers to London's competitiveness.

(ComRes survey for LCCI of 514 businesses, September 2015)



Almost half of London business leaders believe the Government should prioritise the availability of affordable homes to rent

(ComRes survey for LCCI of 506 London businesses, February 2016)

- 1 Review the status of poor quality land within the greenbelt, work with local authorities to reclassify derelict commercial space for mixed residential use and support increased housing density around local transport hubs
- 2 Target smaller sites identified by the London Land Commission, cut planning red-tape and establish a Small Developers Panel
- 3 Work with local authorities to ensure sufficient numbers of homes to rent are included within new developments
- 4 Become 'Owner - Landlord' of housing stock for 'blue light' essential workers such as Police, Firefighters and Paramedics

"The public sector is somewhat obsessed with large strategic sites and is not doing enough to bring forward small plots of land that small players can build on more rapidly. This needs to be part of a concerted approach to build more homes."

Richard McCarthy CBE, Executive Director, Capita

CLOSE THE SKILLS GAP

London businesses need access to a diverse, skilled workforce.

Improved training and enabling more businesses to recruit workers from overseas will help.



Half of London businesses looking to recruit in the last quarter of 2015 experienced problems with finding staff with the right skills.

(ComRes survey for LCCI of 511 businesses – 119 businesses looked to recruit, November 2015)



Two thirds of London businesses think that work experience is the best way for students to build the soft skills needed for the world of work.

(ComRes survey for LCCI of 511 businesses, November 2015)

- 5 Secure primary commissioning control over the Skills Funding Agency's budget in London to enable the provision of demand-led training
- 6 Seek government approval for a third party sponsorship route (London Visa) for established sector specific organisations to support non-EEA worker visas on behalf of recognised small businesses
- 7 Optimise the London Ambitions Careers Offer to equip every young person with quality and unbiased careers advice from School Year 7
- 8 Encourage local authorities to share skills by developing more flexible definitions of 'local labour' when setting S106 requirements and enable apprentices to move across borough boundaries

"Skills shortages have increased as an issue for firms as the economy has improved. Flexible immigration rules for businesses are essential as it will take years for these new learners to plug the skills gaps."

Pat Saini, Head of Immigration, Penningtons Manches LLP

BOOST DIGITAL CAPABILITY

London's smaller firms face challenges in developing and sustaining an online presence. Treating digital infrastructure as a key utility will provide greater connectivity.



A quarter of London firms do not utilise any online facilities, such as a website or social media platforms, for their business.

(ComRes survey for LCCI of 510 businesses, May 2015)



Three in five London businesses say the biggest challenge facing new businesses setting up in the capital was the price of commercial and office space.

(ComRes survey for LCCI of 514 businesses, September 2015)

- 9 Establish a new business panel focused on raising awareness of the benefits of developing an online presence among offline sole traders and small businesses
- 10 Raise the profile of the London Digital Security Centre and ensure that SMEs engage with the service once they are online
- 11 Encourage commercial property developers and office landlords to fit high-speed connections into their building plans
- 12 Secure permanent exemption beyond 2019 for Tech City and the Central Activities Zone from permitted development rights to protect vital work space

"High performance broadband is essential. It is at the heart of London's digital transformation – as important as canals and railways were in the Industrial Revolution."

Anthony Impey, Chief Executive, Optimity

KEEP TRANSPORT MOVING

London's ageing transport infrastructure often faces overcrowding and congestion. Targeted investment is essential to service a rapidly expanding population.



67%
Support relaxation
of night-time
deliveries

Two thirds of London business leaders support a relaxation of night-time delivery rules (such as extended hours or increased permitted frequency)

(ComRes survey for LCCI of 506 London businesses, February 2016)



38%
see transport
costs as a
challenge

Almost two in five business leaders see London transport costs as one of the biggest challenges for small businesses looking to grow and expand in London.

(ComRes survey for LCCI of 514 businesses, September 2015)

- 13 Drive forward network enhancements including Night Tube commencement, Bakerloo Line extension and move Crossrail 2 to 'next stage'
- 14 Boost airport capacity by seeking best use of existing infrastructure through airfield, terminals and rail-link enhancements in the London airports system
- 15 Examine the cost of commuter transport and explore use of smart ticketing to incentivise travel outside peak hour periods
- 16 Work with businesses to deliver an effective intergrated freight strategy and review the impacts of the proposed Ultra Low Emission Zone

"Put simply, congestion is bad for business. The London transport network needs sustained investment to support London's businesses and growing population."

Natalie Chapman, Head of Policy, FTA and Deputy Chair, LCCI Transport Committee

SECURE MORE POWER TO GROW

London will need greater powers to accommodate forecasted population growth. Retaining more London generated taxes and securing new competencies are key.



56%
support
more
devolution

A majority of business leaders support local government securing greater control over taxes and how they are spent locally.

(ComRes survey for LCCI of 503 businesses, February 2015)



65%
support
increased
collaboration

Almost two thirds of councillors would support a move towards increased collaboration between local councils, even if it resulted in losing some control over strategic economic growth policy functions.

(ComRes survey for LCCI of 105 London local authority councillors, February 2015)

- 17 Commission an update of the London Finance Commission Report on the potential for greater financial devolution
- 18 Engage with London Boroughs to explore how clusters of combined authorities could drive greater economic cooperation
- 19 Seek greater control for the capital to set all aspects of housing policy
- 20 Convene a 'Metro Mayors Panel' to explore how to encourage and embed local government collaborative best practice on devolution

"As London's population grows to nine and then towards ten million, the mayor and the boroughs need to be able to invest in transport, housing, schools and river crossings. Whitehall, however well-intentioned, cannot understand a city as large as London. Devolution of power would mean improved decision-making."

Professor Tony Travers, Director, LSE London