

**London Chamber of Commerce and Industry submission
to the Mayor of London's Draft Budget Proposals for the
GLA group (including the Draft Capital Spending Plan) for
2023-24 - consultation**

January 2023

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Context – London’s cost of doing business crisis

The challenges identified in the Mayor’s Consultation Budget 2023-24 are immense for Londoners and London’s business community.

We are facing a cost of living crisis that has meant for too many Londoners a choice is being made as to when to eat and when to heat their homes. For London businesses, especially micro firms and SMEs, we also have a cost of doing business crisis.

LCCL’s Quarterly Economic Survey has highlighted the intense cost pressures faced by London businesses, and the difficult economic climate they are facing. According to the Q4 2022 QES, domestic demand remains in ‘negative’ territory (i.e. more businesses say that sales are falling than are rising).

Domestic sales and orders have both been negative from Q2 to Q4 2022. At the same time, in the latest survey for Q4 2022, one-third (33%) of London businesses said cashflow fell in the previous three months, compared to 24% who said cashflow had risen. After rising quickly as Covid-19 restrictions were pared back, businesses are seeing a sharp slowdown in growth of sales, which is impacting their bottom line.

Alongside this period of weak growth, cost pressures are intensifying for firms. Eight in ten (79%) London businesses said their energy costs had increased in Q4 2022, while 70% said fuel costs had increased. Inflation has climbed sharply to the top of businesses’ concerns, while 52% of companies think they will raise the prices of their goods and / or services in the coming months.

These pressures are also seen in labour and borrowing costs. Half of London firms said pressure to increase wages had grown in Q4 2022, while 43% said borrowing costs had grown. As a result, business confidence for the coming year remains weak.

However, despite the national and economic headwinds affecting London, we should add a note of caution to too much negativity about the capital’s economic prospects – we contribute over 20% towards UK GDP and despite the many problems facing our city, we are leading the world in science, financial and professional services, media, manufacturing, hospitality, tourism and much more.

We remain the global centre for business.

So - whilst we agree with the Mayor that the challenges are immense we urge the Greater London Authority to be even more ambitious for our city.

This means a more innovative use of the budget to evince real change for our city.

This includes ensuring a joined up approach to tackling endemic discrimination and poverty which has bedevilled some communities for too many generations, a new approach to skills provision to take account of the very significant devolved powers that the Mayor has in this field, to ensure there is a greater focus on business crime by MOPAC and to ensure that any move towards widening ULEZ does not mean that SMEs will suffer during the cost of doing business crisis.

One of the ambitions that the Mayor has that we strongly support is for London to be net zero by 2030.

This does mean widening ULEZ to address air quality but it also means tackling the skills crisis that has left gaps in green recruitment in the capital and a more innovative approach towards retrofitting our homes, our community buildings and our commercial premises.

We know that the Mayor will measure his success by hitting the 2030 target.

Let us use this opportunity to do far more to realise this ambition – for the sake of London now and for future generations of Londoners.

Equalities Impact

We note the equalities impact statement on page 46 of the draft budget.

However, we regret that we do not believe this statement has demonstrated sufficient rigour in addressing the equalities issues in our city.

For despite the warm words of many civil society actors, institutional discrimination remains a fact of life for many communities across the capital.

We have addressed some of these issues in our report, *Ethnic Diversity in Business: Removing barriers impeding business success* (May 2022) - [Ethnic-Diversity-in-Business-Paper_1.pdf \(londonchamber.co.uk\)](https://www.londonchamber.co.uk/ethnic-diversity-in-business-paper-1.pdf)

In October 2022, the London Chamber of Commerce and Industry and the Federation of Small Businesses issued joint proposals to the Greater London Authority as to how procurement practices can be significantly improved to ensure that businesses from all communities have the opportunity of winning contract work. Our members rightly complain that access to procurement work is often linked to the perception of who you know not what you can do. This must end.

In Annex A to this submission are the joint proposals of the London Chamber of Commerce and Industry and the Federation of Small Businesses to improving the procurement practices of the GLA. Not only is this essential for diversity and inclusion objectives but it is also linked to greater value for money for Londoners as greater competition leads to more effective quality services and goods being provided by the GLA itself.

Whilst some of the joint procurement proposals are being considered by GLA officers, **we urge the Mayor to accept all of the proposals from the Federation of Small Businesses and the London Chamber of Commerce and Industry if the Mayor is to achieve his objectives in enhancing the green economy in London and ensuring all communities benefit from economic growth.**

Finally, in respect of equalities, **we remain concerned that the GLA does not factor the needs of business in its measure of equalities and sustainability.** With around 880,000 businesses across London, this is a surprising omission.

In August 2022, we urged the GLA to review this stance but, in this draft consultation budget, there is no indication that the Mayor and the GLA will consider the impact of its wider policies, on a systemic basis, on business. **We urge the Mayor to review and rectify this matter.**

We include our August 2022 submission to the GLA in Annex B to this submission.

Innovative funding

We are surprised that there is very little in this draft budget consultation on the role of other forms of finance to support the work of the GLA.

This is especially the case for two primary reasons. The Greater London Authority Act 1999, which established the Mayor and the London Assembly, goes into great detail as to the powers of the Mayor to instigate Public-Private Partnerships (PPPs) but this is barely referred to in this draft budget.

The Mayor has also, rightly, announced the ambition to launch a Green Bond to help finance projects so that London is net zero by 2030. However, there is barely any reference to this project in this draft budget.

We would urge the Mayor to consider how, in this draft budget, innovative funding in partnership with the private sector can provide additionality to the core budget.

Innovative funding should not be considered as replacing core funding. We strongly back the Mayor's stance, for instance, that the funding settlement for TfL was limited and for too short a period of time. No other major city's transport network is funded in such an inadequate manner. The Mayor is right to call for change in the funding of TfL.

That does not mean, however, that some idea of additional income streams via partnership working with business cannot be considered.

As well as PPPs and bond financing, other forms of private sector finance which can provide additionality to the GLA budget includes Policy performance bonds.

A policy performance bond can be defined as a fixed income instrument which represents a loan made by an investor to a borrower, where the interest rate is tied to a policy outcome. Policy performance bonds are different from green or ESG bonds. Unlike green bonds, how funds are applied matters relatively little. What is important is achieving targeted outcomes.

This specific bond model is therefore distinct from the conventional bond model that the GLA has rightly been considering. Policy performance bonds can be used in a range of scenarios such as reducing carbon emissions. In 2017, Danone and Louis Vuitton started issuing policy performance bonds followed by Italian energy company ENEL.

In January 2021 the first policy performance bond appeared in the UK – a £500 million revolving credit facility issued by renewables infrastructure group TRIG, where the interest charged is linked to the Company's ESG performance. TRIG incurs a premium or reduction to its margin and commitment fee based on performance against defined sustainability targets including an increase in the number of homes powered by clean energy from TRIG's portfolio.

Therefore this model addresses many of the concerns that the GLA rightly has as to whether green bonds are viable in the current circumstances.

The other bond structure that the GLA could consider is the sukuk model. Sukuks is a bond structure which has developed within Islamic finance. It is a model that is now used in the United Kingdom. London is a leading global centre for issuing sukuks.

By investing in a sukuk, the investor is directly investing in the asset from the organisation issuing the sukuk. This entitles the sukuk holder to appreciation (or depreciation) of the underlying assets.

The advantage of sukuks is that it encourages medium to long term investment. By having a multiple of investors in one sukuk this enables greater investment collaboration to occur within a secure bond like framework rather than incurring the complexity and costs of using a multiple of contracts to meet the same objective.

Under Labour, Conservative/Liberal Democrat coalition and Conservative Governments, sukuk and bond issuances have been part of HM Treasury's strategy to ensure there are significant infrastructure investments.

The sukuk model, as well being used by the Treasury, has contributed to the construction costs of the Shard and the development of Dubai airport, amongst other examples.

Consequently, we believe that **the draft budget should be revised to provide some greater reference as to how additionality can be factored into the GLA budget planning processes.**

Mayor's Office for Policing and Crime

We support the Mayor in calling on the Home Office to fully fund the Metropolitan Police. At the time of writing, the Home Office is consulting on the funding allocation for the Metropolitan Police which does not meet the inflationary pressures that officers are having to cope with.

We note from the draft budget that the Metropolitan Police are cited as addressing business concerns as a member of the London Recovery Board. **We are therefore disappointed that this section of the draft budget does not refer to the need to address business crime which has risen since February 2020. This should be rectified.**

Our concern is that the funding allocations must meet the needs of London's businesses. The capital contributes over 20% towards UK GDP and this is due to the entrepreneurialism of London's business community. From manufacturing to financial services and from hospitality and the arts to science and professional services, the range and quality of London's nearly 900,000 businesses is second to none.

Therefore, the rise in business crime across London, which comes on top of the costs facing businesses such as energy prices and the impact of the pandemic, is having a direct negative impact on London's economic growth which, in turn, has a knock-on impact on the national economy as a direct consequence.

The Metropolitan Police has recorded a month on month rise in business crime from February 2020 with boroughs such as Westminster, Camden, Southwark, Newham, Lambeth and Islington, amongst others, being badly affected by business crime such as theft and handling and violence against the person.

We recognise and support the national role of the Metropolitan Police in terms of addressing terrorism. This is a recognition not just of the expertise of officers in these two forces but also of the role of London in the national life of the country, particularly in respect of the economy.

Therefore, we are very concerned that despite business crime rising, this is not cited as major issue to be addressed.

London is recovering from the pandemic and is resilient in the face of cost pressures caused by Putin's aggression in Ukraine. For some businesses, the impact of business crime can be a step too far when examining day to day issues such as insurance premiums and monitoring P&L accounts.

Therefore, whilst a strategic approach for policing is needed, we need action for the coming financial year so that London businesses do not fall victim to an emerging new cost pressure – business crime.

Transport for London

The decision by the Mayor in December 2022, to widen ULEZ to all of London to improve air quality was an important step for the capital.

After the decision of the south London coroner in 2020 that the death of 9 year old Ella Kissi-Debrah was due to air pollution, who lived within 30 metres of the South Circular Road, further evidence has been presented by the Mayor as to the impact of poor air quality upon death rates in London.

Businesses accept the need for change. Research undertaken by LCCI and London Councils shows that air quality is of key importance to London businesses.¹

The issue, therefore, is not the need to improve air quality, which affects all Londoners and all London businesses, but whether the scrappage scheme announced by the Mayor is fit for purpose.

We believe this budget process should reflect earlier scrappage schemes issued by the Greater London Authority. Instead TfL, whilst stating ULEZ will be expanded as of 29 August, has stated that a scrappage scheme will be introduced by the end of this month to help people move from diesel to electric vehicles.

Whilst a scrappage scheme is welcome, the details of this scheme which has been announced so far by TfL (as below) is too limited in its scope:

The scheme will be available from 30 January 2023 and consists of a scheme for cars and motorcycles (to support Londoners on certain means-tested benefits or non-means tested disability benefits) and one for vans and minibuses (to support eligible micro businesses, sole traders and charities).

By removing heavy good vehicles from support, micro businesses will be penalised at a time of severe economic and business uncertainty and, at the same time, by not including heavy good vehicles in the scrappage scheme, this means that air quality targets could be missed.

In fact, TfL had introduced a scheme to scrap heavy goods vehicles in the recent past. This heavy vehicle scrappage scheme was launched on 28 September 2020.

There were two offers available for this scheme:

- Option A: £15,000 per vehicle scrapped and replaced with a ULEZ-compliant vehicle
- Option B: £15,000 per vehicle retrofit grant

Applicants could scrap or retrofit up to three non-compliant buses, coaches or heavy goods vehicles (HGVs). Applicants had six months to provide proof of scrappage and receive their payment

¹ London Business 1000 2020 survey, p. 6

To be eligible for the scrappage option, the vehicle had to be an HGV, large van, specialist vehicle (more than 3.5 tonnes GVW), bus or coach (more than 5 tonnes GVW) and not compliant with the LEZ standards. The vehicle must have been owned by an eligible organisation for more than 12 calendar months before the start date of the heavy vehicle scrappage scheme, be insured for business use and be road-taxed with a valid MOT. It must have also been surrendered for secure scrapping at either the Perivale or Charlton Metropolitan Police Pound.

To be eligible for the retrofit option, the vehicle had to be a non-compliant HGV, large van, specialist vehicle, bus or coach. It needed to be owned by an eligible organisation for more than 12 calendar months before the start date of the heavy vehicle scrappage scheme. It must have also been insured for business use. Further, the vehicle needed to be on the Clean Vehicle Retrofit Accreditation Scheme (CVRAS) register, which sets out which vehicles are suitable to be retrofitted, and be retrofitted by a CVRAS-approved company.

TfL itself has reflected on the need for the scrappage scheme to include heavy goods vehicles. In its report, *ULEZ scrappage scheme evaluation report* (November 2022), it stated:

For any future scrappage scheme, it is key that the successes of the previous scrappage schemes are built on to maximise impact, including:

- *A clear and simple-to-use application process*
- *A comprehensive multichannel marketing campaign and stakeholder engagement, to reach eligible audiences effectively and ensure awareness of third-party offers*
- *Increased alternatives to the grant payment to maximise mode shift, in line with the Mayor's Transport Strategy, including a wide range of third-party offers*

However, the current scrappage scheme does not yet provide this level of flexibility. The proposed start of the wider ULEZ area represents a challenge for businesses. Lead times for deliveries of new vehicles are currently stretched, due in no small part to the pressure of the supply of semiconductor chips. This could limit the ability of firms to acquire new ULEZ compliant vehicles before the proposed widening of the zone on 29 August 2023.

As a result of the extended lead times for new vehicles, the second-hand vehicle market is also seeing significant upward pressure on prices. This could further inhibit the ability of firms to switch to ULEZ compliant vehicles before the proposed start date for the extended zone.

Transport for London should consider introducing a 'green transition list' for businesses that can demonstrate they have purchased a ULEZ compliant vehicle to replace their non-compliant vehicle. Those that are waiting for their compliant vehicle to be delivered would then be able to use their non-compliant vehicle in the extended ULEZ area in the interim.

We accept the Mayor's contention that central Government could be assisting in helping to fund a scrappage scheme as has occurred in the rest of the country. We would urge the Government to review their stance and help support London's scrappage scheme.

In the meantime, **we would urge TfL and the Mayor to include a budget line on widening the scrappage scheme to include heavy vehicles** and to consider the recommendations of the London Chamber of Commerce and Industry to improve the scrappage scheme and the operation of ULEZ so that all businesses can play their part in improving air quality.

EV charging points

Whilst the Mayor has been very successful in rolling out electric vehicle (EV) charging points across London, there remains a lack of detail as to the plans and costs for rolling out EV charging points for commercial vehicles such as HGVs.

If the Mayor's net zero target by 2030 is to be achieved this level of detail for TfL should be clearly stated in the budget. **Without the EV charging infrastructure for commercial vehicles – which are key to supporting and sustaining business growth in our city, it is hard to see how net zero can be attained by 2030.**

Adult Education Budget

The adult education budget was not clearly delineated in the Mayor's draft budget. This is an omission which needs to be rectified.

For Londoners wanting to enhance their life chances and for businesses who want the skills crisis tackled, the adult education budget is one of the GLA's key drivers for change.

Flexible and agile learning is critical if we are to witness a step change in improving skills levels across our city. The period of training provision which was rooted in set times and locations does not meet the needs of learners or businesses in the 2020s.

There has been a range of models that has been developed to ensure flexible and agile learning via modular training programmes are effective and are accredited. Alongside this requirement, we believe that adult training provision needs to be more integrated into the R&D work which takes place in the capital.

In particular, consideration should be given as to how we can link more effectively the training of people for a range of technical skills to the Government's Innovate UK agency. Innovate UK support business-led innovation in all sectors and technologies in London by helping businesses grow through the development and commercialisation of new products, processes and services.

During the evidence sessions to the London Assembly on 7/8 September 2022, the Deputy Mayor for Planning, Regeneration and Skills rightly stated that adult education funding had to be evidence based when answering question relating to green skills.

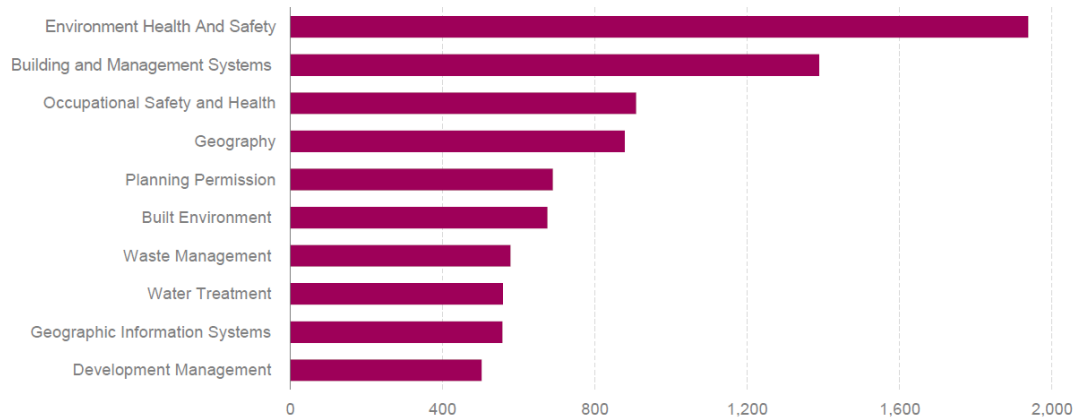
We believe this evidence base would be enhanced if the clear R&D needs of businesses can be more directly linked to the technical training provision that Londoners and London businesses need. Innovate UK's London operations can provide that link with the R&D requirements of the capital's businesses linked to the further provision of technical skills training which are required to meet these R&D requirements. This level of co-operation would help enhance productivity rates in London.

We need to end the silo working patterns in the public sector and link more effectively R&D and training provision. These two issues are interlinked if we want to ensure the creation of high quality skilled green jobs across London.

The need for green skills gaps to be addressed is clear:

Lightcast data, analysed by GLA Economics, showed that in the 12 months to December 2022, there were a number of job postings with demand for green skills:

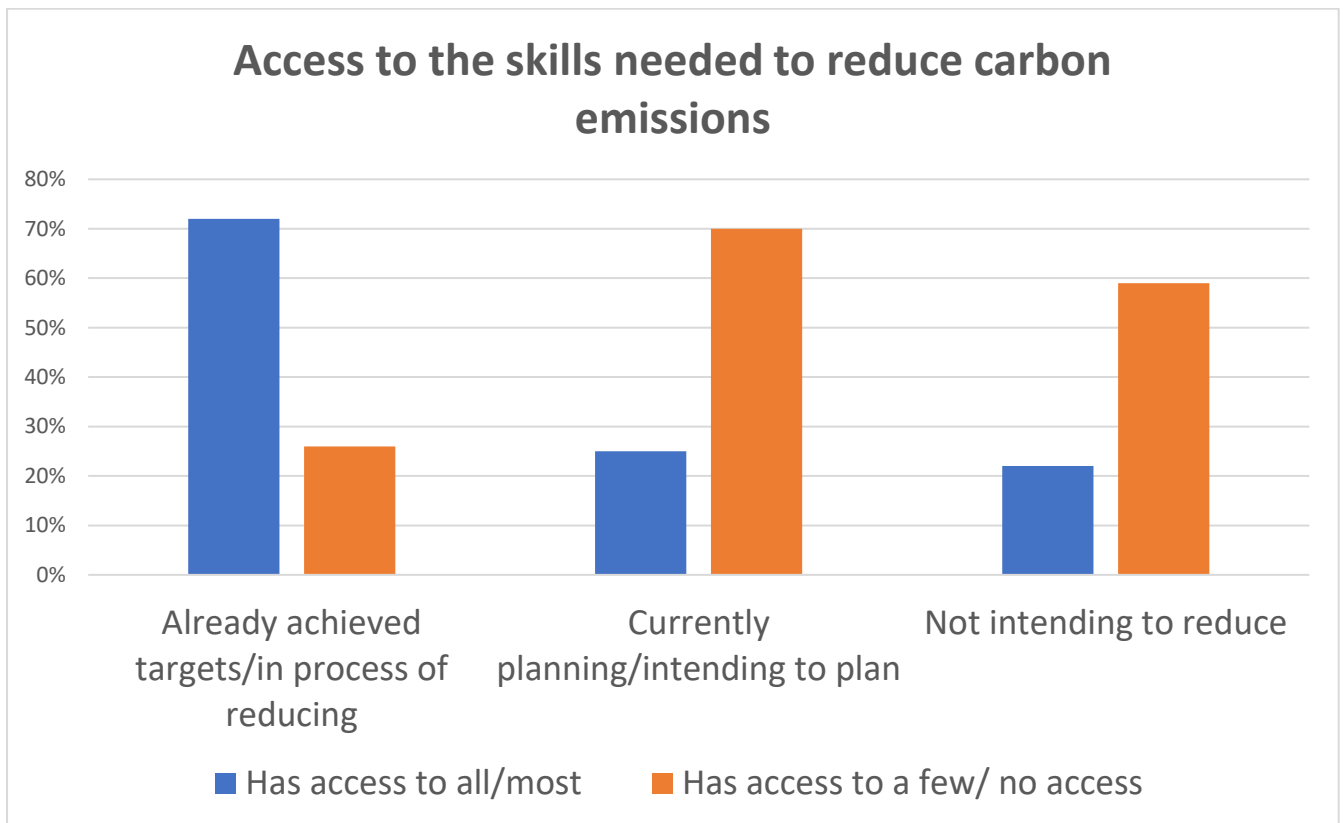
Top 10 in-demand green skills for all jobs over the last 12 months
Lightcast online job postings data, 12 months to early December 2022



Source: Lightcast, 2022

GLAECONOMICS

According to the London Chamber of Commerce and Industry’s Quarterly Economic Survey for Q1 2022, Businesses who said they were currently planning, intending to plan, or were not intending to reduce their emissions were **far more likely** to say they had little to no access to the skills they need to decarbonise:



Therefore there is a need for the adult education budget to be far more delineated in the Mayor’s budget for accountability to Londoners, for improving Londoners’ life chances, for tackling London’s skills crisis and for ensuring the Mayor’s target of London reaching its net zero target by 2030 is achieved.

Annex A

Federation of Small Businesses and London Chamber of Commerce and Industry

Joint Submission to the GLA: Procurement Practices

September 2022

Effective public procurement systems can help the Greater London Authority gain better value for money, reduce pressure on budgets and leave the GLA better prepared to invite private investment to deliver for a range of projects.

Public funds are scarce and the public sector must invest with intention. Improving public procurement systems contributes to a vibrant private sector, helps the GLA gain the most out of its investments and supports growth.

With an active private sector, the GLA is better equipped to crowd in private investors in sectors such as infrastructure, transport or energy.

However, there are gaps and inconsistencies in public procurement markets. The systems in place do not always fall in line with best practices. When this happens, firms can miss important opportunities.

We are also concerned that not only are micro firms and SMEs missing out on procurement opportunities, which is harming the GLA to achieve true value for money but recent research by the Federation of Small Businesses (FSB) and the London Chamber of Commerce and Industry (LCCI) has found that minority ethnic owned businesses are particularly disadvantaged by general public sector procurement processes.

In addition, both the FSB and LCCI strongly endorse social value principles within public procurement practices. The FSB and LCCI believe that the GLA should go beyond the Public Services (Social Value) Act 2012 in addressing economic inequality, the climate emergency and societal wellbeing.

Social value has the potential to be transformational in bringing opportunity across London and to the many small businesses that are the lifeblood of our local communities.

Consequently, the Federation of Small Businesses and the London Chamber of Commerce and Industry therefore make the following recommendations for the GLA's consideration:

- Effective careers advice and proactive measures are needed to ensure that people from ethnic minority backgrounds are aware of skills training schemes and maximise them to train and re-skill in sectors relevant to procurement.

- Procurement should be seen as a means of bringing about real cultural and procedural changes in practice, instead of minimal compliance with contract terms in order to secure contracts.
- Supplier diversity (in terms of ethnicity) and targeted transparent recruitment and retention efforts aimed at increasing the diversity of the workforce should be pursued as part of Corporate Social Responsibility, with evidence-based results.
- The use of social clauses and S106 agreements, particularly in regeneration projects, should be adopted with emphasis on non-monetary benefits such as targeted support, guidance or recruitment opportunities for ethnic minority led businesses or employees from their communities.
- Examples of good practice need to be promoted and widely adopted within the GLA.
- There should be better information gathering on ethnic make-up and the information should be sensitively collected to reflect the diverse make-up of minority ethnic groups. The number of ethnic minority-led businesses who are on-boarded onto contracts should be critically evidenced, measured, and verified across the supply chain(s).
- The GLA should be tasked with widening ethnic representation, should engage more with ethnically diverse networks and other trusted intermediaries within ethnic communities.
- A dedicated GLA taskforce should be convened to establish effective measures to boost the inclusion of ethnic minority-led businesses in public procurement. It should particularly seek to address:
 - Moving beyond a best endeavour approach and identifying more effective and appropriate ways for boosting supplier diversity, such as introducing minimum target percentages.
 - Boosting the inclusion of micro-businesses in the supply chain to address the barriers business owners.
 - Make the procurement process easier and champion best practice in procurement by meeting a target of 33 per cent of all contracts to go to micro and small businesses by 2025 through greater disaggregation of contracts.
- The requirement for a small business to have half a decade's audited accounts before being able to bid for GLA procurement does not provide value for money for the GLA as it shuts out many competitive firms who could do so much to support GLA services. We propose at least two years audited accounts is a sufficient period of time to assess the viability of a local business bidding for work.

- Enable contractors to score highly on points related to diversity including having or proving efforts at having diversity within their supply chain as part of evidence of an advantageous rather than economically advantageous tender
- Ensure that small value contracts worth £10,000+ are advertised, as this acts as an entry point for many 'first time' SMEs into public procurement.
- Ensure there are proportionate insurance requirements relative to the size of award, so as not to place unnecessary barriers in the way of small businesses.
- Make it easier for small organisations to come together to bid in consortia or in partnership, through the provision of information and practical advice
- Adopt a "tell us once" system, where potential suppliers can bid for different contracts by passporting the same regularly used information across bids i.e accreditations.
- Simplify the procurement process - review language and requirements on procurement forms and remove jargon and references that might be difficult for people who do not have extensive expertise or networks to understand
- The GLA should establish a prestigious awards system to highlight ethnic minority businesses.
- Entities that "win contracts" without following due guidelines and process should be penalised.
- The GLA should also put in measures to build the capacity of ethnic minority-owned businesses and work with business organisations to understand the hurdles that they face in the procurement process and address these challenges.
- Modern-day technology solutions should be adopted to equip the deployment of the necessary measurement instruments to deliver real time analytics and datasets as well as better and more informed decision making.
- The Greater London Authority's Architecture Design and Urbanism Panel places a diversity and inclusion requirement on the design teams of all authorities utilising the panel, by which 'equality and diversity' principles within their practice and projects will account for at least 5% of evaluation scores at the 'Invitation to Tender' stage.⁶ This is a welcome approach that should be progressed across other areas of public procurement in London and adopted and built on by other local and GLA bodies.
- Clear steps to boost supplier diversity (in terms of ethnicity) should be included within London Councils' pledges to business, and London's local

authorities should be encouraged to set procurement targets to support ethnic minority led businesses.

- The GLA should also look to provide support for smaller businesses to help them navigate and understand application processes and requirements. This support could be provided through training and workshops, for example.

Dynamic Purchasing System

The Federation of Small Businesses and the London Chamber of Commerce and Industry strongly believe the GLA should shift towards a framework approach towards the dynamic purchasing system (DPS). DPS has proven to be more effective and has saved time and money for central Government since its introduction.

DPS is a procedure available for contracts for works, services and goods commonly available on the market. As a procurement tool, it has some aspects that are similar to an electronic framework agreement, but where new suppliers can join at any time. However, it has its own specific set of requirements. It is run as a completely electronic process.

DPS is a two-stage process. First, in the initial setup stage, all suppliers who meet the selection criteria and are not excluded must be admitted to the DPS. The GLA would not impose any limit on the number of suppliers that may join a DPS.

Unlike framework agreements, suppliers can also apply to join the DPS at any point during its lifetime. Individual contracts are awarded during the second stage.

In this stage, the GLA would invite all suppliers on the DPS (or the relevant category within the DPS) to bid for the specific contract.

DPS can streamline procurement for both suppliers and authorities; suppliers do not have to demonstrate suitability and capability every time they wish to compete for a public sector contract, and the award of individual tenders can be quicker than under some other procedures.

DPS is more flexible in some respects than frameworks, particularly as suppliers may join it at any time during its period of validity, meaning that suppliers are not locked out for the duration as they are with traditional frameworks.

Monitoring Framework

Alongside this direction of travel for procurement practices, the Federation of Small Businesses and the London Chamber of Commerce and Industry also believe that active consideration is required for the monitoring framework to ensure that the Greater London Authority receives value for money from contractors whilst, at the same time, ensuring sustainable economic and equalities objectives are met.

Consequently, we propose the GLA should implement the following recommendations to achieve a positive step change in procurement procedures:

- The GLA to set a once or twice yearly targeted event on procurement for GLA procurement officers and businesses interested in bidding for contracts;
- To support best practice, the GLA would ask small business, that are part of the supply chain, to share their experiences and successes.
- The GLA provides the equalities data, which it collects, on the diversity of its supply chains
- Pay invoices within 30 days or sooner, and ensure that these terms are passed down the supply chain.
- Ensure that no businesses will have to pay, or invoice discount, in return for prompt payment.
- Provide timely and useful feedback to unsuccessful applicants – this could include three areas to improve.
- Regularly monitor spend with SMEs and payment performance, to set targets for growth and ensure that these targets and requirements are being met in the future.

Annex B

London Chamber of Commerce and Industry submission to the GLA's London Wellbeing and Sustainability Measure consultation

25 August 2022

Dear Sir/Madam,

CONSULTATION – DRAFT RECOMMENDATION FOR A LONDON WELLBEING AND SUSTAINABILITY MEASURE

On behalf of the London Chamber of Commerce and Industry (LCCI), may we propose some revisions to the draft London Wellbeing and Sustainability measure.

LCCI is the capital's largest independent business advocacy organisation. We represent the interests of firms of all sizes, from micro businesses and sole traders through to large, multinational corporates, across all 33 London local authority areas – genuinely reflecting the broad spectrum of London business opinion.

As the voice of London business, we seek to promote and enhance the interests of the capital's business community through representations to central government, the Mayor and London Assembly, Parliament and media, as well as international audiences. Through business surveys and commissioned research, LCCI seeks to inform and shape debate on key business issues.

It is in that context that we propose revisions to the draft measure. We support the commitment of the Mayor to develop systems of measurement to assess how our city is developing for the benefit of each and every person across London. We agree with the Mayor that without sufficient analysis and the recording of appropriate data, we would not have a robust evidence base to make the key decisions that are needed for London as a global city to strengthen public services and the strategic position of the capital.

Therefore, we would propose significant changes to this draft document which reflects the needs of business. Currently, the draft document refers to individuals being financially secure and the availability of good employment opportunities. Whilst these economic indicators are critical, these are not enough for a city that is built upon entrepreneurship and business growth.

It is the ability to start and grow your own business which makes London so attractive to millions of people living and working in our city. It is why the Mayor has made a series of commitments in terms of business support.

Entrepreneurs act as agents of innovative change. Entrepreneurs not only contribute to the financial development of firms but they also contribute heavily in the economy and social fabric of London as well.

The contribution of entrepreneurs to wider society is clear. With the use of Environmental, Social and Governance (ESG) targets, business is now playing an active role in civil society. Businesses realise that by addressing the complex social

problems at the root of market failures is often the only way to achieve their ambitious shared value strategies. In such situations, the ability to understand and catalyse collective impact is essential.

The ability to start, grow and develop businesses is a significant omission from this draft measure. It gives many people huge satisfaction to be their own boss and it is SMEs who are the drivers of social and economic change in our city.

London is a city of entrepreneurs and, as such, the measure should be amended to reflect this.

The London Chamber of Commerce and Industry would be happy to work with the GLA to refine the measure to reflect the needs of business.

Thank you for your consideration of this submission.