

Item No.	Classification: Open	Date: 17/06/03	MEETING NAME Executive
Report title:		Enterprise Strategy	
Ward(s) or groups affected:		All Wards	
From:		Director of Regeneration	

RECOMMENDATION(S)

1. That the Executive agrees the Enterprise Strategy and commends it to the Local Strategic Partnership.
2. That the Executive agrees the Council's priorities and actions as outlined in Paragraphs 20 and 21.
3. That the Executive notes in future budget planning, the implications of implementing the Enterprise Strategy (attached as Appendix B).

BACKGROUND INFORMATION

Process to Submission

4. The need for the Council to have an Enterprise Strategy arises directly from the Council's Anti-Poverty Strategy, which aims to promote wealth creation in the borough through supporting the local economy and businesses. This is driven by the need to: build a more dynamic and robust local economy and business community reinforcing town centre developments and local job creation; encourage a prosperous borough with more, healthier, successful, sustainable businesses; develop and support a more diverse range of businesses; and promote an entrepreneurial culture particularly amongst our young people.
5. This need is further supported by the priorities in the Council's Community Strategy. Tackling poverty and dealing with economic, social and environmental issues holistically to make Southwark an area where people choose to live and businesses locate because:
 - there are opportunities for all members of the community;
 - the environment is healthy, safe and attractive;
 - high quality services are available;
 - the borough is associated with prosperity and success.
6. It also arises from the Neighbourhood Renewal agenda to support enterprise in priority neighbourhoods being co-ordinated by the Local Strategic Partnership (Southwark Alliance). The Southwark Alliance Enterprise Task group has supported the development of this strategy and has made important contributions to it. This report recommends that the Strategy be commended to the Southwark Alliance for their adoption and endorsement.
7. This strategy has an intrinsic relationship with both the Southwark Employment Strategy and the Southwark Plan (UDP), which together with the Enterprise Strategy provide the vision and direction for future economic development and growth in the borough.
8. A draft strategy document was prepared for Housing & Regeneration Scrutiny Sub-Committee on 11th November 2002 (see below) and a report outlining

proposals for taking the strategy forward went to Executive, with the Employment Strategy, in December 2002.

9. A consultant was appointed in January to carry out extensive consultation with businesses in Southwark via focus groups (February 2003) and with key stakeholder organisations via a consultation event on 11th March 2003.
10. A further draft version of the strategy was drawn up and sent out for final comment and feedback on 23rd April 2003. This draft version went to Housing and Regeneration Scrutiny Sub-Committee on 15th May 2003 (see below for decisions taken/recommendations made).
11. Feedback has since been received from a wide variety of stakeholders and interested parties and this has been incorporated into the latest draft version for consideration by the Executive Committee.
12. The specific issues of the Pullens Yard properties are considered in a separate report also on the Agenda for this Executive.

Previous Decisions Taken

13. The draft Enterprise Strategy has previously been submitted to and received recommendations from:
 - Executive Committee and Housing & Regeneration Scrutiny Sub Committee on 11th November 2002;
 - Executive Committee on 3rd December 2002; and
 - Housing & Regeneration Scrutiny Sub Committee on 11th December 2002.
14. Between September and December 2002 the Housing & Regeneration Scrutiny Sub-Committee undertook scrutiny of the Enterprise Strategy and the Employment Strategy. The Sub-Committee referred its interim comments on both strategies during the review to the Executive in December 2002. The final Draft Enterprise Strategy was brought back to the Sub-Committee on 8th May 2003, following further development and consultation and prior to its consideration by the Executive.
15. Having considered the current version of the Enterprise Strategy on 15th May 2003 the Sub-Committee agreed the following comments arising from scrutiny:

“That, in respect of the draft Enterprise Strategy, members felt that the document does not make clear enough that this is a work-in-progress, a vision statement and a map of what is currently being undertaken. Members consider it needs to make explicit that during the first year there are essential initial tasks which need to be undertaken so that the Southwark Alliance can determine whether or not the aims of the Strategy are being met.

We recommend that a specific section be inserted into the document stating this and describing these tasks.

We recommend that initial tasks should include:

1. *That further economic research be undertaken - to understand the local economy and the contribution of local business activity to wealth creation, jobs and sustainability to establish a baseline position;*
2. *That realistic and useful performance measures and evaluation mechanisms in respect of enterprise support provision within the borough should be devised;*

3. *That the Council's provision/service should be comprehensively mapped;*
4. *That communication between businesses and other partners requires improvement;*
5. *That different approaches to town centre management - appropriate to the specific location within the borough in question - should be explored and followed;*
6. *That provision for young people should be an early priority.*

That in respect of both the Enterprise Strategy and the Employment Strategy:

7. *Members recommend that the Regeneration Department produce a document that articulates the Council's vision of its own role and responsibilities as a key partner in supporting the Enterprise and Employment Strategies;*
 8. *Members recommend that one such key role for the Council is to ensure the provision of a comprehensive, central and properly updated reference point for use by those seeking information on enterprise and employment in the borough;*
 9. *Members recommend the Southwark Alliance be asked to give consideration to providing a "one-stop-shop" to inform residents about the initiatives of all its partners;*
 10. *That the lack of reference within both strategies to the recently established Community Councils be addressed.*
16. In line with Overview & Scrutiny Procedure Rule 15.4 the above final scrutiny recommendations will be formally routed to Overview & Scrutiny Committee for its comments on 9th June 2003. Members are advised that Overview & Scrutiny Committee has not yet considered the above recommendations – consideration having been deferred to the 9th June 2003 meeting of OSC. The comments of OSC arising from this meeting will be circulated under separate cover for consideration alongside this report.

KEY ISSUES FOR CONSIDERATION

17. The Enterprise Strategy will link closely with the Southwark Employment Strategy and Neighbourhood Renewal Strategy to be a platform for Southwark Council's Anti-Poverty Strategy. Together these will underpin the Community Strategy through the development of stable and inclusive communities and development of a thriving and sustainable economy.
18. This is the first time a strategic approach focusing on enterprise has been developed for Southwark and it is envisaged this strategy will evolve considerably over the next five years to 2008.
19. It is proposed to develop and include headline targets for the Enterprise Strategy. These will be a measure of the overall performance of the local economy, based on a basket of performance indicators. However, as this is the first time a strategic approach focusing on enterprise has been developed for Southwark, and considerable development/change is envisaged over the next five years, a primary targets initially will be:
 - The development of headline targets. These will be identified through the local economy research, which was indicated as a priority by the LSP Enterprise Task

- Group; and
- Development of a basket of performance indicators (informed by the Audit Commission's recent work on Performance Indicators).

20. The implementation of the Strategy will require every agency to identify and co-ordinate priorities for the coming 12 – 18 months. Southwark Council's priorities are for:

- Further economic research to understand the local economy and the contribution that local business activity makes to wealth creation, jobs and sustainability
- Comprehensive mapping of the Council's provision/services and better co-ordination and delivery of Council services to business;
- Improved communication between the Council and businesses, between businesses and with other partners;
- To develop a detailed approach to specific Town Centres;
- Realistic and useful performance measures and evaluation mechanisms in respect of enterprise support provision within the borough should be devised;
- Enhanced provision and support for young people encouraging and supporting an entrepreneurial culture; and
- Monitoring, and developing the strategy, including annual reporting/updating.

21. Southwark Council will be responsible for a number of items from the Year 1/2 Action Plan, including:

- Promote Inner City 100 Southwark Businesses;
- Develop Action Plan to take forward LSP Incubator units/Managed Workspace feasibility study;
- Improve communication inter-agency, business to business and agency to business via programme of events to raise awareness of developments, opportunities and promote networking;
- Support tourism and hospitality sector: LBS Tourism Strategy to be reviewed, revised and implemented;
- Ensure Routemap and Property Register used as tools to support inward investment;
- Improve communication with businesses: drafting of fair regulation concordat and plan for improving communications with business;
- Launch business property register database;
- Review of local procurement; and
- Implementation of the UDP.

There will be considerable opportunities for inward investment, support of existing business and for new enterprise development as part of the major regeneration projects at Canada Water and Elephant & Castle. Work has already been undertaken to ensure that the Economic Development Agenda is considered as part of the development process/negotiations.

22. In addition to those actions identified in the Enterprise Strategy, Southwark Council has existing roles in, and relationships with enterprise. These include Southwark's role as:

- A major landowner/landlord in Southwark;
- A body responsible for rates;
- A contractor of services and delivery;
- The accountable body for regeneration partnerships delivering projects for enterprise;
- A promoter of inward investment;
- A provider or sector support: through dedicated resources (tourism officers) and projects (Workplace Co-ordinators); and

- An organisation with responsibility for support and development of infrastructure and the public realm.

The Enterprise Strategy has potential implications for the Council in terms of resources and the way in which it delivers business support and also how it communicates with, provides services to and consults Southwark based businesses

23. The LSP's have already identified funding to take forward a number of key priorities:

- Develop Action Plan to take forward LSP Incubator units/Managed Workspace feasibility study;
- Development and implementation of the Business Route-map and Commercial Property Register as tools to support inward investment; and
- Review of local procurement.

24. The establishment of a new enterprise agency at the Elephant and Castle, Business Extra, will provide a focus for the delivery of a wide range of business support services which will provide Southwark-wide coverage. Business Extra's key activities will include: Business advice and support; enterprise awareness raising conferences; research; establishment of a business directory; and business start up advice. This central role will play a key part in reducing confusion about the various services available and act as a 'one stop shop'.

25. It is likely that there will be further opportunities for enterprise support and development arising through the DTI, LDA's single programme, LDA², Small Business Service and Business Link 4 London and these will be investigated as they arise.

26. Support for businesses is provided by a number of organisations, agencies and partnerships operating in Southwark. The successful implementation of the Enterprise Strategy will be dependent on joint working, co-operation and liaison between all of these agencies and with businesses themselves. A strategic enterprise partnership will be set up which includes the Council, the Southwark Alliance, Business Link for London, Business Extra, Southwark Association of Voluntary Organisations, Cross River Partnership, Pool of London Partnership, Bankside Business Partnership, Education Business Alliance, Princes Trust, London College of Printing, and other strategic stakeholders, agencies involved in enterprise support delivery in the borough. This partnership will oversee the implementation of the Southwark Enterprise Strategy in the future.

27. The Local Strategic Partnership (Southwark Alliance), through the Enterprise Task Group, is ideally placed to steer, advise and oversee the implementation of the Enterprise Strategy initially. It is envisaged that the broader group referred to above will evolve from this group and report to the Southwark Alliance, building on the LSP Enterprise Task Group, but including full involvement from the key stakeholders and businesses.

Policy implications

28. As described in more detail in paragraph 6, the Enterprise Strategy will link closely to the Employment strategy, which has been endorsed by both the Council and the LSP, and together these form the basis of an overall Economic Development Strategy contributing directly to the Administration's Anti-poverty Strategy.

29. The Strategy sets out a short/medium term Action Plan to address issues highlighted through the research and consultation; and a policy/development plan to describe ongoing developments and opportunities for improvement. It also identifies an overarching goal of "creating a healthy competitive business environment built on an

entrepreneurial culture with improved access to employment opportunities for residents", along with 3 key principles supported by 4 objectives, as follows:

Principle 1: Maximising effective use of resources

Principle 2: Enhancing Business Opportunities in Southwark

Principle 3: Partnership

Objective 1: To build an entrepreneurial culture

Objective 2: To retain and support existing businesses and promote inward investment

Objective 3: To enhance enterprise opportunities in the key business districts and town centres

Objective 4: To work towards a safe, high quality and accessible environment for businesses

30. The Local Strategic Partnership have commissioned the consultation work on the development of the Enterprise Strategy but have yet to formally adopt it. It is hoped that they will be able to consider and endorse the Strategy in July 2003. Until such time as the Local Strategic Partnership formally adopts the Strategy, the partner agencies, such as the Council, are being asked to consider the Strategy from their own perspectives and agree broadly to the targets and objectives within it.
31. The Strategy describes the current business context in Southwark and identifies all the main activities and programmes currently operating in the borough. Business advice and support services have developed and been delivered in a piecemeal way in Southwark over a number of years. This has led to some fragmentation of services and information, and confusion amongst businesses and other users. One of the key issues the Strategy therefore seeks to address is communication and coordination between all of these different agencies, projects, partnerships and businesses.
32. Once endorsed by the LSP, the Strategy will become a key tool in co-ordinating and delivering services to business in Southwark with annual reviews of progress against targets, as well as on-going review of the targets themselves.

Effect of proposed changes on those affected

33. The Enterprise Strategy recognises the need to focus on wider enterprise support objectives and holds the view that its four key objectives can work to ensure that Southwark can maximise the benefits of a healthy enterprise and inward investment culture.
34. The Enterprise Strategy identifies growth sectors, business types and high need groups/areas within Southwark and, as a shared document, will work to ensure that all stakeholders are addressing gaps in their provision.

Resource implications

35. There is existing funding for business support activity in Southwark. Year 1 delivery and review of the Enterprise Strategy will be used to identify gaps in services and funds and the need for growth and/or reallocation of the Council's contracting budget from 2004/05.
36. There are resource implications in the Strategy for the Council's Regeneration Department:
- **financial issues**
The Council operates a small contracting budget for employment/enterprise focused projects across Southwark. This budget is approximately £600,000 per annum. The

Economic Development Team commissions employment and training projects that link to existing Single Regeneration Budget (SRB) programmes as Council match-funding and European projects that cater for the socially excluded. Some of this budget could be refocused in 2003-04 to focus more directly on meeting the self-employment/business start-up priorities of the Southwark Enterprise Strategy.

- **staffing issues**

The Strategy will inevitably require implementation monitoring and review. While the Local Strategic Partnership can oversee some of this work, the expertise for detailed monitoring of the Strategy's implementation is already contained with the Council's Economic Development team in the Regeneration Department. Staff currently work with many local and regional agencies/projects on Enterprise in Southwark, including: LSP Enterprise Task Group, Business Extra, Business Link 4 London, Princes Trust, One London, Cross River Partnership, Pool of London, Chamber of Commerce, LDA and others. The current staff team is, however, operating to capacity. It is anticipated that an additional staff member would be required to fully focus on implementing, monitoring and reviewing the Strategy. The Action Plan also highlights coordination and publicity work, positive promotion of good employers and case studies, research, methods for better coordination of agencies and training of key staff - all of which could be led effectively by the Local Authority. Initially, the Economic Development Team, in partnership with the LSP Enterprise Task Group and Employment Task Group is seeking Neighbourhood Renewal Funding to support this role; however, on-going commitment beyond the lifetime of NRF may require support from the Local Authority.

Consultation

37. This strategy has been developed in partnership with the Local Strategic Partnership and through extensive consultation with a broad range of businesses and stakeholders. As described more fully in the Background section above, extensive consultation has taken place with a range of stakeholder organisations, agencies and interests and best efforts have been made to ensure that all have had an adequate opportunity to feed into the process at every stage. In brief the consultation which has taken place consists of:

- 4 x Focus Groups: these were carried out to ensure a broad geographical coverage in Southwark and to ensure that a wide range/type of business was included, eg large employers, SME's, sole traders, different sectors etc.
- 1 x Stakeholder Conference/Workshop Event: all key stakeholders, agencies and funders delivering for and to businesses in Southwark was invited and most attended (over 50 x attendees). This included: Business Link for London, Princes Trust, London Development Agency, the Local Strategic Partnership – Southwark Alliance, Southwark Council (via representatives from various departments involved in service delivery which affects enterprise), Regeneration Partnerships, education providers including Southbank University and London College of Printing London Institute, Elephant Enterprises, the Princes Trust, Salmon Youth Centre, Southwark Chamber of Commerce and others.

38. Following the above consultation a draft strategy was drawn up and circulated for further comment and feedback to all who had taken part in the consultation to date, plus those who had expressed an interest, but been unable to participate. This feedback has now been incorporated in the latest version for submission to the Executive Committee and LSP Board.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Borough Solicitor & Secretary

39. The Local Government Act 2000 requires the Council to draw up a community strategy for promoting or improving the economic, social and environmental well-being of the area. A key part of the preparation of such a strategy involves consultation with other organisations in the community.
40. Two of the themes of the Council's current community strategy are "Stable and inclusive communities" and "A thriving and sustainable economy" which support the drawing up of an enterprise strategy. Although there is no legal requirement on the council to prepare or endorse an enterprise strategy, this is consistent with the community strategy and with the Executive's priority of "Tackling Poverty".
41. Supporting the LSP's Southwark Enterprise Strategy is therefore consistent with the Council's current Community Strategy and the general power to improve the economic, social and environmental well-being of the area contained in section 2 of the Local Government Act 2000.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Draft Enterprise Strategy + Appendices	Economic Development Team, Regeneration Department, Chiltern House, Portland Street, London SE17 2ES	Rebecca Trueman 020 7525 5678
The Southwark Plan	Planning Policy Team, Regeneration Department, Chiltern House, Portland Street, London SE17 2ES	Simon Bevan 020 7525 5411

APPENDIX A

Audit Trail

Lead Officer	Paul Evans		
Report Author	Rebecca Trueman		
Version	Final draft		
Dated	6 th June 2003		
Key Decision?			
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER			
Officer Title		Comments Sought	Comments included
Borough Solicitor & Secretary		Yes	Yes
Chief Finance Officer		No	No
Executive Member		No	
Date final report sent to Constitutional Support Services			

APPENDIX B

ENTERPRISE STRATEGY