

# SMALL BUSINESS PARTNERSHIP

**LONDON SMALL BUSINESS PARTNERSHIP  
(THE “PARTNERSHIP”)  
DATED FROM 3 MAY 2018 UNTIL 5 MAY 2022**

**BETWEEN**

**----- The Greater London Region of the Federation of Small Businesses -----  
(the “self-employed, micro and small businesses”)**

**- AND -**

**----- All 32 London Boroughs and the City of London Corporation -----  
(the “service provider”)**



**A PARTNERSHIP DOCUMENT TO MAKE  
LONDON BOROUGHs EVEN STRONGER**

# ABOUT US

**The Federation of Small Businesses (FSB) has grown since our founding in 1974 into the UK's leading business organisation.**

Our mission is to create the best environment for businesses to start up and thrive in. Our success drives the economy and creates jobs.

We are member-led, so that we authoritatively protect and champion the interests of 1.05million micro and small businesses in London. Our members are either self-employed or owners of small firms.

## Contents

The current condition	03
Business Engagement	05
Procurement	05
Parking	07
Planning	08
Business Rates	09
Town Centres and Tourism	09
Digital	10
Business Support	10
Skills	11

**The current conditions:** London is at a turning point with the high cost of doing business in the capital. Cost pressures include the high cost of transport which is putting additional pressure on wages and inflation for London businesses. The higher cost of employing staff generally and the heavy burden of crippling high commercial space costs is having additional negative impacts on small businesses. With the most recent business rates revaluation impinging on their bottom line, central, regional and local government must be strong partners to small businesses in the short and long term for them to be sustainable and grow.

**There are 885,000 single person businesses in London and a further 30% of all employment in the capital is in a small business.<sup>1</sup>**

This document is aimed at councillors, prospective councillors of major parties and council officers who are making and implementing policies across London boroughs or The City of London Corporation.

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<sup>1</sup> Department for Business, Energy and Industrial Strategy (BEIS), Business Population Estimates for the UK and Regions 2017, 30 November 2017

## What your Council can do to become better small business partners in their first year of office, and how you can be an advocate for small businesses.

### Business Engagement

- Have a designated councillor as your small business champion, reporting to council quarterly on engagement, initiatives and feedback from the local small business community.

### Procurement

- In light of the Carillion affair, we would like to see an increase in the number of contracts at borough level which are aimed at micro and small businesses.
- Offer prompt payment within 30 days or less, and ensure that prime contractors pass on the payment terms to their subcontracted suppliers by building this into their contracts and monitor this is being fulfilled.

### Parking

- Carry out an impact assessment and consultation with the community, including businesses, prior to making changes to parking provision and charges, to enable the understanding of wider issues.

### Planning

- We would like to see Boroughs consult on and introduce Article 4 Directions to protect local stocks of small business space from office-to-residential conversion. This is particularly important for priority employment areas and business clusters.

### Business Rates

- Support our call for small business rates relief (SBRR) to be increased from the current level of £12,000 to £20,000 in inner London and £15,000 in outer London.

### Skills

- Help small businesses to identify available support to take on apprentices, such as financial assistance and guidance.
- Increase the business representation on local skills board. Make it accessible for employers to input into the discussion.

**99.3% of the  
1.05million  
private sector  
businesses  
in London are  
small - less than  
50 employees.**

[www.nomisweb.co.uk](http://www.nomisweb.co.uk)

# BUSINESS ENGAGEMENT

For small businesses to compete, grow and stay current, they often need support and engagement with their local and neighbouring boroughs. It is critical that businesses find it easy to access borough support and services, and it is equally critical that boroughs listen and consider the needs of businesses before making investment decisions or policy changes. Small businesses are critical to the local economy so we urge Councils not to pay only lip service to them.

## How your borough can become stronger partners to small businesses:

- Have a designated councillor as your small business champion, reporting to council quarterly on engagement, initiatives and feedback from the local small business community.
- Ensure consultations are easy to understand and easily accessible, with specific asks from stakeholders that are outlined with timescales included.
- Regularly visit business - both large and small - and have scheduled engagement with the business community and business organisations.
- Businesses do not work to artificial boundaries. Work in partnership with neighbouring boroughs to engage with businesses.



# PROCUREMENT

Research shows that doing business locally is better value for money as small local firms generated £746 million more for the local economy compared to large local businesses – even though more than £500 million less was spent with them. It highlights that for every £1 spent with a small or medium-sized business (SME) 63p was re-spent in the local area compared to 40p in every £1 spent with a larger business.

In light of the recent liquidation of Carillion, a major contractor to the London private and public sector, the FSB London are keen to see a change of attitude towards procuring contracts in the capital.

FSB are therefore keen for more to be done to encourage and support small businesses looking to supply to your borough and its related departments; and for boroughs to work to achieve the national Government target of at least 33% of all contracts being delivered by local small businesses.

## How your borough can become stronger partners to small businesses:

- Ensure all contracts worth over £10,000 are published on the Contracts Finder portal.
- Where possible, disaggregate the overall value of tenders to the 'average value of individual projects' allowing for a fairer opportunity for micro and small businesses to tender.

- Review insurance requirements and apply differential levels based on project need.
- Offer prompt payment within 30 days or less, and ensure that prime contractors pass on the payment terms to their subcontracted suppliers by building this into their contracts and monitor this is being fulfilled.
- Make it a requirement that at least two of three quotes are sourced from businesses within your council boundary and are openly publicised
- Ensure that all unsuccessful suppliers receive useful and timely feedback in regards to their tender applications.
- Take account of the third party accreditations that a firm already has, rather than insisting that all bidders are registered with a specific accreditation body as a blanket requirement.
- Replace framework agreements with Dynamic Purchasing Systems.
- Host tender support activities, including training and workshops, to help potential suppliers understand the procurement process and how to bid effectively.
- When delivering large scale investment make sure the benefits of supporting the local workforce and supply chain is recognised from the start of the commissioning process.
- Regularly monitor and map procurement spend and the outcomes achieved as a result.
- Use the Social Value Act to ensure that small businesses have a great opportunity to win more contracts in the local area.
- Carry out market testing ahead of major procurements to ensure the Council takes on board the views of potential providers and is open to any innovative approaches they may offer.
- Provide information and practical advice to make it easier for small organisations to come together to bid in consortia or in partnership.



# PARKING

Local businesses are at the heart of a community and play a vital role ensuring that the community continues to thrive. The provision of accessible parking, within a sustainable transport plan, is integral to the success of local shops and businesses, especially away from central London and in the outer Boroughs.

Parking is the first experience that consumers travelling by car have when they arrive, and the last that they have when they leave. FSB are therefore keen for borough parking policies to actively encourage visitors whilst recognising public transport, cycling and other means of travel as well as meeting the needs of local small businesses. The value of local High Streets to local communities must be recognised and Councils should alter business parking policies to support local small businesses.

In response to an FSB Freedom of Information request to ascertain how much Business Parking Permits have increased across London Boroughs since 2006 – the average single vehicle increase across the boroughs is a staggering 81% over 10 years<sup>2</sup> – well above the rate of inflation for that period.

Recent FSB data shows that just over a half (51%) of FSB London members say that parking costs have a significant impact on the success of their businesses.

## How your borough can become stronger partners to small businesses:

- Review duration and time restrictions of existing on-street parking to ensure it's effective for the local businesses.
- Carry out an impact assessment and consultation with the community, including businesses, prior to making changes to parking provision and charges, to enable the understanding of wider issues.
- Work in partnership with local consumers and businesses to identify ways of enhancing parking facilities that encourage consumers to shop locally.
- Be aware of your legal requirements and not use revenue from parking to subsidise budgets.
- Offer discounted parking on key dates in the year e.g. the run up to Christmas or Small Business Saturday.
- Business Parking Permits should be recognised as an essential business need and charges should only be set after full consultation with local businesses.
- Work with London Councils to develop a consensus across London for applying loading and unloading regulations.
- Parking provided to support high street businesses should retain a good balance of short- and long-stay parking to ensure that sufficient parking is available for customers.
- Ensure that there are sufficient taxi parking and drop-off spaces, and driver rest areas.
- Consider allowing use of residential parking spaces by customers of local shops to promote local economic growth (during periods when they are not being used by residents)
- Upgrade parking meters to offer numerous ways to pay – not just coins but for example notes, credit card, apps or number plate recognition.
- Improve signage to car parks and spaces.



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<sup>2</sup> FSB data obtained under FOI in October and November 2016.

- Invest in technology to show shoppers and visitors the parking availability.
- Increase availability and accessibility and improve the quality of coach parking to support tourism.

## PLANNING

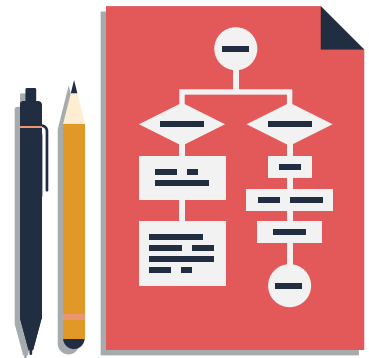
FSB London recognises the major housing shortage in London that is impacting on the ability of small firms to recruit and retain the brightest and best talent in London.

The problems of space are not just reserved to residential but also commercial availability. Swathes of office and industrial land is being lost to conversion in the capital that is leading to a cocktail of problems for small firms.

Permitted Development Rights pose a particular threat to the supply of small business premises in London, and has undermined the cohesion and viability of many high streets.

More than half (58 per cent) of FSB members in London said that availability of commercial space was a significant factor in the success of their business.<sup>3</sup>

Furthermore, over a half (52%) of businesses said that they do not expect to be in the same London premises in five years' time – with 62% of Zone 1 based businesses not expecting to be in the same premises as a result of the affordability and availability of commercial space.<sup>4</sup>



### How your borough can become stronger partners to small businesses:

- Speed up and simplify the planning application process for small housing developments.
- Support the London Plan proposals to support small and medium sized housebuilders and take into account the higher build costs of small housing developments, when setting the levels of developer contributions such as CIL.
- Within local plans and planning policies ensure there are a range of affordable local business premises available, both to encourage new enterprises and allow existing businesses to grow.
- Ensure that new build properties are superfast broadband enabled as part of planning conditions.
- Investigate the feasibility of providing council managed office and light industrial space for businesses that offer easy in/easy out low rental agreements.
- Undertake an impact assessment on town centres before granting planning permission to out of town retail developments.
- Boroughs must consult upon and introduce Article 4 Directions to protect local stocks of small business space from office-to-residential conversion. This is particularly important for priority employment areas and business clusters.
- Have fully resourced planning departments to avoid delays in applications and appeals.
- Support the development of business hubs and co-working space.

<sup>3</sup> FSB 2016 Mayoral Manifesto: Back the 99%\*. [www.fsb.org.uk/docs/default-source/fsb-org-uk/fsb\\_london\\_mayor-manifesto.pdf?sfvrsn=0](http://www.fsb.org.uk/docs/default-source/fsb-org-uk/fsb_london_mayor-manifesto.pdf?sfvrsn=0)

<sup>4</sup> [www.fsb.org.uk/regions/greater-london/policy-and-lobbying/regional-press-releases/fsb-london-data-shows-april-19th-2018-to-be-next-year-s-new-rent-and-rates-freedom-day-for-small-businesses-in-the-capital](http://www.fsb.org.uk/regions/greater-london/policy-and-lobbying/regional-press-releases/fsb-london-data-shows-april-19th-2018-to-be-next-year-s-new-rent-and-rates-freedom-day-for-small-businesses-in-the-capital)



# BUSINESS RATES

FSB believe the current business rates system in England is unfair, onerous and out of date. It is the third highest cost after staff and rent. This problem has been exacerbated recently as a result of the 2017 revaluation, where every London Borough saw an increase in average business rates. We are lobbying nationally for there to be a fundamental reform of the business rates system, and for changes to the small business rate relief thresholds in London, but in the meantime we ask boroughs to support businesses the best way they can.

## How your borough can become stronger partners to small businesses:

- Support our call to government for small business rates relief (SBRR) thresholds to be increased from the current level of £12,000 to £20,000 in inner London and £15,000 in outer London.
- Encourage eligible businesses to apply for Small Business Rate Relief by printing the detail on the rates bills and giving clear instructions how to apply for it.
- Provide appropriate signposting support for any business looking to appeal against their valuation.
- Support businesses to access the discretionary reliefs they may be entitled too, including the new discretionary relief fund provided by the government at the 2017 spring budget.

# TOWN CENTRES AND TOURISM

From changing shopping and working habits to cheap out of town parking, our town centres have struggled to adapt, despite the hard work of small businesses. Although new initiatives are beginning to breathe new life into many areas, we need bold, sustained action to support new uses for our town centres, encourage more entrepreneurs in local areas and encourage the public to shop local.

## How your borough can become stronger partners to small businesses:

- Implement targeted 'Business Area Support' measures to areas which are of local importance but facing severe hardship.
- Reduce the cost of doing business in town centres by looking to introduce discretionary business rates schemes.
- Tackle the problem of absent commercial landlords who allow empty properties to fall into disrepair.
- Encourage pop-up shops and ease the bureaucracy around running ad hoc markets days and special events.
- Develop a town centre and tourism strategy. Work with other local stakeholders and London and Partners to identify the coherent tourism offer available in local communities, and identify a distinctive brand for the area.



# DIGITAL

Broadband and mobile connectivity is a key priority for businesses and work needs to be done with providers to eliminate 'not spots' for mobile telephone and data coverage across the region. FSB research shows nearly all (94 per cent) of small business owners rate a reliable broadband connection as critical to the success of their business.

## How your borough can become stronger partners to small businesses:

- Ensure that new build properties, including commercial properties, are superfast enabled as part of planning conditions.
- Work with neighbouring authorities to pool resources.

# BUSINESS SUPPORT

There is no shortage in demand from small firms for business support, but the current landscape is overcrowded and confusing. FSB would like to see boroughs work with the London Growth Hub and the LEAP to develop a cohesive system of business support that is effective, sustainable, adds value and one that businesses understand.

## How your borough can become stronger partners to small businesses:

- Ensure the business support offer is tailored to the needs of all small businesses, not just starts up or high growth firms.
- Consider offering borough funded grants for start-up and developing businesses.
- Have one point of entry for all business support programmes that are delivered by your council through the London Growth Hub.
- Take steps to actively engage with hard to reach businesses and diverse groups including women and ethnic minorities.
- Deliver any training and business support through a variety of media channels including webinars, podcasts, online training, events etc.
- Signpost businesses to the new FSB Finance Platform



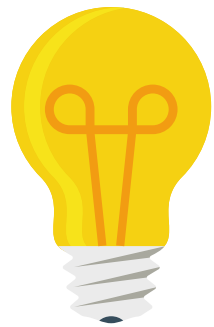
# SKILLS

Employers are increasingly failing to recruit the people they need and are reporting skills shortage vacancies. There are numerous challenges facing employers in London, including difficulty finding workers with in-demand technical skills, an ageing workforce, Brexit and the housing crisis.

In addition, business owners are not prioritising or have the revenue to invest in their own skills and those of their employees, which is preventing many from upskilling in the workplace. FSB are campaigning around all these issues – for greater and more relevant engagement between students and business and for schools and colleges to encourage enterprise among young people, for improved support for business owners looking to update the skills in their workforce, and high-quality apprenticeships and technical provision for learners of all ages. We want small business owners, and those they employ, to have the skills, experience and confidence to be productive in the economy and labour market.

## **How your borough can become stronger partners to small businesses:**

- Help small businesses to identify available support to take on apprentices, such as financial assistance and guidance.
- Increase the business representation on local skills board. Make it accessible for employers to input into the discussion.
- Use labour market information to identify your local skills gap and tailor solutions accordingly.
- Support schemes that encourage greater engagement between education and business, including the London Enterprise Advisor Network, Inspiring the Future, Young Enterprise and the Careers and Enterprise Company's Enterprise Advisor Network.
- Support local programmes which aim to boost the number of apprenticeships and work with schools and colleges to highlight pathways into vocational education and training, as well as traditionally academic routes.
- Encourage and support small firms to invest in leadership and management training, and emphasise the link between skills training and improved business productivity and competitiveness.



# EXPERTS IN BUSINESS

**As experts in business, The Federation of Small Businesses (FSB), offer our members a wide range of vital business services including advice, financial expertise, support and a powerful voice in government. Our mission is to help smaller businesses achieve their ambitions.**

Established over 40 years ago to help our members succeed in business, we are a non-profit making and non-party political organisation that's led by our members, for our members.

Members get an exclusive package of great value business services including advice, financial products and support. These cover a wide range of benefits such as tax, legal and HR, local network groups, business banking and mentoring.

We don't only provide fantastic membership benefits - FSB is also the UK's leading business campaigner, focused on delivering change which supports smaller businesses to grow and succeed.

Our lobbying arm starts with the work of our team in Westminster which focuses on UK and English policy issues. Further to this, our expert teams in Glasgow, Cardiff and Belfast work with governments, elected members and decision-makers in Scotland, Wales and Northern Ireland.

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## **FSB are committed to working in partnership with elected councillors and council officers to support boroughs.**

In London a dedicated team of local business champions are on hand to discuss this further and provide examples of where best practise is working across the UK. If you would like to meet up with your local FSB borough champion then contact:

Denise Beedell – [denise.beedell@fsb.org.uk](mailto:denise.beedell@fsb.org.uk) or **07595 284 327**

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**fsb**<sup>08</sup>  
Experts in Business